



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE CORPORATION (MPI)  
2023/2024 GENERAL RATE APPLICATION  
PRE-HEARING

Before Board Panel:

Irene Hamilton Q.C. - Panel Chairperson  
Robert Gabor, Q.C. - Board Chair  
Susan Nemec - Board Member

HELD AT:

Public Utilities Board  
400, 330 Portage Avenue  
Winnipeg, Manitoba

July 27, 2019

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Day 1 of 1

1 APPEARANCES  
2  
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5 Roger Cathcart ) PUB advisor  
6  
7 Steve Scarfone ) Manitoba Public  
8 Guneet Jassal ) Insurance  
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12 Karen Wittman ) Taxi Coalition  
13 Sharna Nelko )  
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15 Charlotte Meek ) CMMG  
16  
17 Curtis Unfried ) IBAM  
18  
19  
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1 --- Upon commencing at 9:04 a.m.

2

3 OPENING COMMENTS BY THE BOARD:

4 THE PANEL CHAIRPERSON: Good morning,  
5 everyone, and welcome to the pre-hearing conference  
6 for Manitoba Public Insurance Corporation's 2023/'24  
7 General Rate Application that was filed July 12th,  
8 2022.

9 I am Irene Hamilton, the Chair of this  
10 Panel of the Public Utilities Board. Joining me today  
11 in the hearing room are the Board Chair, Robert Gabor,  
12 and Board member Susan Nemec.

13 The Board acknowledges that we are  
14 gathered on original lands of the Anishinaabe, Cree,  
15 Oji-Cree, Dakota, and Dene peoples and the homeland of  
16 the Red River Metis Nation.

17 The Panel is assisted in this General  
18 Rate Application by Board secretary Darren Christle,  
19 assistant associate secretary Jennifer Dubois,  
20 administrative officer Diane (sic) Villegas. Kathleen  
21 McCandless, Robert Watchman, and Kara Moore will act  
22 as Board counsel.

23 As in prior hearings, the Board is also  
24 assisted by tech -- technical advisors from Cathcart  
25 Advisors and Eckler Partners.



1                   The Public Utilities' mandate is to set  
2 just and reasonable rates that are in the public  
3 interest. The public interest has been defined by the  
4 Manitoba Court of Appeal as balancing the impacts of  
5 rate increases on consumers with the fiscal health of  
6 the Utility.

7                   In order to set just and reasonable  
8 rates that are in the public interest, the Board will  
9 hear and consider all of the evidence that is adduced  
10 on the record of this proceeding and hear submissions  
11 from Manitoba Public Insurance and all approved  
12 Interveners.

13                   Manitoba Public Insurance is applying  
14 to the Board for approval of its premiums charged with  
15 respect to compulsory driver and vehicle insurance.  
16 This General Rate Application will be conducted in  
17 accordance with the provisions of the Crown  
18 Corporations Governance and Accountability Act and the  
19 Public Utilities Board Act.

20                   We will employ throughout the process  
21 the Board's Rules of Practice and Procedure which can  
22 be viewed on the Board's website. Any questions in  
23 terms of locating the rules can be posed to the Board  
24 office.

25                   In its application, MPI provisionally

1 proposes new premium rates to take effect on April  
2 1st, 2023 which, if granted, would represent a 0.9  
3 percent overall rate decrease over the current  
4 insurance year. This rate is based provisionally on  
5 the naive interest rate forecast as at March 31st,  
6 2021, and is to be updated to a final rate indication  
7 based on actual results to July 31st, 2022, and  
8 interest rates to August 31st, 2022.

9 MPI is not seeking any change to  
10 miscellaneous permits and certificates, driver  
11 premiums, Basic service and transaction fees, or fleet  
12 rebates and surcharges.

13 MPI is applying for changes to vehicle  
14 discounts available through the Driver Safety Rating  
15 System, or the DSR system, primarily increases on the  
16 discount applied to DSR plus nine (9) to plus sixteen  
17 (16).

18 The requested changes include increase  
19 in the maximum merit level under the DSR scale from  
20 plus sixteen (16) to plus seventeen (17) in the  
21 2023/'24 policy year, allocating rate decrease of 0.9  
22 percent for the DSR vehicle discount levels, with the  
23 most significant rate decreases based on actuarial  
24 indications, and making no changes to DSR driver  
25 premiums.

1                   As always, MPI bears the onus in this  
2 proceeding of satisfying the Board that its  
3 application should be granted on the whole of the  
4 evidence that it provides.

5                   Our objectives for today's pre-hearing  
6 conference are: To identify prospective Interveners;  
7 to learn the reasons for their intervention;

8                   To hear submissions on the issues to be  
9 included in the scope of the General Rate Application,  
10 more particularly, any variations from the preliminary  
11 issues list which was approved by the Board on June  
12 2nd, 2022 in its Interim Procedural Order number  
13 60/'22;

14                   To hear requests from MPI or any  
15 proposed Interveners for pre-qualification of expert  
16 witnesses they intend to call at the public hearing;

17                   To hear submissions on the process for  
18 the treatment of commercially sensitive information;

19                   To gain an appreciation of any costs  
20 awards that may be sought by Interveners;

21                   And to discuss and arrive at a  
22 timetable for the orderly exchange of evidence and  
23 information throughout this GRA process.

24                   The Board welcomes public  
25 participation. Individuals or groups may submit

1 written -- written comments to be made to the Board.  
2 In previous General Rate Applications, the Board has  
3 invited members of the public to appear in person to  
4 provide oral presentations.

5 In the event that there is a change to  
6 any public health order, public access to the Board's  
7 hearing room may be limited. However, the Board will  
8 continue to welcome written comments on its web page.

9 The Board will consider what weight, if  
10 any, should be attached to information received from  
11 members of the public which is not sworn or subject to  
12 cross-examination.

13 All parties and their representatives  
14 and consultants should be aware that the Board intends  
15 to live stream the public hearing proceedings through  
16 a link accessible on the Board website. As such, the  
17 use of acronyms is to be discouraged.

18 This would be not only for the benefit  
19 of persons watching the live streaming of the  
20 proceedings, but also for the benefit of Board  
21 members. It will assist in the Panel's and public's  
22 understanding of the issues and evidence if acronyms  
23 are avoided.

24 The Board appreciates that some  
25 potential Interveners who will be seeking costs awards

1 may not have provided detailed budgets at this time as  
2 the approval of Intervener status and approval of the  
3 issues for each Intervener has not yet been given.

4           After the Board has issued its  
5 procedural Order approving Intervener status and  
6 issues, approved Interveners will be required to file  
7 their detailed budgets within the time prescribed by  
8 the Board.

9           Prospective Interveners should fam --  
10 familiarize themselves with the Board's Intervener  
11 Cost Policy, which is available on the Board's website  
12 and which has previously been circulated to  
13 Interveners of record.

14           The Board is continuing with its pre-  
15 qualification process for expert witnesses this year.  
16 Experts may no longer need to be qualified in the same  
17 manner as previous MPI GRA hearings. Ultimately, the  
18 Board will determine what weight, if any, to attach to  
19 experts' testimony.

20           The Manitoba Ombudsman has issued  
21 privacy guidelines for administrative tribunals. The  
22 PUB is mindful of its obligations under those  
23 guidelines. It's decisions in respect of the  
24 application being considered will be sensitive to  
25 them.

1                   Personal information will not be  
2 disclosed unless it is appropriate and necessary to do  
3 so. However, the PUB advises participants that these  
4 proceedings are public, and that as a result personal  
5 information protections are reduced.

6                   I will now call on Board counsel for  
7 introductions, followed by MPI's counsel, Mr.  
8 Scarfone, to introduce the representatives of MPI who  
9 are present, after which I will call on the  
10 prospective Interveners who are present to introduce  
11 themselves.

12                   Once we have heard all introductions, I  
13 will call on Board counsel to make opening comments.

14                   Ms. McCandless...?

15                   MS. KATHLEEN MCCANDLESS: Thank you.  
16 Good morning, members of the Panel. Kathleen  
17 McCandless, and to my left is Robert Watchman, my co-  
18 counsel, and we're Board counsel. And then also with  
19 us today is Roger Cathcart, accounting advisor to the  
20 Board.

21                   MR. STEVE SCARFONE: Good morning,  
22 Madam Chairperson. Steve Scarfone, counsel for  
23 Manitoba Public Insurance. And we have a rather lean  
24 team with us today, but I have Guneet Jassal with me  
25 today. She is the regulatory analyst for MPIC.

1 THE PANEL CHAIRPERSON: Thank you.  
2 Mr. Klassen...?

3 MR. CHRIS KLASSEN: Good morning,  
4 members of the Panel. My name is Chris Klassen, for  
5 the Manitoba branch of the Consumers' Association of  
6 Canada.

7 MS. CHARLOTTE MEEK: Good morning.  
8 Charlotte Meek, on behalf of the Coalition of Manitoba  
9 Motorcycle Groups.

10 MS. KAREN WITTMAN: Oh, thank you.  
11 Good morning. Karen Wittman, on behalf of the Taxi  
12 Coalition, and with me is Sharna Nelko, my colleague.

13 MR. CURTIS UNFRIED: Good morning,  
14 everybody. It's Curtis Unfried, and I'm here on  
15 behalf of the Insurance Brokers Association of  
16 Manitoba.

17 THE PANEL CHAIRPERSON: Thank you.

18 DR. DARREN CHRISTLE: And Jennifer  
19 Dubois, Diana Villegas, and Darren Christle, for the  
20 Board.

21 THE PANEL CHAIRPERSON: Thank you.

22 Ms. McCandless...?

23

24 OPENING SUBMISSIONS BY MS. KATHLEEN MCCANDLESS:

25 MS. KATHLEEN MCCANDLESS: Thank you.

1 Before I begin, I just wanted to let everyone know  
2 that the proceedings are being transcribed, but that's  
3 done online. And so, for the ease of the  
4 transcription services, before you speak, please make  
5 sure to introduce yourself for the record.

6 And as well, we have on the screen  
7 before us the agenda for today's pre-hearing  
8 conference set out, and the Panel Chair already went  
9 through what we expect to discuss this morning.

10 So at this time, I would like to enter  
11 exhibits for the record. PUB Exhibit 1 is the Notice  
12 of Public Hearing and Pre-Hearing Conference dated  
13 June 30, 2022.

14

15 --- EXHIBIT NO. PUB-1: Notice of Public Hearing  
16 and Pre-Hearing Conference  
17 Dated June 30, 2022

18

19 MS. KATHLEEN MCCANDLESS: PUB-2 is the  
20 Board's Rules of Practice and Procedure.

21

22 --- EXHIBIT NO. PUB-2: Board's Rules of Practice  
23 and Procedure

24

25 MS. KATHLEEN MCCANDLESS: PUB-3 is the



1 Proposed Hearing Timetable that has been circulated  
2 already.

3

4 --- EXHIBIT NO. PUB-3: Proposed Hearing Timetable

5

6 MS. KATHLEEN MCCANDLESS: PUB 4 is a  
7 letter from the Board secretary, Dr. Darren Christle,  
8 to MPI and all prospective Interveners dated July  
9 12th, 2022, with attachments. And that letter  
10 addressed issues such as Intervener responsibilities,  
11 minimum filing requirements, the pre-hearing workshop,  
12 today's pre-hearing conference, and those types of  
13 matters.

14

15 --- EXHIBIT NO. PUB-4: Letter from Board  
16 Secretary Dr. Darren  
17 Christle to MPI and All  
18 Prospective Interveners  
19 Dated July 12, 2022, with  
20 Attachments

21

22 MS. KATHLEEN MCCANDLESS: PUB Exhibit  
23 number 5 is another letter from Dr. Christle to MPI  
24 and all prospective Interveners dated July 12, 2022,  
25 and that letter related to the pre-qualification

1 process for expert witnesses.

2

3

4 --- EXHIBIT NO. PUB-5: Letter from Board  
5 Secretary Dr. Darren  
6 Christle to MPI and All  
7 Prospective Interveners  
8 Dated July 12, 2022, re  
9 Pre-qualification Process  
10 for Expert Witnesses

11

12 MS. KATHLEEN MCCANDLESS: PUB-6 is  
13 Board Order number 60/'22 dated June 2, 2022, and that  
14 set out the preliminary issues list for this GRA.

15

16 --- EXHIBIT NO. PUB-6: Board Order 60/'22 Dated  
17 June 2, 2022, setting out  
18 Preliminary Issues List  
19 for This GRA

20

21 MS. KATHLEEN MCCANDLESS: Prior to  
22 hearing from prospective Interveners, I confirmed that  
23 each should provide the following information to the  
24 Board in order that it can deliberate on and decide  
25 Intervention: an indication of their constituency and

1 interests; an outline of the areas of MPI's  
2 application that they intend to test; their reasons  
3 for requesting Intervener status; their plans to call  
4 evidence at the Hearing; and whether they intend to  
5 seek an award of costs, bearing in mind that the  
6 proposed budget is to be provided to the Board in  
7 accordance with the Board's Intervener cost policy.

8           And, as always, the Board will apply  
9 the criteria in the Intervener cost policy with  
10 respect to the awarding of costs, such decisions being  
11 at the sole discretion of the Board.

12           Lastly, at the pre-hearing workshop  
13 which took place on Wednesday July 20th, the  
14 preliminary issues list was discussed. And you will  
15 hear further comments today on the issues list.

16           The panel will be asked to issue as  
17 part of the Order following today's pre-hearing  
18 conference the final issues list for the General Rate  
19 Application.

20           Those are my submissions. Thank you.

21           THE PANEL CHAIRPERSON: Thank you.  
22 Mr. Scarfone...?

23           MR. STEVE SCARFONE: Thank you, Madam  
24 Chair. So, I guess, firstly, I would ask for some  
25 direction from the Board. We have a position with

1 respect to each of the Intervener applications.

2                   And so, if the -- the Board wants to  
3 hear MPI's position on those applications before  
4 hearing from the Interveners, if it would help  
5 streamline the process here this morning, we're --  
6 we're prepared to -- to do that.

7                   THE PANEL CHAIRPERSON: Thank you, Mr.  
8 Scarfone. No, the Board would prefer to hear your  
9 position with regard to the Intervener applications  
10 after they have made them.

11                   MR. STEVE SCARFONE: Okay. So, other  
12 than -- other than that, MPIC has no opening remarks  
13 concerning either the issues list or the pre-  
14 qualification of the expert witnesses. We'll wait to  
15 hear from the Interveners on those issues.

16                   THE PANEL CHAIRPERSON: Thank you, Mr.  
17 Scarfone. Mr. Klassen...?

18

19 OPENING SUBMISSIONS BY CAC (Manitoba):

20                   MR. CHRIS KLASSEN: Good morning,  
21 members of the panel. As noted a few minutes ago, my  
22 name is Chris Klassen. I'm here for the Public  
23 Interest Law Centre of Legal Aid Manitoba,  
24 representing the Manitoba branch of the Consumers'  
25 Association of Canada.

1 I'd also like to begin by entering CAC  
2 exhibits to the record. All components of CAC's  
3 application will be entered as Exhibit 1 with  
4 subdocuments. So, CAC-1-0 will be the Intervener  
5 application form filed July 22nd.

6

7 --- EXHIBIT NO. CAC-1-0: Intervener application  
8 form filed July 22nd

9

10 MR. CHRIS KLASSEN: CAC-1-1 will be  
11 the attachment A overview.

12

13 --- EXHIBIT NO. CAC-1-1: Attachment A overview

14

15 MR. CHRIS KLASSEN: CAC-1-2 of the CAC  
16 Intervener application will be attachment B describing  
17 expert consultants.

18

19 --- EXHIBIT NO. CAC-1-2: Attachment B describing  
20 expert consultants

21

22 MR. CHRIS KLASSEN: CAC-1-3, CAC  
23 Intervener application attachment C.1, costs estimate  
24 part 1.

25

1 --- EXHIBIT NO. CAC-1-3: CAC Intervener application  
2 attachment C.1, costs  
3 estimate part 1  
4

5 MR. CHRIS KLASSEN: CAC-1-4, CAC  
6 Intervener application attachment C.2, costs estimate  
7 part 2.  
8

9 --- EXHIBIT NO. CAC-1-4: CAC Intervener application  
10 attachment C.2, costs  
11 estimate part 2  
12

13 MR. CHRIS KLASSEN: Exhibit CAC-1-5,  
14 attachment C.3, costs estimate part 3.  
15

16 --- EXHIBIT NO. CAC-1-5: Attachment C.3, costs  
17 estimate part 3  
18

19 MR. CHRIS KLASSEN: And, finally,  
20 Exhibit CAC-1-6 of the CAC Intervener application,  
21 expert's curriculum vitae.  
22

23 --- EXHIBIT NO. CAC-1-6: CAC Intervener  
24 application, experts'  
25 curriculum vitae

1                   MR. CHRIS KLASSEN:    We thank the Board  
2 counsel for providing a proposed outline.  And we do  
3 intend to address all issues requested.  I will  
4 propose to -- to alter the order a little -- slightly,  
5 if that's acceptable to the Board.

6                   I propose first to describe CAC  
7 (Manitoba) and their constituency, then CAC  
8 (Manitoba)'s reasons for the proposed intervention,  
9 its key areas of interest and the issues to be  
10 addressed, including plans for expert evidence and,  
11 finally, comments with respect to costs.

12                   In CAC (Manitoba)'s view, the 2023  
13 General Rate Application has been filed with  
14 significant societal and economic changes in the not  
15 too distant past, and these changes continue to create  
16 uncertainty both in the long-term and the near-term  
17 future for MPI.

18                   However, despite this uncertainty, the  
19 application itself describes significant internal  
20 change ongoing at MPI which, of course, is already  
21 ongoing but is also projected to drastically alter the  
22 way the Corporation provides services to Manitobans  
23 within a relatively short time frame.

24                   This presents an important opportunity  
25 for the Board and for Interveners to ensure that

1 Manitobans monopoly insurer is acting prudently, as  
2 must be reflected in just and reasonable rates.

3 CAC (Manitoba) is a volunteer, non-  
4 profit, independent organization representing the  
5 consumer interest and working to inform and empower  
6 consumers in Manitoba. It is a branch of the National  
7 Consumers' Association of Canada but is financially  
8 separate and separately incorporated.

9 It's governed by a board of directors  
10 and its policy is guided by generally accepted  
11 consumer rights and responsibilities which are  
12 described in attachment A to its application to  
13 intervene.

14 For over thirty (30) years, CAC  
15 (Manitoba) has been actively involved in rate  
16 regulation matters before this Board and before others  
17 and takes pride in its longstanding record of quality,  
18 evidence-based advocacy.

19 CAC (Manitoba) has been particularly  
20 engaged in the regulation of MPI, having intervened in  
21 every rate application before this Board, having  
22 participated in all technical conferences, as well as  
23 ancillary processes.

24 In this proceeding, CAC (Manitoba)  
25 intends to protect the interests of all MPI customers



1 with the particular emphasis on the private passenger  
2 customer class.

3 CAC (Manitoba) views the interests of  
4 this group to be consistent with those of Manitoba  
5 consumers generally, who it is mandated to serve. All  
6 MPI customers will be directly affected by this  
7 proceeding, and in CAC (Manitoba)'s view, are entitled  
8 to just and reasonable rates determined in a public  
9 transparent form

10 CAC (Manitoba)'s participation in this  
11 proceeding will be guided by its board of directors,  
12 drawing on institutional knowledge developed over  
13 decades of this work.

14 Many attendees and members of the Board  
15 will know that CAC (Manitoba) applies to intervene  
16 this year without the leadership of its longtime  
17 executive director, Ms. Gloria Desorcy. Ms. Desorcy  
18 is and will be missed; however, this year, the board  
19 of directors will be guiding its participation in the  
20 process.

21 To supplement the board's institutional  
22 knowledge and in recognition of Ms. Desorcy's  
23 significant experience and insight, CAC (Manitoba)  
24 also intends to assemble a volunteer advisory panel of  
25 local stakeholders to inform its understanding of

1 consumers' interests.

2                   Ultimately, CAC (Manitoba) is here to  
3 ensure that consumers' voices are heard by this Board  
4 and by their Crown-owned monopoly insurer.

5                   CAC (Manitoba) intends to focus its  
6 intervention on eight (8) key issues drawn from the  
7 preliminary issues list.

8                   First, and potentially most  
9 importantly, is the question of whether the proposed  
10 .9 percent overall rate decrease and its allocation  
11 between vehicle premiums and adjustments to the DSR  
12 scale is just and reasonable.

13                   Second, whether MPI's new capital  
14 management plan appropriately balances customers'  
15 interests with those of the Corporation.

16                   Third, whether Project Nova, with its  
17 significant cost increases and devalued projected  
18 benefits continues to be in customers' best interests,  
19 as well as whether projected costs are appropriately  
20 allocated between lines of business.

21                   Fourth, the implications on COVID-19 on  
22 short-term and longer term circumstances for MPI.

23                   Fifth, the implications of inflation  
24 and interests rates on MPI's operations, financial  
25 forecasting, and investment portfolio, including the

1 question of whether MPI has appropriately mitigated  
2 inflation risk.

3                   Sixth, the reasonableness of the  
4 investment portfolio and its management, including the  
5 asset liability management study.

6                   Seventh, the Driver Safety Rating  
7 system, including options for improving the actuarial  
8 soundness of DSR discounts and surcharges.

9                   And, finally, road safety.

10                   CAC (Manitoba) does not propose to file  
11 evidence or call witnesses at this time but reserves  
12 the right to request permission to do so after first  
13 round IR responses so that any proposed evidence,  
14 should it become necessary in CAC (Manitoba)'s view,  
15 can be appropriately narrow in scope based on the  
16 responses to those questions.

17                   CAC (Manitoba) has again assembled a  
18 team of experts to support its intervention. They are  
19 described both in attachment B to CAC (Manitoba)'s  
20 application to intervene, as well as the costs  
21 estimate.

22                   Members of this team include Mr. Peter  
23 Dyck, former MPI controller and regulatory accountant,  
24 Mr. Valter Viola, an investment consultant who is  
25 managing director and principal at Cortex Applied

1 Research, Ms. Paula Elliot, Mr. Rajesh Sahasrabuddhe,  
2 and Mr. Chris Schneider of Oliver Wyman; and a  
3 consultant still to be confirmed on information  
4 technology issues.

5 CAC (Manitoba) believes that a multi-  
6 disciplinary team of specialists, in which each member  
7 is assigned a distinct portion of the application  
8 within their area of expertise, is more efficient and  
9 more likely to be of assistance to the Board than  
10 reliance on a smaller team of generalists.

11 Lastly, and by way of clarification,  
12 I'll note that Ms. Mavis Johnson, and Mr. Jeff  
13 Crozier, are also listed in CAC (Manitoba)'s cost  
14 estimate and application to intervene.

15 These individuals supported CAC  
16 (Manitoba)'s participation in the Road Safety  
17 Technical Conference in June of this year. They  
18 participated on a very limited retainer and will have  
19 no roll for CAC (Manitoba) in this General Rate  
20 Application.

21 Finally, costs. Our application to  
22 intervene does address our intentions with respect to  
23 costs. CAC (Manitoba) does intend to request an award  
24 of costs and provide a detailed estimate of cost with  
25 its appli -- application.

1 CAC (Manitoba) intends to participate  
2 in this proceeding in a manner consistent with the  
3 PUB's guidance and the requirements of the Intervener  
4 cost policy, including through collaboration with  
5 other Interveners.

6 CAC (Manitoba) has had preliminary  
7 discussions with two (2) other perspective Interveners  
8 and one (1) perspective presenter. As noted in its  
9 application, arrangements have been made with the  
10 Coalition of Manitoba Motorcycle Groups to share the  
11 services of Mr. Viola.

12 CAC (Manitoba) will continue to pursue  
13 opportunities for collaboration and efficiency with  
14 other Interveners. We recognize that a number of the  
15 central themes I identified earlier focus on many of  
16 the key issues in this proceeding, and may also be key  
17 issues for other Interveners.

18 However, based on CAC (Manitobans) --  
19 CAC (Manitoba)'s unique interests -- unique emphasis,  
20 my apologies, on the interests of the private  
21 passenger class, CAC (Manitoba) commits to ensuring  
22 that its participation will not be unduly duplicative  
23 of those of other hearing participants.

24 Before closing, I'll -- I'll just offer  
25 a few brief comments in detail on our cost estimate,

1 primarily, just to note that our legal -- our estimate  
2 for legal time is based on time for Mr. Byron  
3 Williams, as has been done by CAC (Manitoba) in the  
4 past.

5                   Time will be contributed by more junior  
6 counsel, but the overall cost of legal time will be  
7 within the cost estimate based on Mr. Williams' time  
8 contribution.

9                   Subject to questions from the Board,  
10 these are our opening comments.

11                   THE CHAIRPERSON: Thank you, Mr.  
12 Klassen. Any questions...? Ms. Meek...?

13

14 OPENING SUBMISSIONS BY CMMG:

15                   MS. CHARLOTTE MEEK: Thank you, Madam  
16 Chair. Good morning to the Board, to Board counsel,  
17 to MPI, other Interveners, and to members of the  
18 public. My name is Charlotte Meek of BD Oakes Jardine  
19 Kaneski Unruh LLP, and I'm representing the Coalition  
20 of Manitoba Motorcycle Groups, who I'll refer to as  
21 CCMG this morning.

22                   If I could start, please, by filing two  
23 (2) exhibits. The first being CMMG's application for  
24 Intervener status, as CMMG-1. And then I would also  
25 like to file the CVs of Jason Wong, Jeff Crozier, and

1 Valter Viola as CMMG-2.

2

3 --- EXHIBIT NO. CMMG-1: Application for Intervener  
4 Status

5

6 --- EXHIBIT NO. CMMG-2: CVs of Jason Wong, Jeff  
7 Crozier, and Valter Viola

8

9 MS. CHARLOTTE MEEK: As many of you  
10 know, the Coalition of Manitoba Motorcycle Groups, or  
11 CMMG, is a non-profit volunteer run organization.  
12 CMMG has represented the interests of motorcyclists in  
13 Manitoba at these General Rate Applications for over  
14 thirty (30) years, and hopes to be given the  
15 opportunity to do so once again for the 2023 General  
16 Rate application.

17 CMMG represents the interests of  
18 approximately seventeen thousand (17,000)  
19 motorcyclists in Manitoba. CMMG's objective is to  
20 promote motorcycle safety and awareness through  
21 legislative reform and public education, as well as  
22 advocating for affordable and reasonable insurance  
23 premiums for motorcyclists.

24 CMMG is involved in other initiatives  
25 outside of the GRA hearings, such as the Provincial

1 Road Safety Committee, the External Stakeholder  
2 Committee, where they provide feedback on road safety,  
3 on infrastructure, and legislative amendments on  
4 reforms.

5 CMMG is also a member of some national  
6 initiatives such as the Motorcyclists Confederation of  
7 Canada, which promotes motorcycling interests and  
8 allows for the sharing of expertise and knowledge  
9 across provinces.

10 CMMG is the only Intervener who  
11 specifically advocates for the interests of  
12 motorcyclists in the Province of Manitoba. Motorcycle  
13 premiums are impacted by different factors than other  
14 major classes, and therefore, it's our position that  
15 they -- it requires a focussed attention and advocacy  
16 in these General Rate applications.

17 CMMG can also provide the Board with a  
18 special perspective regarding road safety initiatives  
19 to help inform the Board's determinations. In this  
20 years application, CMMG intends to focus its  
21 intervention on several issues or areas raised in the  
22 application this year.

23 Those areas have been outlined in  
24 CMMG's application for Intervener status, but I'll  
25 touch on a few of them now.



1                   As it has done in the past, CMMG  
2 intends to examine MPI's rate making methodology, with  
3 a specific focus on the methodology used for the  
4 motorcycle class.

5                   CMMG seeks to ensure that rates are  
6 based on claims experience rather than being  
7 determined by their factors. CMMG notes that in this  
8 year's application, MPI is seeking an increase in  
9 rates for the motorcycle class of 1.6 percent.

10                  In relation to rate making, CMMG  
11 anticipates reviewing the large vehicle study, the  
12 results of which were provided by MPI in the Road  
13 Safety Technical Conference this year, with a view to  
14 providing the Board with some recommendations for how  
15 results can be used to inform our rate making process.

16                  The Capital Management Plan was a topic  
17 that was canvassed in last year's GRA, and CMMG  
18 intends on reviewing the proposed changes brought  
19 forward by MPI in this year's application.

20                  CMMG had voiced concerns on the  
21 record when the CMP was initially introduced and CMMG  
22 continues to have some concerns, especially with MPI's  
23 proposal that the RSR targets be increased this year.

24                  As it has in previous years, CMMG will  
25 take a special interest in investment portfolios of

1 MPI, in tandem with the Asset/Liability Management  
2 Study that's completed this year.

3 MPI's investment decisions have been of  
4 particular concern for CMMG, as motorcycle rates are  
5 more sensitive to changes in investment return. CMMG  
6 proposes that its intervention would continue to  
7 advocate for a more diversified portfolio to protect  
8 motorcyclists from rate fluctuations caused by  
9 changing interest rates.

10 CMMG's favourite topic, of course, is  
11 the DSR system, which CMMG would -- proposes would  
12 again be a focus of its intervention this year. CMMG  
13 hopes to ensure MPI's compliance with the directions  
14 from the Board from the 2022 GRA regarding the DSR  
15 model.

16 CMMG would also focus its intervention  
17 on examination of the proposed changes to the current  
18 DSR rating system and provide insight and feedback to  
19 the Board on the reasonableness of those changes as  
20 proposed.

21 MPI's continued work on Project Nova  
22 will be touched upon in CMMG's intervention, likely  
23 mostly in relation to the implications on changes to  
24 the DSR model.

25 As in previous years, CCMG anticipates

1 leaving this topic mostly to our friends at CAC  
2 (Manitoba) who've done a great job in examining MPI's  
3 progress on this major initiatives, but we will touch  
4 on it a little bit.

5 Finally, CCMG will also on the COVID-19  
6 impacts on operations of MPI, as well as how COVID-19  
7 assumptions can change from -- to inform forecasting  
8 assumptions, and therefore, rate setting.

9 As outlined in our application, we have  
10 retained the help of three (3) consultants this year:  
11 Jason Wong is acting as an actuarial consultant as he  
12 did last year.

13 Jeff Crozier, again, will provide minor  
14 consulting just on general issues in the application.  
15 And then new this year, CMMG is also retaining Valter  
16 Viola, who will be providing consulting in relation to  
17 the ALM study and investments in general.

18 I understand that our friends at CAC  
19 (Manitoba) are also retaining Mr. Viola, and our  
20 friends at the Taxi Coalition are also retaining Mr.  
21 Wong. We expect that the mutual use of these  
22 consultants will allow for cost savings, as it has  
23 done in previous years.

24 I can advise at this time that CMMG  
25 does not anticipate calling any expert witnesses or

1 filing any evidence, but would request to retain the  
2 right to do so later on in the discovery process, if  
3 necessary.

4                   As we have in previous years, CMMG  
5 anticipates seeking an award of costs at the  
6 conclusion of the hearing. While CMMG has not yet  
7 filed a budget, we did provide a draft to Board  
8 Counsel, to MPI and other Interveners for discussion  
9 purposes today.

10                   But upon being granted Intervener  
11 status, CMMG anticipates formally filing a budget  
12 within the required deadlines.

13                   And unless the Board has any questions,  
14 those complete my comments.

15                   THE CHAIRPERSON: Thank you, Ms. Meek.  
16 Any questions...? Ms. Wittman...?

17

18 OPENING SUBMISSIONS BY TAXI COALITION:

19                   MS. KAREN WITTMAN: Thank you, Madam  
20 Chair, and good morning members of the panel, Board  
21 Counsel, MPI representatives, including Counsel and  
22 members of the public.

23                   My name is Karen Wittman and I'm with  
24 the firm Fast Trippier Clunie Wittman LLP and we --  
25 I'm here on behalf of the Taxi Coalition. Also, with

1 me, is my colleague Sharna Nelko.

2 We would like to begin today by having  
3 some of the documents that have been filed with the  
4 Public Utilities Board marked as exhibits.

5 The first is the letter dated July  
6 22nd, 2022.

7 DR. DARREN CHRISTLE: Excuse me, I'm  
8 sorry to interrupt you. Could you speak right into  
9 the microphone please?

10 MS. KAREN WITTMAN: Absolutely. Is  
11 this better?

12 THE CHAIRPERSON: A little closer.

13 MS. KAREN WITTMAN: How's this?

14 THE CHAIRPERSON: Perfect.

15 MS. KAREN WITTMAN: Okay. So, I --  
16 I'd like to begin by marking some documents as  
17 exhibits. The first is the letter to the Public  
18 Utilities Board dated July 22nd, 2022. We'd like to  
19 mark that as Exhibit Taxi Coalition 1-1.

20

21 --- EXHIBIT No. TC-1-1 Intervener Application -  
22 July 22, 2022.

23

24 MS. KAREN WITTMAN: Enclosed with that  
25 letter was the Intervener Application Form, which we

1 would -- and attachment 'A' to the form, which we  
2 would like to mark as Exhibit Taxi Coalition 1-2.

3

4 --- EXHIBIT NO. TC-1-2: Attachment A to Taxi  
5 Coalition's Intervener  
6 Application.

7

8 MS. KAREN WITTMAN: Also, enclosed  
9 with our letter and the application were three (3)  
10 curriculum vitae from our experts. The first is the  
11 curriculum vitae of Mr. Jeff Crozier, which we would  
12 like to mark as Exhibit Taxi Coalition 1-3.

13

14 --- EXHIBIT NO. TC-1-3: CV of Jeff Crozier.

15

16 MS. KAREN WITTMAN: The next is the  
17 curriculum vitae of Jason Wong which we would like to  
18 mark as Exhibit Taxi Coalition 1-4.

19

20 --- EXHIBIT NO. TC-1-4: CV of Jason Wong.

21

22 MS. KAREN WITTMAN: And the final one  
23 is the curriculum vitae of Sylvain Dion, which we  
24 would like to mark as Exhibit Taxi Coalition 1-5.

25

1 --- EXHIBIT NO. TC-1-5: CV of Sylvain Dion.

2

3 MS. KAREN WITTMAN: I appreciate the  
4 invitation to provide an overview of our application  
5 and to address some of the issues that were raised by  
6 both -- by Madam Chair and Ms. McCandless.

7 All of these issues have been addressed  
8 in our Intervener application, so I won't go through  
9 it in great detail, but would like, instead, to  
10 provide a bit of a high level overview.

11 The areas we intend to address, in a  
12 slightly different order than was presented this  
13 morning are: Who is the Taxi Coalition; reasons for  
14 the proposed intervention; the key issues that we  
15 intend to address in this application; the extent of  
16 our proposed participation in the Hearing; and our  
17 intention to seek an award of cost.

18 So, with respect to the first issue,  
19 who the Taxi Coalition is. This is dealt with at page  
20 1 of the attachment to the Taxi Coalition's Intervener  
21 application.

22 The Taxi Coalition is comprised of  
23 Duffy's Taxi and UniCity Taxi. Both Duffy's and  
24 UniCity are independently operated dispatch companies  
25 and together they represent approximately 80 percent

1 of the six hundred and twenty-one (621) taxi cab  
2 vehicles for hire and 22 percent of the accessible  
3 Vehicles for Hire in Manitoba.

4 As has been the case, as I understand,  
5 in the last two (2) General Rate Applications, Duffy's  
6 and UniCity are collaborating for the purpose of  
7 intervention on issues of common concern relating to  
8 premiums and characteristics of Vehicle for Hire  
9 insurance.

10 As with other years as well, the Taxi  
11 Coalition intends to consult with smaller taxi  
12 dispatch companies throughout Manitoba, such as in  
13 Brandon and Thompson, in order to ensure a broad  
14 representation of taxi vehicles for hire interest.

15 The second issue: The reason for our  
16 participation. This is set out in pages 1 and 2 of  
17 the attachment to the Intervener application, where  
18 we've identified the broad reasons for participation  
19 and then those are further broken down later on in the  
20 application, based on the issues list presented by --  
21 by the Board.

22 Although we also know that we've  
23 identified the reason for intervening and the --  
24 proceeding to include the broader group of Manitoba  
25 taxis, and not only the Taxi Coalition or taxis that



1 operate under Duffy's and UniCity's, as the issues  
2 we've identified impact the entire Manitoba taxi  
3 industry.

4                   So, the issues we intend to address  
5 are: The requested increase in insurance premiums for  
6 Manitoba taxis and the increase in the public major  
7 class rates, generally.

8                   We also intend to address those  
9 increases against those proposed for the passenger  
10 Vehicles for Hire insurance use, which offers  
11 substantially similar services in the personal  
12 transportation services market.

13                   We also intend, to the extent that it's  
14 appropriate, to review and assess MPI's compliance  
15 with Board Directives stemming from the Board's Order  
16 134/21 and Order 21/22.

17                   We intend to examine the rate-making  
18 approaches for Vehicles for Hire, including the  
19 appropriateness of forecasting serious losses in  
20 Vehicles for Hire experience, which, we understand was  
21 raised by the Taxi Coalition at the last Hearing.

22                   The implications not only for the taxi  
23 vehicles for hire, but for all vehicles for hire, or  
24 the alternative rate indication and the potential for  
25 credibility weighting changes.

1                   We understand this was also raised at  
2 the last Hearing. And the implications of combining  
3 Vehicles for Hire into a single major class.

4                   Along with the other proposed  
5 Interveners, we are also interested in the  
6 implications of the proposed changes to the Driver  
7 Safety Rating system and, in particular, the  
8 implications specifically as they relate to Manitoba  
9 taxis.

10                  We also intend to examine this based on  
11 a comparison to any future revisions to the Vehicles  
12 for Hire framework.

13                  Finally, we will be examining the  
14 implications for Manitoba taxis of the changes to the  
15 Capital Management Plan and, specifically, the  
16 elimination of the Capital Release Provision, its  
17 impact on Manitoba taxis rates at renewal and the  
18 potential for future capital tax rebates.

19                  As the Board may know, I'm relatively  
20 new to this matter, but I do understand and wish to --  
21 to acknowledge that, as I understand it's -- this has  
22 been the case since at least the 2020 GRA that the  
23 Taxi Coalition has been involved in consultations with  
24 MPI in an effort to progress towards an improved  
25 Vehicles for Hire framework and this dialogue is, I

1 understand, greatly appreciated by both sides and we  
2 hope to continue that.

3           The issues that we intend to focus  
4 upon, are seven. They include, and these are --  
5 following along in the issues identified by the Public  
6 Utilities Board Procedural Order 60/22. They are 2A,  
7 the rate indication based on acceptable actuarial  
8 principles.

9           The Taxi Coalition expects to examine  
10 on MPI's proposed increase on -- on taxi vehicles for  
11 hire rates, while reconciling this with the headline  
12 0.9 interest rate decrease and testing the increase in  
13 the context of changes to the Capital Management Plan.

14           Second, is 2B Rate Making Methodology.  
15 With respect to this issue, the Taxi Coalition expects  
16 to review and assess the alternative rate indication  
17 and any implications for adoption of general linear  
18 modeling.

19           Third is compliance with Board Orders.

20           Fourth is number 10, Vehicle for Hire -  
21 - Vehicles for Hire. While the application for a new  
22 framework has regrettably been delayed to the 2024  
23 General Rate Application, despite the previous Board  
24 Orders made, the Taxi Coalition intends to test the  
25 preliminary information, provided on the revised

1 framework.

2 Fifth is number 11. Driver Safety  
3 Rating. We intend to focus on the implication of the  
4 proposed changes to the system on Manitoba taxis, with  
5 a specific focus on its implication to future  
6 revisions to the Vehicles for Hire framework.

7 Sixth is number 16, the impact of  
8 COVID-19 on MPI financial results for the 2023/24 and  
9 2024/25 rating years and beyond.

10 And seventh and finally is number 18,  
11 the Capital Management Plan.

12 I note, in passing, that the Taxi  
13 Coalition may also examine on other matters should  
14 they prove to be relevant and not otherwise  
15 sufficiently dealt with by the other Interveners, but  
16 at this point, those are the issues on which we intend  
17 to focus.

18 As far as our intention with respect to  
19 evidence is concerned, the Taxi Coalition intends to  
20 fully participate in the oral hearing by way of cross-  
21 examination of MPI witnesses and by the provision of  
22 opening and closing statements.

23 We have not yet determined if we will  
24 be required to call evidence and we do not anticipate  
25 being in a position to make that determination until

1 the first round of Information Requests has been  
2 completed.

3           As outlined in our application, we have  
4 assembled a -- or retained a team of experts. Their  
5 qualifications and areas of expertise are outlined in  
6 the application but they include: Jeff Crozier, who  
7 is a former MPI Head of Regulatory Affairs, Sylvain  
8 Dion, an actuary Fellow, and his colleague, Jason  
9 Wong, an actuary consultant.

10           With respect to Mr. Wong, and as was  
11 the case, as I understand, in last year's application,  
12 given that he is not a fellow actuary, his role would  
13 be limited to providing actuarial consulting, primary  
14 support in actuarial -- actuarial evidence areas, and  
15 a general analysis of actuarial issues.

16           Because he would be considered more of  
17 a junior and acting more in a support role, in his  
18 actuarial evidence areas, he can offer his expertise  
19 and services at a reduced -- reduced rate.

20           And with respect to Mr. Dion, should it  
21 be necessary, we will be seeking his expertise again  
22 with respect to the actuarial issues and,  
23 specifically, those issues identified in 2A and 2B of  
24 the Board's Order, Procedural Order 60/22.

25           Finally, as far as costs are concerned,

1 the Taxi Coalition does intend to seek an award of  
2 costs in relation to its proposed intervention. Once  
3 it is confirmed whether the Taxi Coalition has been  
4 granted Intervener status, we will submit a detailed  
5 cost estimate, in keeping with the time-line the Board  
6 issues.

7 I anticipate that we will be able to  
8 allocate primary responsibility of certain issues  
9 between the Interveners so as to avoid, to the extent  
10 possible, any overlap, and, with respect to our  
11 comment experts, although they will be operating under  
12 separate retainers, we do think that there is some  
13 methods that we might be able to obtain some  
14 efficiencies on that front to avoid any duplication of  
15 the work. The same applies with Mr. -- both Sylvain  
16 Dion and Jason Wong, as well as Mr. Crozier.

17 Thank you very much for the opportunity  
18 to make our opening remarks and, subject to any  
19 questions the Board may have, that concludes our  
20 remarks.

21 THE CHAIRPERSON: Thank you  
22 Ms. Wittman. Any questions...? Mr. Unfried...?

23

24 OPENING SUBMISSIONS BY IBAM:

25 MR. CURTIS UNFRIED: Good morning,

1 Panel Members, fellow counsel, and employees of the  
2 Board, as well as those members of the Public who are  
3 tuning in this morning. My name is Curtis Unfried. I  
4 am a partner with MLT Aikens LLP, here in Winnipeg,  
5 and I am counsel for the Insurance Brokers'  
6 Association of Manitoba whereas I will refer to it  
7 throughout, as -- by way of its acronym of IBAM.

8                   Just for a housekeeping matter, I'd  
9 like to mark as a Exhibit as IBAM 1, the letter from  
10 IBAM to the Board dated July 22, 2022, and, as IBAM  
11 Number 2, the Application for Intervention in this  
12 year's hearing, which includes its attached  
13 Appendix A.

14

15 --- EXHIBIT NO. IBAM-1:       Insurance Brokers  
16                                   Association of Manitoba  
17                                   letter re Intervener  
18                                   request - July 22, 2022

19

20 --- EXHIBIT NO. IBAM-2:       IBAM Intervener  
21                                   application form and  
22                                   Appendix A.

23

24                   MR. CURTIS UNFRIED:    Just by way of  
25 brief background, the Insurance Brokers Association of

1 Manitoba is a not-for-profit organization that  
2 represents the interests of brokers and consumers of  
3 property and casualty insurance in the province of  
4 Manitoba. Those brokerages employ over 2,600 people  
5 in over 300 store-fronts. Of those, over 2,000 broker  
6 members currently comprise the membership of IBAM.

7                   Although membership in IBAM is not  
8 consult -- compulsory to be a member -- a licensed  
9 broker in this province, the reality is that the vast  
10 majority of brokerages in this province are voluntary  
11 members of IBAM.

12                   In its role as a broker, brokerages are  
13 the primary interface for consumers of MPI products in  
14 Manitoba. In addition, all brokers must be licensed  
15 through the Insurance Council of Manitoba to ensure  
16 that they are properly educated and equipped to  
17 provide the right service to Manitobans with respect  
18 to their insurance needs.

19                   In -- in our view, intervention in this  
20 year's Application will assist the Board because IBAM  
21 and its CEO, if necessary, will be able to provide  
22 relevant evidence on the issue of brokers -- broker  
23 commissions and will also play a role in ensuring that  
24 the interests of Manitobans are protected because IBAM  
25 also does represent the interests of not only brokers



1 but also the interests of consumers in Manitoba.

2 For the purposes of this year's 2023  
3 GRA, it is important to note that the broker agreement  
4 entered into by -- between IBAM and MPI in 2020/2021  
5 has been expressly cited as an issue for this year's  
6 GRA. Although IBAM was not present at last year's  
7 Application, the issue of brokers and broker  
8 commissions was an issue that was raised and, of  
9 course, will be again raised this year.

10 IBAM wants to ensure that the Board has  
11 all relevant evidence before it when the topic of the  
12 broker agreement is -- is discussed. IBAM also, of  
13 course, wants to ensure that the broker -- or that the  
14 Board members have all relevant evidence when it comes  
15 to the issue of delivery of services and the role of  
16 brokers in the transactions for all consumers here in  
17 Manitoba.

18 On that note, it should also be noted,  
19 of course, that IBAM did seek and was granted  
20 Intervener status in 2020 for the -- the hearing --  
21 the 2020 GRA. It participated heavily in that hearing  
22 and played an important role in ensuring that the  
23 Board had -- had all relevant information before it.

24 IBAM then sought intervention in 2021,  
25 however, the Board denied the request that year on the

1 basis that it did not believe it required IBAM's  
2 intervention in order to assess the reasonableness and  
3 prudence of MPI's expenditures.

4           Then, last year, for the purposes of  
5 the 2022 GRA, IBAM attended an informal meeting  
6 amongst counsel for the Board and proposed Interveners  
7 for the purposes of discussing issues that would be of  
8 importance to their clients at the 2022 GRA and, at  
9 that time, IBAM and its counsel was advised that the  
10 role of the brokers and -- and broker commissions  
11 would not be a -- an issue of focus at the inter -- at  
12 the 2022 GRA.

13           However, the news release that was  
14 subsequently issued by the Board specifically dealt  
15 with brokers and broker commissions and it was  
16 determined, of course, after the fact by IBAM that  
17 there had been -- that the Board had considered  
18 incomplete and inaccurate submissions that had been  
19 made by other parties on the delivery of services and,  
20 in particular, the involvement of brokers in on-line  
21 transactions.

22           The Board will recall that IBAM did  
23 seek relief after the fact. There was a -- although I  
24 was not directly involved, my colleague,  
25 Mr. Weinstein, ably handled the matter in my absence

1 and was able to obtain a revision of the Order that  
2 was issued by the Board to address the shortcoming.

3           With that history in mind, we attended  
4 the pre-hearing workshop for the purposes of  
5 determining whether IBAM's intervention was required  
6 for this year's GRA.

7           In short, we wanted to inquire of other  
8 counsel to see whether or not we could reach some sort  
9 of an agreement or understanding, pursuant to which we  
10 could be giving head's up, if the issue or role of  
11 brokers or broker commissions were going to become a  
12 focus at this year's GRA.

13           And, based on the representations that  
14 were provided by counsel at that time, it was simply  
15 not possible to provide the assurances that IBAM  
16 needed and in -- in -- in particular, the issue --  
17 even the possibility of being given a head's up,  
18 counsel for the respective parties simply weren't  
19 prepared to make that -- any type of agreement that  
20 would limit or require them to provide us with notice  
21 and, as a result of that, we find ourselves here today  
22 and, of course, we did proceed to file the Application  
23 and letter that have been marked as the Exhibits  
24 earlier this morning.

25           In short, there are -- it's important

1 that IBAM be granted Intervener status because there,  
2 no doubt, will be areas of inquiry, where IBAM will be  
3 able to provide evidence and clarify issues and/or add  
4 value to very important dialogue that is before the  
5 Board.

6                   The -- IBAM has expertise in the  
7 general operations of IBAM -- of -- of MPI's  
8 distribution model and in the sale and servicing of  
9 insurance and Autopac services at brokerages  
10 throughout Manitoba.

11                   And, of course, again, because brokers  
12 are the -- the ones that provide and distribute the  
13 insurance services to Manitobans, in our view, their  
14 role and the evidence that could be provided will be  
15 of utmost importance to the Board for its  
16 determination in this year's GRA.

17                   The reality is is that, although IBAM's  
18 preference this year was not to seek Intervener  
19 status, given the recent history and the  
20 representations made by the other parties, it has  
21 become necessary.

22                   To be clear, IBAM will work with the  
23 other Interveners in -- in this particular GRA to  
24 ensure that its role is limited and -- and is done in  
25 a cost-efficient manner.

1                   And as far as our role, if -- if  
2 granted Intervener status, we will attend and monitor  
3 discussion as -- as provided. Of course, not every  
4 area of the GRA will be relevant to brokers and broker  
5 commissions, and we'll allow our very able friends at  
6 CAC or -- or the other Interveners to deal with those  
7 issues.

8                   Again, we -- we will work to minimize  
9 our role so that it is obviously cost efficient, but  
10 also ensures that the Board does have all relevant  
11 information before it. And those areas -- again,  
12 although included in our application, I thought I'd  
13 just quickly touch on them.

14                   Those areas include the important role  
15 that brokers play in consumer protection and providing  
16 the delivery of MPI's services throughout the  
17 province; efficiencies associated with the broker  
18 channel; providing the delivery of MPI's services  
19 throughout the province; the important (sic) of having  
20 a licensed professional central to all insurance  
21 transactions; the value and high quality of service  
22 that brokers provide to the residents of the province  
23 and/or the service level that Manitobans have come to  
24 expect from dealing with a local professional or  
25 broker.

1                   The interests of these consumers must  
2 be protected, and also the costs associated with  
3 providing the delivery of services and the commissions  
4 paid for those services in comparison to other  
5 jurisdictions and other industries, including  
6 providing evidence relating to and answering questions  
7 relating to any amendments that may be made to the  
8 broker agreement.

9                   And again, the -- the -- why that's  
10 been identified as an issue is given the delay in  
11 Project Nova. There were certain terms of the broker  
12 agreement that were based on Project Nova being  
13 operational by a certain date, and of course that date  
14 isn't going to be met based on what's been filed by  
15 MPI.

16                   IBAM is and -- and has opened the door  
17 to dealing with that in an amicable way, and we'll  
18 obviously be able to provide evidence on whatever does  
19 occur between now and -- and the hearing.

20                   At this time, we intend to file written  
21 evidence, although we can make witnesses available for  
22 cross-examination. We'll also make Information  
23 Requests and -- and make cross-examina -- cross-  
24 examine certain witnesses in a limited manner. And  
25 again, we'll do our utmost to ensure that there's no

1 duplication of our cross-examination or involvement,  
2 nor in our submissions.

3                   On the issue of costs, we can confirm  
4 that IBAM will be seeking an award of costs. However,  
5 we have not finalized our estimate at this time. We  
6 will, however, provide an estimate to the Board if  
7 intervention status is provided.

8                   As for any viva voce evidence, if the  
9 Board or any other parties determine it's desirable,  
10 IBAM would make its CEO, Mr. Grant Wainikka, available  
11 and/or any other IBAM representations available for  
12 questioning.

13                   You may recall from the 2020 GRA that  
14 Mr. Wainikka did provide evidence. There was also a  
15 panel of representatives of -- of brokers that were  
16 made available as well for questioning, and we would  
17 envision a -- a similar -- potentially a similar thing  
18 happening again this year.

19                   Subject to any questions that the Panel  
20 may have, that concludes my submission.

21                   THE PANEL CHAIRPERSON: Thank you, Mr.  
22 Unfried. Questions...?

23                   THE CHAIRPERSON: Mr. Unfried, in your  
24 presentation, you said the broker agreement has been  
25 expressly cited as an issue.

1 Can you point to where it's been cited  
2 as an issue?

3

4 (BRIEF PAUSE)

5

6 MR. CURTIS UNFRIED: If you'd give me  
7 a moment, I can --

8 THE CHAIRPERSON: Sure.

9 MR. CURTIS UNFRIED: Yeah. I'll...

10

11 (BRIEF PAUSE)

12

13 MR. CURTIS UNFRIED: I'm going to need  
14 a moment.

15 THE CHAIRPERSON: Okay.

16 MR. CURTIS UNFRIED: It'll be a few  
17 minutes, if you want to move on to something else  
18 while --

19 THE CHAIRPERSON: Okay. On a related  
20 matter, Diana, can you pull up IBAM's Exhibit 2?

21

22 (BRIEF PAUSE)

23

24 THE CHAIRPERSON: And this is sort of  
25 the similar question. What I'm looking for is the --



1 sorry, Appendix A. Yeah. Can you go to page 9 --  
2 sorry, page 5?

3

4 (BRIEF PAUSE)

5

6 THE CHAIRPERSON: So as I under --  
7 scroll down, please. As I understand it, these are  
8 comments made at -- at the meeting where the parties  
9 couldn't say -- give a guarantee they weren't going to  
10 look at the issues.

11 And somehow this has turned into, "It's  
12 evidence that issues relating to brokers -- " Sorry.  
13 Keep going down, that first paragraph after number 4.

14 "It's evidence that issues relating  
15 to brokers, broker commissions, the  
16 delivery services, and/or the broker  
17 agreement will be raised at the 2023  
18 GRA."

19 Given that none of the parties took a  
20 position, would it be more correct to say they may be  
21 raised rather than will? I'm trying to figure out,  
22 based on those comments, how there's a definitive  
23 statement that the issue is going to come forward.

24 MR. CURTIS UNFRIED: Yeah. I can  
25 advise the Board that I had also raised this issue

1 with counsel for the Board, counsel for MPI, and  
2 counsel for the CAC before that transcript --

3 THE CHAIRPERSON: Yeah.

4 MR. CURTIS UNFRIED: -- was issued.

5 And it was my understanding, and it was fairly clear  
6 to me, that the issue of brokers and broker  
7 commissions will be touched on at this year's GRA.

8 I know in -- and again, I'm looking for  
9 the specific reference to the -- in -- in MPI's  
10 application, but I do know it's in the area of -- of  
11 the delay in the implementation of Project Nova and  
12 then the costs associated with that.

13 And again, I'm trying -- I'm scrambling  
14 here, I have to be candid. Ms. Sokal, my colleague,  
15 had been the one that had -- I know if she was here,  
16 she'd be able to find it in two (2) seconds. I'm just  
17 doing my best to find it.

18 But there had been discussion other  
19 than the -- that -- what -- what's -- what's captured  
20 in the transcript that's been filed where we've cited  
21 those statements by the other parties.

22 And again, what we had -- what we  
23 attempted to do -- and again, I respect the -- the  
24 position of the other parties on the issues -- that we  
25 wanted to try to reach an agreement where we'd be

1 given a heads-up and -- and notice to say, look, we're  
2 going to be dealing with brokerage and broker  
3 commissions on this particular day.

4           And just given the fluidity of the --  
5 and -- and counsel that are in the room can speak for  
6 themselves, but it's -- in essence, the position was  
7 given, the fluid nature or the organic nature of the -  
8 - of -- of this particular hearing, they weren't  
9 prepared to provide that sort of assurance. And so  
10 that was the reason why we are here today.

11           THE CHAIRPERSON:    Would -- Mr.  
12 Unfried, would it be correct to suggest that -- let me  
13 just go back.

14           The issues you raised in terms of  
15 brokers and their roles and all that are not issues on  
16 the issues list, correct?

17           MR. CURTIS UNFRIED:    Correct. I mean,  
18 the -- there's a very general heading I could put it  
19 under but, yeah, it's not specifically identified as  
20 an issue.

21           THE CHAIRPERSON:    And -- and the  
22 issues you put forward are not issues -- sorry. And  
23 the issues that are on the preliminary issues list,  
24 they haven't been finalized?

25           MR. CURTIS UNFRIED:    Correct.

1 THE CHAIRPERSON: Are not -- nothing  
2 you specified in your submission.

3 MR. CURTIS UNFRIED: No, but -- well,  
4 and in -- in -- again, just with the history of this  
5 matter, it's the exact same thing that happened last  
6 year where there -- there was no mention at all of  
7 brokers or broker commissions on anything. And that's  
8 why we didn't intervene, and then of course we know  
9 what happened.

10 THE CHAIRPERSON: Yeah. So your  
11 intervention is what -- what I would suggest, probably  
12 poorly, as a just-in-case intervention; that what you  
13 want to do is be prepared just in case the issue of  
14 commissions arises.

15 MR. CURTIS UNFRIED: Well, but we --  
16 we do know that, at least my understanding is from --  
17 well, the discussions I've had, brokers -- the -- the  
18 services provided are going to be an issue discussed.  
19 There is going to be -- on -- on the area of costs  
20 associated with the service of MPI, it is going to be  
21 raised.

22 THE CHAIRPERSON: Okay. That's --  
23 that's the problem I have. Yeah, that's the problem I  
24 have. You're making statements -- I don't know where  
25 that's coming from.

1                   So, I mean, I guess the question to you  
2 is: Should we just avoid any question and just put  
3 conditions on the issues list and just have a full-  
4 blown examination of the issue of commissions -- go  
5 into the entire area so that we don't run into this  
6 confusion?

7                   I -- I'm just -- you know, it's -- it's  
8 sort of -- unlike the others, who are ratepayers, IBAM  
9 is not a ratepayer. It's a service provider. I can  
10 certainly understand its -- its positions and  
11 concerns.

12                   You're -- you're making statements, or  
13 I guess Mr. Wainikka made statements here that it's  
14 definitely going to be there.

15                   Right now, I don't have before me  
16 evidence that it would definitely be there. I know  
17 that -- I know that the broker agreement was filed. I  
18 know that Project Nova is delaying the implementation  
19 which will -- which will change the relationship date  
20 -- sorry, change the date for changes to the  
21 relationship.

22                   MR. CURTIS UNFRIED:    Yeah.

23                   THE CHAIRPERSON:    But, I mean, is it  
24 the position of IBAM, make commissions an issue?

25                   MR. CURTIS UNFRIED:    No. We -- as I

1 mentioned before, our preference is -- was not to seek  
2 intervention, but -- but it -- it -- again, based on  
3 what I -- what our review is, it -- it -- clearly,  
4 there -- it's going to be a topic of discussion  
5 because it's under the cost containment measures.

6                   And moreover, with the delay in Project  
7 Nova, there's a change in commission based on Project  
8 Nova being implemented by a certain date, and that  
9 certain date isn't going to be met.

10                   THE CHAIRPERSON:    Right.  Right.  
11 Before us right now, we have -- and I've got a little  
12 confusion here, as well.

13

14   (BRIEF PAUSE)

15

16                   THE CHAIRPERSON:    You know, instead of  
17 bringing this up, I'll just read this.  In Exhibit 1,  
18 Mr. Wainikka says:

19   "While IBAM currently does not  
20 intend to call witnesses and intends  
21 for its participation..."

22                   Number 2, it's closer to what you said  
23 today, which is:

24   "IBAM will likely file written  
25 evidence to make witnesses available

1                   for cross-examination for the  
2                   parties."

3                   You know, statements are being made,  
4 and it's pretty loose. And I just don't know if we  
5 get to the matter without having it on the issues  
6 list, and then everybody knows it's there.

7                   But IBAM doesn't want it on the issues  
8 list. It just wants the ability to ask questions if  
9 the issue arises, as I understand.

10                  MR. CURTIS UNFRIED: Well, if  
11 commissions arise, yes, for -- for certain. But,  
12 again, our under -- our understanding is -- and then  
13 based on the review of what's been filed, the broker  
14 agreement's been filed. And there's also the issue of  
15 the -- the change in commission that is -- that was  
16 contemplated by Project Nova, that that is going to be  
17 an issue -- or is an issue that's been identified.

18                  And so, we're -- we're wanting --  
19 again, we -- and we want to avoid what happened last  
20 year. Like, that -- I don't know -- like, I can't be  
21 any more blunt than that.

22                  We -- last year, we attended the -- we  
23 attended the pre-hearing workshop. We attended an  
24 informal meeting amongst counsel. And we were told  
25 that brokers and broker commissions were not going to

1 be an area of focus. And -- and for that reason, we  
2 did not intervene.

3                   And then when -- of course, when  
4 December rolled around and the, you know, broker  
5 commissions were a third of -- or a quarter of the  
6 press release that was issued, we were taken aback by  
7 it.

8                   And we wanted to avoid a similar  
9 situation happening again this year. We informally  
10 approached the parties to see if we could reach some  
11 sort of agreement to find out, you know, exactly if --  
12 again, if a head's-up can be -- or notice could be  
13 given so that intervention wouldn't be required, and  
14 that was not possible and, again, given the fluid  
15 nature of the -- of the hearing.

16                   And, again, we respect the position of  
17 the other parties but, again, we would just ask the  
18 Board to put yourself in our shoes, again, recognizing  
19 what happened last year, that that is why we're --  
20 we're here today.

21                   THE CHAIRPERSON:     Okay.

22                   MS. KATHLEEN MCCANDLESS:    Could I have  
23 the indulgence of the Board just for one (1) second.  
24 Just to make everything clear to the panel and to the  
25 parties in attendance, at the outset of the pre-



1 hearing workshop last week, I made clear to everything  
2 there that we generate a transcript, but it's not  
3 evidence that gets before the panel. It's merely just  
4 so everyone has an accurate record of what is  
5 discussed when we go back and prepare for today's pre-  
6 hearing conference.

7                   And so, it looks as though a  
8 significant amount of that transcript has made its way  
9 into the application of IBAM. And I would just  
10 caution the parties, that's not evidence before the  
11 panel today. That's not considered evidence and that  
12 if IBAM wants to make a submission as to why it -- it  
13 ought to be granted some limited or otherwise granted  
14 intervention, that it needs to make those reasons  
15 clear based on its submissions today and the exhibits  
16 that are on the record, not informal discussions among  
17 counsel.

18                   When there was --

19                   MR. CURTIS UNFRIED:    And --

20                   MS. KATHLEEN MCCANDLESS:   -- that  
21 discussion at the outset, those discussions would not  
22 make their way to the panel in the end.

23                   MR. CURTIS UNFRIED:    And I -- I have  
24 to apologize. I had understood that the -- that the  
25 transcript was available to the public, so I apologize

1 for that.

2 THE CHAIRPERSON: Just -- just one (1)  
3 final question so I -- I understand what you would be  
4 doing if there was an intervention.

5 I -- I assume that you would attend at  
6 the Hearing if you felt that you needed to cross-  
7 examine witnesses. Is that correct?

8 MR. CURTIS UNFRIED: Correct.

9 THE CHAIRPERSON: You may or may not  
10 be filing evidence?

11 MR. CURTIS UNFRIED: Correct.

12 THE CHAIRPERSON: You may or may not  
13 be calling witnesses?

14 MR. CURTIS UNFRIED: Correct.

15 MR. CHAIRPERSON: At the time that you  
16 were not here, I assume that you would have somebody,  
17 either you or Ms. Sokal or somebody else from the  
18 office monitoring the entire Hearing?

19 MR. CURTIS UNFRIED: No, we did not.

20 THE CHAIRPERSON: You would not have  
21 some --

22 MR. CURTIS UNFRIED: That's right,  
23 this -- this year, yes, we -- I thought you were  
24 talking about last year, sorry.

25 THE CHAIRPERSON: So, sorry, this year

1 --

2 MR. CURTIS UNFRIED: This -- this --  
3 yes, have someone monitoring, yeah.

4 THE CHAIRPERSON: -- and that those  
5 costs would be costs -- sorry, where you would seek  
6 costs at the end of the Hearing?

7 MR. CURTIS UNFRIED: Yeah. We would  
8 provide -- I mean, we'll -- we'll provide a more  
9 detailed submission. But the intent -- we -- we will  
10 not be here every day. Like, we will -- again, we'll  
11 have somebody back at the office on those off days.

12 THE CHAIRPERSON: Curtis -- sorry, Mr.  
13 Unfried, they're charging every day. Well, not --  
14 while you're here or in the office, somebody's  
15 charging for monitoring the -- the application?

16 MR. CURTIS UNFRIED: Yes.

17 THE CHAIRPERSON: Those are my  
18 questions.

19

20 (BRIEF PAUSE)

21

22 THE PANEL CHAIRPERSON: Thank you, Mr.  
23 Unfried. Mr. Scarfone...?

24

25 OPENING SUBMISSIONS BY MPI:

1 MR. STEVE SCARFONE: Thank you, Madam  
2 Chair. And thank you to counsel for their  
3 presentations concerning the respective applications.  
4 Indicated at the outset, MPIC does have its position  
5 concerning each of those applications for the Board's  
6 consideration.

7 We've conducted an analysis of the  
8 applications along with -- our Regulatory Affairs  
9 Department has looked at the detailed cost submissions  
10 and the budgets that were presented on a preliminary  
11 basis.

12 Dealing, firstly, with the long-  
13 standing application -- the longstanding participation  
14 of both the CAC and the CMMG, MPIC is not opposed to  
15 those intervention applications and appreciates that  
16 they've made efforts to jointly retain consultants and  
17 experts to help put in their intervene --  
18 interventions.

19 And we also recognize that their costs  
20 are in line with what was paid last year. And so,  
21 again, MPIC is not, as you might expect, opposing  
22 those two (2) applications.

23 Just concerning the Taxi Coalition's  
24 intervention application, again, MPIC is not opposed  
25 to the Taxi Coalition participating in this year's

1 General Rate Application if the Board is so inclined.

2 We do note that Ms. Wittman did  
3 indicate that she might be calling some evidence. And  
4 we see that she's provided some resumes of those  
5 potential witnesses.

6 And so, we would ask, if she does  
7 intend to call evidence once the first round of  
8 Information Requests are completed, that we -- we have  
9 the names of those witnesses and the areas in which  
10 they'll be speaking to opinion evidence.

11 And then we can decide on the pre-  
12 qualification at a later date because we're not able  
13 to do that here today, but we're not opposed to the  
14 Taxi Coalition's intervention again this year if the  
15 Board is so inclined.

16 As it concerns the intervention  
17 application of the Insurance Brokers Association of  
18 Manitoba, Mr. Unfried is correct, that we did in fact  
19 have some preliminary discussions and MPIC understands  
20 the concerns that IBAM has raised.

21 Having said that, the Board will note  
22 that there is an extant agreement currently in place  
23 with the Association. And so the commissions, we say,  
24 for the time being are fixed. And while some issues  
25 might be raised concerning commissions and their

1 effect on the rate of return on investment of the Nova  
2 Project, we don't think there is, as Mr. Gabor has  
3 identified, an issue that would justify their  
4 intervention, other than perhaps number 15 which is a  
5 bit of a catch-all issues -- issue. It's on the list.

6 So, with those comments I would just  
7 say that MPI has decided that -- that it would take no  
8 position concerning the IBAM application, neither  
9 consenting or opposing its intervention.

10 THE PANEL CHAIRPERSON: Thank you.  
11 Well, given that MPI has not taken a position on that,  
12 I don't think we need to hear further from you, Mr.  
13 Unfried.

14 I think we will now move on to the  
15 preliminary issues list and any procedural matters.  
16 Mr. Scarfone...?

17

18 DISCUSSION:

19 MR. STEVE SCARFONE: Yes. So, there  
20 were a couple procedural issues that we're discussed.  
21 As I understand it, in my absence last week at the  
22 workshop, one (1) of which was an outstanding  
23 directive that wasn't filed with the application on  
24 July 12th. And that -- that was Directive 11 out of  
25 15.

1                   And as I understand it, there has been  
2 discussion amongst counsel for both the Board and the  
3 Interveners about having Directive 11-1-15 (phonetic),  
4 which the Board may recall, deals with the transition  
5 plan that MPIC had proposed for its Driver Safety  
6 Rating scale in adjusting the -- the discounts at the  
7 various levels.

8                   That directive is now anticipated to be  
9 filed on August 30th. And counsel have agreed that it  
10 would have first round Information Requests on that  
11 particular directive from September 12 to September 27  
12 and that a second round would occur from September 27  
13 to October 5. And I understand that that is all  
14 agreeable to everyone in the room.

15                   The other -- the comment on the issues  
16 -- the comments from MPIC on the issues list are --  
17 are minimal. The one (1) area that MPIC was looking  
18 perhaps for some clarification from the Board on and,  
19 you know, I appreciate that we've been doing this for  
20 a number of years, but one (1) thing that MPIC might  
21 be interested to know is where an issue was identified  
22 as requiring more detailed consideration.

23                   What it is that the Board expects from  
24 MPIC in terms of that detailed consideration. And so  
25 I -- I understand that my colleague Mr. Guerra

1 discussed with Ms. McCandless what -- what she thought  
2 might be involved with respect to more detailed  
3 consideration.

4 But for example, MPIC this year has  
5 conducted a new Asset/Liability Management Study and  
6 it's anticipated that that will be an issue that  
7 requires more detailed consideration.

8 So, while we would expect more  
9 Information Requests on issues that are identified as  
10 requiring more detailed consideration. Further to  
11 that, MPIC would, you know, would like the Board's  
12 advice whether witnesses, for example, would speak to  
13 each of the detailed matters that are on that issues  
14 list.

15 So, we would have, for example, Mercer  
16 attend and speak to the -- the study that it -- that  
17 it prepared from MPIC. And MPIC is prepared to do  
18 that if the Board provides that advice with respect to  
19 what its expectations are for a detailed issue.

20 THE PANEL CHAIRPERSON: Certainly,  
21 we'll take that under consideration and -- and advise  
22 you.

23 MR. STEVE SCARFONE: Okay. And -- and  
24 so, I didn't mention this in my opening comments, but  
25 along those lines, Madam Chair, MPIC does have -- so,



1 you will recall from the last time the ALM was before  
2 this Board, a gentleman by the name of Dave MaKarchuk  
3 came and -- and gave evidence on the ALM.

4                   Mr. MaKarchuk has now left Mercer. We  
5 have two (2) other individuals that we can provide  
6 their names here this morning, that we expect will  
7 join Mr. Bunston and Mr. Giesbrecht on the investments  
8 panel and can answer questions on the study.

9                   But the Board might be aware, as well,  
10 that MPIC has offered those gentlemen to the  
11 Interveners on an informal basis this Friday, and Mr.  
12 Viola is attending and others.

13                   So, I guess what I'm saying is we  
14 haven't yet made that decision on whether we want to  
15 have Mercer attend in October, but we're certainly  
16 open to having representatives of Mercer attend if so  
17 desired by the Board to meet its expectations on  
18 requiring more detailed consideration.

19                   THE CHAIRPERSON:    Sorry, Mr. Scarfone,  
20 is there somebody from the Board at this meeting on  
21 Friday?

22                   MR. STEVE SCARFONE:    I don't believe  
23 there is.

24                   THE CHAIRPERSON:    Then I -- I'm trying  
25 to figure out what the process would be then for the

1 Board to make the determination --

2 MS. KATHLEEN MCCANDLESS: I didn't  
3 quite catch the question?

4 THE CHAIRPERSON: I asked if somebody  
5 from the Board -- not 'the Board', but the advisors or  
6 staff who would be at the meeting on Friday.

7 If there's a meeting going on between  
8 MPI and the Interveners in relation to the ALM Study,  
9 and there's an expectation that the Board would then  
10 give more specific direction --

11 MR. STEVE SCARFONE: I'm --

12 THE PANEL CHAIRPERSON: I have  
13 absolutely no idea what's going on at the meeting on  
14 Friday, so I don't know how we give a more specific  
15 direction.

16 MS. KATHLEEN MCCANDLESS: Mr. Cathcart  
17 and Mr. Watchman will be attending.

18 THE CHAIRPERSON: Oh, okay.

19 MS. KATHLEEN MCCANDLESS: I have a  
20 court matter that morning that I can't reschedule, so.

21 THE CHAIRPERSON: Okay. Well, maybe  
22 it's something we need to think about. If -- if  
23 there's an expectation, or a request that we somehow  
24 give more detailed information on a meeting you're  
25 having with Interveners, I -- I'm just not sure how we

1 do that.

2 MR. STEVE SCARFONE: No, and -- so,  
3 perhaps then, Mr. Gabor, what I'll do is just on a  
4 preliminary basis, there's two (2) proposed expert  
5 witnesses that MPIC would be calling from the Mercer  
6 organization; one gentleman's name is Neil Lloyd and  
7 the other fella, and I'm going to butcher his name,  
8 but I'll -- I'll spell it into the record. It's  
9 Mariusz Wielocha and it's spelled M-A-R-I-U-S-Z. Last  
10 name, W-I-E-L-O-C-H-A, and we would intend on  
11 qualifying those gentlemen at the outset of the  
12 hearing in October, because we don't yet have their  
13 CVs available this morning.

14 But those are MPIC's comments with  
15 respect to the issues list and the pre-qualification  
16 of any expert witnesses that the Corporation may call.

17 THE PANEL CHAIRPERSON: Thank you, Mr.  
18 Scarfone. I'll ask the Interveners if they have any  
19 comments in relation to that. Mr. Klassen...?

20 MR. CHRIS KLASSEN: Thank you, Madam  
21 Chair. Chris Klassen, for CAC (Manitoba).

22 We appreciate MPI bringing forward the  
23 proposed plan with respect to directive 11/15 and --  
24 and appreciate knowing that we're expecting to receive  
25 it on August 30th.

1                   As was explained, there's been informal  
2 discussion between Interveners about ranges of dates  
3 for IRs on that directive. And I understand that  
4 there's been a -- an agreement with respect to  
5 flexibility, but just for the purposes of managing  
6 expectations, I wonder if we might not set -- at the  
7 outset that first round of responses would be received  
8 on September 27th and then have MPI expect second  
9 round questions on the same day.

10                   The -- the ranges of dates proposed,  
11 the 12th to the 27th and then -- and then the 27th to  
12 the 5th are -- are workable, but we wonder if there  
13 might be value in not having the first round responses  
14 and the second round questions due on the same day.  
15 Even one (1) or two (2) days later would, I think, be  
16 helpful from a planning perspective.

17                   THE PANEL CHAIRPERSON:     Thank you, Mr.  
18 Klassen.

19                   Ms. McCandless, is that the  
20 understanding of -- your understanding in relation to  
21 the IR responses being -- having a deadline of  
22 September 22nd and -- or 27th, and the IR-2 coming out  
23 the same day? Or is that -- I thought there was a --  
24 a gap.

25                   MS. KATHLEEN MCCANDLESS:     No, no, I

1 think what Mr. Klassen is saying is that the -- this -  
2 - the schedule for Directive 11/15 and the IR  
3 responses is separate. It's a stand-alone schedule  
4 and that based on the proposed schedule from MPI, then  
5 we would have the round 2 Information Responses from  
6 MPI on all other IRs answered on the 27th.

7 THE PANEL CHAIRPERSON: Thank you.  
8 I'm sorry. Anything further, Mr. Klassen?

9 MR. CHRIS KLASSEN: No, thank you.

10 MR. STEVE SCARFONE: Just -- and just  
11 to -- for clarity, I don't expect that we're asking  
12 the Board to include that separate -- those separate  
13 rounds of Information Requests for Directive 11/15 on  
14 the timetable.

15 Is that -- that's my understanding, Ms.  
16 McCandless?

17 MS. KATHLEEN MCCANDLESS: We've had  
18 these sort of informal arrangements where there have  
19 been movements and deadlines in past GRAs and haven't  
20 necessarily committed them to the -- the timetable  
21 that gets filed publicly.

22 And I'm -- I'm not sure that we need to  
23 put that on the record. We can rather -- I think  
24 we've been pretty good at working collaboratively to  
25 deal with those issues as they arise. So, in my view,

1 it doesn't necessarily need to mark -- wake -- make  
2 its into the timetable.

3 THE PANEL CHAIRPERSON: Okay, that's  
4 fine. Thank you. Ms. Meek...?

5 MS. CHARLOTTE MEEK: CMMG has no  
6 concerns or comments to make at -- at this time.

7 THE PANEL CHAIRPERSON: Ms.  
8 Wittman...?

9 MS. KAREN WITTMAN: The Taxi Coalition  
10 has nothing to add to the comments of the other  
11 Interveners.

12 THE PANEL CHAIRPERSON: Thank you.  
13 Mr. Unfried...?

14 MR. CURTIS UNFRIED: IBAM has nothing  
15 further to add.

16 THE PANEL CHAIRPERSON: Thank you.  
17 And anything further, Mr. Scarfone?

18 MR. STEVE SCARFONE: Nothing further.  
19 Thank you, Madam Chair.

20 THE PANEL CHAIRPERSON: Thank you.  
21 We'll move into pre-qualification of witnesses and,  
22 Mr. Scarfone, we've heard from you with regard to the  
23 potential witnesses from Mercer.

24 Are there any other witnesses that you  
25 would intend to seek pre-qualification for?

1 MR. STEVE SCARFONE: No other expert  
2 witnesses the -- other than, of course, the witnesses  
3 that will be on the respective panels.

4 THE PANEL CHAIRPERSON: Thank you.  
5 Mr. Klassen...?

6 MR. CHRIS KLASSEN: For CAC Manitoba,  
7 not at this time. Thank you.

8 THE PANEL CHAIRPERSON: Ms. Meek...?

9 MS. CHARLOTTE MEEK: We're not  
10 intending to qualify any expert witnesses, thank you.

11 THE PANEL CHAIRPERSON: Thank you. Ms.  
12 Wittman...?

13 MS. KAREN WITTMAN: The Taxi Coalition  
14 does not intend to qualify -- pre-qualify any  
15 witnesses at this time. Thank you.

16 THE PANEL CHAIRPERSON: And Mr.  
17 Unfried...?

18 MR. CURTIS UNFRIED: Same for IBAM as  
19 well.

20 THE PANEL CHAIRPERSON: Thank you.  
21 The next topic for discussion is the process for  
22 treatment of commercially sensitive information, which  
23 we will do after a 10 minute break. Thank you very  
24 much. We'll be back, please, at 20 to 11:00.

25 MR. CURTIS UNFRIED: Sorry, I --

1 excuse me but -- but I just wanted to mention I'm -- I  
2 have to leave to go to a funeral for a very close  
3 family friend, so I don't mean it to be a --  
4 disrespectful to the panel if for when I do leave  
5 shortly. So --

6 THE PANEL CHAIRPERSON: Thank you, Mr.  
7 Unfried.

8

9 --- Upon recessing at 10:30 a.m.

10 --- Upon resuming at 10:38 a.m.

11

12 MS. PANEL CHAIRPERSON: Okay. Thank  
13 you. Next item on the agenda for the conference this  
14 morning is the process for the treatment of  
15 commercially sensitive information.

16 Mr. Scarfone, could you advise if you  
17 have a proposal with regard to how the Board should  
18 treat CSI?

19 MR. STEVE SCARFONE: I can, Madam  
20 Chair, but, before I do, if I can, as I've forgotten  
21 again, and I am reminded that I didn't read into the  
22 record MPI Exhibits, but why should this pre-hearing  
23 conference be any different than the hearings in  
24 October, but, let me just quickly do that, if I can,  
25 Madam Chair.



1                   Exhibit Number 1 for MPIC is the 2023  
2 General Rate Application that was filed on July 12th.

3                   Exhibit Number 2 was an amended version  
4 of Part 6 of the Driver Safety Rating, Appendix 3.

5                   MPIC Exhibit Number 3 was an amended  
6 Part 6, Driver Safety Rating, Appendix 1 and that was  
7 in compliance with PUB Order 134/21.

8                   MPI Exhibit Number 4 is an amended  
9 version of Part 7 of the Investment Chapter.

10                  MPI Exhibit Number 5 is Part 6, Rate  
11 Making, Appendix 11, which is an Alternative Rate  
12 Indication on an Overall Basis and by Major Class in  
13 Compliance with Directive 11.6 of PUB Order 134/21.

14                  And, lastly, MPI Exhibit Number 6 is  
15 Part 6, Rate Making, Appendix 12, the Alternative Rate  
16 Indication by Use and Territory in Compliance with  
17 Directive 11.3, PUB Order 134/21.

18

19 --- EXHIBIT NO. MPI-1           Manitoba Public Insurance  
20                                    Corporation - 2023/24  
21                                    General Rate Application -  
22                                    July 12, 2022

23 --- EXHIBIT NO. MPI-2:        Part VI - DSR - Appendix 3  
24                                    pages 5-13 - revised -  
25                                    July 14, 2022.

- 1 --- EXHIBIT NO. MPI-3: Part VI - DSR - Appendix 1  
2 - pages 13 - revised -  
3 July 14, 2022.
- 4 --- EXHIBIT NO. MPI-4: Part VII - Investments -  
5 revised - July 14, 2022.
- 6
- 7 --- EXHIBIT NO. MPI-5: Part VI - rate making -  
8 Appendix 11 - July 19,  
9 2022.
- 10
- 11 --- EXHIBIT NO. MPI-6: Part VI - rate making -  
12 Appendix 12 - July 19,  
13 2022

14

15 MR. STEVE SCARFONE: As it concerns  
16 the treatment of commercially sensitive information,  
17 MPIC does not propose any changes in the process  
18 that's been utilized in the past couple years, whereby  
19 anybody wishing to participate in the commercially  
20 sensitive information module would sign a  
21 Confidentiality Agreement and an Undertaking and there  
22 would, thereafter, be a motion by MPIC to the Board,  
23 asking for approval of that -- of those documents to  
24 be included in the CSI module.

25 THE PANEL CHAIRPERSON: Thank you,

1 Mr. Scarfone. Does any of the prospective Interveners  
2 have any comments with regards to that proposal?

3 Mr. Klassen ...?

4 MR. CHRIS KLASSEN: Chris Klassen, for  
5 CAC Manitoba. We have no comments with respect to the  
6 process. We will have comments with respect to the  
7 timing of Information Requests on commercially  
8 sensitive information. If the Board would prefer to  
9 address that point under the time-table item on the  
10 agenda, we can...

11 THE PANEL CHAIRPERSON: Yeah, I would  
12 think it would be appropriate to discuss it in  
13 relation to the time-table. Thank you.

14 MR. CHRIS KLASSEN: Thank you.

15 THE PANEL CHAIRPERSON: Ms. Meek...?

16 MS. CHARLOTTE MEEK: No comments.

17 Thank you.

18 THE PANEL CHAIRPERSON: Ms. Wittman...?

19 MS. KAREN WITTMAN: No comments.

20 Thank you.

21 THE PANEL CHAIRPERSON: Mr.

22 Unfried...?

23 MR. CURTIS UNFRIED: No comments.

24 Thank you.

25 THE PANEL CHAIRPERSON: Thank you. We

1 will now move to Item Number 6, the filing in support  
2 of the October Rate Update. Mr. McCandless...?

3 MS. KATHLEEN MCCANDLESS: Thank you.

4 So, Diana, could you please pull up the Legal  
5 Application Section of the filing and it's page 5 of  
6 6.

7 So, consistent with the last couple of  
8 GRAs, MPI has proposed to file a number of schedules  
9 in support of its updated rate indication to be filed  
10 in October and they're found at lines 14 to 22 and  
11 then there's some narrative paragraphs under that.

12 I believe that what's being proposed  
13 here is consistent when we include the narratives of  
14 the material impacts of any changes in pro formas and,  
15 together with the itemized list of updated pro formas  
16 and other schedules, I -- I believe that's consistent  
17 with what's been filed the last couple of years, and -  
18 - and, so, from the Board Advisors' perspective, there  
19 is no issue with what's being proposed here.

20 THE PANEL CHAIRPERSON: Thank you,  
21 Ms. McCandless. Mr. Scarfone ...?

22 MR. STEVE SCARFONE: Yes. Nothing  
23 further on that point. Only to say that, of course,  
24 the -- the rate application, as filed, is a  
25 provisional one and it is expected to change with the

1 update.

2 THE PANEL CHAIRPERSON: Yes. Thank  
3 you. Mr. Klassen ...?

4 MR. CHRIS KLASSEN: No comments from  
5 CAC Manitoba.

6 THE PANEL CHAIRPERSON: Ms. Meek...?

7 MS. CHARLOTTE MEEK: No comments.  
8 Thank you.

9 THE PANEL CHAIRPERSON: Thank you.  
10 Ms. Wittman...?

11 MS. KAREN WITTMAN: No comments.  
12 Thank you.

13 THE PANEL CHAIRPERSON: Mr.  
14 Unfried...?

15 MR. CURTIS UNFRIED: No comments.  
16 Thank you.

17 THE PANEL CHAIRPERSON: So, now, we  
18 will move to the next item and last item, I believe,  
19 which is the time-table. Ms. McCandless ...?

20 MS. KATHLEEN MCCANDLESS: Yes. Thank  
21 you. Again, this time-table was the subject of  
22 significant collaboration among Board Counsel, MPI,  
23 and counsel for prospective Interveners. I believe it  
24 was towards the end of the previous month but I'm --  
25 I'm losing track of -- of the dates at this point.

1                   So, given the later filing, this is  
2 what the parties were able to live with, which would  
3 see the hearing starting October 19th, which is a  
4 Wednesday, and finishing November 9th, which is a  
5 Wednesday.

6                   As with prior hearings, should we not  
7 need to sit all of those days in that time-frame, we  
8 will drop days as needed and -- and further  
9 discussions among counsel, that schedule did build in  
10 a break after the closing of evidence and the final  
11 submissions, so that the parties would have sufficient  
12 time to prepare their closing submissions and I  
13 believe that would be anticipated to happen towards  
14 the end of that -- that -- that week before  
15 November 7th.

16                   So beyond that, there's only the issue  
17 I believe that Mr. Klassen raised in terms of IR  
18 schedules for confidential material because, under the  
19 process that MPI proposes and we've used in the past,  
20 until there are signed confidentiality agreements and  
21 undertakings provided by everyone to MPI, then the  
22 parties do not see the CSI.

23                   And so this schedule contemplates a  
24 procedural Order being issued in two (2) days, and  
25 then Round 1 Information Requests filed one (1) week

1 after that.

2                   Once the procedural Order is issued,  
3 then the parties still need to sign the agreements,  
4 and then those consultants or third parties who might  
5 be in possession of the material or MPI need to then  
6 get that to everyone who is participating in the  
7 confidential module.

8                   So it makes that date of August 5th not  
9 really possible. So in the past what we've  
10 essentially done is just had sort of background -- or  
11 back channel discussions, I guess, among counsel about  
12 an appropriate date for provision of the CSI IRs.

13                   And I think that's a discussion, in my  
14 view, that can be deferred to informal discussions  
15 among counsel with an update to the Board after. But  
16 I would appreciate any comments from MPI or  
17 Interveners in that respect.

18                   THE PANEL CHAIRPERSON:   And may I ask  
19 does that also apply to when the responses for CSI  
20 will be received?

21                   MS. KATHLEEN MCCANDLESS:   That's part  
22 of the discussion that occurs because sometimes I  
23 think, depending on when those -- those delayed CSI  
24 IRs have been provided, MPI can sometimes actually  
25 answer them within the schedule.

1                   But it's -- it's a bit of a fluid  
2 situation because we -- we don't always know how  
3 quickly we will get the information and, once it's  
4 received, how much review is going to be required, and  
5 even how many CSI IRs there might be.

6                   THE PANEL CHAIRPERSON:    Okay.  Thank  
7 you.

8                   Mr. Gabor...?

9                   THE CHAIRPERSON:    I'm just wondering,  
10 why do we need the procedural Order issued before we  
11 get the agreement signed?  Can we not proceed on the  
12 basis of, you know, assuming that the Interveners have  
13 been approved, and if they're not, we've got a piece  
14 of paper that's worthless?

15                  MS. KATHLEEN MCCANDLESS:    Certainly  
16 within the Board's --

17                  THE CHAIRPERSON:    I mean, if --

18                  MS. KATHLEEN MCCANDLESS:    --  
19 jurisdiction to approve it --

20                  THE CHAIRPERSON:    -- if the issue --

21                  MS. KATHLEEN MCCANDLESS:    -- at this  
22 time, and --

23                  THE CHAIRPERSON:    -- is timing --

24                  MS. KATHLEEN MCCANDLESS:    -- yeah.

25                  THE CHAIRPERSON:    -- we can speed it



1 up.

2 MS. KATHLEEN MCCANDLESS: Yeah.

3 THE CHAIRPERSON: You know, we -- I  
4 think we've got standard form agreements that we've  
5 been using for --

6 MR. STEVE SCARFONE: We do, yes.

7 THE CHAIRPERSON: Yeah. So I don't  
8 know why we just don't send them out today and get  
9 them signed, just so you've got it, and we'll get the  
10 Order out as soon as we can and -- rather than waste a  
11 few days waiting for the Order to be issued.

12 MS. KATHLEEN MCCANDLESS: Even then, I  
13 -- I think there may still need to be a bit of a  
14 delay. Yeah. Okay.

15 THE CHAIRPERSON: The reality is we  
16 have communication between the parties which is good.  
17 If there needs to be some flexibility -- you know, if  
18 there needs to be some flexibility, the parties I'm  
19 sure will act in a responsible manner. If they don't,  
20 they can come back to the Board for an immediate Order  
21 or something like that.

22 But everybody -- everybody -- there --  
23 there is no benefit for people to drag their heels or  
24 whatever. Everybody has gone through this before. We  
25 know what the process is.

1 MR. STEVE SCARFONE: Yeah. I agree  
2 with that. That's fine from MPI's perspective.

3 THE PANEL CHAIRPERSON: Thank you.  
4 And, Mr. Scarfone, do you have any other comments in  
5 relation to the timetable generally?

6 MR. STEVE SCARFONE: Generally, no,  
7 only to say that MPIC certainly appreciates the  
8 indulgence of the Board as it concerns the adjustment  
9 that was needed when the Rate Application was filed on  
10 July 12th rather than on June 30th. So we appreciate  
11 that and the indulgences of counsel for the  
12 Interveners.

13 We do expect that the hearing -- the  
14 Board may recall last year there was some -- some  
15 problems towards the end of the hearing with MPIC's  
16 closing submissions vis-a-vis its written submission.

17 And we're very mindful of -- of that,  
18 and we're hoping that there will be enough time at the  
19 end of the evidence -- evidentiary portion of the  
20 hearing to allow for a day or two (2) in between  
21 closing submissions and the end of evidence to allow  
22 for both an oral submission and a written submission  
23 to be done contemporaneously.

24 THE PANEL CHAIRPERSON: Thank you.

25 Comments from the -- the proposed

1 Interveners. Mr. Klassen...?

2 MR. CHRIS KLASSEN: CAC (Manitoba)'s  
3 comfortable confirming the schedule for CSI IRs  
4 offline with other parties, and no other comments with  
5 respect to the time line at this time.

6 THE PANEL CHAIRPERSON: Thank you.  
7 Ms. Meek...?

8 MS. CHARLOTTE MEEK: No concern with  
9 the timetable as proposed. Thank you.

10 THE PANEL CHAIRPERSON: Thank you.  
11 Ms. Wittman...?

12 MS. KAREN WITTMAN: No concerns.  
13 Thank you.

14 THE PANEL CHAIRPERSON: Thank you.  
15 Mr. Unfried...?

16 MR. CURTIS UNFRIED: No concerns.  
17 Thank you.

18 THE PANEL CHAIRPERSON: Thank you very  
19 much. That concludes the items that were scheduled to  
20 be reviewed at this morning's pre-hearing conference,  
21 so I will adjourn this meeting and thank everyone for  
22 their participation.

23

24 --- Upon adjourning at 10:50 a.m.

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Certified Correct,

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Wendy Woodworth, Ms.