

MANITOBA PUBLIC INSURANCE
2020 GENERAL RATE APPLICATION
Round 2 Information Requests
September 13, 2019

Bike Winnipeg



MANITOBA
PUBLIC INSURANCE

BW (MPI) 2-1

Part and Chapter:	Part VII LP Attachment A RS conference report	Page No.:	53
PUB Approved Issue No:	20 Road Safety		
Topic:	Optimal road safety budget		
Sub Topic:	Measuring drivers against standards		

Preamble to IR:

In its response to BW (MPI) 1-4, MPI states that activities and costs related to driver testing are not relevant to Basic rate setting and not a factor to setting the road safety budget.

Questions:

- a) Does MPI agree with the statement that driver training and follow-up testing is a factor that can have a direct result on driver behaviour, such as being involved in collisions?
- b) If not, why not?
- c) If the costs of driver testing are not covered in the MPI rate base, where does the funding for driver testing come from?
- d) If the driver tests are funded from a budget separate from the rate base; how big is that budget, how is it set, and what else does it cover?

Rationale for Question:

To follow up and seek clarification with respect to previous responses provided by MPI.

RESPONSE:

a) and b)

MPI performs driver testing as the administrator of *The Drivers and Vehicles Act*. Cost for administering that Act are funded by the Government of Manitoba, and are not paid for by premiums charged to Basic ratepayers pursuant to *The Manitoba Public Insurance Corporation Act*. Driver training and testing confirms drivers have the requisite knowledge and skill to operate a motor vehicle safely. MPI agrees that early instruction, supported with ongoing reminder education and awareness messaging, can continue to influence driving behavior; however, the costs of administering the two mentioned Acts come from two different sources – one is relevant to this application and the other is not.

c) Costs for driver testing reside with MPI's Service Center Operations, and are allocated to Drivers and Vehicles Act (DVA) Administration. DVA funding is detailed in MPI's Annual report found in *Part VIII Annual Reports Appendix 3, page 22*, and in MPI's Annual Financial Statements found in *Part VIII Annual Reports Appendix 5, page 47*.

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

d) The activities and costs associated with driver testing as well as the size, methodology and content of the Service Center Operations budget are not relevant to Basic rate setting.

BW (MPI) 2-2

Part and Chapter:	Part VII LP Attachment A RS conference report	Page No.:	53
PUB Approved Issue No:	20 Road Safety		
Topic:	Optimal road safety budget		
Sub Topic:	Testing drivers against standards		

Preamble to IR:

In its response to BW (MPI) 1- 5, MPI states that in support of the change brought on by Bill 17 The Drivers and Vehicles Amendment and Highway Traffic Amendment Act, it worked with its safety partners to inform drivers and the general public, in addition to MPI internal departments, of a series of key messages.

Questions:

- a) In further response to BW (MPI 1-5 a), MPI states that a formal evaluation of the campaign was not done, why not?
- b) How does MPI determine when a formal evaluation of a program, project or campaign is necessary?
- c) In further response to BW (MPI 1-5 a), MPI states that while a formal evaluation was not done, its project team did a complete post-implementation review of the initiative, as a lesson learned exercise, in order to improve and enhance implementation of similar initiatives.
 - i. Please produce the findings, recommendations and conclusions of the complete post-implementation review of this initiative?
 - ii. If not, why not?

- iii. Alternatively, please produce the improvements and enhancements to implementation of similar initiatives which came from this process?
 - iv. If not, why not?
- d) In the response to BW (MPI 1-5 a), MPI mentioned various media, but not road signs. Who has paid for the road signs in Manitoba about distracted driving? Does MPI have any data on the effectiveness on the effectiveness of road signs in reminding drivers of rules of the road?

Rational for Questions:

To follow up and seek clarification with respect to previous answers provided by MPI.

RESPONSE:

- a) Communication evaluation is prioritized based on campaign size and issue priority. It would not be fiscally prudent for MPI to complete public awareness polling or other evaluation research for each and every awareness campaign.
- b) See response in (a) above.
- c) The post implementation review related to this specific campaign consisted of informal internal discussions to resolve any operational issues associated with the campaign.
- d) Traffic road signs are the responsibility of Manitoba Infrastructure in rural Manitoba and the local municipalities in urban areas. As such, MPI does not maintain research on the effectiveness of these signs in reminding drivers of the rules of the road.

BW (MPI) 2-3

Part and Chapter:	Part VII LP Attachment B	Page No.:	9 of 12
PUB Approved Issue No:			
Topic:	Road to Zero		
Sub Topic:	Progress Report / City of Winnipeg Active Transportation Network		

Preamble to IR:

In its response to BW (MPI) 1-11, (in particular BW (MPI) 1-11 b), MPI states that collision data has not been actively shared with the City of Winnipeg due to limitations in identifying specific collision location and causation, specifically related to the citywide active transportation network. MPI is committed to improving collision data collected and used to evaluate safety initiatives intended to reduce the risk to all road users. Therefore, MPI will collaborate with the City to determined the current data gaps and identify strategies on how best to gather and share improved collision information.

Questions:

- a) Has MPI begun this collaboration with the City of Winnipeg?
- b) If not, why not?
- c) What type of collaboration with the City of Winnipeg is MPI contemplating that will positively enable it to determine the current data gaps and identify strategies on how to best gather and share improved collision information?
- d) Does MPI anticipate a formal evaluation of this commitment to improve collision data collected in collaboration with the City of Winnipeg?
- e) If not, why not?

Rational for Questions:

To follow up and seek clarification with respect to previous answers provided by MPI.

RESPONSE:

- a) MPI has begun consultation with the City of Winnipeg.
- b) Please see response (a).
- c) MPI is interested in working cooperatively with counterparts in the City of **Winnipeg's Public Works department and Traffic Management Center to identify** locations that are most-at-risk to vulnerable road users, as well as, the causes of collisions in high collision locations. MPI anticipates utilizing this collision data, gathered jointly, in business case development for programs or initiatives that can impact collision frequency and severity in these locations.
- d) An evaluation would occur once progress has been made on determining how best to gather and share improved collision data between MPI and the City of Winnipeg.
- e) Please see response (d).

BW (MPI) 2-4

Part and Chapter:	Part V ii	Page No.:	1469 +
PUB Approved Issue No:	Road Safety		
Topic:	Drivers meeting standards		
Sub Topic:	Driver Safety rating		

Preamble to IR:

One **option to identify the extent to which drivers meet Manitoba's standards to operate a vehicle safely** is to examine drivers who lose a significant number DSR points.

Question:

Please provide a table showing, for a given recent year, how many drivers lose each of 1, 2, 3, 10 or more DSR points in that year.

Rationale for Question:

This will provide a distribution of how many drivers lose how many points in a year, which will be useful to evaluate at what level a driver might be required to do some driver safety testing.

RESPONSE:

Knowledge tests are conducted as part of MPI's administration of *The Drivers and Vehicles Act* (DVA), and are not part of the Basic Autopac program. Notwithstanding that driver testing, and MPI's administration of the DVA in general, are not within the scope of this proceeding, MPI has provided the requested information in Figure 1 below.

Figure 1 DSR Movement 2018

Line No.	Number of Points Lost	Number of Drivers (2018)
1	1 point lost	126
2	2 points lost	38,961
3	3 points lost	119
4	4 points lost	3,748
5	5 points lost	45,707
6	6 to 9 points lost	6,013
7	10 points (or more) lost	4,252
8	Total	98,926

BW (MPI) 2-5

Part and Chapter:	Part VII LP Attachment A RS conference report	Page No.:	P.19
PUB Approved Issue No:	20 Road Safety		
Topic:	Vehicle class impact on safety of other road users		
Sub Topic:	Case study of FSPU v. Class C sedans		

Preamble to IR:

BW understands that at the road safety technical conference, MPI acknowledged that passenger trucks might be more harmful to other road users in collisions, but that their insurance rate might not reflect such costs.

BW further understands that European regulators require that car front-ends minimize collision consequences for pedestrians. While cars sold in North America are generally **of the same design; North Americans are buying “trucks” which are not subject to** these types of stringent safety rules.

Question:

Please provide descriptive tables and statistical analyses that compare the crash records of Full-Sized Pickups to that of C sized cars over the past ten years, including:

Please test the hypothesis that their crash records are different, both in terms of their probability of being involved in a crash, and the probability they cause (a) more harm to humans outside the vehicle, and (b) more claims damage to vehicles they crash into.

Please run bivariate tests, multivariate tests and factor analyses, using variables in the database including those describing the driver, the conditions and the attributed

causes, to determine the weighting of the vehicle type as an explanatory variable in predicting the probability of a collision.

Please run bivariate tests, multivariate tests and factor analyses, using variables in the database to determine the weighting of the vehicle type as an explanatory variable in predicting the probability of greater harm caused outside the vehicle by the crash.

Please run non-linear predictive modeling bivariate and multivariate analyses to further test variables in predicting the probability of (a) crashes, and (b) harm caused outside the vehicle for the two classes of vehicles.

Rationale for Question:

To provide a quantitative case study to help the PUB evaluate whether their current policy on collision cost allocations between vehicle classes is fair, and whether those rates encourage Manitoba consumers to buy less harmful vehicles.

BW appreciates that this project may **require several days' work by a senior data analyst. However, it submits that MPI's comprehensive database puts it in the best position to test these hypotheses, and illuminate the impact of vehicle type on overall collision costs, which have an impact on rate setting.**

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

MPI is unable to provide a response to this IR for the following reasons:

1. Pursuant to subsection 16(a) of the PUB's Rules of Practice and Procedure, the requested information and new evidence is not relevant to the issues in the current GRA.
 - i. The results of the study requested would offer no assistance in determining whether the rates for service sought by MPI are just and reasonable.

- ii. MPI cannot modify its rate design in the context of the current GRA, regardless of the outcome of any such study. MPI has applied for rates for service consistent with PUB approved methodologies, including accepted actuarial practice, and the Vehicle Classification System and Rate Groups.

2. Pursuant to subsection 16(b) of the PUB's Rules of Practice and Procedure:
 - i. The requested information is not available and therefore requires the production of new evidence which cannot be reasonably produced; and

 - ii. The request does not stem from a response to a question posed in the first round of Information Requests and is therefore a misuse of the established process.

3. Pursuant to subsection 16(b) of the PUB's Rules of Practice and Procedure:
 - i. The requested information is not available and therefore requires the production of new evidence which cannot be reasonably produced;
 - a. **MPI's data and analytics teams have reviewed the request, and** estimate that it could take multiple analysts in excess of a month to gather data, develop a model, and conduct the analysis;

 - b. **MPI's data and analytics teams are also uncertain** as to whether the necessary control data is available (while such a study would certainly have to control for number of factors, such as vehicle speed at the time of impact, this particular data is not collected by MPI);
and

 - ii. **MPI's data and analytics team have concerns that the research question** itself is not clearly stated, and so defining data availability, appropriate statistical and econometric techniques, and scope of study is not currently possible.

BW (MPI) 2-6

Part and Chapter:	Part V(1)	Page No.:	53, GRApdfp805
PUB Approved Issue No:	20 Road Safety		
Topic:	Optimal road safety budget		
Sub Topic:	Past budget setting methodology		

Preamble to IR:

In response to BW (MPI) 1-2, MPI explained how it budgets for individual programs and allocates funds within the road safety budget. BW is seeking to understand how MPI determines whether the resources applied to road safety as a whole are adequate to the road safety mission.

Question:

If MPI were to undertake a zero-based budget approach to set the funding level for its road safety budget within all its expenditures, what methodologies would be appropriate for that task?

Rationale for Question:

Determining an optimal road safety budget requires more than a bundle of programs; it requires a methodology that reflects the full scope of the task of ensuring that all drivers meet the Manitoba standard and that dangerous driving behavior is minimized.

RESPONSE:

MPI presently relies on the IBM framework to identify, develop and prioritize loss prevention programming. This framework was detailed in the 2017 GRA, and discussed at the Road Safety Technical Conference in the spring of 2019. MPI

anticipates completing the next three year Operational Plan (2020-2023) by spring 2020, which will include the intended approach and methodology on setting the funding level for its road safety budget.

BW (MPI) 2-7

Part and Chapter:	Part VII LP Attachment A RS conference report	Page No.:	53 and BW1-4, p.2
PUB Approved Issue No:	20 Road Safety		
Topic:	Optimal road safety budget		
Sub Topic:	Testing drivers against standards		

Preamble to IR:

MPI has the mandate to ensure that all drivers in Manitoba meet standards necessary to operate vehicles safely. In past General Rate Application hearings, BW has seen a great deal of evidence about MPI initiatives to train and test new drivers, but nothing on the ongoing training and testing of the bulk of drivers.

Question:

In response to BW 1-4, (b), MPI indicated that drivers who wish to obtain a license at classes 1-4 are required to be re-tested as a part of the training process. For a given year in the past three years, please list the subject addressed in each question in the re-test, and the probability of these candidates giving the correct answer.

Rationale for Question:

This will allow a determination of which rules of the road are best/least understood by this group of Manitobans who are already licensed to drive.

RESPONSE:

For class 1-4 knowledge tests, drivers answer questions specific to that class of licence. MPI does not categorize these questions based on subject.

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

Knowledge tests are conducted as part of MPI's administration of *The Drivers and Vehicles Act* (DVA), and are not part of the Basic Autopac program. Notwithstanding that the details of the tests, and MPI's administration of the DVA in general, are not within the scope of this proceeding, MPI is unable to provide test information in order to maintain the integrity of the testing process.