

MANITOBA PUBLIC INSURANCE

2024 GENERAL RATE APPLICATION
Round 2 Information Requests
September 6, 2023

Coalition of Manitoba Motorcycles Groups (CMMG)



MANITOBA
PUBLIC INSURANCE

CMMG (MPI) 2-1

Part and Chapter:	Part VII Risk Classification	Page No.:	
PUB Approved Issue No:	13. Driver Safety Rating (DSR)		
Topic:	DSR Distribution		
Sub Topic:			

Preamble to IR:

In the 2022 GRA, MPI indicated that for Collision losses where a driver can be identified, 33% of reported losses are attributable to claims where the driver is not the registered owner. (See 2022 GRA Part VI DSR Appendix 1, page 15)

Question:

- a) Please provide an update to the statistic in the preamble with the most recent available data.
 - i. If the percentage has increased from 33% in the 2022 GRA, please provide MPI's theory for the increase.

- b) Please update CMMG (MPI) 1-2 from the 2022 GRA, to include data for the 2021 and 2022 years.
 - i. Please provide a narrative discussion regarding the data provided in b) and the conclusions that can be reached from the data provided.

 - ii. Please provide a discussion of the implications of this data on MPI's ability to assign actuarially indicated discounts for the merit side of the DSR scale and actuarially indicated surcharges for the negative DSR levels.

Rationale for Question:

To obtain updated data regarding Collision losses caused by non-registered owners.

RESPONSE:

- a) Based on Collision loss experience for the 2022 accident year, where a driver can be identified, 34% of reported losses are attributable to claims where the driver is not the registered owner. The weighted average over the past three years did not change materially from the 2022 GRA of 33%.
- b) Please see Figure 1 below, which is updated to include accident years 2021 and 2022.
 - i. The % of Driver <> Registered Owner is determined based on the collision claims where the driver is not the registered owner at the time of accident to the total collision claims. For example, for DSR -20 in 2022, the percentage is 56%. The analysis presented below is based on the incurred reported claims only and are subject to further development of claims. This effect is more pronounced for the more recent year e.g. accident year 2022 is less developed than 2021.

The results conform to intuition i.e. the %age is higher for drivers on lower or negative end of the DSR scale e.g. the majority of drivers with DSR -20 are driving vehicles registered to another person at the time of the accident. On the other hand, for DSR +16, the percentage is 11%, suggesting that the majority of these drivers, at time of accident, are driving a vehicle where they are the registered owner. There is an upward trend as we move from DSR +16 to DSR -20.

- ii. MPI understands that given the current registered owner model, it is possible that the discounts and surcharges calculated do not reflect the relative risk of drivers with different DSR levels as indicated in the 2024 GRA, please refer to *Part VII Appendix 6 – Driver Safety Rating Actuarial*

Review. MPI would like to clarify that the Driver Safety Rating Actuarial Review is not meant to address the issue of the primary driver being different from the registered owner, please refer to CAC 1-47 (b) for additional details.

Figure 1 Collision Reported Losses Where the Driver is Not the Registered Owner by Driver DSR Level

Line No.	Driver DSR	Driver = Registered Owner			Driver <> Registered Owner			% of Driver <> Registered Owner		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
1	16	0	0	28,849,191	0	0	3,557,462	0%	0%	11%
2	15	39,887,313	58,522,762	31,171,568	3,083,253	4,235,491	4,449,512	7%	7%	12%
3	14	5,084,487	6,907,793	5,940,885	1,402,726	1,786,309	1,991,092	22%	21%	25%
4	13	5,765,808	7,445,701	8,220,578	1,726,567	2,505,080	2,690,916	23%	25%	25%
5	12	4,607,134	7,562,684	6,977,790	1,469,293	2,797,198	2,002,120	24%	27%	22%
6	11	5,771,021	7,323,055	6,874,620	1,740,039	2,160,937	2,350,154	23%	23%	25%
7	10	6,580,913	7,234,083	8,233,680	2,075,774	2,548,796	3,161,272	24%	26%	28%
8	9	4,793,820	7,767,358	6,506,435	1,549,393	2,681,964	2,410,239	24%	26%	27%
9	8	5,671,245	7,105,399	6,843,157	2,409,070	2,846,931	3,493,605	30%	29%	34%
10	7	5,528,596	7,364,364	7,555,737	2,056,683	3,002,846	3,885,664	27%	29%	34%
11	6	5,449,475	8,370,909	7,605,735	2,598,558	4,393,051	4,228,007	32%	34%	36%
12	5	6,189,175	8,289,460	8,190,315	3,363,253	5,378,886	4,839,199	35%	39%	37%
13	4	6,074,521	8,702,722	9,584,516	3,786,722	5,712,864	6,561,179	38%	40%	41%
14	3	6,965,798	11,009,009	10,954,960	4,581,910	7,432,849	7,748,421	40%	40%	41%
15	2	8,457,744	12,544,814	12,521,225	6,457,313	9,765,600	10,229,224	43%	44%	45%
16	1	9,584,962	13,711,813	14,010,158	8,366,573	12,701,199	12,457,922	47%	48%	47%
17	0	10,545,135	17,287,090	19,346,163	9,856,005	14,081,980	16,158,965	48%	45%	46%
18	-1	3,852,745	5,182,809	4,705,961	2,474,156	4,148,295	4,160,795	39%	44%	47%
19	-2	2,959,741	4,556,289	4,181,448	2,370,664	2,992,897	3,121,917	44%	40%	43%
20	-3	2,136,887	3,081,303	3,269,357	1,905,194	2,535,101	2,116,497	47%	45%	39%
21	-4	3,427,402	4,229,734	4,240,116	2,545,532	3,365,477	3,420,179	43%	44%	45%
22	-5	2,521,685	3,259,624	2,797,896	1,932,070	2,273,506	2,031,301	43%	41%	42%
23	-6	1,848,769	2,235,556	1,944,897	1,150,752	1,494,898	1,374,931	38%	40%	41%
24	-7	1,337,366	1,914,500	1,876,482	1,167,682	1,645,223	1,309,796	47%	46%	41%
25	-8	1,158,997	1,251,064	1,521,122	846,435	1,080,491	999,059	42%	46%	40%
26	-9	991,313	1,161,864	1,063,807	810,258	815,622	1,031,636	45%	41%	49%
27	-10	1,027,449	1,494,022	1,141,459	814,453	980,788	1,005,313	44%	40%	47%
28	-11	591,384	577,508	526,078	461,344	647,931	656,095	44%	53%	55%
29	-12	635,381	767,832	720,709	469,706	550,506	488,067	43%	42%	40%
30	-13	972,827	1,323,866	1,174,420	612,832	1,009,599	623,753	39%	43%	35%
31	-14	388,150	565,553	434,313	230,253	409,644	295,759	37%	42%	41%
32	-15	250,885	392,844	433,604	402,043	417,045	254,529	62%	51%	37%
33	-16	282,289	371,380	320,830	384,625	327,419	421,026	58%	47%	57%
34	-17	260,075	250,543	117,357	150,848	156,340	130,121	37%	38%	53%
35	-18	141,151	297,868	201,120	164,102	203,321	293,936	54%	41%	59%
36	-19	133,834	107,597	138,345	176,676	155,645	109,821	57%	59%	44%
37	-20	1,195,894	1,254,964	1,075,914	1,212,813	1,394,122	1,372,793	50%	53%	56%
38	Total	163,071,371	231,425,735	231,271,949	76,805,566	110,635,849	117,432,275	32%	32%	34%

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Part and Chapter:	Part IV Benchmarking BMK Appendix 2	Page No.:	Pg 5 of 24
PUB Approved Issue No:	14. Operational Benchmarking		
Topic:	Motorcycle Insurance Rate Comparison		
Sub Topic:			

Preamble to IR:

In response to CMMG 1-5 a) i) MPI states "MPI says more accurately that its motorcycle rates are, among those available for comparison, among the lowest in the country."

The cities of Thompson and The Pas are in Territories 3 and 4 respectively, which Territories represent 4% of motorcycle registrations in the province.

Question:

a) Does MPI agree with the following statement:

"Winnipeg and Brandon which are in Territories 1 and 2 respectively, and which Territories represent 96% of the Manitoba's motorcycle registrations, have motorcycle rates which are among the highest in the country when compared to other public insurers."

Rationale for Question:

To test MPI's assertion that it has among the lowest motorcycle rates in the country.

RESPONSE:

MPI does not agree with this statement.

Among the three profiles that are compared, Saskatchewan has the highest rates in one profile. For the other two profiles, Winnipeg is marginally higher in one and considerably higher in the other. It is notable that Thompson has the lowest rates in two of the three profiles compared.

The comparison does not inform the composition of the business among the cities included, as this information is not available for the other jurisdictions (e.g., Nanaimo may have a small percentage of the total motorcycles in British Columbia).

The comparison is based on a small sample and inferences made are for indicative purpose only. It is not accurate to project these comparisons to Canada overall as missing from the analysis is information from private insurance jurisdictions, which would be required to reasonably make such projections.

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Part and Chapter:	Part XIII Loss Prevention	Page No.:	
PUB Approved Issue No:	18. Other issues that may arising (depending upon the nature and scope of the issue) based on a review of the application		
Topic:			
Sub Topic:			

Preamble to IR:

On July 25, 2023 MPI and the Manitoba Government made a public announcement that impaired drivers will be denied third-party liability coverage as of August 1, 2023. Impaired drivers will be responsible for covering costs for any damage they cause to other vehicles or property.

The public notice indicates that MPI now has the authority to recover costs for property or vehicle damage directly from these drivers.

Question:

- a) Please provide data showing third party liability loss costs for the last 5 years including exposures and ultimate total losses where an impaired driver was involved in the collision.
- b) Please discuss and provide estimates where possible regarding any anticipated increased costs in operating expenses for MPI to facilitate cost recovery from impaired drivers.
- c) Please provide a discussion regarding whether the impaired driver involved in a collision must be deemed at-fault before being denied third-party liability coverage.

- d) Please provide a discussion regarding the implications of this new policy on multi vehicle collisions.

Rationale for Question:

To understand the new policy regarding impaired driving.

RESPONSE:

- a) Below is the number of Third-Party Liability claims where the driver was impaired and the associated costs over the past 5 years. Please note that this data reflects actual amounts paid out to date. MPI does not have estimated ultimate losses for these claims specifically:
- 2018: 177 claims, \$2,052,806 paid
 - 2019: 206 claims, \$2,912,489 paid
 - 2020: 156 claims, \$1,761,608 paid
 - 2021: 161 claims, \$1,835,340 paid
 - 2022: 101 claims, \$1,185,904 paid
- b) Based on the number of incidents/associated costs as outlined in part a), MPI does not anticipate any increased operating costs to implement this new policy. MPI will continue to conduct investigations of claims where impairment is suspected, as it already did prior to this change coming into force. The increase in effort required for MPI to initiate recovery for cases where it was not previously able to do so can be accommodated within existing resources. There may be some additional costs incurred in relation to the litigation, particularly if the recovery of third-party damages is the only relief sought, but these costs are not expected to be material.
- c) Third-party liability coverage exists to protect an insured driver against liability for damage to another person's property (or for bodily injury in most other jurisdictions). If a driver is not liable for damage, then their third-party liability coverage does not apply. Therefore, in cases where third party liability coverage

applies and is breached (such as in the case of impaired driving), MPI can attempt recovery of claim costs paid to other parties. In other words, MPI can seek recovery of claims costs paid only to the extent to which the impaired driver is liable for those costs.

For example, if the Manitoba driver is convicted of impaired driving in connection to a collision but is 0% at fault, they would not be liable for any of the damage caused to the other person's vehicle. MPI could not seek recovery for those costs. If the impaired driver is found to be 50% at fault, MPI will attempt to recover 50% of the other party's damages. In either case, it is worth noting that the impaired driver may be denied coverage for any resulting damage to their own vehicle.

- d) As with the examples discussed above, MPI would attempt recovery from the impaired driver (and against the registered owner if they knowingly permitted an impaired driver to operate their vehicle) for all the damages for which they are liable. If the driver is liable for damages to more than one vehicle, the amount that MPI would attempt to recover is based on the total damages caused to all vehicles involved and on the percentage of liability attributed to the impaired driver.

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Part and Chapter:	Part VII Rate Indication Appendix 3 Table 6	Page No.:	Pg 1 and 2 of 6
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Trend selections		
Sub Topic:			

Preamble to IR:

Part VII - RI Appendix 3 shows the derivation of the pure premium trends by coverage.

Question:

- a) Please confirm the trends selected in this section were based on an all-year indicated exponential trend.
- b) Please confirm the enhancements of selecting past and future trends that were done in the Forecasting section were not applied to Part VII – RI Appendix 3.
- c) Please list the improvements used in Part VII – RI Appendix 3 for trend selection (not pure premium selection) compared to the prior GRA.

Rationale for Question:

To understand the improvements to the trend selections by major class.

RESPONSE:

- a) Confirmed.

- b) Confirmed.

- c) MPI did not change the methodology for trend selections used in Part VII – RI Appendix 3 from the prior GRA.

MPI would like to reiterate that some of the key enhancements listed in Part VI- Claims Forecasting were already in use in past GRAs when determining the loss cost by major class.

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Part and Chapter:	Part XI – Investments Appendix 11	Page No.:	Pg 1 of 7
PUB Approved Issue No:	22. Asset Liability Management Study		
Topic:	Shadow Portfolio Returns and Surplus Volatilities		
Sub Topic:			

Preamble to IR:

Question:

a) Please provide a table in Excel, similar to the table below, that shows the monthly returns of the following portfolios **since inception**:

- Policy/benchmark portfolios;
- Shadow Portfolios;
- Liability Benchmark Portfolios; and
- Actual Portfolios.

(The table below was in response to CMMG (MPI) 2-8 in the 2023 GRA.)

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CMMG (MPI) 2-8(a) Appendix 1

Figure App 1-1 Shadow Portfolio Returns

Line No.	Assets/Basic Claims & EFB Portfolios	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
1	Actual Basic	2.24%	-0.08%	1.70%	0.98%	0.80%	1.57%	-0.52%	-0.10%	0.70%	-1.02%	2.93%	0.22%	-3.21%	4.21%	0.33%	1.99%	1.99%	-0.80%	0.37%	-0.82%	1.33%	0.61%	-1.01%	-2.38%	-1.93%	0.34%	0.92%	1.57%	1.15%	0.01%	-1.68%	-0.21%	1.01%	1.75%	-3.85%	-0.87%	-2.82%
2	Policy/Passive-Basic	3.20%	-0.21%	2.28%	1.42%	0.32%	2.41%	-1.08%	-0.39%	0.86%	-1.68%	3.80%	0.57%	-3.67%	6.67%	0.32%	2.38%	1.71%	-1.59%	0.37%	-1.10%	1.50%	0.99%	-1.60%	-3.16%	-2.37%	0.24%	0.67%	1.30%	1.37%	-0.19%	-1.71%	-1.15%	1.60%	1.94%	-4.13%	-0.80%	-3.46%
3	PI Basic	3.22%	-0.04%	2.05%	1.31%	0.35%	2.13%	-0.98%	-0.55%	0.70%	-1.51%	3.74%	0.89%	-3.89%	4.97%	0.35%	2.39%	2.07%	-0.79%	0.25%	-0.82%	1.64%	0.93%	-1.59%	-3.40%	-1.93%	-0.23%	1.40%	1.98%	1.41%	-0.19%	-1.52%	-1.39%	1.62%	2.15%	-4.36%	-0.63%	-3.21%
4	PI Basic	2.63%	0.48%	1.86%	1.17%	0.32%	1.47%	-0.61%	0.73%	0.88%	-0.92%	3.03%	-0.94%	-6.29%	5.71%	1.00%	2.45%	3.00%	0.90%	-0.21%	-1.08%	3.98%	0.82%	-1.43%	-2.09%	-4.77%	-0.21%	2.75%	1.46%	1.44%	0.08%	-1.63%	-0.60%	2.26%	2.85%	-4.95%	-0.99%	-1.95%
5	Actual EFB	1.01%	1.88%	-0.88%	2.19%	0.31%	0.49%	0.95%	0.69%	1.99%	-0.26%	2.61%	-1.65%	6.40%	4.89%	1.61%	1.49%	1.96%	-0.33%	-0.16%	-1.54%	4.20%	1.53%	-1.62%	0.15%	0.00%	0.86%	1.99%	2.40%	1.55%	1.01%	-1.53%	1.25%	0.83%	3.55%	-3.20%	-1.06%	-0.86%
6	Policy/Passive-EPB	1.93%	1.40%	-0.82%	1.98%	0.67%	0.29%	0.36%	0.41%	1.02%	0.11%	1.62%	-2.22%	-7.21%	6.61%	1.67%	2.09%	2.49%	0.21%	-0.51%	-1.36%	4.93%	1.84%	-0.94%	-0.27%	4.27%	0.77%	0.96%	2.57%	1.46%	1.09%	-1.96%	1.43%	0.72%	2.44%	-3.55%	-0.96%	-0.22%
7	PI EFB	1.96%	1.44%	-0.89%	1.47%	0.65%	0.24%	0.35%	0.35%	1.54%	0.19%	1.54%	-2.13%	-6.99%	6.12%	1.86%	2.34%	2.53%	0.52%	-0.48%	-1.44%	4.89%	1.75%	-0.98%	-0.33%	-4.12%	0.67%	1.24%	2.47%	1.47%	1.06%	-1.91%	1.27%	1.09%	2.49%	-3.65%	-0.81%	-0.16%
8	PI EFB	4.50%	-0.44%	2.53%	2.15%	0.42%	2.93%	-1.14%	-0.96%	1.55%	-2.15%	4.93%	-0.20%	8.86%	9.42%	1.96%	3.63%	3.64%	-1.37%	0.00%	-2.03%	4.50%	1.01%	-2.70%	-2.70%	-2.63%	0.20%	2.89%	2.71%	1.95%	-0.10%	-2.86%	-0.26%	2.16%	4.10%	-7.05%	-0.93%	-3.26%
9	Liabilities-Minimum Risk Portfolios																																					
10	Basic Claims Nominal	3.15%	-0.34%	2.30%	1.35%	0.21%	2.40%	-0.99%	-0.36%	0.67%	-1.75%	3.50%	0.61%	-2.79%	5.11%	0.22%	2.12%	1.46%	-1.74%	0.40%	-1.07%	1.31%	0.37%	-1.76%	-2.29%	-2.88%	0.10%	1.02%	1.50%	1.19%	-0.26%	-1.80%	-0.67%	1.12%	2.25%	-4.64%	-0.91%	-3.14%
11	Basic Claims Real	2.83%	0.18%	1.42%	0.94%	0.33%	1.33%	-0.59%	-0.79%	0.55%	-1.04%	2.90%	0.81%	-3.19%	2.98%	0.28%	1.69%	2.27%	0.53%	0.02%	-0.49%	1.55%	0.20%	-1.61%	-2.60%	-1.10%	-1.22%	2.51%	1.10%	1.12%	-0.28%	-1.07%	-1.28%	3.09%	2.52%	-4.70%	-0.22%	-1.83%
12	EPB Nominal	4.52%	-0.26%	3.16%	2.88%	1.00%	2.70%	-1.02%	0.74%	1.85%	-1.80%	5.81%	0.04%	-12.10%	10.07%	0.55%	5.67%	3.54%	-2.89%	-0.35%	-2.24%	4.29%	1.13%	-2.52%	-3.63%	-1.02%	1.20%	3.17%	1.74%	-0.25%	-2.63%	-0.28%	1.95%	3.84%	-7.01%	-2.45%	-3.53%	
13	EPB Real	4.74%	-0.12%	2.89%	1.70%	0.47%	2.51%	-1.13%	-1.25%	1.06%	-2.14%	4.93%	1.01%	-8.61%	5.28%	0.37%	3.04%	3.42%	-0.27%	0.13%	-1.18%	2.56%	0.32%	-2.94%	-3.80%	-2.96%	-1.58%	3.95%	2.17%	1.77%	-0.51%	-2.08%	-1.56%	4.23%	4.14%	-7.83%	-0.76%	-1.17%

- b) Please include the compounded annualized returns since inception for each of the above four sets of portfolios, along with the surplus volatilities for the Policy, Shadow, and Actual portfolios relative to the Liability Benchmark Portfolios.

Rationale for Question:

To understand the realized performance of the Shadow Portfolios since inception.

RESPONSE:

- a) Please see Appendix 1 - Shadow Portfolio Returns Monthly Returns, which shows the monthly returns of the policy, shadow, liability benchmark and actual portfolios since inception.
- b) The compounded annualized returns since inception for each of the four sets of portfolios is shown in Figure 1 (below).

Figure 1 Compounded Annualized Returns Since Inception

Line No.		Annualized Returns (%)
1	Assets-Basic Claims & EFB Portfolios	
2	Actual Basic	0.87%
3	Policy-Passive-Basic	0.54%
4	P1 Basic	0.84%
5	P2 Basic	2.33%
6	Actual EFB	4.66%
7	Policy-Passive-EPB	4.96%
8	P3 EPB	4.98%
9	P4 EPB	1.34%
10	Liabilities-Minimum Risk Portfolios	
11	Basic Claims Nominal	0.08%
12	Basic Claims Real	1.19%
13	EPB Nominal	0.55%
14	EPB Real	0.47%

The surplus volatilities for the policy, shadow, and actual portfolios relative to the liability benchmark portfolios since inception are shown in Figure 2 (below).

Figure 2 Surplus Volatilities Since Inception

Line No.		
1	Nominal MRP	
2	Actual Basic-Nominal MRP	1.9%
3	Policy Basic-Nominal MRP	0.9%
4	P1 Basic-Nominal MRP	1.5%
5	P2 Basic-Nominal MRP	3.5%
6	Real MRP	
7	Actual Basic-Real MRP	2.9%
8	Policy Basic-Real MRP	3.7%
9	P1 Basic-Real MRP	2.7%
10	P2 Basic-Real MRP	3.4%
11	Nominal MRP	
12	Actual EFB-Nominal MRP	10.9%
13	Policy EFB-Nominal MRP	7.4%
14	P3 EFB-Nominal MRP	7.7%
15	P4 EFB-Nominal MRP	3.6%
16	Real MRP	
17	Actual EFB-Real MRP	9.2%
18	Policy EFB-Real MRP	6.7%
19	P3 EFB-Real MRP	6.5%
20	P4 EFB-Real MRP	4.3%

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Part and Chapter:	Part VIII Product Enhancements BIM Basic Insurance Model Appendix 1	Page No.:	Pg 1 of 1
PUB Approved Issue No:	13. Driver Safety Rating (DSR)		
Topic:	Basic Insurance Model Schedule		
Sub Topic:			

Preamble to IR:**Question:**

- a) The Basic Insurance Model schedule shows customer engagement starting in Q2 of 2023. Please advise whether customer engagement has begun.
- b) Please provide a copy of the online survey of the public customer consultation.
- c) Please advise why there is a 2 year gap between completion of public consultations in 2023 and commencement of the 2nd round of public consultations in 2026.
- d) The Basic Insurance Model schedule shows stakeholder engagement consultations commencing in Q3 of 2023. Please provide an update of these consultations to date.
- e) The Basic Insurance Model schedule shows Government approval / legislative changes for data collection commencing in Q4.
 - i. Please provide confirmation of any further consultations or discussions that have occurred with Government regarding regulations changes given this impending deadline.
 - ii. Please provide commentary on any potential impacts on this part of the schedule considering the provincial election scheduled in October, 2023.

Rationale for Question:

To clarify the dates provided in the schedule provided.

RESPONSE:

- a) The roll-out has not yet begun, as the survey was not finalized in time for it to be completed before the Provincial election blackout period, which began on August 4, 2023. MPI anticipates that the survey will launch following the conclusion of the Provincial election in October 2023.
- b) Due to the labour interruption, MPI is unable to provide a complete response to this information request on September 6, 2023. MPI is committed to providing this as Appendix 1 to this response, when conditions of work normalize, and with updates to the PUB and interveners as required.
- c) The gap between the public consultations is to allow MPI time to collect then analyze driver and other data to better inform the questions in subsequent rounds of consultation.
- d) MPI considers that stakeholder engagement has already begun through the annual GRA process. The questions and concerns of PUB and intervenors provide valuable information to MPI. Further engagement outside of the GRA process are planned after hearings are completed. Please see MPI response to CAC (MPI) 2-1, part d) for further detail.
- e) Please see below:
 - i. There have been no further consultations or discussions with Government regarding proposed regulatory amendments to enable customer data collection since February 3rd, 2023. The BIM customer survey and data collection amendment are top priority items included in the general election briefing materials to be revisited with Government following the conclusion of the Provincial election in October 2023.

- ii. MPI does not expect the Provincial election scheduled in October 2023 to have any material impacts on the schedule of the Basic Insurance Model evolution. A potential change in minister responsible for MPI and/or ministerial or department staff will require additional time for MPI to brief on pertinent issues, however it is not expected that this additional time, if necessary, will impact or impair the schedule's timing.

Appendix 1:
Market Value as of Aug 31, 2023

- 1 The response will be filed after conditions of work normalize.

CMMG (MPI) 2-7

Part and Chapter:	Part VIII Product Enhancements BIM Basic Insurance Model	Page No.:	Pg 9 and 10 of 30
PUB Approved Issue No:	13. Driver Safety Rating (DSR)		
Topic:	Data collection		
Sub Topic:			

Preamble to IR:

MPI states "Further, MPI submits that, without driver data collection, it is not able to responsibly recommend any potential large-scale changes to the BIM."

MPI has provided various methods to obtain data from customers.

Question:

Would any of the potential solutions to compel data collection suggested by MPI, provide data reliable enough for MPI to recommend large scale changes to the BIM?

Rationale for Question:

To examine the value of the data collection methods suggested by MPI.

RESPONSE:

In combination with customer education and communication, any potential solutions referenced in Part VIII Product Enhancements, Basic Insurance Model chapter BIM.4 would provide data reliable enough for MPI to recommend large scale changes to the BIM.

CMMG (MPI) 2-8

Part and Chapter:	Part X Rate Stabilization Reserve	Page No.:	
PUB Approved Issue No:	8. Capital Management Plan a) Transfers of Extension excess capital		
Topic:			
Sub Topic:			

Preamble to IR:

In response to CMMG (MPI) 1-12 MPI stated as follows:

"...the Board of Directors is not prohibited from authorizing transfers from Extension to other lines of business within the same 5-year forecast period. The calculations provide a 5-year forecast that guides a particular course of action in year 1, and MPI must be able to make decisions on an annual basis that are in its best interest (e.g., ensuring its compliance with the MPIC Act)."

Question:

Please provide commentary on how MPIs forecasting accuracy is impacted by the unknown of whether or not Extension monies will be transferred to Basic

Rationale for Question:

To understand the impact of extension transfers on forecasting methodologies.

RESPONSE:

MPIs forecasting accuracy is impacted by the uncertainty in excess Extension funds that are transferred to Basic. In MPI's forecasting methodology, the presumption is that any excess Extension capital, if available, will be transferred to the Basic Rate Stabilization Reserve during the forecast period. However, it should be noted that

excess Extension transfers are a projection and therefore may not be 100% accurate. It is also possible that Extension may not have excess capital to transfer.

As per the Capital Management Plan (outlined in Part X Rate Stabilization Reserve Chapter):

"The proposed CMP requires MPI to transfer to the Basic RSR all capital in the Extension Reserve in excess of 200% MCT at each fiscal year end. Notwithstanding this requirement, the Board of Directors (BoD) of MPI may transfer such excess funds prior to fiscal year end to cover any subsequent or existing shortfalls to its other lines of business."