

MANITOBA PUBLIC INSURANCE (MPI)

2024 GENERAL RATE APPLICATION

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RIGHTS CLINIC

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RIGHTS CLINIC – BACKGROUND

- Founded in July of 2022
- Expanded the clinic offerings at the University of Manitoba Faculty of law
- Advocates for the protection and advancement of rights, including:
 - Environmental rights;
 - Charter rights;
 - Indigenous rights;
 - Disability rights;
 - Privacy rights.



TWO ARGUMENTS

- We are arguing against MPI's general rate application (GRA)
- Two arguments:
 - MPI's GRA is inaccessible (Anna)
 - Misleading cross-Canada premium comparisons and a better implementation of the Primary Driver Model (Lewis)

ACCESSIBILITY ARGUMENT - OUTLINE

- I will:
 - Provide an overview of what it means to make information accessible;
 - Explore why it is necessary to make information accessible;
 - Explain why MPI's GRA is currently inaccessible and provide two recommendations to improve it;
 - And, finally, outline why the GRA must be made accessible to comply with the law.

ACCESSIBILITY BARRIERS

- Accessibility barriers: anything that limits or prevents a person from receiving information and goods, accessing a space, or participating in activities.
- Barriers can be:
 - Attitudinal;
 - Technological;
 - Systemic;
 - Physical;
 - Architectural;
 - Informational.

ACCESS TO INFORMATION

- Accessible information means more than being physically accessible
- Accessible information = information that people can understand
- For example, providing information in ...
 - Different languages;
 - Plain-language;
 - Large print.
- When it comes to powerful institutions ...
 - Inaccessible information → harmful (silences public criticism)
 - Accessible information → increases public trust AND public participation

PUBLIC PARTICIPATION

pubmanitoba.ca/v1/about-pub/how-rates-are-approved.html



Public Participation

As an open and transparent body, the PUB welcomes and encourages public participation in its hearings. Public participation ensures that all public issues and perspectives come to the Board's attention in a transparent process. As such, there are several ways for the public to become involved in any public hearing before the Board:

- Access to information useful for increasing public participation in PUB hearings
- Inaccessibility of MPI's GRA → limits perspectives that come to the Board's attention
- Largely due to ..
 - (1) Navigability of the document
 - (2) Lack of Executive Summary

RECOMMENDATION I: TABLE OF CONTENTS (NAVIGABILITY)

2024 GENERAL RATE APPLICATION TABLE OF CONTENTS

Part I	Introduction
INT	Introduction Chapter
Part II	Application
LA	Legal Application Chapter
COM	Compliance with PUB Orders Chapter
MFR	Minimum Filing Requirements Chapter
OV	Overview Chapter
GLO	Glossary Chapter
Part III	Basic Autopac Coverage including Comparison to Other Jurisdiction
BAC	Basic Autopac Coverage Chapter
CBP	Comparison of Basic Policies to Other Jurisdictions Chapter
Part IV	Benchmarking
BMK	Benchmarking Chapter
Part V	Nova, Information Technology, and Value Assurance
NOV	Nova Chapter
IT	Information Technology Chapter
VA	Value Assurance Chapter
Part VI	Claims Forecasting and Loss Trend Analysis
CF	Claims Forecasting Chapter
Part VII	Ratemaking
RMO	Ratemaking Overview Chapter
RI	Rate Indication Chapter
RC	Risk Classification Chapter
DR	Dislocation Report Chapter
ART	Application Rate Tables Chapter

Part VIII	Product Enhancements
VFH	Vehicle for Hire Chapter
BIM	Basic Insurance Model Chapter
Part IX	Financial Forecasting
PF	Pro Formas Chapter
FFM	Financial Forecasting Model Chapter
CID	Claims Incurred Discounting Chapter
REV	Revenues Chapter
EXP	Expenses Chapter
Part X	Capital Management and the Rate Stabilization Reserve
RSR	Rate Stabilization Reserve Chapter
EAR	External Actuary Review Chapter
FCT	Financial Condition Testing Chapter
Part XI	Investments
INV	Investments Chapter
Part XII	Risk Management Framework
RMF	Risk Management Framework Chapter
Part XIII	Road Safety
LP	Loss Prevention Chapter
Part XIV	Reporting and Publications
AR	Annual Reports Chapter
MP	Media Package Chapter

RECOMMENDATION I: TABLE OF CONTENTS (NAVIGABILITY) (CONT'D)

June 15, 2023

2024 GENERAL RATE APPLICATION
Part IV - Benchmarking

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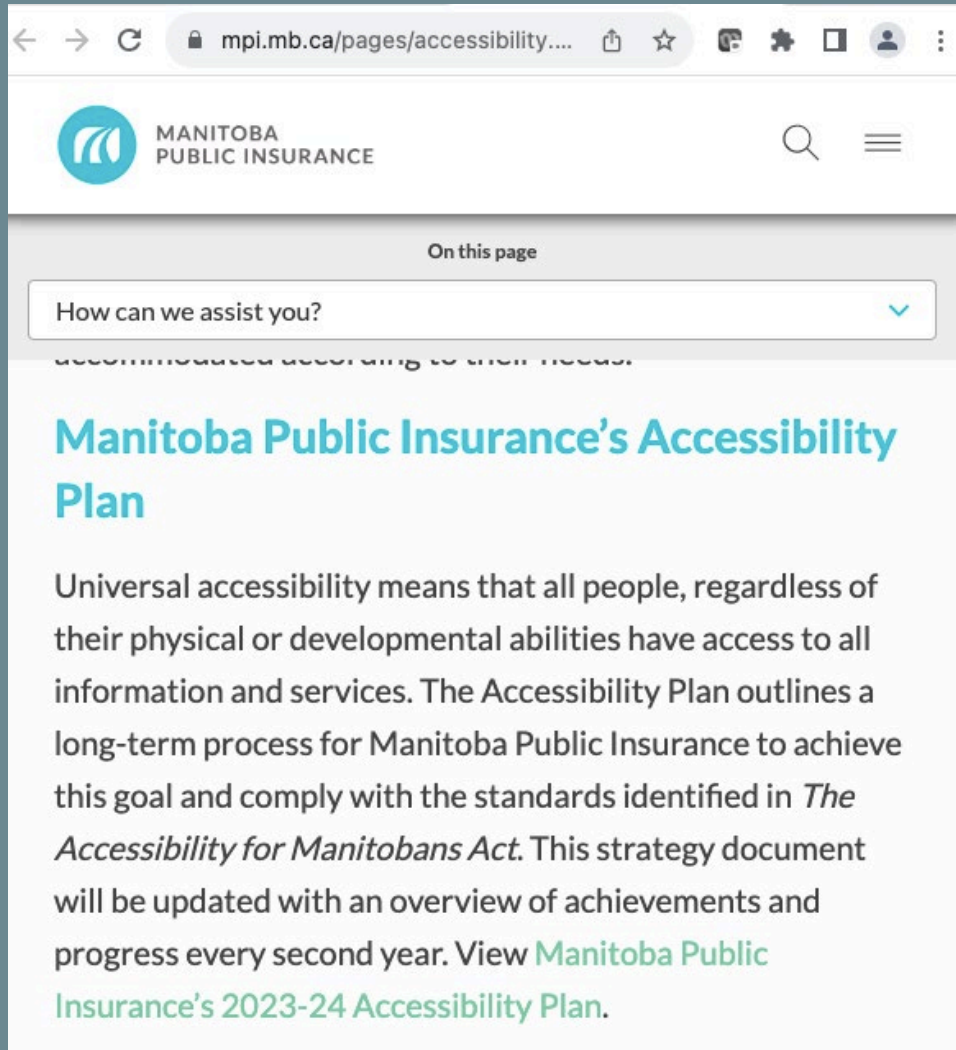
RECOMMENDATION I: TABLE OF CONTENTS (NAVIGABILITY) (CONT'D)

- Recommendation I: Improve the Master Table of Contents provided at the beginning of the GRA by compiling the extended Table of Contents that exist throughout the document.
- Should include ...
 - All items contained in the document ;
 - Page numbers;
 - Hyperlinks.
- Improve navigability → increase access to information → increase public participation

RECOMMENDATION 2: EXECUTIVE SUMMARY

- The only way to learn about what is in the GRA is to read thousands of pages
- Recommendation 2: provide an Executive Summary of the GRA with ...
 - Key facts;
 - Written in plain-language;
 - Reasonable length;
 - And accessible enough for concerned citizens to have enough information to prepare well-informed comments.

MPI'S COMMITMENT TO ACCESSIBILITY



The screenshot shows a web browser window with the URL mpi.mb.ca/pages/accessibility.... The page header features the Manitoba Public Insurance logo and a search icon. Below the header is a navigation menu with the text "On this page" and a dropdown menu containing the text "How can we assist you?". The main content area displays the heading "Manitoba Public Insurance's Accessibility Plan" in blue. The text below the heading reads: "Universal accessibility means that all people, regardless of their physical or developmental abilities have access to all information and services. The Accessibility Plan outlines a long-term process for Manitoba Public Insurance to achieve this goal and comply with the standards identified in *The Accessibility for Manitobans Act*. This strategy document will be updated with an overview of achievements and progress every second year. View [Manitoba Public Insurance's 2023-24 Accessibility Plan](#)."

2. Statement of commitment

MPI's Executive Committee's Statement of Commitment to Accessibility:

At Manitoba Public Insurance, we are committed to inclusion and ensuring equal access and participation for all people.

THE ACCESSIBILITY FOR MANITOBANS ACT

- It is the law for MPI to make documents and information accessible
- *The Accessibility for Manitobans Act*
 - Passed in 2013
 - Requires organizations to comply with standards to create an inclusive and accessible Manitoba
- MPI's Accessibility Plans created in response to this Act
- The Act is divided into Accessibility Standards for five key areas
 - Two standards apply to providing accessible documents and making information accessible for people with disabilities
 - Build on existing requirements of Manitoba's *Human Rights Code*

ACCESSIBILITY STANDARD FOR CUSTOMER SERVICE

- Accessibility Standard for Customer Service:
 - Requires all organizations to reasonably accommodate their customers
 - Examples include:
 - Reading things out loud
 - Taking extra time to explain things
 - “Active Offer”: tells the customer that the document is available in alternate formats, upon request (no Active Offer exists for the GRA)

INFORMATION AND COMMUNICATIONS ACCESSIBILITY STANDARD

- Information and Communications Accessibility Standard:
 - MPI must comply by May 1, 2024
 - Required to have measures, policies, and practices to address barriers to information and communication
 - Examples include:
 - Creating/maintaining accessible websites
 - Notifying the public that information is available through communication supports and alternate formats (aka an Active Offer)

CHALLENGES IN COMPLYING WITH ACCESSIBILITY STANDARDS

- Will an alternate format of MPI's GRA meaningfully address accessibility barriers?
- For example ...
 - Is an audio format of a document containing thousands of pages (and tables) accessible?
 - Is using ASL for a document containing thousands of pages accessible?
- An Executive Summary may be more adaptable for an alternate format

ACCESSIBILITY – MORE THAN A CHECKLIST

	<p>We ensure that new and updated web applications meet or exceed WCAG 2.1 Level AA guidelines.</p>
	<p>We welcome and respond promptly to feedback we receive on the accessibility of our information and communication. We document the actions we take to respond to the feedback we receive, and we make that information available on request.</p>
	<p>We provide the required training on accessible information and communication to employees, agents, volunteers and any person who develops or maintains our web content, purchases or procures information technology or communication tools, develops or implements our accessible information and communication policies and practices, or provides information to the public or to other organizations in Manitoba.</p>
	<p>We keep a written record of accessibility and training policies, including a summary of our training materials and when our training is offered. We let the public know that our accessibility and training policies are available on request.</p>

ACCESSIBILITY ARGUMENT – CONCLUDING REMARKS

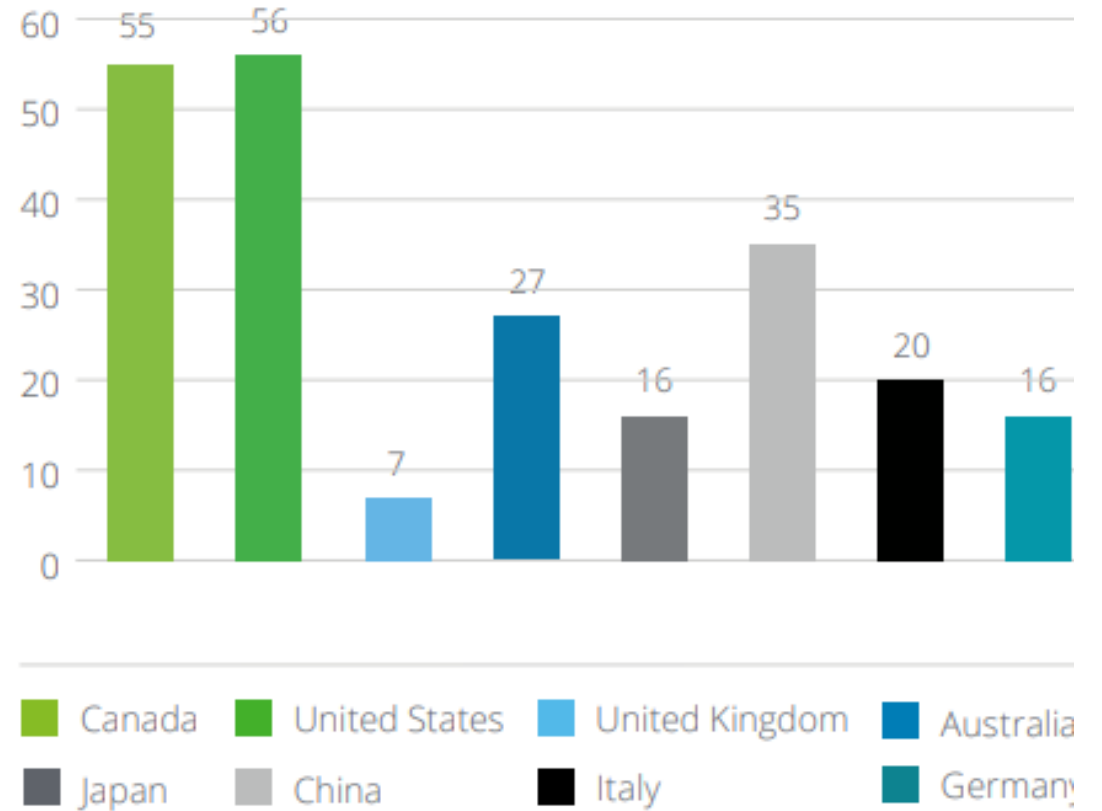
- Whether you have a disability or not, everyone benefits from increased access to information
- Our two recommendations for the GRA:
 - (1) improve navigability, through an improved Master Table of Contents
 - (2) include an Executive Summary
- Mindful of how the Accessibility Standards apply to the GRA
- Recommendations will improve access to information, public trust and public participation

A discussion on cross-country comparisons
and the Primary Driver model

The pitfalls of models

- Models and estimates for car insurance are not representative of reality
- They do not account for the various benefits and demerits that go with the average experience of buying car insurance
- The limitations in the Ernst and Young model exclude much of the reality people are faced with when buying car insurance
- For example, a report from Deloitte said a majority of Canadians buy bundled car and auto insurance.
- It is difficult to draw conclusive evidence from only one model

Figure 4: The percentage of international respondents that purchased home and auto insurance together as a bundle



Different methods of evaluation can lead to different results

- The image to the right provides the averages for car insurance from the Insurance Bureau of Canada
- This contrasts with the Ernst and Young model, which found Manitoba, Saskatchewan, and B.C as having the lowest car insurance premiums.
- The 2024/2025 Projections lists the average premium for Manitobans as now \$1,120.00
- Depending on parameters, the results vary. Relying on only one method of evaluation is dangerous

WHERE CAN YOU FIND CHEAP CAR INSURANCE IN CANADA?		
Province/Territory	Average annual premiums	Average monthly premiums
Québec	\$700	\$58
Yukon	\$812	\$67
Prince Edward Island	\$816	\$68
New Brunswick	\$867	\$72
Nova Scotia	\$891	\$74
Nunavut	\$963	\$80
Northwest Territories	\$978	\$81
Manitoba	\$1,080	\$90
Newfoundland and Labrador	\$1,168	\$97
Alberta	\$1,179	\$98
Saskatchewan	\$1,235	\$103
Ontario	\$1,500	\$125
British Columbia	\$1,830	\$152

LIST OF MANDATORY CAR INSURANCE IN CANADA	
Province/Territory	Mandatory coverages
Québec	<ul style="list-style-type: none"> No-fault coverage for all Minimum \$50,000 civil liability coverage, including legal liability for property damage and bodily injury
Yukon	<ul style="list-style-type: none"> Minimum \$200,000 third-party liability Accident benefits Uninsured automobile coverage
Prince Edward Island	<ul style="list-style-type: none"> Minimum \$50,000 third-party liability Accident benefits Direct compensation property damage Uninsured motorist
New Brunswick	<ul style="list-style-type: none"> Minimum \$200,000 third-party liability Accident benefits Uninsured automobile coverage Direct compensation property damage
Nova Scotia	<ul style="list-style-type: none"> Minimum \$500,000 third-party liability Accident benefits Direct compensation property damage Uninsured motorist
Nunavut	<ul style="list-style-type: none"> Minimum \$200,000 third-party liability Accident benefits Uninsured automobile coverage
Northwest Territories	<ul style="list-style-type: none"> Minimum \$200,000 third-party liability Accident benefits Uninsured automobile coverage
Manitoba	<ul style="list-style-type: none"> \$50,000 per vehicle all perils coverage (collision and comprehensive) Minimum \$200,000 third-party liability
Newfoundland and Labrador	<ul style="list-style-type: none"> Minimum \$200,000 third-party liability Accident benefits Uninsured motorist
Alberta	<ul style="list-style-type: none"> Minimum \$200,000 third-party liability Accident benefits
Saskatchewan	<ul style="list-style-type: none"> Minimum \$200,000 third-party liability Accident benefits All-perils coverage
Ontario	<ul style="list-style-type: none"> Minimum \$200,000 third-party liability Accident benefits Uninsured automobile coverage Direct compensation property damage
British Columbia	<ul style="list-style-type: none"> Up to \$300,000 medical coverage Minimum \$200,000 third-party liability Underinsured motorist protection Hit-and-run damage and injuries

Coverage varies across provinces

- Lower rates is not the be-all and end-all
- Different insurance plans across the country come with different mandatory benefits for the most basic plan
- Manitoba offers a lot less coverage for the most basic plan compared to other provinces
- This may be a reason why Manitoba has cheaper insurance on average
- Manitoba is also only one of two provinces to have a strictly no-fault system

The primary driver model is a better reflection of the driving reality

- The PUB is well within their jurisdiction to mandate MPI to change the system to a primary driver model
- Manitoba, Saskatchewan, and British Columbia are the only provinces that use the registered owner model
- Those three provinces on the 2024 MPI Rate Application were found to have the lowest rates during the Ernst and Young comparisons
- If the IBC model is to be believed, the Registered Owner model appears to increase the cost of car insurance
- Either way, the Registered Owner model has many flaws for general customers
- Registered Owner model means fewer dangerous drivers are paying the actual monetary price for their dangerous driving

Reminder from Manitoba Public Insurance Corp v Manitoba (Public Utilities Board) et al, 2022 MBCA 86 at paragraph 64:

- "The DSR system is a form of customer classification over which the PUB holds authority. If the PUB were to require MPIC to change plan premium discounts or additional amounts based not on the registered owner, but on the primary driver, that would be a change in rate-setting methodology over which the PUB has jurisdiction."
- If PUB is unhappy with the direction MPI is taking in making its new model, the PUB can step in to require a change in the methodology.

ID	Task Name	2023				2024				2025				2026				2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
0	Basic Insurance Model Evolution																				
1	Basic Insurance Model Data Collection and Analysis Phase	[Green bar spanning all quarters from 2023 Q1 to 2027 Q4]																			
2	Develop Working Names and Definitions of Future Insurance Models and Submit in 2024 GRA for Examination	[Blue bar spanning 2023 Q1 to 2023 Q4]																			
3	Customer Engagement		[Blue bar spanning 2023 Q2 to 2023 Q3]											[Blue bar spanning 2026 Q1 to 2026 Q2]							
4	Stakeholder Consultations			[Blue bar spanning 2023 Q3 to 2023 Q4]										[Blue bar spanning 2026 Q1 to 2026 Q2]				[Blue bar spanning 2027 Q1 to 2027 Q2]			
5	Government Approval / Legislative Changes for Data Collection				[Blue bar spanning 2023 Q4 to 2024 Q3]																

What MPI is currently doing to implement a new system

- MPI is currently developing different terminology and collecting data on these new DRS systems
- MPI is basing its current model from British Columbia's system, which is a mix of a Primary Driver and Listed Driver system
- Currently, MPI has a model ready for collecting data, subject to government and PUB approval
- Getting approval and the data collection process ready in timely manner is paramount for providing better safety to Manitobans.
- It appears most customers prefer to keep the Registered Owner model after a 2019 consultation
- However, educating the public on the benefits of the new system should be emphasized

Concluding recommendations

- Relying on a single model is misleading. A more holistic approach to represent what Canadian pay for car insurance will provide more accurate data
- Educating the public on the benefits of the Primary Driver Model will make the transition to the new system easier.