

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

Coalition of Manitoba Motorcycles Groups



MANITOBA
PUBLIC INSURANCE

CMMG (MPI) 2-1

Part and Chapter:		Page No.:	
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Preamble to IR:

Question:

With reference to CMMG (MPI) 1-5, is the 2.06% essentially a re-building fee/load **similar to the CMP charge we saw in last year's GRA?**

Rationale for Question:

Clarification of First Round IR answer.

RESPONSE:

Please see the response to [PUB\(MPI\) 2-5\(b\)](#).

CMMG (MPI) 2-2

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Preamble to IR:

Question:

As regards the Corporation's answers to CMMG/MPI 1-10 at page 4 of 5 in Appendix 1, are the 2018 numbers ultimate? If not, how much would you estimate the total would increase by? We note there are no losses above \$550,000.00 which is much better than prior years shown. Please comment on that fact.

Rationale for Question:

Clarification of First Round IR answer.

RESPONSE:

The figures in CMMG (MPI) 1-10 reflect the losses as of February 28, 2019, and are not the ultimate losses. Estimated total ultimate losses for the Motorcycle major class for 2018, based on the current ratemaking methodology, is provided in the response to CMMG (MPI) 1-9. **Per the response, the Actual Losses Excluding "Pool" Loss for 2018 is \$12.8 million, of which \$11.3 million is for Personal Injury Protection Plan (PIPP) losses.**

In respect of the comment that "there are no losses above \$550,000", this may simply be a result of claims not yet being fully reserved for life given that 2018 claims are

newer claims. As more data becomes available, and as the claims mature, lifetime reserves will be added for more seriously injured claimants.

CMMG (MPI) 2-3

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Preamble to IR:

Question:

With respect to CMMG 1-14, when does the corporation expect to complete a Business Case for the Experienced Rider Program?

Rationale for Question:

Clarification of First Round IR answer.

RESPONSE:

MPI plans to complete a review of the Experienced Rider Program by late fall 2019 and to share the results of this review in the 2021 GRA.

CMMG (MPI) 2-4

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Preamble to IR:

Question:

What can the Corporation propose to reverse the declines in the two safety courses that it references? Greater incentives? Better promotion?

Rationale for Question:

Clarification of First Round IR answer.

RESPONSE:

While MPI acknowledges that the number of students enrolling in the two available motorcycle safety courses has fluctuated over the past six years, enrollment has overall remained relatively stable. Because a desire on the part of students to obtain a class 6 licence primarily drives enrollment, the effect of incentivizing enrollment would be limited. In terms of promoting enrollment, MPI already includes a link to the course service provider on the portion of its website that provides information on how to obtain a class 6 licence. Reminder, this is not a MPI course, it is conducted by Safety Services Manitoba.

CMMG (MPI) 2-5

Part and Chapter:		Page No.:	
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Preamble to IR:

Question:

Interrogatory CMMG 1-16 is answered with two headings – Qualitative Value and Quantitative Value. With reference to the latter, kindly provide the amounts of the incremental MPI FTE reductions and the reduced repair shop labor rates incurred for repairs referred to in p. 2 of 4. Please do the same for the items in p. 3 of 4.

Rationale for Question:

Clarification of First Round IR answer.

RESPONSE:

The Direct Repair Program has incrementally reduced the number of Full-time Equivalent (FTEs) by 1.76 in relation to its original forecast and business case.

The reduced repair shop labour rates relate to those negotiated at the time of the introduction of the Mitchell International (Mitchell) software platform in the fiscal year 2013/14. At that time, repair shop labour rate negotiations in Saskatchewan lead to an increase in labour rates totaling approximately \$10M per year for a period of 3 consecutive years. To abate similar increases in Manitoba, MPI offered to fund the Mitchell software licensing costs for the repair shops until the end of the fiscal year

2022/23. By doing so, MPI has been able to control the increase in repair shop labour rates in Manitoba.