

# **ATTACHMENT A**

**Additional Information:**

**(For organizations only) Please describe the mandate of your organization and provide a description of the membership, including the number of members. Please also confirm whether the organization's intervention in this proceeding is supported by a resolution of the governing body, if any. Please enclose the resolution, if any, with your Application, along with supporting documentation of your mandate and membership.**

Duffy's Taxi and Unicity Taxi are independently operated dispatch companies providing service in the city of Winnipeg, and surrounding area, which together represent approximately 80% of the 609 Taxicab Vehicles-for-Hire (Taxi VFH)<sup>1</sup>, and 22% of the Accessible Vehicle Vehicles-for-Hire in Manitoba. Duffy's and Unicity are collaborating for the purpose of this intervention, on issues of common concern related to the premiums and characteristics of vehicle for hire insurance. The Taxi Coalition will continue consulting with smaller taxi dispatch companies throughout Manitoba to ensure broad representation of Taxi VFH interests in the City of Winnipeg, and other municipalities like Brandon and Thompson (all of these including Accessible VFH are referred to as "Manitoba Taxis").

**Please state your reasons for intervening in this proceeding:**

The Taxi Coalition seeks to intervene in this proceeding in order to:

- 1) Test the reasonableness of requested increase in insurance premiums for Manitoba Taxis, and the increase in Public Major Class rates generally. The Taxi Coalition will also assess taxi rate increases against those proposed for the Passenger VFH insurance use, which offer substantially similar services in the personal transportation services market.
- 2) Review and assess MPI's compliance with Board directives stemming from PUB Order 1-21.
- 3) Examine ratemaking approaches for VFH including:
  - a. Appropriateness of forecasting serious losses in Passenger VFH experience;
  - b. Credibility weighting approaches and implications for 'small' insurance uses;
  - c. Implications of the minimum bias procedure on territorial relativities; and
  - d. Implications of combining VFH into a single major class.
- 4) Examine the implications of proposed changes to the Driver Safety Rating (DSR) system on Manitoba Taxis, and for comparison to any future revisions to the VFH framework.
- 5) Examine the implications for Manitoba Taxis of changes to the Capital Management Plan, specifically the elimination of the capital release provision and its impact on Manitoba Taxis rates at renewal, and the potential for future capital rebates.

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<sup>1</sup>Per RM Appendix 4 of 2022 GRA.

The Taxi Coalition has been involved in consultations with MPI since the conclusion of the 2021 GRA, to progress towards an improved VFH framework. The Taxi Coalition appreciates the dialogue that has occurred so far, and is mindful of progress towards the shared goal of an improved VFH framework, as it plans its intervention.

The Taxi Coalition notes that MPI has not yet completed its filing with respect to VFH in the GRA. The Taxi Coalition therefore reserves its right to identify additional issues and reasons for its intervention.

**Please state how you are directly affected by the Board’s decision in this matter:**

This proceeding will determine rates charged for VFH insurance uses for the 2022/23 insurance year. MPI proposes rate increases to the Public Major Class, but rate decreases to all other major classes. MPI’s filing is reproduced below.

**Figure RM- 1 Indicated Rate Change**

Line No.	Major Class	Current Average Rate	Indicated Average Rate	Indicated Rate Change
1	Private Passenger	\$1,161	\$1,130	-2.6%
2	Commercial	\$865	\$858	-0.8%
3	Public	\$2,139	\$2,208	3.2%
4	Motorcycles	\$903	\$888	-1.7%
5	Trailers	\$73	\$68	-6.6%
6	Off-Road Vehicles	\$7	\$6	-14.3%
7	Overall	\$885	\$863	-2.5%
8	DSR Scale Movement			-0.3%
9	Overall including DSR Scale Movement			-2.8%

Manitoba Taxi rates are also proposed to increase by as much as 11% from 2021 GRA’s final approved rates to the 2022 GRA provisional rate request.

The Manitoba Taxis will also be impacted by MPI’s proposal to award the overall rate decrease to DSR levels 10 through 15, which will drive rate increases of 4.4% for DSR level 15 Taxis, and a roughly 8% increase for DSR level 10-14 Taxis, with the remainder facing an 11% increase.

The Manitoba Taxis are also impacted indirectly by insurance rates for Passenger VFH in an increasingly competitive vehicle for hire industry. Ensuring that premiums are fair, accurate, and cost based will promote a level playing field in the industry, and serve the interest of Manitobans through fair and efficient competition within the vehicle for hire industry.

Finally, the Manitoba Taxis will be impacted by the proposed Special Rebate Application, and the Taxi Coalition intends to understand and test the application for returning excess premiums, relative to its proposed elimination of the Capital Management Plan's capital release provision.

**Please explain whether and how you represent a substantial number of ratepayers that are otherwise not represented on issues that are within the scope of this proceeding:**

The Taxi Coalition directly represents approximately 80% of the Taxi VFH vehicles, and 22% of the Accessible VFH vehicles insured in Manitoba. It intends to consult with smaller dispatch operators to ensure that the issues examined in this proceeding reflect the range of issues concerning Taxi, Accessible, and Passenger VFH premiums.

Additionally, all ratepayers benefit from the thorough examination of DSR system, including approaches to capture principal driver risk, improved ratemaking approaches and an appropriate capital management plan. The Taxi Coalition intends to assist the PUB in its determination of just and reasonable rates, and related matters.

**Please describe your experience, information, or expertise relevant to this matter that would contribute to the Board's decision making, including any other prior interventions in regulatory matters before this Board or other decision-makers:**

The Taxi Coalition made non-evidentiary submissions in the 2020 General Rate Application, and the 2018 Interim Vehicles for Hire Application.

In the 2021 GRA, the Taxi Coalition hired counsel and expert consultants with experience before the PUB and in the field of regulated auto insurance. The experts prepared evidence and delivered testimony on behalf of the Taxi Coalition, which contributed to 13 separate directives in PUB Order 1-21.

The Taxi Coalition has retained the same counsel and experts this year, and expects to retain an actuary to provide advice and insight on ratemaking issues detailed in this Application.

**Please list the key issues you intend to address in the proceeding. Please be specific.**

At this time, the Taxi Coalition expects to examine the following issues, as itemized in the PUB's Interim Procedural Order 56/21:

**2a) Rate indication based on AAP in Canada**

MPI proposes to increase Taxi VFH rates between 11% and ~4% based on DSR level. The Public Major Class is on the only major class with an overall rate increase. This must be reconciled with the headline 2.8% rate decrease, and tested in the context of changes to the Capital Management Plan.

## **2b) Ratemaking methodology**

Within the ratemaking methodology, the Taxi Coalition expects to review and assess:

- 1) serious losses for Passenger VFH claims experience and forecasts
- 2) credibility weighting methods, and the impact on small insurance uses
- 3) minimum bias procedure and its impact on territorial relativities

The Taxi Coalition may rely on an actuarial expert to test the ratemaking methodology.

## **3) Compliance with PUB orders**

The Taxi Coalition recognizes that consultation on the VFH Framework is ongoing, which limits MPI's ability to comply with all of the PUB's directives. However, a number of directives that have or will be addressed through additional filings will be reviewed and tested. The Taxi Coalition notes that MPI has not yet completed its filing with respect to VFH in the GRA. The Taxi Coalition therefore reserves its right to identify additional issues.

## **7) Capital Management Plan**

The discontinuance of the capital release mechanism appears to result in a material increase in premiums at renewal for Taxi VFH. In the current application, MPI is relying on a special rate application to return excess capital, but has not proposed a clear alternative mechanism for returning excess capital beyond the current application.

## **12) VFH class, including rates**

The Taxi Coalition has identified issues that impact VFH insurance uses, including rates, elsewhere in this list. Issues 2a, 2b, 3, and 7 each have components that impact the VFH insurance use.

## **14) Benchmarking**

MPI has provided some benchmarking data on Taxi rates that will be examined.

## **18) Operational impact of COVID**

Related to Special Rebate Application to return excess capital, the Taxi Coalition intends to examine the ongoing impact of COVID 19 on the cost of insurance.

The Taxi Coalition may also examine other matters on the PUB's approved issues list should those matters prove relevant to the Taxi Coalition's interests, and not be sufficiently addressed by the efforts of other interveners.

**Do you intend to participate fully and actively, including attendance at hearings, submission of evidence, and testing of evidence and cross examination of witnesses? If yes, please describe your intended participation.**

Yes. To date the Taxi Coalition has participated in a meeting of counsel for potential interveners, the PUB's pre-hearing workshop, individual discussions with counsel for other interveners of record.

The Taxi Coalition expects to participate in discovery through first and second round information requests, including on materials yet to be filed. It will review CSI information for matters relevant to the Taxi Coalition.

The Taxi Coalition has not yet determined if evidence will be required, and does not anticipate making that determination until after the responses to second round IRs have been received.

The Taxi Coalition expects to fully participate in the oral hearing, cross examining MPI witnesses and providing opening and closing submissions.

The Taxi Coalition intends to collaborate with the Consumers' Association of Canada (Manitoba) Inc. (CAC) and the Coalition of Manitoba Motorcycle Groups (CMMG) with respect to any overlapping issues in their respective interventions.

The Taxi Coalition hopes that any issues identified for oral hearing will be organized so it can limit its attendance to days on which issues relevant to the Taxi Coalition are addressed.

**Do you intend to request an award of costs for your participation? Please explain how you meet the criteria for an award of costs.**

Yes, the Taxi Coalition intends to seek an award of costs.

The Intervener Cost Policy at Section 3.0 outlines the eligibility requirements for cost award. These are:

3.1 In any proceeding the Board may award costs to be paid to any Intervener who has:

- (a) made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;
- (b) participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;

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Taxi Coalition Intervener Application Form  
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- (c) represented interests beyond their sole business interest; and
- (d) a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of ratepayers.

The Taxi Coalition will satisfy part (a) by working with qualified and established legal counsel and expert consultants who have significant regulatory experience, both before this Board, and in the field of regulated auto insurance. The Taxi Coalition intends to build upon its contributions in the 2021 GRA, and assist the PUB in determining just and reasonable rates, and building the evidentiary basis to support the testing of a revised VFH Framework in a future application.

For part (b), the Taxi Coalition will coordinate with other interveners on matters of common interest to avoid duplication and promote efficient proceedings, including in particular the CAC and CMMG. The Taxi Coalition is retaining the same firm to provide expert consultant services. In this regard, the Taxi Coalition expects to reduce costs through certain jointly shared activities, such as reviewing the application and information requests (IR) responses.

For part (c), the Taxi Coalition intends to again consult with other dispatch companies in Manitoba to ensure the intervention represents the broadest cross section of Taxi VFH interests. Certain issues the Taxi Coalition intends to examine will contribute to a level playing field in the personal transportation services industry, which is to the benefit of all customers of that industry.

For part (d), the Taxi Coalition intends to represent interests of a significant majority of Taxi VFH insureds, as well as the general interests of customers of the personal transportation services industry.

**Do you intend to retain experts or consultants? If yes, please attach copies of the curriculum vitae for any expert and/or consultant, as well as the following:**

**Expert Consultant #1:**

Jeff Crozier  
InterGroup Consultants Ltd.  
Suite 300, 259 Portage Ave, Winnipeg, MB R3B 2A9  
[jcrozier@intergroup.ca](mailto:jcrozier@intergroup.ca)  
cell: 204-880-1151

Tariff Rate: \$195/hr

**Experience:** 14 years professional experience, in the areas of Utility Rate Regulation, Auto-insurance Rate Regulation, and Competitive Wholesale and Retail Electricity Markets

**Evidence to be provided on issues in scope:** The extent of the evidence, if any, to be adduced on behalf of the Taxi Coalition will be determined upon completion of discovery. It is expected to address the issues identified by the Taxi Coalition in this Application.

**Brief explanation of experience relevant to evidence to be provided:** Mr. Crozier is a consultant with InterGroup Consultants who specializes in utility rates and regulation. He has prepared evidence in proceedings before the Alberta Utilities Commission, and in the 2021 MPI GRA before the Manitoba Public Utilities Board. Prior to this, he was the Director of Regulatory Affairs at MPI from 2016 to 2020. In this capacity he was accountable for and oversaw the development of MPI's annual General Rate Application, and the regulatory process. Mr. Crozier has a working knowledge of regulated auto insurance in Manitoba, and the issues facing Taxi VFH customers.

Mr. Crozier's CV is attached.



**Expert Consultant #2 (if needed):**

Patrick Bowman  
Bowman Economic Consulting Inc  
161 Rue Hebert Winnipeg, MB R2H 0A5  
[PBowman@intergroup.ca](mailto:PBowman@intergroup.ca)  
204-296-2839

Tariff Rate: \$240/hr

**Experience:** 20+ years professional experience, in the areas of Utility Regulation and Rates, Project Development and Planning, and Utility Resource Planning

**Evidence to be provided on issues in scope:** The extent of the evidence, if any, to be adduced on behalf of the Taxi Coalition will be determined upon completion of discovery. It is expected to address the issues identified by the Taxi Coalition in this Application.

**Brief explanation of experience relevant to evidence to be provided:** Mr. Bowman's areas of expertise include the application of regulatory principles and concepts appropriate for regulated crown utilities. With respect to MPI's application it is anticipated this may include reviewing financial forecasts and revenue requirements, cost allocation principles and rate design.

Mr. Bowman has testified before utility regulatory tribunals in British Columbia, Alberta, Manitoba, Newfoundland and Labrador, Yukon and Northwest Territories on issues of revenue requirement, regulatory governance, risk evaluation, cost of service and rate design.

Mr. Bowman's CV is attached.

**Expert Consultant #3:**

Sylvain Dion and Jason Wong  
Dion Strategic Consultants and Actuaries  
55 York Street, Suite 801  
Toronto, ON M5J 1R7  
416-222-4405

Tariff Rates: To be provided with budget submission.

**Experience:**

Mr. Dion: +40 Years as strategic advisor and consulting actuary.

Mr. Wong: +15 Years with expertise in pricing, valuation and loss modelling.

**Evidence to be provided on issues in scope:** The extent of the evidence to be adduced on behalf of the Taxi Coalition will be determined upon completion of discovery. It is expected to address the ratemaking issues identified by the Taxi Coalition in this Application.

**Brief explanation of experience relevant to evidence to be provided:**

Mr. Dion is the founder of the Dion Strategic Consulting Group Inc. and a principal consultant on a number of major clients for the firm. Sylvain provides strategic advice in addition to consulting and actuarial services relating to optimal risk financing strategies and the evaluation of outstanding and future liabilities with respect to self-insurance and insurance programs.

Sylvain has more than 40 years of experience as a strategic advisor and consulting actuary to his clients. He has been instrumental in the development of computerized risk models to assist organizations in the evaluation and selection of risk retention strategies for their various insurance programs and exposures to risk.

Mr. Wong is a Senior Actuarial Consultant and leads the Property & Casualty (P&C) Actuarial Practice at Dion Strategic Consulting Group. With over 15 years of experience in the P&C industry, Jason has developed expertise in a number of traditional actuarial areas including Pricing, Reserving (Valuation), and Loss Modelling.

Prior to joining the Dion Strategic Team, Jason held progressively senior roles at various insurance companies including Desjardins General Insurance Group. Jason has extensive experience with rate filings for the Ontario, Alberta, and Atlantic Canada markets.