



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE CORPORATION (MPI)  
2024/2025 GENERAL RATE APPLICATION  
HEARING

Before Board Panel:

Irene Hamilton, K.C.- Panel Chairperson  
Robert Gabor, K.C. - Board Chair  
Susan Nemec - Board Member  
George Bass, K.C. - Board Member  
Susan Boulter - Board Member

HELD AT:

Public Utilities Board  
400, 330 Portage Avenue  
Winnipeg, Manitoba  
Oct 10, 2023

Pages 1 to 336

1 APPEARANCES  
2 Kathleen McCandless ) Board Counsel  
3 Todd Andres )  
4  
5 Steve Scarfone ) Manitoba Public  
6 Anthony Guerra ) Insurance  
7 Eric Wishnowski )  
8  
9 Byron Williams ) CAC (Manitoba)  
10 Chris Klassen )  
11 Katrine Dilay )  
12 Victoria Cloutis (Student) )  
13 Anna Evans-Boudreau (Student) )  
14  
15 Karen Wittman ) Taxi Coalition  
16 Sharna Nelko )  
17  
18 Charlotte Meek ) CMMG  
19 Doug Houghton )  
20  
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5	MPI-2	Part VII - Ratemaking Overview Chapter
6		page 5 of 8 - Blacklined and Clean -
7		June 27, 2023
8	MPI-3	Part IX - Pro Formas Chapter pages 2,
9		7, 10 and 11 - Blacklined and Clean -
10		June 30, 2023
11	MPI-4	Part V - IT - Appendix 5 - Figure IT
12		App 505 - Blacklined and Clean - July
13		7, 2023
14	MPI-5	Part V - IT - Attachment A - Gartner
15		Annual IT Benchmark FY 2021 - July 13,
16		2023
17	MPI-6	Part X - EAR - Attachment B - Actuary
18		Report March 2023 - July 13, 2023
19	MPI-7	Part XII - RMF Appendix 4 - Top
20		Corporate Risks - Redacted - July 24,
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5	MPI-10	Part XIV - AR - Appendix 3 - Annual	
6		Report 2022 - July 26, 2023	
7	MPI-11	Part IX - Expenses Chapter - page 23 of	
8		68 - Figure EXP-13 & 14 revised - Clean	
9		and Blacklined - July 31, 2023	
10	MPI-12	Part IX - Expenses Chapter - page 61 of	
11		68 - Figure EXP-43 revised - Clean an	
12		Blacklined - July 31, 2023	
13	MPI-13	Part XIV - AR - Appendix 1 - Universal	
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15		Financial Statements 2022/23 - July 31,	
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17	MPI-14	Part IX - Expenses Appendix 7 - pages	
18		8-9 of 24 revised - Clean and	
19		Blacklined - July 31, 2023	
20	MPI-15	Part V - NOVA Chapter - page 34 of 48	
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8		2022 - August 2, 2023 (ch)
9	MPI-19	Part IX - EXP - Appendix 23d - Public
10		Redacted - McKinsey Contract December
11		14, 2022 - August 2, 2023
12	MPI-20	Part IX - EXP - Appendix 23e - Public
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15		revised - August 2, 2023
16	MPI-22	Round I Information Request Responses
17		Cover Letter - August 2, 2023
18	MPI-23	Quarterly Portfolio Update - July 27,
19		2023 - Redacted - August 8, 2023
20	MPI-24	Revised CAC-MPI I-1 - August 22, 2023
21	MPI-25	Revised PUB-MPI CI I-1 Public Redacted
22		Response - August 22, 2023
23	MPI-26	Revised PUB-MPI I-59 - August 25, 2023
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5	MPI-29	Revised CAC-MPI I-90 - August 29, 2023	
6	MPI-30	Round II Information Request Responses	
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10	MPI-32	Revised PUB-MPI I-75 pg. 2 - September	
11		8, 2023	
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13		and 20a Redacted - September 12, 2023	
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17		September 12, 2023	
18	MPI-35	PUB-MPI I-85 Appendix 89 Redacted -	
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5		PUB-MPI I-19 - September 14, 2023
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7	MPI-39	PUB-MPI II-30 - Appendix 1 - Interest
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9		September 18, 2023
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11		curve and implied yield as at August
12		31, 2023 - September 18, 2023
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18		Redacted - September 25, 2023
19	MPI-44	Part II - COM Appendix 2 - Redacted -
20		Revised September 25, 2023
21	MPI-45	PUB-MPI II-32a Appendix 1 - Revised
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6		Property Damage (Third Party Deductible	
7		Transfer) Alternative Trend Model	
8	MPI-46-2	MPI-CAC Intervener Information Requests	
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12		pg. 8	
13	MPI-46-7	MPI-CAC Intervener Information Requests	
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17		Projection	
18	MPI-46-8	MPI-CAC Intervener Information Requests	
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20		Due October 4, 2023). Rating Year	
21		2024/25 Loss Cost Projection - Property	
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7		October 3, 2023	
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10	MPI-51	Part X - FCT Chapter - October 6, 2023	
11	MPI-52	PUB-MPI 11-12 Attachment A & B - IFRS	
12		14 Options and representation letter -	
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16		Hearing Conference - June 17, 2023	
17	PUB-2	The Public Utilities Board's Rules of	
18		Practice and Procedure	
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20		GRA Timetable, MFRs and IR Template -	
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6		Respecting Preliminary issues List and	
7		Commercially Sensitive Information	
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12	PUB-6	Board Order 77/23 - Manitoba Public	
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14		Corporation): Procedural Order for the	
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4		128) - July 7, 2023. Claims	
5		Forecasting and Loss Trend Analysis -	
6		Claims Trending	
7	PUB-7-65	PUB-MPI Round I Information Request (1-	
8		128) - July 7, 2023. Claims	
9		Forecasting and Loss Trend Analysis -	
10		Claims Trending - Frequency Trend	
11	PUB-7-66	PUB-MPI Round I Information Request (1-	
12		128) - July 7, 2023. Claims	
13		Forecasting and Loss Trend Analysis -	
14		Claims Trending - overestimation	
15	PUB-7-67	PUB-MPI Round I Information Request (1-	
16		128) - July 7, 2023. Claims	
17		Forecasting and Loss Trend Analysis -	
18		Claims Trending - frequency CERP	
19		adjustment	
20	PUB-7-68	PUB-MPI Round I Information Request (1-	
21		128) - July 7, 2023. Claims	
22		Forecasting and Loss Trend Analysis -	
23		Claims Trending - Severity	
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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-7-69	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. Claims	
5		Forecasting and Loss Trend Analysis -	
6		Claims Trending assumptions and factors	
7	PUB-7-70	PUB-MPI Round I Information Request (1-	
8		128) - July 7, 2023. Claims	
9		Forecasting and Loss Trend Analysis -	
10		Claims Trending - Collision Severity	
11	PUB-7-71	PUB-MPI Round I Information Request (1-	
12		128) - July 7, 2023. VFH - Ratemaking	
13		- Vehicle for Hire Program Changes	
14	PUB-7-72	PUB-MPI Round I Information Request (1-	
15		128) - July 7, 2023. Risk	
16		Classification - Driver Safety Rating	
17		(DSR)	
18	PUB-7-73	PUB-MPI Round I Information Request (1-	
19		128) - July 7, 2023. REV - DSR Scale	
20	PUB-7-74	PUB-MPI Round I Information Request (1-	
21		128) - July 7, 2023. Product	
22		Enhancements - Basic Insurance Model	
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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-7-75	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. Benchmarking -	
5		Crown Benchmarking	
6	PUB-7-76	PUB-MPI Round I Information Request (1-	
7		128) - July 7, 2023. Benchmarking -	
8		Operational - Crown Benchmarking -	
9		Metrics	
10	PUB-7-77	PUB-MPI Round I Information Request (1-	
11		128) - July 7, 2023. IT - IT	
12		Benchmarking - Gartner IT Benchmarking	
13	PUB-7-78	PUB-MPI Round I Information Request (1-	
14		128) - July 7, 2023. Capital	
15		Management and Rate Stabilization	
16		Reserve - Claims reserving adequacy	
17	PUB-7-79	PUB-MPI Round I Information Request (1-	
18		128) - July 7, 2023. Capital	
19		Management and Rate Stabilization	
20		Reserve - Claims reserving adequacy -	
21		Claims run-off	
22	PUB-7-80	PUB-MPI Round I Information Request (1-	
23		128) - July 7, 2023. Risk Management	
24		Framework - Corporate Risk Assessment	
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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-7-81	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. NOVA - Project	
5		NOVA Update	
6	PUB-7-82	PUB-MPI Round I Information Request (1-	
7		128) - July 7, 2023. NOVA - Project	
8		NOVA Update - NOVA Baseline	
9	PUB-7-83	PUB-MPI Round I Information Request (1-	
10		128) - July 7, 2023. NOVA - Project	
11		NOVA Update - Flattened Delivery	
12	PUB-7-84	PUB-MPI Round I Information Request (1-	
13		128) - July 7, 2023. NOVA - Project	
14		NOVA Update - McKinsey Assessment	
15	PUB-7-85	PUB-MPI Round I Information Request (1-	
16		128) - July 7, 2023. NOVA - Project	
17		NOVA Update - McKinsey Assessment -	
18		Deliverables	
19	PUB-7-86	PUB-MPI Round I Information Request (1-	
20		128) - July 7, 2023. NOVA - Project	
21		NOVA Update - Re-baseline Budget	
22	PUB-7-87	PUB-MPI Round I Information Request (1-	
23		128) - July 7, 2023. NOVA - Project	
24		NOVA Update - Program Status	
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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-7-88	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. NOVA - Project	
5		NOVA Update - NOVA Release Schedule	
6	PUB-7-89	PUB-MPI Round I Information Request (1-	
7		128) - July 7, 2023. NOVA - Project	
8		NOVA Update - R2 Gating Progression	
9	PUB-7-90	PUB-MPI Round I Information Request (1-	
10		128) - July 7, 2023. NOVA - Project	
11		NOVA Update - R3 Progress	
12	PUB-7-91	PUB-MPI Round I Information Request (1-	
13		128) - July 7, 2023. NOVA - Project	
14		NOVA Update - Project NOVA Governance	
15	PUB-7-92	PUB-MPI Round I Information Request (1-	
16		128) - July 7, 2023. NOVA - Project	
17		NOVA Update - Dependent Projects	
18	PUB-7-93	PUB-MPI Round I Information Request (1-	
19		128) - July 7, 2023. NOVA - Project	
20		NOVA Update - Program Governance and	
21		Risk Advisory Service Update	
22	PUB-7-94	PUB-MPI Round I Information Request (1-	
23		128) - July 7, 2023. NOVA - Project	
24		NOVA Update - Continuous Improvement	
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1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-7-95	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. NOVA - Project	
5		NOVA Update - NOVA Contingency Budget	
6	PUB-7-96	PUB-MPI Round I Information Request (1-	
7		128) - July 7, 2023. NOVA - Project	
8		NOVA Update - Resourcing Update	
9	PUB-7-97	PUB-MPI Round I Information Request (1-	
10		128) - July 7, 2023. NOVA - Project	
11		NOVA Update - Implementation Costs	
12		Update	
13	PUB-7-98	PUB-MPI Round I Information Request (1-	
14		128) - July 7, 2023. NOVA - Project	
15		NOVA Update - Ongoing Costs Update	
16	PUB-7-99	PUB-MPI Round I Information Request (1-	
17		128) - July 7, 2023. NOVA - Project	
18		NOVA Update - Cost Estimate	
19		Classification System	
20	PUB-7-100	PUB-MPI Round I Information Request (1-	
21		128) - July 7, 2023. NOVA - Project	
22		NOVA Update - Release 3 Readiness	
23		Summary	
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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-7-101	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. NOVA - Project	
5		NOVA Update - Re-baseline Adjustments	
6	PUB-7-102	PUB-MPI Round I Information Request (1-	
7		128) - July 7, 2023. NOVA - Project	
8		NOVA Update - Stream issues impacting	
9		Releases	
10	PUB-7-103	PUB-MPI Round I Information Request (1-	
11		128) - July 7, 2023. NOVA - Project	
12		NOVA Update - Contingency Budget	
13		Allocation	
14	PUB-7-104	PUB-MPI Round I Information Request (1-	
15		128) - July 7, 2023. IT - Project NOVA	
16		- IT Risk Registry	
17	PUB-7-105	PUB-MPI Round I Information Request (1-	
18		128) - July 7, 2023. IT - Project NOVA	
19		- IT Assumptions/considerations/notes -	
20		Consultant Breakdown	
21	PUB-7-106	PUB-MPI Round I Information Request (1-	
22		128) - July 7, 2023. NOVA - Project	
23		NOVA - Basic Deferred Development Cost	
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3	PUB-7-107	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. NOVA - Project	
5		NOVA - Business Case	
6	PUB-7-108	PUB-MPI Round I Information Request (1-	
7		128) - July 7, 2023. VA/NOVA - Capital	
8		Expenditures - Cost of Capital	
9	PUB-7-109	PUB-MPI Round I Information Request (1-	
10		128) - July 7, 2023. Information	
11		Technology - IT Strategy	
12	PUB-7-110	PUB-MPI Round I Information Request (1-	
13		128) - July 7, 2023. IT - IT Strategy	
14		- MPI 2.0	
15	PUB-7-111	PUB-MPI Round I Information Request (1-	
16		128) - July 7, 2023. IT - Strategy -	
17		Cost Reduction	
18	PUB-7-112	PUB-MPI Round I Information Request (1-	
19		128) - July 7, 2023. IT - Guiding	
20		Principles - Business Plan	
21	PUB-7-113	PUB-MPI Round I Information Request (1-	
22		128) - July 7, 2023. IT Portfolio	
23		baseboard - Other Initiatives/Projects	
24			
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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-7-114	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. IT - IT Project	
5		Status	
6	PUB-7-115	PUB-MPI Round I Information Request (1-	
7		128) - July 7, 2023. IT - External	
8		Labour Measures and Metrics - Status	
9		Update - IT Personnel Costs	
10	PUB-7-116	PUB-MPI Round I Information Request (1-	
11		128) - July 7, 2023. IT External	
12		Labour Measures and Metrics - Status	
13		Update - IT Personnel Costs - FTEs	
14	PUB-7-117	PUB-MPI Round I Information Request (1-	
15		128) - July 7, 2023. IT - External	
16		Labour Measures and Metrics - Status	
17		Update - IT Personnel - Consultants	
18		(FTE)	
19	PUB-7-118	PUB-MPI Round I Information Request (1-	
20		128) - July 7, 2023. IT - IT Project	
21		Status - Reallocation Process	
22	PUB-7-119	PUB-MPI Round I Information Request (1-	
23		128) - July 7, 2023. Value Assurance -	
24		GRA Reporting Projects	
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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-7-120	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. Value Assurance -	
5		GRA Reporting Projects - Close Out	
6		Reports	
7	PUB-7-121	PUB-MPI Round I Information Request (1-	
8		128) - July 7, 2023. Value Assurance -	
9		IT Strategy	
10	PUB-7-122	PUB-MPI Round I Information Request (1-	
11		128) - July 7, 2023. Value Assurance -	
12		Capital Master Summary	
13	PUB-7-123	PUB-MPI Round I Information Request (1-	
14		128) - July 7, 2023. Investments -	
15		Financial Condition Testing - Inflation	
16		Risk	
17	PUB-7-124	PUB-MPI Round I Information Request (1-	
18		128) - July 7, 2023. Investments - ALM	
19		Study - RSR & Extension Portfolio Asset	
20		Mix Optimization	
21	PUB-7-125	PUB-MPI Round I Information Request (1-	
22		128) - July 7, 2023. Investments - ALM	
23		Study - Basic Claims Portfolio Asset	
24		Mix Optimization	
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3	PUB-7-126	PUB-MPI Round I Information Request (1-	
4		128) - July 7, 2023. Investments - ALM	
5		Study - EFB Portfolio Asset Mix	
6		Optimization	
7	PUB-7-127	PUB-MPI Round I Information Request (1-	
8		128) - July 7, 2023. Investments - ALM	
9		Study - EFB Portfolio Asset Mix	
10		Optimization Analysis	
11	PUB-7-128	PUB-MPI Round I Information Request (1-	
12		128) - July 7, 2023. Investments - ALM	
13		Implementation	
14	PUB-8	PUB-MPI Round I Confidential	
15		Information Request - Public Responses	
16	PUB-8-1	PUB-MPI Round I Confidential	
17		Information Request - Public Responses.	
18		PUB-MPI-CI-I-13	
19	PUB-8-2	PUB-MPI Round I Confidential	
20		Information Request - Public Responses.	
21		PUB-MPI-CI-I-15	
22	PUB-8-3	PUB-MPI Round I Confidential	
23		Information Request - Public Responses.	
24		PUB-MPI-CI-I-16	
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3	PUB-8-4	PUB-MPI Round I Confidential	
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5		PUB-MPI-CI-I-17	
6	PUB-8-5	PUB-MPI Round I Confidential	
7		Information Request - Public Responses.	
8		PUB-MPI-CI-I-18	
9	PUB-9	PUB-MPI Round II Information Requests	
10		(1-77) - August 16, 2023	
11	PUB-9-1	PUB-MPI Round II Information Requests	
12		(1-77) - August 16, 2023. 2023/24	
13		Capital Budget Report	
14	PUB-9-2	PUB-MPI Round II Information Requests	
15		(1-77) - August 16, 2023. Cost	
16		Implications of B13 agreement	
17	PUB-9-3	PUB-MPI Round II Information Requests	
18		(1-77) - August 16, 2023. Claims	
19		Expense	
20	PUB-9-4	PUB-MPI Round II Information Requests	
21		(1-77) - August 16, 2023. Claims	
22		Expense	
23	PUB-9-5	PUB-MPI Round II Information Requests	
24		(1-77) - August 16, 2023. Interest	
25		Rates - Impact on rate requirement	

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3	PUB-9-6	PUB-MPI Round II Information Requests	
4		(1-77) - August 16, 2023. Investment	
5		Management Fees	
6	PUB-9-7	PUB-MPI Round II Information Requests	
7		(1-77) - August 16, 2023. Interest	
8		Rates - impact of new money yield	
9	PUB-9-8	PUB-MPI Round II Information Requests	
10		(1-77) - August 16, 2023. Interest	
11		Rates	
12	PUB-9-9	PUB-MPI Round II Information Requests	
13		(1-77) - August 16, 2023. Rate	
14		Indication	
15	PUB-9-10	PUB-MPI Round II Information Requests	
16		(1-77) - August 16, 2023. Fleet Rebate	
17		Allocation	
18	PUB-9-11	PUB-MPI Round II Information Requests	
19		(1-77) - August 16, 2023. Impact of	
20		the change to Risk Adjustment	
21	PUB-9-12	PUB-MPI Round II Information Requests	
22		(1-77) - August 16, 2023. Compliance	
23		with Orders	
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4		(1-77) - August 16, 2023. Extension	
5		Transfers	
6	PUB-9-15	PUB-MPI Round II Information Requests	
7		(1-77) - August 16, 2023. Extension	
8		Financial Forecast - Extension Profit	
9		Margin - drop in extension profit	
10	PUB-9-16	PUB-MPI Round II Information Requests	
11		(1-77) - August 16, 2023. Claims	
12		reserving accuracy - August '22 to	
13		March '23 changes	
14	PUB-9-17	PUB-MPI Round II Information Requests	
15		(1-77) - August 16, 2023. Claims	
16		reserving accuracy - correct fiscal	
17		year claims incurred	
18	PUB-9-18	PUB-MPI Round II Information Requests	
19		(1-77) - August 16, 2023. Investment	
20		Performance	
21	PUB-9-19	PUB-MPI Round II Information Requests	
22		(1-77) - August 16, 2023. Operating	
23		Expenses	
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5		Object NOVA - Cost Allocation	
6	PUB-9-21	PUB-MPI Round II Information Requests	
7		(1-77) - August 16, 2023. ICAM - Cost	
8		Categories	
9	PUB-9-22	PUB-MPI Round II Information Requests	
10		(1-77) - August 16, 2023. Operating	
11		Expenses - ICAM changes	
12	PUB-9-23	PUB-MPI Round II Information Requests	
13		(1-77) - August 16, 2023. ICAM - AGILE	
14		Project Management Office	
15	PUB-9-24	PUB-MPI Round II Information Requests	
16		(1-77) - August 16, 2023. Capital	
17		Expenditures	
18	PUB-9-25	PUB-MPI Round II Information Requests	
19		(1-77) - August 16, 2023. Basic Line	
20		of Business Investment Income -	
21		Investment Income	
22	PUB-9-26	PUB-MPI Round II Information Requests	
23		(1-77) - August 16, 2023. Investment	
24		Income - Impact of EFB on Basic	
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3	PUB-9-27	PUB-MPI Round II Information Requests	
4		(1-77) - August 16, 2023. Investment	
5		Income Benchmarking - Return Comparison	
6		with Shadow Portfolios	
7	PUB-9-28	PUB-MPI Round II Information Requests	
8		(1-77) - August 16, 2023. Inflation	
9		Overlay Strategy	
10	PUB-9-29	PUB-MPI Round II Information Requests	
11		(1-77) - August 16, 2023. Inflation	
12		Overlay Strategy	
13	PUB-9-30	PUB-MPI Round II Information Requests	
14		(1-77) - August 16, 2023. Pension	
15		Expense	
16	PUB-9-31	PUB-MPI Round II Information Requests	
17		(1-77) - August 16, 2023. Investment	
18		Portfolio	
19	PUB-9-32	PUB-MPI Round II Information Requests	
20		(1-77) - August 16, 2023. Investment	
21		Income - Investment Impaired	
22	PUB-9-33	PUB-MPI Round II Information Requests	
23		(1-77) - August 16, 2023. Investment	
24		Portfolios - Investment Returns v.	
25		Benchmarks	

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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	PUB-9-34	PUB-MPI Round II Information Requests	
4		(1-77) - August 16, 2023. Financial	
5		Forecast - Corporate Expenses	
6	PUB-9-35	PUB-MPI Round II Information Requests	
7		(1-77) - August 16, 2023. Claims	
8		Incurred - Claims Incurred Expenses	
9	PUB-9-36	PUB-MPI Round II Information Requests	
10		(1-77) - August 16, 2023. Operating	
11		Expenses - Data Processing	
12	PUB-9-37	PUB-MPI Round II Information Requests	
13		(1-77) - August 16, 2023. Operating	
14		Expenses - Special Services Expense	
15	PUB-9-38	PUB-MPI Round II Information Requests	
16		(1-77) - August 16, 2023. Operating	
17		Expenses - Compensation Expense -	
18		overturn	
19	PUB-9-39	PUB-MPI Round II Information Requests	
20		(1-77) - August 16, 2023. Operating	
21		Expenses - Compensation Expense	
22	PUB-9-40	PUB-MPI Round II Information Requests	
23		(1-77) - August 16, 2023. Compensation	
24		- change in forecast assumptions	
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4		(1-77) - August 16, 2023. Compensation	
5	PUB-9-42	PUB-MPI Round II Information Requests	
6		(1-77) - August 16, 2023. Compensation	
7		- Vacancy Allowance	
8	PUB-9-43	PUB-MPI Round II Information Requests	
9		(1-77) - August 16, 2023. Basic	
10		Capital Expenditures - Project Cost	
11		Comparisons	
12	PUB-9-44	PUB-MPI Round II Information Requests	
13		(1-77) - August 16, 2023. Operating	
14		Expenses	
15	PUB-9-45	PUB-MPI Round II Information Requests	
16		(1-77) - August 16, 2023. Operating	
17		Expenses - Basic Deferred Development	
18		Costs	
19	PUB-9-46	PUB-MPI Round II Information Requests	
20		(1-77) - August 16, 2023. Operating	
21		Expenses - Broker Commissions	
22	PUB-9-47	PUB-MPI Round II Information Requests	
23		(1-77) - August 16, 2023. Claims Costs	
24		- Light Vehicle Accreditation Agreement	
25		(LVAA)	



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4		(1-77) - August 16, 2023. Ratemaking -	
5		VFH Program Changes	
6	PUB-9-49	PUB-MPI Round II Information Requests	
7		(1-77) - August 16, 2023. Ratemaking -	
8		VFH Program Changes - Blanket Policy	
9	PUB-9-50	PUB-MPI Round II Information Requests	
10		(1-77) - August 16, 2023. DSR Scale	
11	PUB-9-51	PUB-MPI Round II Information Requests	
12		(1-77) - August 16, 2023. Crown	
13		Benchmarking	
14	PUB-9-52	PUB-MPI Round II Information Requests	
15		(1-77) - August 16, 2023. Corporate	
16		Risk Assessment	
17	PUB-9-53	PUB-MPI Round II Information Requests	
18		(1-77) - August 16, 2023. IT	
19		Benchmarking	
20	PUB-9-54	PUB-MPI Round II Information Requests	
21		(1-77) - August 16, 2023. Project NOVA	
22		Update	
23	PUB-9-55	PUB-MPI Round II Information Requests	
24		(1-77) - August 16, 2023. Project NOVA	
25		Update - McKinsey Assessment	

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4		(1-77) - August 16, 2023. Project NOVA	
5		Update - Program Status	
6	PUB-9-57	PUB-MPI Round II Information Requests	
7		(1-77) - August 16, 2023. Project NOVA	
8		Update - NOVA Release Schedule	
9	PUB-9-58	PUB-MPI Round II Information Requests	
10		(1-77) - August 16, 2023. Project NOVA	
11		Update - R2 Gating Progression	
12	PUB-9-59	PUB-MPI Round II Information Requests	
13		(1-77) - August 16, 2023. Project NOVA	
14		Update - R3 Progress	
15	PUB-9-60	PUB-MPI Round II Information Requests	
16		(1-77) - August 16, 2023. Project NOVA	
17		Update - Continuous Improvement	
18	PUB-9-61	PUB-MPI Round II Information Requests	
19		(1-77) - August 16, 2023. Strategy -	
20		Cost Reduction	
21	PUB-9-62	PUB-MPI Round II Information Requests	
22		(1-77) - August 16, 2023. Guiding	
23		Principles - Business Plan	
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3	PUB-9-63	PUB-MPI Round II Information Requests	
4		(1-77) - August 16, 2023. IT Project	
5		Status - Reallocation Process	
6	PUB-9-64	PUB-MPI Round II Information Requests	
7		(1-77) - August 16, 2023. GRA Reported	
8		Projects	
9	PUB-9-65	PUB-MPI Round II Information Requests	
10		(1-77) - August 16, 2023. Capital	
11		Master Summary	
12	PUB-9-66	PUB-MPI Round II Information Requests	
13		(1-77) - August 16, 2023. Capital	
14		Master Summary - IT Funding planning	
15		process	
16	PUB-9-67	PUB-MPI Round II Information Requests	
17		(1-77) - August 16, 2023. IFRS 17	
18	PUB-9-68	PUB-MPI Round II Information Requests	
19		(1-77) - August 16, 2023. Financial	
20		Forecast	
21	PUB-9-69	PUB-MPI Round II Information Requests	
22		(1-77) - August 16, 2023. ALM	
23		Implementation	
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4		(1-77) - August 16, 2023.	
5		Implementation Expense	
6	PUB-9-71	PUB-MPI Round II Information Requests	
7		(1-77) - August 16, 2023. Government	
8		directed organizational review	
9	PUB-9-72	PUB-MPI Round II Information Requests	
10		(1-77) - August 16, 2023. Salary	
11		Changes	
12	PUB-9-73	PUB-MPI Round II Information Requests	
13		(1-77) - August 16, 2023. Depreciation	
14		and Amortization	
15	PUB-9-74	PUB-MPI Round II Information Requests	
16		(1-77) - August 16, 2023. Special	
17		Services	
18	PUB-9-75	PUB-MPI Round II Information Requests	
19		(1-77) - August 16, 2023. TNC Blanket	
20		Policy - Methodology	
21	PUB-9-76	PUB-MPI Round II Information Requests	
22		(1-77) - August 16, 2023. Calibration	
23		of the Rebate and Surcharge Scale	
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3	PUB-9-77	PUB-MPI Round II Information Requests	
4		(1-77) - August 16, 2023. Calibration	
5		of the Rebate and Surcharge Scale -	
6		Cost due to loss transfer between	
7		classes	
8	PUB-10	Reminder Public Notice - Manitoba	
9		Public Insurance - 2024 General Rate	
10		Application - August 15, 2023	
11	PUB-11	PUB-MPI Round II CI Information	
12		Requests - Public Responses (2) -	
13		September 6, 2023	
14	PUB-11-1	PUB-MPI Round II CI Information	
15		Requests - Public Responses (2) -	
16		September 6, 2023. Value Assurance -	
17		Cityplace	
18	PUB-11-2	PUB-MPI Round II CI Information	
19		Requests - Public Responses (2) -	
20		September 6, 2023. Impairment	
21		Documents	
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3	PUB-12	Board Order 111/23 - Motion by Manitoba	
4		Public Insurance Seeking Confidential	
5		Treatment of Documents and Information	
6		in the 2024/2025 General Rate	
7		Application - September 25, 2023.	
8	Pub-13	PUB-CAC Intervener Information Requests	
9		(1-21) - September 25, 2023 (Responses	
10		Due October 4, 2023)	
11	PUB-13-1	PUB-CAC Intervener Information Requests	
12		(1-21) - September 25, 2023 (Responses	
13		Due October 4, 2023). Accident year	
14		weights	
15	PUB-13-2	PUB-CAC Intervener Information Requests	
16		(1-21) - September 25, 2023 (Responses	
17		Due October 4, 2023). Accident year	
18		weights - alternative methodology	
19	PUB-13-3	PUB-CAC Intervener Information Requests	
20		(1-21) - September 25, 2023 (Responses	
21		Due October 4, 2023). Claims	
22		Forecasting - Claims Trends - accident	
23		years for Weekly indemnity	
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3	PUB-13-4	PUB-CAC Intervener Information Requests	
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5		Due October 4, 2023). Claims	
6		Forecasting - Claims Trends - indexed	
7		trends	
8	PUB-13-5	PUB-CAC Intervener Information Requests	
9		(1-21) - September 25, 2023 (Responses	
10		Due October 4, 2023). Claims	
11		Forecasting - Claims Trends - time	
12		frame for trending	
13	PUB-13-6	PUB-CAC Intervener Information Requests	
14		(1-21) - September 25, 2023 (Responses	
15		Due October 4, 2023). Claims	
16		Forecasting - Claims Trends -	
17		misalignment	
18	PUB-13-7	PUB-CAC Intervener Information Requests	
19		(1-21) - September 25, 2023 (Responses	
20		Due October 4, 2023). Claims	
21		Forecasting - Claims Trending - hail	
22		adjustment	
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5		Due October 4, 2023). Claims	
6		Forecasting - Claims Trending -	
7		Properly Damage Loss of use	
8	PUB-13-9	PUB-CAC Intervener Information Requests	
9		(1-21) - September 25, 2023 (Responses	
10		Due October 4, 2023). Claims	
11		Forecasting - Claims Trending	
12	PUB-13-10	PUB-CAC Intervener Information Requests	
13		(1-21) - September 25, 2023 (Responses	
14		Due October 4, 2023). Claims	
15		Forecasting - Claims Trending - Time	
16		periods	
17	PUB-13-11	PUB-CAC Intervener Information Requests	
18		(1-21) - September 25, 2023 (Responses	
19		Due October 4, 2023). Benchmarking	
20	PUB-13-12	PUB-CAC Intervener Information Requests	
21		(1-21) - September 25, 2023 (Responses	
22		Due October 4, 2023). Qualities of MPI	
23		that differentiate MPI as an insurer	
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5		Due October 4, 2023). Project NOVA -	
6		Benchmarking	
7	PUB-13-14	PUB-CAC Intervener Information Requests	
8		(1-21) - September 25, 2023 (Responses	
9		Due October 4, 2023). Project NOVA -	
10		Tendering of Contract - McKinsey	
11		Engagement	
12	PUB-13-15	PUB-CAC Intervener Information Requests	
13		(1-21) - September 25, 2023 (Responses	
14		Due October 4, 2023). Project NOVA -	
15		NPV & Payback Framework Usage - the use	
16		of Financial Measures as part of the	
17		Decision making process	
18	PUB-13-16	PUB-CAC Intervener Information Requests	
19		(1-21) - September 25, 2023 (Responses	
20		Due October 4, 2023). Project NOVA -	
21		MPI Staffing Competency Assessment -	
22		Experience of MPI and the Challenge of	
23		Similar Initiatives	
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5		Due October 4, 2023). Project NOVA -
6		Project NOVA Scope - Experience of MPI
7		and the Challenge of Similar
8		Initiatives
9	PUB-13-18	PUB-CAC Intervener Information Requests
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11		Due October 4, 2023). Project NOVA -
12		Project NOVA Scope - Shift from Prudent
13		Investment
14	PUB-13-19	PUB-CAC Intervener Information Requests
15		(1-21) - September 25, 2023 (Responses
16		Due October 4, 2023). Project NOVA -
17		MPI 2.0 - Lack of team Buy in on MPI
18		2.0
19	PUB-13-20	PUB-CAC Intervener Information Requests
20		(1-21) - September 25, 2023 (Responses
21		Due October 4, 2023). Project NOVA -
22		Project NOVA Scope - Scope Creep & MPI
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5		Due October 4, 2023). Project NOVA -	
6		Project NOVA Roadmap - Recommendations	
7	CAC-1-0	Consumers Association of Canada	
8		(Manitoba) Inc. Interveners Application	
9		- June 23, 2023	
10	CAC-1-1	Attachment A - Overview	
11	CAC-1-2	Attachment B - Expert Consultants	
12	CAC-1-3	CV's - P. Dyck, P. Elliot, R.	
13		Sahasrabuddhe, C. Schneider, V. Viola	
14		and S. Greenlay	
15	CAC-2	CAC-MPI Round I Information Requests	
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19		14 Regulatory Deferral Account - Impact	
20		on financial reporting relating to	
21		deferring improvement initiative costs	
22	CAC-2-2	CAC-MPI Round I Information Requests	
23		(1-92) - July 7, 2023. Overview -	
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5		Operational Efficiencies	
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10		(1-92) - July 7, 2023. Benchmarking -	
11		AON report dated March 7, 2023 -	
12		Operational Heat Index	
13	CAC-2-6	CAC-MPI Round I Information Requests	
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15		Basic Operating expenses alignment with	
16		IFRS 17	
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18		(1-92) - July 7, 2023. Pro Formas -	
19		Statement of Operations PF-4 2022/23	
20		Comparative	
21	CAC-2-8	CAC-MPI Round I Information Requests	
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23		PF-11 Statement of Operations	
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5		Forecasting Model - Defined Benefit	
6		Pension Plan Funding Transition	
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19		Profile Changes	
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21		(1-92) - July 7, 2023. Expenses -	
22		Operational basic expenses trending	
23		downward	
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7	CAC-2-16	CAC-MPI Round I Information Requests	
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24		Allocation - IFRS presentation October	
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5		Claims incurred allocator	
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15		EXP-41 and EXP-42	
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20	CAC-2-27	CAC-MPI Round I Information Requests	
21		(1-92) - July 7, 2023. Introduction/	
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6		Board of Directors	
7	CAC-2-29	CAC-MPI Round I Information Requests	
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15		Release 2 work deferred to Release 3	
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18		Release 3 pre-discovery	
19	CAC-2-33	CAC-MPI Round I Information Requests	
20		(1-92) - July 7, 2023. Project NOVA -	
21		Program Governance and Delivery	
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18		Technology - External Labour Strategy	
19	CAC-2-40	CAC-MPI Round I Information Requests	
20		(1-92) - July 7, 2023. Information	
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8	CAC-2-42	Value Assurance - Human Resource	
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19	CAC-2-46	CAC-MPI Round I Information Requests	
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22		reserve to duration of premium	
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5		Classification - Calculated discounts	
6		and surcharges	
7	CAC-2-48	CAC-MPI Round I Information Requests	
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9		Classification - TNC Blanket Policy -	
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12		(1-92) - July 7, 2023. Risk	
13		Classification - TNC Blanket Policy -	
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17		(1-92) - July 7, 2023. Risk	
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19		VFH - Claims Loss Analysis	
20	CAC-2-51	CAC-MPI Round I Information Requests	
21		(1-92) - July 7, 2023. Basic Insurance	
22		Model - Proposed Driver Safety Models	
23	CAC-2-52	CAC-MPI Round I Information Requests	
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9		years	
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18		Finance plan and miscellaneous fees	
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20	CAC-2-58	CAC-MPI Round I Information Requests	
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22		Claims Forecasting - Claims Forecasting	
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5		- Loss trending	
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21		Forecasting/REV - Growth in HTA units	
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8		Return Bonds and Break-Even Inflation	
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17		Return Parameters in A.L. Model	
18	CAC-2-78	CAC-MPI Round I Information Requests	
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20		Rate Risk Management	
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2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-2-80	CAC-MPI Round I Information Requests	
4		(1-92) - July 7, 2023. COM - Inflation	
5		Volatility and Other Capital Market	
6		Assumptions	
7	CAC-2-81	CAC-MPI Round I Information Requests	
8		(1-92) - July 7, 2023. COM - Mercer's	
9		Recommendations	
10	CAC-2-82	CAC-MPI Round I Information Requests	
11		(1-92) - July 7, 2023. COM - Risk	
12		Measurement and Risk Tolerance	
13	CAC-2-83	CAC-MPI Round I Information Requests	
14		(1-92) - July 7, 2023. INV -	
15		Accounting	
16	CAC-2-84	CAC-MPI Round I Information Requests	
17		(1-92) - July 7, 2023. RMF/INV -	
18		Longer-term Risk Trend	
19	CAC-2-85	CAC-MPI Round I Information Requests	
20		(1-92) - July 7, 2023. COM/INV -	
21		Public Equities	
22	CAC-2-86	CAC-MPI Round I Information Requests	
23		(1-92) - July 7, 2023. COM/INV -	
24		Surplus Volatility and Minimum Capital	
25		Required	



1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-2-87	CAC-MPI Round I Information Requests	
4		(1-92) - July 7, 2023. COM/INV -	
5		Minimum Capital Required	
6	CAC-2-88	CAC-MPI Round I Information Requests	
7		(1-92) - July 7, 2023. COM/INV -	
8		Equity Allocation	
9	CAC-2-89	CAC-MPI Round I Information Requests	
10		(1-92) - July 7, 2023. COM/INV -	
11		Discount Rates	
12	CAC-2-90	CAC-MPI Round I Information Requests	
13		(1-92) - July 7, 2023. EXP - Executive	
14		Pay	
15	CAC-2-91	CAC-MPI Round I Information Requests	
16		(1-92) - July 7, 2023. EXP - Executive	
17		Expenses	
18	CAC-2-92	CAC-MPI Round I Information Requests	
19		(1-92) - July 7, 2023. EXP - Budgeting	
20		Guidelines	
21	CAC-3	CAC-MPI Round I Confidential	
22		Information Requests - Public Responses	
23			
24			
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-3-1	CAC-MPI Round I Confidential	
4		Information Requests - Public	
5		Responses. CAC-MPI-CI-I-6 & Appendices	
6		1, 3, 4 & 5	
7	CAC-4	CAC-MPI Round II Information Requests	
8		(1-41) - August 16, 2023	
9	CAC-4-1	CAC-MPI Round II Information Requests	
10		(1-41) - August 16, 2023. MPI mission	
11		and mandate focus	
12	CAC-4-2	CAC-MPI Round II Information Requests	
13		(1-41) - August 16, 2023. Emailing	
14		vital claim information	
15	CAC-4-3	CAC-MPI Round II Information Requests	
16		(1-41) - August 16, 2023. Average cost	
17		per claim	
18	CAC-4-4	CAC-MPI Round II Information Requests	
19		(1-41) - August 16, 2023. DVA Funding	
20	CAC-4-5	CAC-MPI Round II Information Requests	
21		(1-41) - August 16, 2023. Corporate	
22		Governance - Whistleblower inquiries	
23			
24			
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-4-6	CAC-MPI Round II Information Requests	
4		(1-41) - August 16, 2023. Claims	
5		reported decreased by 8.2 percent over	
6		10 years	
7	CAC-4-7	CAC-MPI Round II Information Requests	
8		(1-41) - August 16, 2023.	
9		Capitalization of various lines of	
10		business	
11	CAC-4-8	CAC-MPI Round II Information Requests	
12		(1-41) - August 16, 2023. Cost control	
13		measures - claims management	
14	CAC-4-9	CAC-MPI Round II Information Requests	
15		(1-41) - August 16, 2023. IFRS 14	
16		Regulatory Deferral Account	
17	CAC-4-10	CAC-MPI Round II Information Requests	
18		(1-41) - August 16, 2023. Staffing -	
19		FTE increases	
20	CAC-4-11	CAC-MPI Round II Information Requests	
21		(1-41) - August 16, 2023. Staffing -	
22		FTE breakdowns for 2024/25 and 2025/26	
23	CAC-4-12	CAC-MPI Round II Information Requests	
24		(1-41) - August 16, 2023. Staffing	
25		level scenarios	

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-4-13	CAC-MPI Round II Information Requests	
4		(1-41) - August 16, 2023. Government	
5		directed organizational review	
6	CAC-4-14	CAC-MPI Round II Information Requests	
7		(1-41) - August 16, 2023. Employee	
8		future benefits	
9	CAC-4-15	CAC-MPI Round II Information Requests	
10		(1-41) - August 16, 2023. Audit fees	
11		and actuarial fees	
12	CAC-4-16	CAC-MPI Round II Information Requests	
13		(1-41) - August 16, 2023. Claims	
14		forecasting data	
15	CAC-4-17	CAC-MPI Round II Information Requests	
16		(1-41) - August 16, 2023. Theft claims	
17		mitigation	
18	CAC-4-18	CAC-MPI Round II Information Requests	
19		(1-41) - August 16, 2023. IFRS 14	
20		Exposure draft	
21	CAC-4-19	CAC-MPI Round II Information Requests	
22		(1-41) - August 16, 2023. Compensation	
23	CAC-4-20	CAC-MPI Round II Information Requests	
24		(1-41) - August 16, 2023. Claims	
25		Trending	

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-4-21	CAC-MPI Round II Information Requests	
4		(1-41) - August 16, 2023. Project NOVA	
5		Update	
6	CAC-4-22	CAC-MPI Round II Information Requests	
7		(1-41) - August 16, 2023. Program NOVA	
8		deferred vs. period expenses	
9	CAC-4-23	CAC-MPI Round II Information Requests	
10		(1-41) - August 16, 2023. Serious Loss	
11		Loading	
12	CAC-4-24	CAC-MPI Round II Information Requests	
13		(1-41) - August 16, 2023. Driver	
14		Safety Rating - simulate data	
15	CAC-4-25	CAC-MPI Round II Information Requests	
16		(1-41) - August 16, 2023. Driver	
17		Safety Rating - fitted relativities	
18	CAC-4-26	CAC-MPI Round II Information Requests	
19		(1-41) - August 16, 2023. Driver	
20		Safety Rating	
21	CAC-4-27	CAC-MPI Round II Information Requests	
22		(1-41) - August 16, 2023. Change in	
23		Operating Expense Provision	
24			
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-4-28	CAC-MPI Round II Information Requests	
4		(1-41) - August 16, 2023. GRA Format	
5	CAC-4-29	CAC-MPI Round II Information Requests	
6		(1-41) - August 16, 2023. Liability	
7		Benchmark Portfolio	
8	CAC-4-30	CAC-MPI Round II Information Requests	
9		(1-41) - August 16, 2023. Interest	
10		Rate Risk Management	
11	CAC-4-31	CAC-MPI Round II Information Requests	
12		(1-41) - August 16, 2023. Long-term	
13		Risk Trend	
14	CAC-4-32	CAC-MPI Round II Information Requests	
15		(1-41) - August 16, 2023. Capital	
16		Reserves	
17	CAC-4-33	CAC-MPI Round II Information Requests	
18		(1-41) - August 16, 2023. Minimum	
19		Capital Test	
20	CAC-4-34	CAC-MPI Round II Information Requests	
21		(1-41) - August 16, 2023. Leverage	
22	CAC-4-35	CAC-MPI Round II Information Requests	
23		(1-41) - August 16, 2023. External	
24		oversight and industry experts	
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-4-36	CAC-MPI Round II Information Requests	
4		(1-41) - August 16, 2023. Customer and	
5		stakeholder engagement	
6	CAC-4-37	CAC-MPI Round II Information Requests	
7		(1-41) - August 16, 2023. Capital	
8		build and rebate provisions	
9	CAC-4-38	CAC-MPI Round II Information Requests	
10		(1-41) - August 16, 2023. MPI	
11		Technology Benchmark - Gartner Report	
12		Version 3.0	
13	CAC-4-39	CAC-MPI Round II Information Requests	
14		(1-41) - August 16, 2023. Insurance	
15		Industry Peers	
16	CAC-4-40	CAC-MPI Round II Information Requests	
17		(1-41) - August 16, 2023. Overall IT	
18		Maturity Level	
19	CAC-4-41	CAC-MPI Round II Information Requests	
20		(1-41) - August 16, 2023. Higher cost	
21		per organizational employee relative to	
22		peers	
23	CAC-5	CAC Intervener Evidence - Oliver Wyman	
24		Actuarial Evidence - September 20, 2023	
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CAC-6	S. Greenlay An Independent Commentary	
4		on Technology at MPI Intervener	
5		Evidence - September 20, 2023	
6	CAC-7	CAC Information Request responses	
7		letter to PUB - October 4, 2023.	
8	CMMG-1	Coalition of Manitoba Motorcycles	
9		Groups Intervener Application - June	
10		23, 2023	
11	CMMG-2	CMMG Expert Consultant CV's - J. Wong,	
12		J. Crozier and V. Viola - June 23, 2023	
13	CMMG-3	CMMG Cost Estimate - June 23, 2023	
14	CMMG-4	CMMG-MPI Round I Information Requests	
15		(1-12) - July 7, 2023	
16	CMMG-4-1	CMMG-MPI Round I Information Requests	
17		(1-12) - July 7, 2023. Ratemaking -	
18		Rate Indication	
19	CMMG-4-2	CMMG-MPI Round I Information Requests	
20		(1-12) - July 7, 2023. Claims	
21		Forecasting	
22	CMMG-4-3	CMMG-MPI Round I Information Requests	
23		(1-12) - July 7, 2023. DSR	
24		Distribution	
25			



1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CMMG-4-4	CMMG-MPI Round I Information Requests	
4		(1-12) - July 7, 2023. Benchmarking -	
5		Motorcycle Insurance Rate Comparison	
6	CMMG-4-5	CMMG-MPI Round I Information Requests	
7		(1-12) - July 7, 2023. Benchmarking -	
8		Motorcycle Insurance Rate Comparison -	
9		Between Jurisdictions	
10	CMMG-4-6	CMMG-MPI Round I Information Requests	
11		(1-12) - July 7, 2023. Investments -	
12		Basic Portfolio - Basic Short and Basic	
13		Long	
14	CMMG-4-7	CMMG-MPI Round I Information Requests	
15		(1-12) - July 7, 2023. Risk	
16		Classification - DSR	
17	CMMG-4-8	CMMG-MPI Round I Information Requests	
18		(1-12) - July 7, 2023. Risk	
19		Classification - DSR - Discount Figure	
20	CMMG-4-9	CMMG-MPI Round I Information Requests	
21		(1-12) - July 7, 2023. Rate Indication	
22		- Required Rate Changes	
23	CMMG-4-10	CMMG-MPI Round I Information Requests	
24		(1-12) - July 7, 2023. Motorcycle	
25		Claims Frequencies	

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CMMG-4-11	CMMG-MPI Round I Information Requests	
4		(1-12) - July 7, 2023. Rate	
5		Stabilization Reserve - Extension	
6		Transfers	
7	CMMG-4-12	CMMG-MPI Round I Information Requests	
8		(1-12) - July 7, 2023. Rate	
9		Stabilization Reserve - Board of	
10		Directors	
11	CMMG-5	CMMG-MPI Round II Information Requests	
12		(1-8) - August 16, 2023	
13	CMMG-5-1	CMMG-MPI Round II Information Requests	
14		(1-8) - August 16, 2023. DSR	
15		Distribution	
16	CMMG-5-2	CMMG-MPI Round II Information Requests	
17		(1-8) - August 16, 2023. Motorcycle	
18		Insurance Rate Comparison	
19	CMMG-5-3	CMMG-MPI Round II Information Requests	
20		(1-8) - August 16, 2023. New Impaired	
21		driving policy	
22	CMMG-5-4	CMMG-MPI Round II Information Requests	
23		(1-8) - August 16, 2023. Trend	
24		Selections	
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	CMMG-5-5	CMMG-MPI Round II Information Requests	
4		(1-8) - August 16, 2023. Shadow	
5		Portfolio Returns and Surplus	
6		Volatilities	
7	CMMG-5-6	CMMG-MPI Round II Information Requests	
8		(1-8) - August 16, 2023. Basic	
9		Insurance Model Schedule	
10	CMMG-5-7	DSR Data Collection	
11	CMMG-5-8	CMMG-MPI Round II Information Requests	
12		(1-8) - August 16, 2023. Extension	
13		transfer on forecasting methodologies	
14	TC-1	Taxi Coalition Intervener Application -	
15		June 23, 2023	
16	TC-2	CV of J. Crozier - June 23, 2023	
17	TC-3	CV of S. Dion - June 23, 2023	
18	TC-4	CV of J. Wong - June 23, 2023	
19	TC-5	TC Cost Estimate - June 23, 2023	
20	TC-6	TC-MPI Round I Information Requests (1-	
21		31) - July 7, 2023	
22	TC-6-1	TC-MPI Round I Information Requests (1-	
23		31) - July 7, 2023. Claims Forecasting	
24		- Claims Counts	
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	TC-6-2	TC-MPI Round I Information Requests (1-	
4		31) - July 7, 2023. Financial Forecast	
5	TC-6-3	TC-MPI Round I Information Requests (1-	
6		31) - July 7, 2023. Public Major Class	
7		Accident Benefits IRI and Other	
8	TC-6-4	TC-MPI Round I Information Requests (1-	
9		31) - July 7, 2023. Ratemaking - TNC	
10		Blanket Policy - Methodology	
11	TC-6-5	TC-MPI Round I Information Requests (1-	
12		31) - July 7, 2023. Rate Indication -	
13		Major Class Rate Indication	
14	TC-6-6	TC-MPI Round I Information Requests (1-	
15		31) - July 7, 2023. Rate Indication -	
16		Operating Expense Per Premium Dollar &	
17		Per Unit	
18	TC-6-7	TC-MPI Round I Information Requests (1-	
19		31) - July 7, 2023. Rate Indication -	
20		Ultimate Incurred Claims -	
21		Comprehensive	
22	TC-6-8	TC-MPI Round I Information Requests (1-	
23		31) - July 7, 2023. Ratemaking -	
24		Public Major Class and VFH Rate	
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	TC-6-9	TC-MPI Round I Information Requests (1-	
4		31) - July 7, 2023. Risk	
5		Classification - Incurred Claims and	
6		Earned Units	
7	TC-6-10	TC-MPI Round I Information Requests (1-	
8		31) - July 7, 2023. Risk	
9		Classification/VFH - TNC Blanket Policy	
10		- Projected Annual KMs	
11	TC-6-11	TC-MPI Round I Information Requests (1-	
12		31) - July 7, 2023. Risk	
13		Classification - TNC Blanket Policy -	
14		Calculation of Rebate and Surcharge	
15	TC-6-12	TC-MPI Round I Information Requests (1-	
16		31) - July 7, 2023. Risk	
17		Classification - DSR and VFH	
18	TC-6-13	TC-MPI Round I Information Requests (1-	
19		31) - July 7, 2023. Risk	
20		Classification - TNC Blanket Policy -	
21		Loss Cap	
22	TC-6-14	TC-MPI Round I Information Requests (1-	
23		31) - July 7, 2023. Risk	
24		Classification - Loss Ratio Target	
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	TC-6-15	TC-MPI Round I Information Requests (1-	
4		31) - July 7, 2023. Risk	
5		Classification - Calculation of Rebate	
6		and Surcharge Amount - IBNR, ULAE and	
7		ALAE	
8	TC-6-16	TC-MPI Round I Information Requests (1-	
9		31) - July 7, 2023. Risk	
10		Classification - Calibration of Rebate	
11		and Surcharge Scale - Cost of Expected	
12		Losses Excess of the \$50,000 Loss Cap	
13	TC-6-17	TC-MPI Round I Information Requests (1-	
14		31) - July 7, 2023. Risk	
15		Classification - Calibration of the	
16		Rebate and Surcharge Scale - Cost due	
17		to Loss Transfer	
18	TC-6-18	TC-MPI Round I Information Requests (1-	
19		31) - July 7, 2023. Risk	
20		Classification - Proposed VFH Insurance	
21		Model	
22	TC-6-19	TC-MPI Round I Information Requests (1-	
23		31) - July 7, 2023. VFH - Summary of	
24		Results of VFH Framework Review	
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	TC-6-20	TC-MPI Round I Information Requests (1-	
4		31) - July 7, 2023. VFH/NOVA - VFH	
5		Framework	
6	TC-6-21	TC-MPI Round I Information Requests (1-	
7		31) - July 7, 2023. Revenue - DSR	
8		Impact on Taxi VFH	
9	TC-6-22	TC-MPI Round I Information Requests (1-	
10		31) - July 7, 2023. Risk	
11		Classification - DSR Vehicle Premium	
12		Discounts	
13	TC-6-23	TC-MPI Round I Information Requests (1-	
14		31) - July 7, 2023. Risk	
15		Classification - Fleet Rebates and	
16		Surcharges	
17	TC-6-24	TC-MPI Round I Information Requests (1-	
18		31) - July 7, 2023. Risk	
19		Classification - Fleet Program	
20	TC-6-25	TC-MPI Round I Information Requests (1-	
21		31) - July 7, 2023. Risk	
22		Classification - GLM Implementation	
23		Plan	
24			
25			

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	TC-6-26	TC-MPI Round I Information Requests (1-	
4		31) - July 7, 2023. Rate Stabilization	
5		Reserve - MCT Calculation	
6	TC-6-27	TC-MPI Round I Information Requests (1-	
7		31) - July 7, 2023. Rate Stabilization	
8		Reserve - Capital Rebates	
9	TC-6-28	TC-MPI Round I Information Requests (1-	
10		31) - July 7, 2023. Rate Stabilization	
11		Reserve - MCT Ratios	
12	TC-6-29	TC-MPI Round I Information Requests (1-	
13		31) - July 7, 2023. Rate Stabilization	
14		Reserve - Forecasting and MCT Ratios	
15	TC-6-30	TC-MPI Round I Information Requests (1-	
16		31) - July 7, 2023. Investments -	
17		Naive Interest Rate Forecast	
18	TC-6-31	TC-MPI Round I Information Requests (1-	
19		31) - July 7, 2023. Investments -	
20		Inflation Forecast	
21	TC-7	TC-MPI Round II Information Requests	
22		(1-14) - August 16, 2023	
23	TC-7-1	TC-MPI Round II Information Requests	
24		(1-14) - August 16, 2023. Inflation	
25		Forecast	



1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	TC-7-2	TC-MPI Round II Information Requests	
4		(1-14) - August 16, 2023. Naive	
5		Interest Rate Forecast	
6	TC-7-3	TC-MPI Round II Information Requests	
7		(1-14) - August 16, 2023. MCT Ratios	
8	TC-7-4	TC-MPI Round II Information Requests	
9		(1-14) - August 16, 2023. GLM	
10		Implementation Plan	
11	TC-7-5	TC-MPI Round II Information Requests	
12		(1-14) - August 16, 2023. Public Major	
13		Class Accident Benefits IRI and Other	
14	TC-7-6	TC-MPI Round II Information Requests	
15		(1-14) - August 16, 2023. Ultimate	
16		Incurred Claims - Comprehensive	
17	TC-7-7	TC-MPI Round II Information Requests	
18		(1-14) - August 16, 2023. Calculation	
19		of the Rebate or Surcharge Amount -	
20		IBNR, ULAE and ALAE	
21	TC-7-8	TC-MPI Round II Information Requests	
22		(1-14) - August 16, 2023. Calibration	
23		of Rebate and Surcharge Scale - Cost of	
24		Expected Losses Excess of \$50,000 Loss	
25		Cap	

1	LIST OF EXHIBITS		
2	EXHIBIT NO.	DESCRIPTION	PAGE NO.
3	TC-7-9	TC-MPI Round II Information Requests	
4		(1-14) - August 16, 2023. Calibration	
5		of Rebate and Surcharge Scale - Cost	
6		due to Loss Transfer Between Classes	
7	TC-7-10	TC-MPI Round II Information Requests	
8		(1-14) - August 16, 2023. Proposed VFH	
9		Insurance Model	
10	TC-7-11	TC-MPI Round II Information Requests	
11		(1-14) - August 16, 2023. DSR Vehicle	
12		Premium Discounts	
13	TC-7-12	TC-MPI Round II Information Requests	
14		(1-14) - August 16, 2023. Fleet	
15		Program	
16	TC-7-13	TC-MPI Round II Information Requests	
17		(1-14) - August 16, 2023. TNC Blanket	
18		Policy	
19	TC-7-14	TC-MPI Round II Information Requests	
20		(1-14) - August 16, 2023. Territories	
21		for VFH	
22			
23			
24			
25			

1 LIST OF UNDERTAKINGS

2 EXHIBIT NO. DESCRIPTION PAGE NO.

3 1 MPI to provide the average merit

4 performance pay provided to out-of-

5 scope staff for the last fiscal year,

6 how many got it, and total amount. 195

7 2 To produce the analysis that arrives at

8 the assumed level of Full-Time

9 Equivalents for the Crown benchmarking

10 exercise for 2021/'22. 269

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1 --- Upon commencing at 9:02 a.m.

2

3 PANEL CHAIRPERSON: Good morning,  
4 everyone. I am Irene Hamilton, the Chair of this  
5 Panel of the Public Utilities Board. I now call this  
6 2024 Manitoba Public Insurance Corporation General  
7 Rate Application Hearing to order.

8 The Board acknowledges that we are on  
9 ancestral lands, Treaty 1 Territory, the traditional  
10 territory of the Anishinaabe, Cree, Oji-Cree, Dakota,  
11 and Dene peoples and the homeland of the Metis Nation.

12 I am joined by four (4) other Board  
13 members in this hearing: Board Chair Robert Gabor,  
14 and Board members Susan Nemec, George Bass, and Susan  
15 Boulter.

16 Also with us today is Jennifer Dubois,  
17 assistant associate secretary of the Board, and  
18 Kristen Schubert, judicial hearing assistant, who will  
19 manage our electronic document system. Wendy  
20 Woodworth will act as our reporter. Transcripts of  
21 this hearing will be recorded by Digi-Tran and made  
22 available on our website.

23 MPI has applied to the Public Utilities  
24 Board for approval of its premiums to take effect on  
25 April 1st, 2024. This hearing will be conducted in

1 accordance with the provisions of the Crown  
2 Corporations Governance and Accountability Act, the  
3 Public Utilities Board Act, and the Board's Rules of  
4 Practice and Procedure. These rules are available for  
5 review on the Board's website.

6 In its application, MPI sought no  
7 overall change in Basic vehicle premium rates for the  
8 2024/'25 insurance year, including no changes to  
9 miscellaneous permits and certificates, vehicle and  
10 driver premiums, and Basic service and transaction  
11 fees.

12 MPI requested no changes pursuant to  
13 Manitoba Order in Council number 94/2023 issued on  
14 April 2nd, 2023, by the minister responsible for the  
15 Crown Corporations Governance and Accountability Act  
16 which direct MPI to propose no changes to rates  
17 pending an organizational review which is to be  
18 completed by December 31st, 2023.

19 In past hearings, MPI has filed a final  
20 rate indication with the Board shortly before the  
21 commencement of the hearing based on updated financial  
22 results and interest rates at the end of August.

23 This year, MPI has been affected by an  
24 ongoing labour interruption and has advised that it is  
25 unable to provide its usual updated breakdown of

1 premiums by insurance use as this requires rate  
2 modelers who are presently unavailable.

3 MPI has applied for approval of a  
4 revised Capital Management Plan which establishes the  
5 means and pathway to achieve the 100 percent minimum  
6 capital test capital level for the Basic Rate  
7 Stabilization Reserve, and specific criteria and  
8 processes under which MPI will apply to the Public  
9 Utilities Board for a capital rebate.

10 MPI is not applying for a capital build  
11 or rebate provision at this time.

12 In accordance with Directive 12.15 from  
13 PUB Order 4 of '23, MPI has applied for changes to  
14 vehicle premium discounts available through the Driver  
15 Safety Rating System, or the DSR System, with driver  
16 premium adjusted to off-balance these changes.

17 This includes making use of DSR level  
18 plus 18 in the 2024/'25 rating year and moving all DSR  
19 discounts one-fourth of the way to their actuarially  
20 indicated target rounded down to the nearest whole  
21 number.

22 In response to Directive 12.6 from PUB  
23 Order 4 of '23, MPI proposes modifications to the  
24 Fleet Program to improve cost/causation by allocating  
25 net rebates proportionally based on fleet vehicles in

1 each major class.

2 MPI has also applied for approval of a  
3 transportation network company blanket policy  
4 framework.

5 We will begin the hearing on each day  
6 commencing at 9:00 a.m. and adjourn at approximately  
7 4:00 p.m. Each day will include a mid-morning, lunch,  
8 and mid-afternoon break.

9 The Public Utilities Board mandate is  
10 to set just and reasonable rates that are in the  
11 public interest. The public interest has been defined  
12 by the Manitoba Court of Appeal as balancing the  
13 impacts of rate increases on consumers with the fiscal  
14 health of the Utility.

15 In order to set just and reasonable  
16 rates that are in the public interest, the Board will  
17 need to hear and consider all of the evidence that is  
18 adduced on the record of this proceeding and hear  
19 submissions from Manitoba Public Insurance and all  
20 approved Interveners.

21 Following closing arguments, the Panel  
22 will sequester itself and deliberate to make our final  
23 determinations on the matters before us. In the end,  
24 we may accept, deny, or vary MPI's Application.

25 In reaching our decisions, we will be

1 guided by the evidence, written and oral, and our  
2 determination of what represents the public interest.  
3 The Board takes its obligation and mandate of  
4 protecting the public interest very seriously.

5           We are concerned not only with the  
6 short-term economic impact of MPI's operations on both  
7 ratepayers and MPI itself, but also the fairness of  
8 that impact on MPI's long-term fiscal and operational  
9 well-being.

10           In addition, the Board views this  
11 process as one which should ensure transparency in  
12 terms of the Corporation's operations and financial  
13 position.

14           In its procedural Order 77 of '23  
15 issued following the pre-hearing conference that took  
16 place on June 28th, 2023, the Board approved a final  
17 issues list for this Hearing.

18           In accordance with that Order, the  
19 Board looks forward to hearing evidence and  
20 submissions from the parties with respect to the  
21 following issues that are before the Board.

22           Among others, projected claims,  
23 expenses and vehicle counts based on accepted  
24 actuarial practice in Canada, MPI's financial  
25 position, including its financial forecasting



1 accuracy, projected financial results, and impacts of  
2 international financial reporting standards 9, 14, and  
3 17, MPI's Capital Management Plan, MPI's expenses and  
4 cost containment efforts, MPI's claims forecasting and  
5 runoff of prior year's claims, benchmarking conducted  
6 by MPI, MPI's investment portfolio performance and  
7 asset liability management, requested changes to the  
8 Driver Safety Rating system, the Vehicles for Hire  
9 blanket policy framework, and MPI's IT expenses and  
10 projects and, in particular, Project NOVA.

11                   We trust the participants at this  
12 Hearing will be mindful of cost effectiveness and will  
13 employ a cooperative approach, the common goal being  
14 to put forward useful evidence to assist the Panel in  
15 reaching sound decisions on the matters before it.

16                   We have significant and complex issues  
17 before us, and I am confident that we will all  
18 approach this process with a view to benefiting the  
19 public interest.

20                   The Manitoba ombudsman has issued  
21 privacy guidelines for administrative tribunals. The  
22 Public Utilities Board is mindful of its obligations  
23 under those guidelines. Its decisions in respect of  
24 the applications 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 Board advises participants that  
4 these proceedings are public and that, as a result,  
5 personal information protections are reduced.

6                   In addition, two (2) matters of  
7 housekeeping. Please ensure all cell phones are off  
8 or on mute throughout the Hearing. Second, all  
9 parties and their representatives and consultants  
10 should be aware that the Board hearings are live  
11 streamed through a link accessible on our website.

12                   As such, for the public -- benefit of  
13 the public, the use of acronyms is to be discouraged.  
14 It will assist the public's understanding of the  
15 issues and evidence if acronyms are avoided.

16                   I will now call upon Ms. McCandless for  
17 introductions, followed by the introductions by MPI  
18 and the Interveners. Ms. McCandless will then give  
19 her introductory remarks, after which I will call on  
20 MPI and the Interveners to provide their opening  
21 remarks.

22                   We will then proceed with the swearing  
23 in of the first MPI Panel and commence the evidentiary  
24 portion of the Hearing. Ms. McCandless...?

25                   MS. KATHLEEN MCCANDLESS:    Good

1 morning. Thank you, Madam Chair, members of the  
2 Panel. Kathleen McCandless and Todd Andres, Board  
3 counsel. And with us is Roger Cathcart, accounting  
4 advisor to the Board.

5 MR. ANTHONY GUERRA: Good morning.  
6 Anthony Guerra, general counsel and corporate  
7 secretary for MPI. With me this morning I have Mr.  
8 Steve -- Steve -- excuse me -- Steven Scarfone, legal  
9 counsel 4, and Mr. Eric Wishnowski, legal counsel 2.  
10 And behind me we have Ted Meira, our Director of  
11 Regulatory Affairs.

12 MS. KATRINE DILAY: Good morning,  
13 Madam Chair. My name is Katrine Dilay, legal counsel  
14 to the Consumers' Association of Canada, Manitoba  
15 branch. To my right is my co-counsel, Mr. Chris  
16 Klassen. And behind us we have our articling student,  
17 Victoria Cloutis, and an externship student from the  
18 Faculty of Law at the University of Manitoba, Anna  
19 Evans-Boudreau.

20 MS. CHARLOTTE MEEK: Good morning,  
21 Madam Chair. My name is Charlotte Meek. I'm counsel  
22 on behalf of the Coalition of Manitoba Motorcycle  
23 Groups. And with me today is Doug Houghton, who is  
24 the Director and Treasurer of the Coalition.

25 MS. KAREN WITTMAN: Good morning.

1 Karen Wittman, appearing on behalf of the Taxi  
2 Coalition. Also working with me but not here this  
3 morning is Ms. Sharna Nelko.

4 BOARD CHAIRPERSON: Thank you very  
5 much and good morning, everyone.

6 MS. KATHLEEN MCCANDLESS: And we have  
7 Jennifer Dubois, as well.

8 BOARD CHAIRPERSON: Yes, Jennifer  
9 Dubois --

10 MS. KATHLEEN MCCANDLESS: Right.

11 BOARD CHAIRPERSON: -- and Kristen  
12 Schubert, yes.

13 MS. KATHLEEN MCCANDLESS: Thank you.

14 BOARD CHAIRPERSON: Thank you. Ms.  
15 McCandless...?

16

17 OPENING REMARKS BY BOARD COUNSEL:

18 MS. KATHLEEN MCCANDLESS: Thank you.

19 Manitoba Public Insurance is applying to the Public  
20 Utilities Board for approval of premiums to be charged  
21 with respect to compulsory vehicle insurance for the  
22 insurance year 2024/'25. The rates would take effect  
23 April 1st, 2024 to March 31, 2025.

24 As you noted, Madam Chair, in its  
25 application filed on June 15, 2023, in accordance with

1 the government directive, MPI sought no overall change  
2 in Basic vehicle premium rates for the 2024/'25  
3 insurance year, including no changes to miscellaneous  
4 permits and certificates, vehicle and driver premiums,  
5 and Basic service and transaction fees.

6 With respect to the evidence filed in  
7 this proceedings, I note that there were five (5) PUB  
8 exhibits entered on the record at the pre-hearing  
9 conference in this matter.

10 And those were Exhibit PUB-1, the  
11 Notice of Public Hearing and Pre-Hearing Conference,  
12 dated May 23rd, 2023;

13 Exhibit PUB-2, the Board's rules of  
14 practice and procedures;

15 Exhibit PUB-3, a letter from Dr.  
16 Christle to MPI and all prospective Interveners, dated  
17 June 5, 2023 with attachments;

18 Exhibit PUB-4, another letter from Dr.  
19 Christle to MPI and all prospective Interveners, dated  
20 June 15, 2023, regarding the pre-qualification of  
21 expert witnesses; and

22 Exhibit PUB-5, which was the Board's  
23 Interim Procedural Order 64/'23, dated May 23rd, 2023.

24 In addition, I would now ask to enter  
25 the following the exhibits. So Exhibit PUB-6 would be

1 the Board's Procedural Order 77/23, dated July 5,  
2 2023, with appendices. And that Order set out the  
3 final issues list for this GRA.

4

5 --- EXHIBIT NO. PUB-6: Board Procedural Order  
6 77/23, dated July 5, 2023,  
7 with appendices

8

9 MS. KATHLEEN MCCANDLESS: Then Exhibits  
10 PUB-7-1 to 7-128 will be the Public Utilities Board  
11 First Round Information Requests and MPI's responses  
12 to those requests.

13

14 --- EXHIBIT NO. PUB-7-1 to PUB-7-128: Public  
15 Utilities Board First  
16 Round Information Requests  
17 and MPI's responses to  
18 those requests

19

20 MS. KATHLEEN MCCANDLESS: Exhibit PUB-  
21 8 is MPI's public responses to the Public Utilities  
22 Board First Round Commercially Sensitive Information  
23 Requests.

24

25 --- EXHIBIT NO. PUB-8: MPI's public responses to

1 the Public Utilities Board  
2 First Round Commercially  
3 Sensitive Information  
4 Requests

5

6 MS. KATHLEEN MCCANDLESS: Exhibit PUB-  
7 9 to PUB-77 -- 9-77, the Public Utilities Board Second  
8 Round Information Requests and MPI's responses to  
9 those requests.

10

11 --- EXHIBIT NO. PUB-9 TO PUB-9-77: Public Utilities  
12 Board Second Round  
13 Information Requests and  
14 MPI's responses to those  
15 requests

16

17 MS. KATHLEEN MCCANDLESS: Exhibit PUB-  
18 10 is the Reminder Notice of Public Hearing that's  
19 dated August 15, 2023.

20

21 --- EXHIBIT NO. PUB-10: Reminder Notice of Public  
22 Hearing that's dated  
23 August 15, 2023

24

25 MS. KATHLEEN MCCANDLESS: Exhibit PUB-

1 11 is MPI's public responses to Public Utilities Board  
2 Second Round Commercially Sensitive Information  
3 Requests.

4

5 --- EXHIBIT NO. PUB-11: MPI's public responses to  
6 Public Utilities Board  
7 Second Round Commercially  
8 Sensitive Information  
9 Requests

10

11 MS. KATHLEEN MCCANDLESS: Exhibit PUB-  
12 12 is Board Order 111/23, and that's regarding MPI's  
13 request for confidential treatment of certain  
14 documents and information in this GRA. That Order is  
15 dated September 25, 2023.

16

17 --- EXHIBIT NO. PUB-12: Board Order 111/23, dated  
18 September 25, 2023

19

20 MS. KATHLEEN MCCANDLESS: Exhibits  
21 PUB-13-1 to 13-21 are the Public Utilities Board  
22 Information Requests to CAC.

23

24 --- EXHIBIT NO. PUB-13-1 to PUB-13-21: Public  
25 Utilities Board



1 Information Requests to  
2 CAC

3

4 MS. KATHLEEN MCCANDLESS: And Exhibit  
5 PUB-14 is the Board counsel book of documents, which  
6 was circulated and, I believe, hard copies are with  
7 the Panel as well.

8

9 --- EXHIBIT NO. PUB-14: Board counsel book of  
10 documents

11

12 MS. KATHLEEN MCCANDLESS: I would also  
13 like to enter as Exhibit PUB-15, a document provided  
14 to the Board from Bike Winnipeg, dated October 2nd,  
15 2023, with recommendations to the Board for the Road  
16 Safety Review Process next year. Other than expenses,  
17 road safety is not an issue that the Board will be  
18 reviewing this year, but I'm filing this as an exhibit  
19 for the completeness of the record.

20

21 --- EXHIBIT NO. PUB-15: Document from Bike  
22 Winnipeg, dated October 2,  
23 2023, with recommendations  
24 for the Road Safety Review  
25 Process

1  
2 MS. KATHLEEN MCCANDLESS: With respect  
3 to the cross-examination to be conducted on behalf of  
4 the Board over the next number of days, the following  
5 major issues will be addressed: the background to the  
6 rate applied for; MPI's financial position; MPI's  
7 capital management; MPI expenses; MPI's claims  
8 forecasting; interest rate forecasting; benchmarking  
9 conducted by MPI; MPI's investment portfolio and the  
10 composition of the portfolio; MPI's IT expenses and  
11 projects primarily Project NOVA; Vehicles for Hire and  
12 the Driver Safety Rating System, as well as other  
13 topics that may arise.

14 I would now refer to the procedural  
15 outline which is before everyone on the screen. And,  
16 in particular, the top of the second page where the  
17 order of matters to be heard are reflected. And I  
18 would note that, again, MPI is putting forward issue-  
19 specific witness panels as it has done in recent GRAs.

20 So at item number 3, on the second page  
21 of the procedural outline, we will hear first from the  
22 MPI Interim President and CEO, Ms. Marnie Kacher. And  
23 that will be today.

24 We also have three (3) presenters  
25 scheduled for today beginning at 1:15 p.m.

1                   Following the three (3) presenters, we  
2 will hear from the MPI Benchmarking Panel.

3                   Tomorrow, we will hear from the MPI  
4 Product Enhancement Panel. And that comprises  
5 Vehicles for Hire and Driver Safety Rating System.

6                   Then in the afternoon tomorrow, we will  
7 hear from the MPI IT, IT benchmarking, and Value  
8 Management Panel.

9                   Thursday and Friday of this week, we  
10 will be dealing with the actuarial evidence. So  
11 first, the claims forecasting panel and then the  
12 Ratemaking Panel. That will likely take us to the end  
13 of the week.

14                  At Item 10 on Monday, the 16th, we will  
15 hear from the MPI Financial Forecasting Panel and in  
16 the afternoon we will hear from the Capital Management  
17 Panel.

18                  At Item 12 on Tuesday and likely  
19 flowing into Wednesday of next week, we will hear from  
20 the MPI Project NOVA Panel. That will include public  
21 and in-camera sessions, the latter being for the  
22 review of commercially sensitive information.

23                  The final MPI panel will be Monday,  
24 October 23rd, and that's on investments. The panel  
25 will include MPI representatives, as well as a

1 representative from Addenda Capital.

2                   Once the MPI panels are complete, we  
3 will hear from the CAC witnesses. Scott Greenlay is  
4 scheduled to appear on October 23rd. And Rajesh  
5 Sahasrabuddhe is scheduled to appear on Wednesday, the  
6 25th.

7                   In the final week of the hearing we  
8 will also schedule time for cross-examination on any  
9 answers to Undertakings from MPI, but we will work  
10 within a schedule to find the best time to accommodate  
11 everyone.

12                   Closing submissions will begin on  
13 October 26th.

14                   Of course, as the hearing proceeds,  
15 changes to the schedule may be required, but we will  
16 do our best to follow the anticipated schedule.

17                   Those are my opening remarks, Madam  
18 Chair, subject to any questions from the Panel.

19                   BOARD CHAIRPERSON: Thank you, Ms.  
20 McCandless. Mr. Guerra...?

21

22 OPENING REMARKS BY MPI:

23                   MR. GUERRA: Thank you. Good morning  
24 Madam Chair and just before I begin, there are a few  
25 exhibits, I should say, more than a few to enter into

1 the records, so I will do my best to proceed through  
2 that pretty quickly.

3                   There were two (2) exhibits that were  
4 tendered at the pre-hearing conference earlier this  
5 year, so there are quite a few more to add to the  
6 record as of today.

7                   Exhibit Number 3, being the Amended  
8 Part 9 Pro Formas Chapter.

9                   Exhibit Number 4, being the Amended  
10 Part 5 Information Technology IT, Appendix 5.

11                   MPI Exhibit Number 5, being Part 5  
12 Information Technology IT, Attachment A.

13                   MPI Exhibit Number 6, being Part 10,  
14 External Actuary Review, Attachment Part B.

15                   MPI Exhibit Number 7, being Part 12,  
16 Risk Management Framework, Appendix 4.

17                   MPI Exhibit Number 8, being the Amended  
18 Part 9, Expenses, Appendix 11.

19                   MPI Exhibit Number 9, being Amended  
20 Part 9, Expenses Chapter Figure EXP43.

21                   Exhibit Number 10, being Part 14,  
22 Annual Reports, Appendix 3.

23                   MPI Exhibit Number 11, being Amended  
24 Part 9, Expenses Chapter Figure EXP13.

25                   MPI Exhibit Number 12, being Amended

1 Part 9, Expenses Chapter EXP43.  
2 MPI Exhibit Number 4 -- 13 rather, Part  
3 14, Annual Report Appendix 1.  
4 MPI Exhibit Number 14, Amended Part 9,  
5 Expenses Appendix 7.  
6 MPI Exhibit Number 15, Amended Part 5,  
7 NOVA Chapter.  
8 Appendix -- sorry, Exhibit Number 16  
9 being Part 9, Expenses, Appendix 23A.  
10 MPI Exhibit Number 17, Part 9,  
11 Expenses, Appendix 23B.  
12 MPI Exhibit Number 18, Appendix --  
13 sorry, Part 9, Expenses, Appendix 23C.  
14 MPI Exhibit Number 19, Part 9,  
15 Expenses, Appendix 23D.  
16 MPI Exhibit 20, Part 9, Expenses,  
17 Appendix 23E.  
18 MPI Exhibit Number 21, Amended Part 9,  
19 Expenses, Appendix Number 1.  
20 MPI Exhibit Number 22, Filing Round 1  
21 Information Requests.  
22 MPI Exhibit Number 23, Quarter --  
23 Quarterly Portfolio Update.  
24 MPI Exhibit Number 24, Amended CAC/MPI  
25 Information Request 1-1, Figure 4.

1 MPI Exhibit Number 25, answer to  
2 PUB/MPI Confidential Information Request CI 1-1.  
3 MPI Exhibit 26, Amended PUB/MPI  
4 Information Request 1-59.  
5 MPI Exhibit Number 27, Amended CAC/MPI  
6 Information Request 1-84.  
7 MPI Exhibit Number 28, Amended PUB  
8 Information Request 1-107A.  
9 MPI Exhibit Number 29, Amended CAC/MPI  
10 Information Request 1-90.  
11 MPI Exhibit Number 30, Filing Round 2  
12 Information Requests.  
13 MPI Exhibit Number 31, Filing of  
14 PUB/MPI Information Request 2-51, 2-72 and 2-74.  
15 MPI Exhibit Number 32: Amended PUB/MPI  
16 Information Request 1-75.  
17 MPI Exhibit Number 33: Updated Value  
18 Assurance Appendix 11A, 15A, and 20A.  
19 MPI Exhibit Number 34: Filing of the  
20 Response to CMMG/MPI Information -- Information  
21 Request, rather, 2-6.  
22 MPI Exhibit Number 35: Updated  
23 Information Recon -- Information Response to PUB/MPI  
24 1-85, Appendix 89.  
25 MPI Exhibit Number 36: Updated

1 Response to Information Request CAC/MPI CI2-1.  
2 MPI Exhibit Number 37: Information  
3 Request Response to PUB/MPI 2-40.  
4 MPI Exhibit Number 38: Response to  
5 Information Request CAC 1-12, Appendix 3, 4, and 5,  
6 MPI Information Request Response to PUB 1-19, Updated  
7 Communications, Appendix 2, Response to Information  
8 Request CAC 2-35, Appendix 1.  
9 MPI Exhibit Number 39: the Response to  
10 Information Request PUB 2-30, Appendix 1;  
11 Information Request -- sorry.  
12 MPI Exhibit Number 40: Response to  
13 PUB/MPI Information Request 2-5A, Appendix 1.  
14 MPI Exhibit Number 41: Response to  
15 Information Request PUB 2-32A, Exhibit -- Appendix 1;  
16 MPI Exhibit Number 42: Response to  
17 Information Request PUB 2-33, Appendix 1.  
18 MPI Exhibit Number 43: Response to PUB  
19 Information Request CI1-11 and MPI -- and PUB/MPI CI-  
20 1-14.  
21 MPI Exhibit Number 44: Updated  
22 Communications Appendix 2B.  
23 MPI Exhibit Number 45: Amended  
24 Information Request to PUB/MPI 2-32A, Appendix 1.  
25 MPI Exhibit Number 46: the Response to



1 Information Requests on Evidence from Oliver Wyman.  
2 MPI Exhibit Number 47: Amended --  
3 Amended Part 4, Claims Forecasting Chapter.  
4 MPI Exhibit Number 48: Amended  
5 Response to Information Request from TC1-19.  
6 MPI Exhibit Number 49: Response to  
7 Information Request CAC 1-6.  
8 MPI Exhibit Number 50: the Rate  
9 Update, Update to Information Request PUB 2-25, PUB 1-  
10 5, and PUB 1-7.  
11 MPI Exhibit Number 51: the FCT Report  
12 prepared by EY or Ernst and Young.  
13 MPI Exhibit Number 52: the IFRS 14  
14 Opinion and Representation Letter, Attachments A and B  
15 in Response to PUB Information Request 2-12.  
16 MPI Exhibit Number 53: Response to  
17 Information Request PUB 2-10, Part B; and, finally,  
18 MPI Exhibit Number 54: Partial  
19 Responses to Information Request CAC 2-11 and CAC 2-  
20 12.  
21 Just as a matter of housekeeping, MPI  
22 did file a confidentiality motion, over the weekend,  
23 in response to two (2) documents -- third-party  
24 documents from Deloitte and from Ernst and Young, and  
25 we will -- we will be speaking with the parties, later

1 on in the day today to determine exactly how best to  
2 respond to that motion.

3 I would like to begin by thanking all  
4 those who assisted in the preparation, filing, and  
5 presentation of the 2024 GRA. It was only through the  
6 hard work and dedication of so many members of the MPI  
7 team that it is possible for us to be here today.

8 For those who are not aware, the rate  
9 application process requires the efforts of many  
10 individuals over a period of about eight (8) months  
11 each year, and this year was exceptionally challenging  
12 for the MPI team, as significant preparations for this  
13 hearing coincided with a historic labour interruption  
14 that persists to this day.

15 BOARD CHAIR GABOR: Mr. Guerra, I --  
16 I'm sorry. I apologize for interrupting. Can you  
17 bring the mic a little closer?

18 MR. ANTHONY GUERRA: Yes. Of course.

19 BOARD CHAIR GABOR: I'm just having a  
20 little trouble hearing.

21 MR. ANTHONY GUERRA: Sure.

22 BOARD CHAIR GABOR: Thank you.

23 MR. ANTHONY GUERRA: This year's GRA  
24 E-Book contains more than eight thousand (8,000)  
25 pages, an increase of approximately, two thousand

1 (2,000) from the previous year.

2                   Additionally, this GRA is based on a  
3 renewed outline that is designed to assist in the  
4 reading and comprehension of the Application. MPI  
5 focussed on improving the flow of the application, by  
6 reorganizing its content and including accessibility  
7 aid, such -- excuse me, accessibility aids such as a  
8 master table of contents and an overview chapter.

9                   MPI received more than four hundred and  
10 sixty (460) Information Requests this year, with a  
11 total of one thousand one hundred and forty-five  
12 (1,145) different question parts.

13                   For reference, since 2020, MPI received  
14 on average three hundred and eighty-four (384)  
15 Information Requests with nine hundred and forty-five  
16 (945) question parts.

17                   The result means approximately 17  
18 percent more questions this year than the average over  
19 the past few years. This signals the importance and  
20 thoroughness of the discovery phase, and despite the  
21 sizable increase and -- in the volume of questions and  
22 the reduction of available resources due to labour  
23 interruption, I am happy to report that MPI was still  
24 able to answer roughly 98 percent of the requests  
25 received.

1 MPI also improved the confidentiality  
2 process this year by providing advanced notice of its  
3 rationale for claiming confidential status over  
4 certain documents using a continuously updated  
5 confidential tracker.

6 Additionally, the use of a secure file  
7 transfer protocol site made it easier for the parties  
8 to exchange confidential documents, Information  
9 Requests, and responses thereto.

10 In this Rate Application, MPI filed  
11 approximately sixty-one (61) documents in the  
12 confidential module, about a hundred (100) less than  
13 it filed in the confidential process in the 2023 GRA.

14 MPI appreciates the desire to keep  
15 these proceedings as open to the public as possible  
16 and is committed to achieving that goal. This year,  
17 the PUB will hear evidence from approximately eighteen  
18 (18) MPI witnesses -- or MPI employees, I should say -  
19 - as well as two (2) representatives of Addenda  
20 Capital on October 23rd.

21 Approximately twenty-one (21) subject-  
22 matter experts will support these witnesses to best  
23 ensure that MPI can provide fulsome answers to the  
24 questions posed to witnesses during this hearing.

25 Before I move on to the relief

1 requested, I would like to acknowledge and thank the  
2 respective counsel for the PUB and Interveners for  
3 their collegiality and patience with MPI over the last  
4 number of weeks. You accommodated and collaborated  
5 with our teams to ensure that this hearing can proceed  
6 without disruption or delay.

7           As set out in the legal application  
8 chapter, in this GRA, MPI requests no changes to the  
9 overall rate indication for the period beginning April  
10 1st, 2024, and ending on March 31st, 2025.

11           This request accords with Order in  
12 Council 94/2023 and the directive contained therein  
13 issued by the Government of Manitoba on April 3rd,  
14 2023. That directive required MPI to propose no  
15 changes to the rates for service in this GRA pending  
16 completion of the also-directed organizational review.

17           But what does seeking no changes to the  
18 overall rate indication mean in practical terms? The  
19 PUB will hear from the Ratemaking Panel on October  
20 12th as to how they applied the directive and  
21 calculated the zero percent overall rate indication.

22           At a high level, the PUB will hear  
23 that, even with no changes to the overall rates for  
24 service, the average premium that MPI will require  
25 next year will be different due to changes in the

1 composition of vehicle population, also known as  
2 vehicle drift, as well as the movement of drivers on  
3 the Driver Safety Rating scale.

4 In other words, requesting no unnatural  
5 changes to the overall indicated rate is what MPI is  
6 actually asking for.

7 For major classes like private  
8 passenger, motorcycles, and off-road vehicles, the  
9 average premium will decrease without any changes.  
10 Conversely, the average premium for major classes like  
11 commercial, public, and trailers will increase. And  
12 for Winnipeg taxicabs and private passenger vehicle  
13 for hire, making no changes to the rates would result  
14 in an increase in their average premiums payable.

15 I pause to note that individual  
16 policies within the major classes will experience  
17 results that differ from the average based on their  
18 own unique circumstances. While MPI may be bound by  
19 government directive to request no changes in its  
20 rates, it appreciates that the PUB is not so bound to  
21 approve its request.

22 Therefore, in addition to outlining its  
23 request for no changes in the overall -- sorry, what  
24 the overall rates would look like, MPI also filed  
25 material setting out its determination of the overall

1 rate indication based upon Accepted Actuarial  
2 Practice, or AAP.

3           When it filed its rate indication based  
4 upon AAP on June 15th, the overall rate indication was  
5 negative 0.13 percent. MPI updated this provisional  
6 rate indication on October 4th. By that time, the  
7 overall rate indication, based upon AAP, had decreased  
8 further to negative 1.48 percent.

9           Therefore, if the PUB were to approve  
10 rates based upon MPI's AAP calculations, Manitobans  
11 could experience an even larger decrease in their  
12 vehicle premiums.

13           Unless otherwise specifically outlined  
14 in this Application, MPI is applying for no changes  
15 into miscellaneous permits and certificates, vehicle  
16 and driver premiums, and to service and transaction  
17 fees for its Basic line of business.

18           Regarding vehicles for hire, MPI seeks  
19 approval of its transportation network company, or TNC  
20 blanket policy framework, and the pricing methodology.  
21 However, MPI no longer seeks approval at this time of  
22 their per-kilometre rate.

23           MPI will require additional time to  
24 determine how best to balance the interests of those  
25 seeking access to the information upon which the per-

1 kilometre rate is determined with the interests of the  
2 TNCs who seek to protect their confidential  
3 information.

4 MPI further seeks approval of time-band  
5 rates for the period April 1st, 2024, to March 31st,  
6 2025, and the decommissioning of the time bands and  
7 movement to a full-time vehicle-for-hire model once  
8 MPI can introduce the TNC blanket policy.

9 MPI also presents a revised Capital  
10 Management Plan, or CMP, for approval by the PUB in  
11 this rate application. This iteration of the CMP  
12 builds and improves upon the previous version  
13 presented last year, and ensures alignment with the  
14 recent amendments to section 28, the Pub -- Manitoba  
15 Public Insurance Corporation Act.

16 Of note, MPI does not apply for a  
17 capital build or rebate as the audited minimum capital  
18 test or MCT ratio of the Basic Rate Stabilization  
19 Reserve was less than 120 percent at the beginning of  
20 the fiscal year under International Financial  
21 Reporting Standard, or IFRS-4, the accounting standard  
22 used by MPI at the most recent fiscal year end.

23 However, the PUB will hear that MPI is  
24 in transition this year to use IFRS-17, and that as  
25 part of its October update, MPI filed evidence



1 indicating that the unaudited MCT ratio of the Basic  
2 RSR likely exceeded 120 percent at the beginning of  
3 the fiscal year under this new accounting standard.

4           The PUB will hear from the Financial  
5 Forecasting and Capital Management Plan panels later  
6 on as to why it is most appropriate for MPI to apply  
7 the methodology set out in the proposed CMP and not  
8 seek a capital rebate this year.

9           As it pertains to the Driver Safety  
10 Rating, or DSR Scale, MPI applies for changes to  
11 premium discounts for use -- and for use of DSR Level  
12 Plus 18 in compliance with a previous direction from -  
13 - from the PUB.

14           MPI also applies for movement of all  
15 DSR discounts one-fourth of the way towards their  
16 actuar -- actuarially indicated targets. To offset  
17 these changes, MPI also applies to adjust driver  
18 premiums and, with the use of DSR Level Plus 18,  
19 Manitoba's safest drivers would be entitled to receive  
20 a 48 percent discount on their vehicle premiums.

21           Finally, MPI seeks approval of its  
22 proposed modification to the Fleet Program to improve  
23 cost -- cost/causation rather by allocating net  
24 rebates proportionally based on fleet vehicles in each  
25 major class.

1                   The PUB will hear from the Ratemaking  
2 Panel this week on why MPI is proposing an interim  
3 solution and its plans for a comprehensive redesign of  
4 the Fleet Program.

5                   As mentioned, MPI will be calling a  
6 number of witnesses who will appear again this year  
7 via -- via the established witness panel format.  
8 During this time, the PUB will hear from several new  
9 witnesses, as well as from witnesses who have taken on  
10 new roles within the Corporation, including Ms. Marnie  
11 Kacher who currently serves as the interim president  
12 and chief executive officer; Mr. Ryan Kolaski who,  
13 effective March 13th, became our new vice-president  
14 and chief financial officer; Mr. Shawn Campbell who  
15 currently serves as our interim vice-president and  
16 chief information technology officer; Mr. Jeff Sass  
17 who currently serves as our interim vice-president and  
18 chief operating officer; Christine Zhou who is our  
19 director of business insights and analytics as of  
20 September 12th, 2022; Mr. Chad Muir who is our  
21 director of strategic sourcing and vendor management  
22 as of March 15th, 2021; and Ms. Lani Edwards who is  
23 our director of enterprise value assurance as of  
24 February 21st, 2023.

25                   The witness panels that MPI will

1 present include the CEO Overview Panel scheduled for  
2 later today where Ms. Kacher will provide evidence on  
3 the status of impacts of the ongoing labour  
4 interruption and the business objectives that she and  
5 the rest of her team are currently focussed on  
6 achieving.

7 Ms. Kacher is also prepared to answer  
8 any questions that the PUB and Interveners may have  
9 regarding a variety of topics.

10 The Benchmarking Panel, also scheduled  
11 for later today, will review the results of the  
12 Canadian Vehicle Premium Comparison Study, the  
13 Customer Experience Surveys, the Forrester CX Index  
14 Score, and the results of the Crown and AON  
15 Benchmarking Exercises.

16 Tomorrow, the PUB will hear from the  
17 Product Enhancements Panel which will provide evidence  
18 as to their progress since last year on developing and  
19 implementing a plan to evolve from the use of the  
20 current system for determining vehicle premium  
21 discounts using the DSR rating of the registered  
22 owner, and also provide a review of the proposed  
23 Vehicle for Hire Framework and new TNC blanket policy.

24 It is also our expectation that the PUB  
25 will hear from the Information Technology and

1 Enterprise Value Assurance Panel tomorrow. This panel  
2 will highlight the IT strategy and operational  
3 priorities for the Corporation, review the results of  
4 the most recent IT benchmarking exercise, provide  
5 updates on the external and contingent labour  
6 strategies, introduce newly rebranded enterprise value  
7 assurance department, outline the work completed to  
8 date by the enterprise value management team to  
9 implement the Benefits Realization Management Process,  
10 and identify what the team will be working on in the  
11 new year and the future improvements the PUB can  
12 expect to see from their efforts in the next rate  
13 application.

14                   Thereafter, the PUB will hear from the  
15 Claims Forecasting Panel who, with the benefit of a  
16 more -- of a more robust team this year, will outline  
17 extensive enhancements made to the claims forecasting  
18 methodology, walk the Members through the application  
19 of the methodology this year, highlight the importance  
20 of rate stability, and explain why the PUB should  
21 approach the upcoming year with caution as there may  
22 be indications of uncertainty ahead.

23                   At the end of this week, the PUB will  
24 hear from the Rate-Making Panel and will hear about  
25 the applied-for changes to the DSR system, including

1 the expansion of the DRS to level plus 18 and the  
2 continued movement to actuarially indicated DSR  
3 discount targets.

4 The PUB will also hear about the more  
5 comprehensive analysis used to simulate discounts from  
6 DSR levels plus 1 to plus 20.

7 To begin next week, the PUB will hear  
8 from the Financial Forecasting Panel where the Panel  
9 will review the two (2) government directives issued  
10 this year; describe the impact of IFRS-17 on the  
11 determination of the MCT for MPI's different reserves;  
12 review the changes and allocation of basic expenses  
13 and the impact of IFRS-17; explain why MPI is unable  
14 to adopt the IFRS-14 accounting standard for  
15 regulatory deferral accounts; provide preliminary  
16 insight into the impacts of the ongoing labour  
17 interruption; discuss MPI's plans for full-time  
18 equivalent expenditures in the upcoming year; confirm  
19 that there are no planned expected transfers from the  
20 Extension line of business to the driver and vehicle  
21 administration line of business; explain the changes  
22 to financial reporting of claims incurred under --  
23 from IFRS-4 to IFRS-17 accounting standards; and  
24 identify changes to the five (5) year forecast, which  
25 will now require liability assumptions to be

1 determined using forward rates whereby the discount  
2 rate will vary depending on the term or tenor of  
3 cashflow.

4                   Thereafter, the PUB will hear from the  
5 Capital Management Plan -- Plan Panel who will outline  
6 the new proposed CMP and the process by which MPI  
7 would seek a capital rebate or rebill.

8                   The CMP Panel will also explain how the  
9 CMP applies to the current Rate Application and why  
10 MPI does not seek a rebate or rebill provision this  
11 year.

12                   By mid next week, the PUB will hear  
13 from the NOVA, which Panel will reiterate the  
14 importance of Program NOVA, review what -- what is  
15 within the scope of the program and the delivery  
16 controls in place, identify the progress made to date  
17 and the current status of the program as a whole and  
18 with respect to each of the four (4) individual  
19 releases based on three (3) measures of scope, budget,  
20 and schedule.

21                   The Panel will also provide an outline  
22 of the possible schedule and the financial impacts of  
23 the labour interruption and provide an update on the  
24 addition of MNP as the new provider of NOVA governance  
25 and risk advisory services.

1                   Afterwards, MPI will offer a  
2 commercially sensitive information panel which will --  
3 which will provide a forum for the parties to ask  
4 additional questions resulting from the confidential  
5 documents previously filed by MPI.

6                   In the final week, the PUB will hear  
7 from the Investments Panel who will provide a general  
8 economic update, an update on the performance of MPI's  
9 investments and the resulting impact on its investment  
10 portfolios; the results of the benchmarking and --  
11 benchmarking exercise and recommendations for future  
12 comparisons of investment performance; outline the  
13 effectiveness of the asset liability management, or  
14 ALM, strategy, limiting interest rate risk; provide  
15 the status of the implementation of new asset mixes  
16 and change -- and changes to asset allocation targets;  
17 identify that MPI now determines the required rate for  
18 the upcoming rating year using interest rates based on  
19 the duration of premium liabilities, net of investment  
20 expenses; explain why it remains most appropriate to  
21 use the recommended naive interest rate forecast for  
22 the purposes of calculating asset values within the  
23 forecasted financial statements; explain changes to  
24 the forecasting methodology for investments based upon  
25 the advice received from Mercer; describe the impact

1 of IFRS-17, including replacement of the use of a  
2 singular naive discount rate to determine the discount  
3 rates for claims with a liability discount curve  
4 provided by Addenda; describe the impact of IFRS-9,  
5 which requires all investments to be classified as  
6 fair value throughout profit and loss; and introduce  
7 the new bond overlay strategy to hedge the impact of  
8 unexpected inflation.

9                   Finally, MPI will, if required, present  
10 an undertakings panel featuring witnesses whom the  
11 parties agree are best positioned to answer any  
12 questions arising from the undertakings given in this  
13 Hearing.

14                   Subject to any questions the members  
15 may have in receipt of the opening statements of  
16 counsel for the respective Interveners, MPI is ready  
17 to proceed.

18                   PANEL CHAIRPERSON:    Mr. Gabor...?

19                   BOARD CHAIR GABOR:    Sorry.  And I  
20 don't know if this is for you, Mr. Guerra, or Ms.  
21 McCandless, but I was going through the -- the sheet  
22 here.  Do we have a date set for the CSI Panel?

23                   MS. KATHLEEN MCCANDLESS:    It's part of  
24 the Project NOVA Panel, so the 17th and 18th.  Likely,  
25 if we run into the 18th, we'll finish with the CSI.



1 BOARD CHAIR GABOR: Right. Okay.

2 Thank you.

3 PANEL CHAIRPERSON: Thank you, Ms.

4 Guerra. Ms. Dilay...?

5

6 OPENING REMARKS BY CAC:

7 MS. KATRINE DILAY: Thank you. Good  
8 morning, Madam Chair, PUB Panel members, PUB staff,  
9 legal counsel and advisors, MPI representatives,  
10 Interveners, and members of the public who may be  
11 watching or listening online.

12 As I said before, my name is Katrine  
13 Dilay, and I'm legal counsel to the Consumers'  
14 Association of Canada, the Manitoba branch. And I'll  
15 refer to my client as CAC (Manitoba).

16 Before starting our opening statements  
17 I'd like to confirm the exhibits that CAC has filed on  
18 the record today. Exhibit CAC-1 is the Intervener  
19 application. And there are three (3) attachments to  
20 the application, Exhibit CAC-1-1, Exhibit CAC-1-2, and  
21 Exhibit CAC-1-3.

22 CAC Exhibit 2 was the First Round of  
23 CAC Information Requests to MPI. Exhibit CAC-3 was  
24 the First Round confidential Information Requests with  
25 public responses to MPI.

1 CAC Exhibit 4 was the Round Two  
2 Information Requests from CAC to MPI.

3 Exhibit CAC-5 was the Intervener  
4 evidence by Oliver Wyman, the independent evidence by  
5 Oliver Wyman.

6 Exhibit CAC-6 was the independent  
7 evidence by Scott Greenlay.

8 Exhibit CAC-7 was the letter to the PUB  
9 regarding Information Request responses from CAC.

10 And finally, we'd like to enter our  
11 opening statement presentation this morning as CAC  
12 Exhibit 8. And we've titled our presentation this  
13 morning: Instability, imprudence, and imbalance, a  
14 critical time for regulatory action.

15 In the view of CAC (Manitoba), MPI's  
16 actions and proposals in this General Rate Application  
17 raise serious questions regarding its stated focus on  
18 fiscal prudence as well as responsible management, and  
19 this is especially concerning given the market  
20 realities of a monopoly Crown corporation whose  
21 ratepayers are captive.

22 And what we mean by that is that MPI's  
23 customers for Basic insurance cannot shop around.  
24 They don't have any choice when it comes to that  
25 service but to purchase Basic insurance from MPI.

1 MPI ratepayers ultimately paid a price  
2 of the Corporation's actions and plans. And we'll --  
3 we'll elaborate on other issues throughout this  
4 presentation, but there are three (3) main issues that  
5 highlight the concerns regarding fiscal prudence and  
6 responsible management.

7 Project NOVA appears to be out of  
8 control with no third-party governance as of recently  
9 and costs that still have the potential to  
10 significantly escalate.

11 Assumptions in claim forecasting appear  
12 to be building excessive cushions at the expense of  
13 ratepayers, therefore, creating an imbalance between  
14 the Corporation and its ratepayers.

15 And MPI is also planning for  
16 significant increases in staffing levels that do not  
17 appear to be justify -- justified -- pardon me -- on  
18 established performance measures.

19 As the independent regulator, MPI  
20 customers look to the Public Utilities Board to strike  
21 that balance between its customers and the Crown  
22 Corporation.

23 In terms of a roadmap for our opening  
24 statement this morning, we will first briefly discuss  
25 some context for this General Rate Application.

1                   Second, and this will be the bulk of  
2 our presentation this morning, we intend to canvass  
3 the main issues identified in the evidence to date for  
4 the benefit of the Board both for the test year and  
5 for MPI's future.

6                   And, third, we will emphasize the  
7 importance of the Public Utilities Board and their  
8 role in navigating through these challenging times and  
9 regulating in the public interest.

10                  In terms of some context for this  
11 General Rate Application, it is common knowledge that  
12 many of MPI's customers are facing challenging  
13 economic times with high inflation and high interest  
14 rates which are driving up costs for transportation,  
15 for food, for shelter, and for other necessities.

16                  In the face of these economic  
17 realities, Manitoba consumers have to make tough  
18 choices when it comes to how to spend their money and  
19 how they can best ensure they are responding for their  
20 -- to their family's needs.

21                  At the same time as Manitoba consumers  
22 are facing challenging economic times, we have seen a  
23 period of significant change and instability at MPI.  
24 Since last year's Hearing there has been important  
25 Board turnover, as well as executive -- key executive

1 turnover.

2                   As the evidence in this Hearing  
3 demonstrates, there has also been a high rate of staff  
4 turnover within the Corporation. There is an ongoing  
5 independent organizational review of MPI ordered by  
6 government. And until the results of that  
7 organizational review are completed, the government  
8 has ordered MPI not to request any rate changes.

9                   Finally, in addition to these  
10 significant changes within the Corporation, in our  
11 clients' view, MPI's actions and proposals in this GRA  
12 raise questions regarding trust and credibility, and  
13 we've listed a few of those items here.

14                   MPI has left the door open to transfer  
15 funds out of the Extension line of business rather  
16 than ensuring that those funds flow back to the Basic  
17 insurance line of business, which provides a benefit  
18 to the Extension line of business.

19                   Despite specific caution by the PUB  
20 regarding increases to staffing levels and to Project  
21 NOVA, MPI is proceeding with significant increases in  
22 staffing and with Project NOVA full steam ahead.

23                   And we've also seen that there is no  
24 external stakeholder consultation planned as part of  
25 the MPI organizational review.

1                   Now, beginning on slide 7, CAC Manitoba  
2 outlines the major issues that it has identified in  
3 the evidence to date for the benefit of the Board.  
4 And on slide 7, we begin with two (2) issues regarding  
5 MPI's forecasts.

6                   In this Hearing, CAC (Manitoba) will  
7 question whether MPI's claims forecasts are a best  
8 estimate or whether there are excessive cushions built  
9 into those forecasts and those assumptions as  
10 suggested by the independent experts from Oliver  
11 Wyman.

12                   And the related question to that is  
13 whether MPI's assumptions in those claims forecasts  
14 are leading to an imbalance between the interests of  
15 the Corporation and its captive ratepayers in the form  
16 of a higher than necessary rate indication which  
17 ratepayers have to pay for.

18                   And the second question relating to  
19 forecasting is whether MPI's forecasted staffing  
20 expenses are too high and not justified based on  
21 established performance measures.

22                   On slide 8, we turn to Project NOVA.  
23 CAC (Manitoba) seriously questions whether it is  
24 imprudent for MPI to proceed with Project NOVA, as  
25 currently planned. And this is because of the

1 combination of various factors, including the  
2 escalation in costs in the 2022 re-baseline, the  
3 expanded scope of the project over time, the negative  
4 net present value, and the lack of payback, combined  
5 with the warning signs raised by the last governance  
6 vendor and the Public Utilities Board.

7           Given the combination of these factors,  
8 CAC (Manitoba) asks whether the project should be  
9 paused, re-scoped, and de-risked.

10           This is the recommendation of Mr. Scott  
11 Greenlay, who is an independent expert witness, who  
12 has extensive experience with large information  
13 technology projects and who will be testifying before  
14 the Board later this Hearing.

15           CAC (Manitoba) wonders whether Mr.  
16 Greenlay's recommendations would better recognize the  
17 need for accountability to MPI's captive ratepayers  
18 and who ultimately pay the price of MPI's initiatives,  
19 whether they go well or not.

20           On information technology more broadly,  
21 CAC (Manitoba) questions whether MPI's planned  
22 information technology initiatives expenses are  
23 necessary, given that a monopoly Crown Corporation  
24 with captive ratepayers does not need to be leading  
25 the way in terms of technology to fulfill its mandate.

1                   They also ask if MPI is demonstrating  
2 adequate accountability regarding its planned  
3 information technology initiatives given the  
4 transition away from the traditional business cases.

5                   On slide 10, regarding MPI's  
6 operational expenses, CAC (Manitoba) questions whether  
7 MPI's actual and forecast costs relating to staffing  
8 are too high. This is especially in light of a recent  
9 government and PUB caution about MPI staffing levels.

10                   And CAC (Manitoba) also asks whether  
11 MPI's budgeting practices more broadly should be tied  
12 to key performance indicators or other accountability  
13 measures.

14                   And finally, in terms of operational  
15 expenses, CAC (Manitoba) will propose that MPI's  
16 benchmarking activities should be structured to bring  
17 better value to customers and better reflect MPI's  
18 status as a monopoly Crown Corporation.

19                   On page 11, we discussed three (3) of  
20 MPI's financial policies that, in CAC (Manitoba)'s  
21 view, has a costs to ratepayers.

22                   First, CAC (Manitoba) will explore the  
23 implications for MPI's Capital Management Plan of both  
24 leaving the door open to the Corporation transferring  
25 away funds from Extension that should, instead,



1 benefit captive ratepayers. And of asking ratepayers  
2 to trust the Corporation to apply to the PUB for  
3 rebates.

4                   Second, CAC (Manitoba) will canvass  
5 whether MPI is missing opportunities to increase  
6 investment returns without compromising its tolerance  
7 for risk in the investment portfolio.

8                   And third, CAC (Manitoba) asks whether  
9 MPI's capital reserves are excessive and are providing  
10 too large a cushion for MPI to get it wrong and  
11 deferring potential customer rebates.

12                   On slide 12, CAC (Manitoba) addresses  
13 the issue of how to recognize initiative expenses that  
14 were deferred for rate-setting purposes starting last  
15 year.

16                   Recognizing the goal of inter-  
17 generational equity and the desire for transparent  
18 financial reporting, CAC (Manitoba) will explore the  
19 question of when these initiative implementation  
20 expenses should be recognized for rate-setting  
21 purposes.

22                   On slide 13, we discuss three (3)  
23 inter-related issues regarding how well MPI is  
24 preparing for future changes and possible challenges.

25                   CAC (Manitoba) will ask whether MPI is

1 well positioned to respond to changes to its fleet and  
2 to potential changes to driving patterns due to  
3 societal and customer priorities.

4                   We will also ask whether the valuable  
5 insights of customers and stakeholders are recognized  
6 as MPI plans for the future.

7                   And finally, we'll also canvass whether  
8 road safety expenditures and plans proposed by the  
9 Corporation are reasonable.

10                   In terms of allocation of costs between  
11 customer classes, an issue that has been of  
12 significant importance to CAC (Manitoba) for years is  
13 on slide 14. Despite some movement toward actuarially  
14 indicated rates, CAC (Manitoba) will canvass whether  
15 customers at the higher levels of the Driver Safety  
16 Rating Scale continue to cross-subsidize customers at  
17 the lower levels of that same scale.

18                   On slide 15, we identified two (2)  
19 issues relating to how MPI products are structured.  
20 Regarding its Basic insurance model, CAC (Manitoba)  
21 will explore whether MPI's plan to collect data,  
22 conduct a pricing study, and make recommendations  
23 regarding potential alternative models to the  
24 registered owner model is reasonable.

25                   And regarding Vehicles for Hire, we

1 will ask whether MPI's proposed new framework is  
2 appropriate and fair to the private passenger vehicle  
3 class.

4                   Before turning to the last part of our  
5 presentation, which -- in which we'll discuss the role  
6 of the PUB in navigating these challenges, we would  
7 like to spend a bit of time to express our gratitude.

8                   First, CAC (Manitoba) acknowledges the  
9 dedication and hard work of MPI staff, both in  
10 general, but also, in particular, amidst challenging  
11 times within the Corporation. We thank them for all  
12 their work.

13                   We would also like to thank and  
14 acknowledge CAC (Manitoba)'s team of inter-  
15 disciplinary experts, two (2) of which this Board will  
16 hear from later this Hearing.

17                   We thank the independent actuaries, Mr.  
18 Rajesh Sahasrabuddhe, Ms. Paula Elliott, and Mr. Chris  
19 Schneider of Oliver Wyman Limited, who provide  
20 expertise from a cross-Canada practice in regulatory  
21 rate setting for auto insurance.

22                   Mr. Rajesh Sahasrabuddhe will be  
23 testifying on behalf of Oliver Wyman later this  
24 Hearing.

25                   We also acknowledge Mr. Scott Greenlay,

1 who is a consultant with extensive experience  
2 overseeing IT transformations, including as the  
3 National Director of Technology consulting for a large  
4 national consulting firm. Mr. Greenlay will also  
5 present evidence later this Hearing relating to  
6 Project NOVA and information technology.

7                   We would like to thank Mr. Valter  
8 Viola, who brings over three (3) decades of experience  
9 in institutional portfolio management and investment  
10 research with a focus on risk management.

11                   And finally, we acknowledge Mr. Peter  
12 Dyck, who is an accountant with decades of experience  
13 in regulated entities, including at MPI, and brings  
14 significant insights and expertise to CAC (Manitoba)'s  
15 Intervention.

16                   And finally, in terms of thank yous, we  
17 are very grateful for the ongoing guidance of the  
18 Consumers Advisory Panel and the CAC (Manitoba) Board  
19 of Directors.

20                   And we also want to acknowledge the  
21 absence of someone who was very familiar to many in  
22 this room. Ms. Gloria Desorcy's absence continues to  
23 leave a void that is acutely felt by CAC (Manitoba),  
24 as well as the Public Interest Law Centre team. For  
25 decades, Gloria was a fierce advocate for consumer

1 rights.

2                   In our work on behalf of CAC  
3 (Manitoba), we continue to ask ourselves, What would  
4 Gloria do? And we continually try to live up to what  
5 she would have expected of us.

6                   And starting on slide 19, in the last  
7 part of our presentation, we'd like to discuss the  
8 importance of the PUB's role in navigating through  
9 these challenging times and regulating in the public  
10 interest.

11                   As we have previously said, MPI's  
12 actions and proposals in this GRA appear to raise  
13 serious questions regarding fiscal prudence and  
14 responsible management.

15                   CAC (Manitoba) wonders whether MPI's  
16 actions are prudent and whether they are in line with  
17 the market realities of a monopoly Crown Corporation  
18 with captive ratepayers.

19                   And we also ask if MPI is making the  
20 same tough economic decisions as Manitoba consumers  
21 are having to make in a challenging economic  
22 environment.

23                   As we know, MPI ratepayers pay the  
24 price of the Corporation's actions and plans.

25                   Moving on to slide 20, in the context

1 of change, instability, and apparent imprudence and  
2 imbalance, MPI customers rely on the Public Utilities  
3 Board as an independent regulator.

4 In the view of CAC (Manitoba), MPI  
5 customers rely on the PUB for continuity, stability,  
6 accountability, and transparency.

7 And as stated by the Manitoba Court of  
8 Appeal, the PUB has two (2) concerns when dealing with  
9 a Rate Application; the interests of ratepayers and  
10 the financial health of the Corporation. Together,  
11 these interests represent the public interest. And in  
12 CAC Manitoba's view, the PUB's role is to strike a  
13 balance in setting just and reasonable rates.

14 And, as you'll see on page 21, the PUB  
15 has previously set out the test that it uses to set  
16 just and reasonable rates. And we set out the test on  
17 this page.

18 And you'll note that the last item on  
19 this page does not come from the PUB Order that we've  
20 sited in the footnote. But CAC (Manitoba) submits  
21 that a question that is inherent in answering all the  
22 other questions set out in the test, is whether the  
23 Crown monopoly is credible.

24 In this presentation we have tried to  
25 highlight some of the main issues that we intend to

1 explore during the hearing. And at the end of this  
2 hearing, CAC (Manitoba) intends to make  
3 recommendations to assist the PUB in regulating in the  
4 public interest.

5 CAC (Manitoba) intends to make  
6 recommendations regarding findings of fact on the  
7 reasonableness of forecasts, the prudence of  
8 expenditures, the appropriateness of financial targets  
9 and the management of capital, the reasonableness of  
10 the investment strategy and the fairness of rates  
11 between different groups of customers.

12 And at a higher level, CAC Manitoba  
13 intends to make recommendations on rates that are just  
14 and reasonable that incent prudence and that better  
15 balance the interest of captive ratepayers and the  
16 Crown monopoly.

17 Thank you for your attention this  
18 morning. Subject to any questions from the Board,  
19 that concludes the opening statement of CAC Manitoba.

20 PANEL CHAIRPERSON: Mr. Gabor...?

21 BOARD CHAIR GABOR: Ms. Schubert, can  
22 you go to 21.

23 The last bullet "is the Crown monopoly  
24 credible?" Are -- are you -- I'm trying to get my  
25 head around it. Are you saying as an organization is

1 it credible, or is the evidence that they're  
2 presenting credible?

3 MS. KATRINE DILAY: In terms of the  
4 evidence, Mr. Gabor. So in terms of responding to the  
5 questions that are set out in the test, the Board will  
6 have to look at the evidence of the Corporation, as  
7 well as all the evidence on the record.

8 And part of weighing that evidence is  
9 looking at the credibility of witnesses that are  
10 presenting it.

11 BOARD CHAIR GABOR: Okay. And the --  
12 the test that the credibility of the evidence is that  
13 -- are you suggesting that the -- the evidence would  
14 be skewed in one way is -- is that the credibility  
15 you're talking about?

16 MS. KATRINE DILAY: I think we've  
17 raised some -- some questions that -- that our clients  
18 are raising, for example, some of the assumptions that  
19 are used in claims forecasting, so -- yeah, so -- the  
20 -- the credibility of the -- of the witnesses when  
21 they've come up with the MPI plans and proposals in  
22 their GRA.

23 BOARD CHAIR GABOR: Thank you.

24 MS. KATRINE DILAY: Thank you.

25 PANEL CHAIRPERSON: Mr. Bass...?



1 BOARD MEMBER BASS: Just have a -- a  
2 followup on that because -- and I was having trouble  
3 understanding about the Crown monopoly being credible.

4 And the -- the sorts of things that --  
5 that you're mentioning, it -- how do you recognize the  
6 difference of professional opinion as opposed to  
7 credibility, like what's your approach to that? Like,  
8 what are you suggesting?

9 MS. KATRINE DILAY: I think that's a  
10 question of -- of weighing the evidence and striking  
11 that balance between customers and the Corporation.

12 We have -- there are going to be  
13 witnesses on behalf of MPI who are exercising their  
14 professional judgment on behalf of the Corporation and  
15 there will also be independent experts who are not  
16 part of the Corporation. So there may be some  
17 differences in the independence and the credibility of  
18 witnesses that can be addressed there as well.

19 PANEL CHAIRPERSON: Ms. Meek...?

20 MS. CHARLOTTE MEEK: Thank you, Madam  
21 Chair.

22

23 OPENING REMARKS BY CMMG:

24 MS. CHARLOTTE MEEK: Good morning  
25 again to the Board, to MPI, to other Interveners and

1 to members of the public.

2 My name is Charlotte Meek, again, and  
3 I'm representing the Coalition of Manitoba Motorcycle  
4 Groups and will be providing opening statements on  
5 their behalf. And I'll refer to them as CMMG  
6 throughout my comments this morning.

7 CMMG appreciates the opportunity to be  
8 involved as Intervener in the 2024 General Rate  
9 Application filed by Manitoba Public Insurance.

10 CMMG is a non-profit volunteer  
11 organization which has for over thirty (30) years  
12 advocated for motorcyclists in Manitoba in this rate  
13 application process.

14 Outside of this hearing, CMMG is  
15 involved in community outreach, fund raising and  
16 advocacy regarding motorcycle-related issues.

17 And throughout this hearing, CMMG will  
18 be advocating on behalf of the over nineteen thousand  
19 (19,000) motorcyclists in this province.

20 In this year's Application, CMMG will  
21 focus on various issues, including the ratemaking  
22 methodology that is used by the Corporation, on the  
23 benchmarking process and comparing motorcycle rates in  
24 Manitoba as how we compare to other public  
25 jurisdictions, the Driver Safety Rating Program and

1 the Basic Insurance Model, the Capital Management Plan  
2 and finally MPI's investment strategies.

3           The Corporation is required each year  
4 to come before this Board, where there is a request  
5 for a change in the insurance rates to be charged to  
6 Manitoba's ratepayers.

7           The ratemaking process is a complex  
8 calculation. And this year's Application includes all  
9 of the usual complexities of the entangled actuarial  
10 calculation underlying the assumptions and  
11 methodologies.

12           But then, this year, we have further  
13 complications from shifts in the vehicle premium  
14 discount from the Driver Safety Rating system and that  
15 arises from the Board's direction from last year.

16           And then, that is coupled with a  
17 government directive issued on April 3rd, 2023,  
18 prohibiting MPI from proposing changes to the rates  
19 for service.

20           What my clients see this year, based on  
21 the rate update filed on October 4th, is that the  
22 forecasting supports an overall rate decrease of 1.5  
23 percent and a decrease for motorcycle premiums of 9.7  
24 percent.

25           The selected rate being sought by the

1 Corporation for motorcycle premiums is a decrease of  
2 6.2 percent.

3                   While my client acknowledges that the  
4 Corporation is bound by the requirements of the  
5 government directive, this Board's mandate has not  
6 changed, which is to set just and reasonable rates for  
7 customers based on actuarially-indicated data.

8                   CMMG will be advocating for a rate  
9 indication which is supported by those actuarial  
10 indications.

11                   From my client's perspective, a major  
12 factor initiating the issuing of the government  
13 directive, is Project NOVA. The major IT system  
14 project, which has been ongoing for the Corporation  
15 for several years now.

16                   This issue has been expertly examined  
17 by our colleagues at the Consumers Association for the  
18 last several years, who have been ringing alarm bells  
19 in advocating for controls to be put in place.

20                   This year, from the government  
21 directive, we can see in black and white how a  
22 project, that is out of control, can ultimately hurt  
23 Manitobans and affect rates.

24                   On behalf of my clients, I will briefly  
25 examine the benchmarking exercise employed by the

1 Corporation, to examine how motorcycle rates in  
2 Manitoba measure in comparison with our peers in  
3 British Columbia and in Saskatchewan.

4 Specifically, CMMG intends to challenge  
5 the very broad statements made by the Corporation that  
6 Manitoba is offering some of the lowest rates when  
7 compared to other public insurance jurisdictions.

8 CMMG will review the basic insurance  
9 model in detail. My client continues to be concerned  
10 with the progress being made by the Corporation, as it  
11 pertains to the transition away from the Registered  
12 Owner model, which is a model that has been  
13 acknowledged repeatedly in this hearing to be unable  
14 to provide Manitobans with a Driver Safety Rating  
15 system that is actuarially sound.

16 CMMG will challenge the Corporation's  
17 assertions that legislated amendments are required for  
18 the pro-election of driver data and we will spend some  
19 time evaluating the proposed schedule for transition  
20 to the new model.

21 The draft public survey that has been  
22 provided by the Corporation, could and should be  
23 improved and focused to obtain more detailed data that  
24 will assist with the Board's future deliberations.

25 My client intends to continue to hold

1 the Corporation accountable to the directives of this  
2 Board as it relates to a transition towards the  
3 Primary Driver Model.

4 And CMMG will continue to advocate for  
5 a model that is more actuarially accurate, will  
6 promote good driving and safer roads for all of  
7 Manitoba.

8 The Corporation has provided a plan for  
9 rebating excess revenues to customers through the  
10 Capital Management Plan.

11 As highlighted in previous hearings,  
12 CMMG continues to have concerns regarding the proposed  
13 methodology for returning excess capital to ratepayers  
14 and the interplay between the ability of the  
15 Corporation's Board of Directors to transfer funds  
16 between various lines of business.

17 CMMG intends to test the methodology  
18 proposed by MPI and to compel insurances from the  
19 Corporation regarding their obligations to initiate  
20 rebates.

21 The investment portfolio of the  
22 Corporation continues to be a topic of interest for  
23 CMMG in this year's Application. CMMG will continue  
24 to test the investment decisions made by the  
25 Corporation.

1                   Diversification of MPI's Basic  
2 portfolio remains a priority for CMMG and my client  
3 intends to examine the Corporation's ongoing rejection  
4 of particular asset classes. The recent inclusion of  
5 minimum capital requirements in the Corporation's  
6 filing has also drawn my client's interest and my  
7 client intends to test the methodology used for  
8 establishing those thresholds.

9                   CMMG would like to acknowledge the  
10 additional challenge posed in this year's Application  
11 by the ongoing labour interruption. We would like to  
12 note that we really appreciate MPI's staff, who have  
13 worked to respond to Information Requests over the  
14 last several months, despite this labour interruption.

15                   And my client appreciate -- appreciates  
16 that the Corporation has continued to share regular  
17 updates with Interveners throughout the discovery  
18 process and my client commits to continue to work with  
19 MPI and other Interveners to ensure that this year's  
20 hearing can be completed, despite these limitations.

21                   I would like to quickly enter the  
22 following exhibits on behalf of CMMG.

23                   CMMG 1 is the Coalition of Manitoba  
24 Motorcycle Group's Intervener Application dated June  
25 23rd, 2023.

1                   CMMG Exhibit 2 will be the C.V. for  
2 expert consultants Jason Wong, Jeff Crozier, and  
3 Valter Viola dated June 23rd, 2023.

4                   CMMG Exhibit 3 will be the CMMG Cost  
5 Estimate dated June 23rd, 2023.

6                   CMMG Exhibit 4 is CMMG Round 1  
7 Information Request Numbers 1 to 12; and

8                   CMMG Exhibit 5 will be CMMG Round 2  
9 Information Requests Numbers 1 to 8.

10                  And, subject to any questions, that  
11 concludes the opening statements of CMMG.

12                  PANEL CHAIRPERSON:    Thank you, Ms.  
13 Meek.   Ms. Wittman...?

14

15    OPENING REMARKS BY TAXI COALITION:

16                  MS. KAREN WITTMAN:    Thank you, Madam  
17 Chair.   Good morning to everyone.   My name is Karen  
18 Wittman and I appear on behalf of the Taxi Coalition  
19 and I would like to begin my remarks this morning by  
20 thanking the Board for allowing the Taxi Coalition to  
21 participate again in this year's hearing.

22                  In my opening remarks this morning, I  
23 intend to address three (3) areas.   First, I intend to  
24 provide some background information on the Taxi  
25 Coalition and its goals and objectives.



1                   Second, I intend to provide an overview  
2 of the issues on which the Taxi Coalition intends to  
3 focus in this year's GRA.

4                   And, third, I will provide a brief  
5 comment about the extent of our part -- our  
6 participation in the GRA.

7                   Turning to the first issue, the Taxi  
8 Coalition is a coalition of two (2) independently-  
9 operated taxi dispatch companies, Duffy's Taxi Ltd.  
10 and Unicity Taxi Ltd. Both provide service in  
11 Winnipeg and the surrounding areas and have been doing  
12 so for over 60 years.

13                   Together, they have a combined fleet of  
14 approximately 500 vehicles and represent about 80  
15 percent of all taxis operating in Manitoba. The Taxi  
16 Coalition aims to represent the interests of a broad  
17 cross-section of taxi operators and, to that end, we  
18 have remained in contact with taxi operators in  
19 Brandon and in Thompson.

20                   The Taxi Coalition has two (2)  
21 objectives or goals in participating in this year's  
22 hearing.

23                   First, is to ensure that the rates paid  
24 by vehicle for hire, generally, are just and  
25 reasonable. In the context of auto insurance rates

1 offered by MPI, that means having rates that fully  
2 reflect the cost of coverage.

3                   Second, to ensure transparency,  
4 accountability, and fairness in coverages that impact,  
5 or may impact, Vehicle for Hire in Manitoba and, in  
6 particular, taxi Vehicle for Hire, limo Vehicle for  
7 Hire, and accessible Vehicle for Hire operators.

8                   In striving to meet its objective, the  
9 Taxi Coalition has worked collaboratively with other  
10 Interveners and it has also worked and consulted with  
11 MPI, providing MPI with feedback on the existing  
12 vehicle for hire framework time band model, expressing  
13 its continued interest in a part-time model, and the  
14 potential development of a blanket model for taxis --  
15 or a blanket policy model. Unfortunately, the overall  
16 viability of a part-time model is linked to the data  
17 to be collected from the Telematics Project, which has  
18 not progressed significantly over the past year.

19                   In terms of the issues on which we  
20 intend to focus our attention this year, there are  
21 three (3).

22                   First, the Vehicle for Hire Framework  
23 in the proposed blanket policy and this probably comes  
24 as no surprise to anyone that this is the focus of our  
25 intervention this year and, in focussing on this

1 issue, the Taxi Coalition intends to explore the  
2 concerns it has about the approach to the proposed  
3 blanket policy for Transportation Network Companies or  
4 TNCs, the uncertainties in the proposed policy, as  
5 well as some of the inherent unfairness.

6           In doing so, the Taxi Coalition will  
7 also be focussed on the issues of credibility  
8 weighting and the implications of the current  
9 credibility weighting approaching -- approach for  
10 taxis, among others, versus the credibility weighting  
11 approach proposed in the new blanket policy.

12           The second issue that the Taxi  
13 Coalition intends to address is the fleet program, the  
14 proposed short-term modifications to the program, and  
15 the implications of the modic -- modifications on the  
16 public and commercial major classes.

17           The third and final issue which the  
18 Taxi Coalition intends to address is the Capital  
19 Management Plan. Now, on this one, we do not expect  
20 to be taking the lead role but we would, nevertheless,  
21 like the opportunity to address some concerns we have  
22 about the Plan.

23           With respect -- respect to our  
24 participation in this year's hearing, the Taxi's  
25 Coalition's aim is to ensure that the Board has a full

1 and proper understanding of the issues relating to  
2 Vehicle for Hire. The Taxi Coalition will be att --  
3 in attendance at periods in the hearing that are  
4 relevant to the issues that it has raised.

5           The Taxi Coalition will monitor the  
6 hearing throughout but will only intervene to test the  
7 evidence and to provide information, where necessary.  
8 To that end, on certain days, I may be present on  
9 other days, only my associate, Ms. Nelko, will be  
10 present, on some days, both of us may be here and, on  
11 other days, neither of us will be present, as  
12 appropriate. We will seek to cross-exam witnesses in  
13 a limited matter (sic) so as not to duplicate  
14 submissions.

15           In terms of exhibits, we tendered five  
16 (5) exhibits at the pre-hearing conference. In  
17 addition to those exhibits, we would also like to now  
18 enter into the record the following exhibits:

19           The first is Taxi Coalition 6, which is  
20 the First Round of IRs, Information Requests.

21           The second exhibit is Taxi Coalition 7,  
22 which is the Second Round of Information Requests, and  
23 those are the exhibits that we intend to mark.

24           In closing, we'd like to thank the  
25 Board again for the opportunity to participate in this

1 year's hearing and to contribute to the Board's  
2 determination of just and reasonable rates for Vehicle  
3 for Hire, generally, as well as Manitoba ratepayers.

4 Subject to any questions the Board may  
5 have, that concludes my opening remarks.

6 PANEL CHAIRPERSON: Thank you, Ms.  
7 Wittman. I note that the time is now 10:17. So, I  
8 think this would be an appropriate time to take a  
9 break and -- and have the first MPI Panel attend in  
10 the hearing room. Is fifteen (15) minutes sufficient  
11 for that?

12 MR. ANTHONY GUERRA: Yes, it is.

13 PANEL CHAIRPERSON: Okay. Can be  
14 reconvene then at 10:35? Okay. Thank you.

15

16 --- Upon recessing at 10:18 a.m.

17 --- Upon resuming at 10:35 a.m.

18

19 PANEL CHAIRPERSON: Thank you,  
20 everyone. Mr. Guerra, could you please introduce your  
21 witnesses, and then we'll ask that they be sworn or  
22 affirmed.

23 MR. ANTHONY GUERRA: Yes. Thank you,  
24 Madam Chair. We have one (1) witness this morning,  
25 and that is our interim president and chief executive

1 officer, Ms. Marnie Kacher.

2

3 MARNIE KACHER, Sworn

4

5 EXAMINATION-IN-CHIEF BY MR. ANTHONY GUERRA:

6 MR. ANTHONY GUERRA: Thank you, Madam  
7 Chair. And just before we begin, Ms. Kacher, you are  
8 the interim president and chief executive officer of  
9 Manitoba Public Insurance, correct?

10 MS. MARNIE KACHER: Yes, that's  
11 correct.

12 MR. ANTHONY GUERRA: And how long have  
13 you held this role for?

14 MS. MARNIE KACHER: Since May of this  
15 year.

16 MR. ANTHONY GUERRA: And before this  
17 role, which role did you hold within the Corporation?

18 MS. MARNIE KACHER: Before this, I was  
19 the chief operations officer.

20 MR. ANTHONY GUERRA: And how long have  
21 you been with the Corporation in total, if you -- if  
22 you know that off the top of your head?

23 MS. MARNIE KACHER: About twelve (12)  
24 years.

25 MR. ANTHONY GUERRA: So before your

1 role as member of the executive, which roles within  
2 the Corporation did you also play?

3 MS. MARNIE KACHER: Oh, gosh. I was  
4 an operational business champion on Project NOVA. I  
5 was the director of driver and vehicle administration  
6 and the registrar of motor vehicles. I was the  
7 director of service operations, control and  
8 compliance; director of physical damage cost control  
9 and analytics as well.

10 MR. ANTHONY GUERRA: Thank you. And I  
11 understand you have some opening statements to provide  
12 to the -- to the Panel this morning?

13 MS. MARNIE KACHER: Yes, I do.

14 MR. ANTHONY GUERRA: Okay. So without  
15 further ado, I'll let you speak to them.

16 MS. MARNIE KACHER: Thank you.  
17 Members of the Panel, presenters, and those joining us  
18 by live stream, good morning and thank you for having  
19 me.

20 My name is Marnie Kacher, and I'm the  
21 interim president and chief executive officer of  
22 Manitoba Public Insurance. I'm pleased to be here  
23 today as we begin the hearing by the Public Utilities  
24 Board for the 2024/2025 General Rate Application of  
25 Manitoba Public Insurance.

1                   We remain fully committed to openness  
2 and transparency, and we welcome our annual appearance  
3 here before you.

4                   I would like to acknowledge that MPI  
5 operates throughout Manitoba. We are located on the  
6 traditional lands of the Anishinaabe, Cree, Oji-Cree,  
7 Dakota, Dene, and Metis people. Our primary office is  
8 located on Treaty 1 Territory and the homeland of the  
9 Metis Nation.

10                   Our work extends throughout Treaties 2,  
11 3, 4, and 5, and we acknowledge that Winnipeg's water  
12 is sourced from Shoal Lake 40 First Nation.

13                   Manitoba Public Insurance is a  
14 provincial Crown Corporation that has provided  
15 automobile insurance coverage and vehicle registration  
16 since 1971. We assumed a broader spectrum of services  
17 in 2004 when we merged driver and vehicle licensing  
18 into our operations.

19                   We provide value to Manitobans through  
20 our mission: exceptional coverage and service,  
21 affordable rates, and safer roads through public auto  
22 insurance.

23                   To begin today, I'll be frank. This  
24 has been a very challenging year for the Corporation  
25 on a number of fronts including changes to our



1 leadership at the highest levels.

2                   During this period, while recruitment  
3 for a new CEO is underway, I've tried my very best to  
4 provide stability and ensure focus on achievement of  
5 our core objectives.

6                   Additionally, the ongoing seven (7)  
7 week labour interruption has impacted our business.  
8 MPI is not at its best when seventeen hundred (1,700)  
9 of our valued colleagues are walking picket lines.

10                   Following four (4) days of conciliation  
11 with the union, MPI was invited to make its final  
12 offer in an effort to end the strike. MPI remains  
13 hopeful that its seventeen hundred (1,700) unionized  
14 employees will be given an opportunity to vote on that  
15 offer and we'll have our employees back to work.

16                   When the labour interruption began on  
17 August 28th, MPI immediately implemented its  
18 contingency plans to minimize disruption for customers  
19 by maintaining as many core services as possible  
20 across the province.

21                   The speed of this response is credited  
22 to our dedicated out-of-scope staff as well as our  
23 strong stakeholder and partner relationships  
24 throughout Manitoba. Our business partners were  
25 willing to step up and table creative solutions to

1 maintain service to our mutual customers. The success  
2 of these contingency plans demonstrates our shared  
3 commitment to Manitobans.

4           While not an exhausted (sic) list, I  
5 would like to thank the Insurance Brokers Association  
6 of Manitoba and our broker partners for their efforts  
7 to maintain insurance, registration, and licensing  
8 services to customers; the Automotive Trades  
9 Association and the Manitoba Motor Dealers Association  
10 and our repair shop partners for their assistance,  
11 particularly, in estimating damage and helping with  
12 claims processes; our driving school partners for  
13 their efforts in providing class 5 road tests to new  
14 drivers; and I'd also like to recognize other partners  
15 such as the Manitoba Trucking Association and the  
16 Manitoba Car and Truck Rental Association for their  
17 engagement and support during this challenging time.

18           While it's clear that this prolonged  
19 disruption will continue to have impacts on our  
20 operations after it's resolved, MPI is committed to  
21 dedicating efforts to mitigate these impacts as much  
22 as possible.

23           Since stepping into this role in May, I  
24 have been given a clear mandate from MPI's board of  
25 directors to focus on our mission and mandate while

1 executing against three (3) key business objectives.

2           The first is meeting financial  
3 obligations through a continual focus on fiscal  
4 prudence and financial management. Controlling costs  
5 leads to lower insurance rates for Manitobans.

6           The second, delivering Project NOVA.  
7 Our long-term initiative: to replace outdated and  
8 unsupported legacy technology platforms. This will  
9 ensure our public insurance system is safe, reliable,  
10 and secure for generations to come while enabling the  
11 introduction of new online service options.

12           And the third, improving service  
13 delivery and ensuring that continual improvements to  
14 how we serve our customers remains a priority. This  
15 includes enhanced online options as well as better  
16 front-line service availability and delivery to ensure  
17 people across the province have access to affordable  
18 products and services to meet their needs.

19           While the past few months have required  
20 us to adjust how we think about these objectives in  
21 the short term, we strongly believe that focussing  
22 attention on these key areas will enable MPI to  
23 continue to provide value to Manitobans far into the  
24 future.

25           As interim CEO, it is my role to

1 advance these business objectives while managing  
2 results in five (5) key areas.

3           The first, as I've noted, is the  
4 ongoing labour interruption. It's unquestionably  
5 disruptive to our operations, and we're hopeful that  
6 our colleagues will return to work shortly. Once they  
7 do, our focus will shift to addressing the backlogs  
8 that have resulted in many areas of our operations.

9           The second: currently, we are also  
10 facing a huge demand on our operations due to a near  
11 record number of hail claims following a summer of  
12 severe weather.

13           In partnership with DCC Hail, we have  
14 set up one and then a second innovative drive-through  
15 hail scanning tool at our physical damage centre.  
16 This has doubled our number of estimates completed per  
17 hour and reduced customer wait times. In the first  
18 two (2) weeks of operations, one (1) scanner along  
19 helped produce more than twenty-three hundred (2,300)  
20 hail damage estimates.

21           Third, as you're aware, the Government  
22 of Manitoba ordered an organizational review of MPI in  
23 April. That review is currently underway, and a final  
24 report is anticipated to be submitted to our board for  
25 the Minister by the end of December.

1                   Fourth, Project NOVA. It remains a key  
2 corporate priority. We must invest in our future to  
3 provide customers the products and services that they  
4 need. NOVA will replace MPI's aging technology  
5 infrastructure with modern safe and secure systems,  
6 eliminating the need for costly investments in  
7 outdated technology while positioning the Corporation  
8 to meet customer expectations in new ways.

9                   The initial launch for Special Risk  
10 Extension, or SRE -- Special Risk Extension customers,  
11 release 1, took place in February. After a number of  
12 defects emerged, we slowed migration of additional SRE  
13 renewal transactions in the new system to allow us to  
14 make more progress on the defects.

15                   We'll be able to look at the status of  
16 this once we have the opportunity to assess the  
17 impacts of labour interruption on the impacted teams  
18 and the subsequent operational backlog.

19                   Like many parts of our business, labour  
20 interruption has had impact on NOVA, specifically the  
21 launch of release 2. Release 2 will impact commercial  
22 trucking customers enrolled in the International  
23 Registration Program, and also the start of release 3  
24 Discovery. And release 3 is the release that focusses  
25 on personal insurance and driver and vehicle

1 transaction.

2                   The extent of these impacts will be  
3 assessed once we resolve the labour dispute and have a  
4 clear understanding of the operational backlogs and  
5 what we have for resource availability. And the NOVA  
6 Panel will provide you with far greater insight into  
7 this next week.

8                   We continue to advance NOVA within the  
9 established \$290 million budget, and we remain  
10 committed to full transparency on this Project and to  
11 provide updates on progress to the Board at our  
12 earliest opportunity.

13                   Number 5, last but not least, is  
14 executive recruitment. That's a major focus for the  
15 Corporation in the near term. A search is concluding  
16 for a chief information and technology officer, and I  
17 expect to make a hiring announcement in the coming  
18 days.

19                   The Corporation's Board of Directors  
20 has begun recruitment for a new president and chief  
21 executive officer. I don't have the official time  
22 line for hiring the new CEO, but I can tell you that  
23 it is of prime importance to our Board to have this  
24 role filled on a permanent basis.

25                   This will ensure strong executive

1 oversight of the Corporation and our key business  
2 objectives to meet our financial obligations, deliver  
3 Project NOVA, and improve service delivery for  
4 Manitobans.

5           We have a lot on our plates, but we  
6 will accomplish these goals through the hard work of  
7 our staff, the expertise of our leadership team, and  
8 the focussed oversight of our Board of Directors.

9           As we move forward, MPI's future focus  
10 will be influenced by the results from the  
11 organizational review, from the permanent installation  
12 of a CEO to provide leadership to the entire  
13 organization, and on the return to work of our  
14 seventeen hundred (1,700) in-scope employees.

15           To ensure that our organization can  
16 move forward as a strong and united team, we must  
17 place an ongoing focus on employee and team  
18 engagement. To meet the needs of our customers, we  
19 must restore service delivery to full breadth and  
20 capacity, reset customer expectations and experience,  
21 and work to eliminate the service backlogs that we'll  
22 have across our operations.

23           We'll also take time to assess new  
24 service options that have been introduced during the  
25 labour interruption. To sustain critical operations

1 over the past seven (7) weeks, we have implemented  
2 solutions that have helped provide key services to  
3 Manitobans.

4                   These include our new online claim form  
5 that streamlines the reporting process for customers,  
6 our partnership with DCC Hail to introduce innovative  
7 hail scanning technology that produces more vehicle  
8 estimates in less time, and modernizing the  
9 appointment process through greater use of automated  
10 responses to customers for cancellations and  
11 rescheduling.

12                   Moving forward, MPI will consider  
13 integrating these options into our day-to-day  
14 processes as we identify opportunities to reduce  
15 stress on our frontline teams and provide them with  
16 opportunities to focus on more value-added tasks.  
17 Above all, we remain committed to keeping rates low  
18 and stable for Manitobans.

19                   MPI has filed its General Rate  
20 Application requesting no rate change, as per the  
21 directive issued by government. However, this  
22 directive does not apply to the Public Utilities  
23 Board, which operates independently and has the  
24 ultimate authority to establish the Basic insurance  
25 rates for the 2024/2025 insurance year.



1                   In conclusion, my remarks have briefly  
2 touched on several of the topics that will be  
3 discussed in great detail over the coming weeks. You  
4 will be hearing from experts across MPI who can  
5 provide full details on our efforts to meet our  
6 financial obligations through fiscal prudence and  
7 responsible investment strategies.

8                   Our actuarial team will speak to the  
9 strength of our forecasting, and our pricing experts  
10 will talk about the benefits of introducing a new  
11 level on the Driver Safety Rating scale next year,  
12 which would further reward Manitoba's safest drivers.

13                   As I've already mentioned, the NOVA  
14 team will give a full update on the status of that  
15 project while others will speak to MPI's efforts to  
16 improve service delivery and the many ways that we are  
17 actively working toward meeting customer needs while  
18 ensuring their experience with us is easy and  
19 effortless.

20                   In closing, I am incredibly proud of  
21 the effort that went into this Application. And I  
22 want to recognize the team across MPI for the  
23 comprehensive, diligent work and overall commitment  
24 that it takes to put together our Application and to  
25 fully prepare for this Hearing, especially with the

1 unique challenges experienced by our organization over  
2 the past seven (7) weeks.

3 I also thank the Board for the  
4 opportunity to speak to you today. I look forward to  
5 the remainder of this Hearing and welcome your  
6 questions. Thank you.

7 MR. ANTHONY GUERRA: Thank you, Ms.  
8 Kacher. No further questions from us.

9 PANEL CHAIRPERSON: Ms. McCandless...?  
10

11 CROSS-EXAMINATION BY MS. KATHLEEN MCCANDLESS:

12 MS. KATHLEEN MCCANDLESS: Thank you.  
13 Good morning again, Ms. Kacher. I am Kathleen  
14 McCandless, Board counsel. And I do have a few  
15 questions for you today.

16 First, do you accept that the  
17 Corporation bears the onus of proof to substantiate  
18 the General Rate Application?

19 MS. MARNIE KACHER: Yes, I do.

20 MS. KATHLEEN MCCANDLESS: And that  
21 means that the Corporation bears the onus of  
22 establishing that the proposed rates or fees, in this  
23 case, no overall rate change, are just and reasonable?

24 MS. MARNIE KACHER: Yes.

25 MS. KATHLEEN MCCANDLESS: Another way

1 of stating the test is that the rates are to be  
2 actuarially sound and statistically driven?

3 MS. MARNIE KACHER: Yes, that's  
4 correct.

5 MS. KATHLEEN MCCANDLESS: Thank you.  
6 I have some questions about your remarks in the MPI  
7 Annual Report, and that's -- thank you, Kristen --  
8 well ahead of me. That's AR Appendix 3 and MPI  
9 Exhibit number 10.

10 And if we're just looking at the -- the  
11 paragraph right in the centre of the page on the left  
12 column, there's a comment here about high inflationary  
13 pressure experienced in 2022/'23 and continuing into  
14 2023/'24?

15 MS. MARNIE KACHER: Yes.

16 MS. KATHLEEN MCCANDLESS: And that has  
17 negatively affected overall expenses, including  
18 operating and claims costs, but the Corporation  
19 remains in good shape overall?

20 MS. MARNIE KACHER: Yes, that's  
21 correct.

22 MS. KATHLEEN MCCANDLESS: Can you just  
23 elaborate on the inflationary pressures that are faced  
24 by the Corporation at this time?

25 MS. MARNIE KACHER: Yes. Again, our

1 overall expenses. So it would include contracts that  
2 we have with our service providers, as an example,  
3 where we're renegotiating those contracts, cost for  
4 services that we purchase, and claims costs, as well.

5 MS. KATHLEEN MCCANDLESS: With the  
6 increased population of electric vehicles, does the  
7 Corporation have any comment on the impact on claims  
8 cost to repair these types of vehicles?

9 MS. MARNIE KACHER: I do not have a  
10 comment on that today, no.

11 MS. KATHLEEN MCCANDLESS: Okay. The  
12 second column, there's a mention of backlogs in  
13 repairs. We'll see it on the right-hand side of the  
14 screen, middle of the first paragraph there. It says:

15 "Moreover, as repair facilities  
16 experienced backlogs that led to  
17 increased wait times for repairs..."

18 MS. MARNIE KACHER: Yes.

19 MS. KATHLEEN MCCANDLESS: Does MPI  
20 continue to have challenges with backlogs for repairs?

21 MS. MARNIE KACHER: Yes. The repair  
22 shops remain exceptionally busy.

23 MS. KATHLEEN MCCANDLESS: And can you  
24 explain why that's the case?

25 MS. MARNIE KACHER: A couple of things

1 happening there. Part of it is supply chain  
2 disruptions. And so, as they're ordering parts for  
3 repairs, that continues to -- to have some delays that  
4 they're experiencing; a large of amount of work that  
5 is in their backlogs; as well as they also have some  
6 challenges in terms of recruiting and retaining staff.

7 MS. KATHLEEN MCCANDLESS: Thank you.  
8 There is mention of -- next paragraph down -- about  
9 strategies to address catalytic converter thefts.

10 MS. MARNIE KACHER: Yes.

11 MS. KATHLEEN MCCANDLESS: And does MPI  
12 still see those thefts increasing? Has that  
13 stabilized, declined?

14 MS. MARNIE KACHER: It's declined.

15 MS. KATHLEEN MCCANDLESS: And can you  
16 elaborate on the reasons why that may have declined?

17 MS. MARNIE KACHER: There's a couple  
18 of things I believe that led to the decline. One (1)  
19 is educating consumers in terms of things that they  
20 can do to protect their catalytic converters.

21 There's a program that was introduced  
22 which allowed the engraving of vehicle identification  
23 numbers on catalytic converters to make it more  
24 difficult for people to steal and sell.

25 There was some legislation that was

1 passed making it, again, more difficult to sell  
2 illegally obtained catalytic converters. And the  
3 police had some success in identifying the individuals  
4 who were participating in that activity.

5 MS. KATHLEEN MCCANDLESS: Thank you.  
6 And does the Corporation see any emerging trends or  
7 issues in loss prevention, issues such as catalytic  
8 converters or theft, at this time?

9 MS. MARNIE KACHER: We continue to  
10 watch thefts closely. Other jurisdictions have seen  
11 some larger increases in thefts. We've seen -- our  
12 numbers are -- are not quite the same in terms of  
13 vehicles leaving through ports. But we continue to  
14 watch theft and other loss prevention items closely.

15 MS. KATHLEEN MCCANDLESS: Thank you.  
16 Going back to the left-hand side of the screen, the  
17 middle paragraph there, there's a mention of MPI's  
18 Capital Management Plan employing the minimum capital  
19 test to ensure appropriate capitalization for all  
20 business lines in a manner that promotes rate  
21 stability.

22 MS. MARNIE KACHER: Yes.

23 MS. KATHLEEN MCCANDLESS: If we go to  
24 the October 4th update, that's MPI Exhibit 50, at the  
25 very bottom of the page, we see now a change in the

1 MCT ratio for 2022/23 actual.

2 MS. MARNIE KACHER: Yes.

3 MS. KATHLEEN MCCANDLESS: It's now  
4 135.5 percent?

5 MS. MARNIE KACHER: Yes. That's  
6 correct.

7 MS. KATHLEEN MCCANDLESS: And so,  
8 clearly, above the 120 percent?

9 MS. MARNIE KACHER: Yes.

10 MS. KATHLEEN MCCANDLESS: Does the  
11 Corporation have any intention of applying for a  
12 capital rebate, given where the MCT was at?

13 MS. MARNIE KACHER: Not at this time.  
14 This will be further discussed and explained by our  
15 Capital Management Panel.

16 MS. KATHLEEN MCCANDLESS: Are you able  
17 to provide, just at a high level, what the rationale  
18 is?

19 MS. MARNIE KACHER: Yes. MPI proposed  
20 that the rebate -- any application for a rebate or  
21 consideration of that would be based on the actual  
22 MCT.

23 So for this Application, that would  
24 have been at March 31st, 2023, under IFRS-4. Our  
25 financial statements had to be re-stated on April 1st,

1 2023 due to new financial standards, IFRS-17.

2                   And so, under the new standard -- only  
3 under that new standard would our MCT have been above  
4 120 percent. However, that adoption of the new  
5 standard is still underway and those numbers aren't  
6 audited and so are still subject to change.

7                   And I know our Capital Management Plan  
8 will -- will do a much better job of describing that  
9 in detail.

10                   MS. KATHLEEN MCCANDLESS: Thank you.  
11 Now, could we please go to PUB/MPI-2-52, appendix 2?  
12 This is the redacted version.

13                   And Ms. Kacher, this is a schedule  
14 depicting top corporate risks for MPI?

15                   MS. MARNIE KACHER: Yes, that's  
16 correct.

17                   MS. KATHLEEN MCCANDLESS: And on the  
18 left-hand side, we see that the risk categories -- so  
19 risk name?

20                   MS. MARNIE KACHER: Yes.

21                   MS. KATHLEEN MCCANDLESS: I'm looking  
22 at the very bottom of the screen, at inflation risk.

23                   MS. MARNIE KACHER: Yes.

24                   MS. KATHLEEN MCCANDLESS: And we see  
25 here that at Q1 for fiscal year '23/'24, the



1 Corporation does not view inflation as a top corporate  
2 risk?

3 MS. MARNIE KACHER: Yes, that's  
4 correct.

5 MS. KATHLEEN MCCANDLESS: What  
6 strategies has MPI been employing to address inflation  
7 risk then?

8

9 (BRIEF PAUSE)

10

11 MS. MARNIE KACHER: Primarily, our  
12 bond overlay strategy, which will be presented in  
13 greater detail by one of our panels as well.

14 MS. KATHLEEN MCCANDLESS: Pardon me.  
15 Are you a member of the investment committee working  
16 group?

17 MS. MARNIE KACHER: Yes, I am.

18 MS. KATHLEEN MCCANDLESS: Has the  
19 Corporation completed its inflation hedging strategy?

20

21 (BRIEF PAUSE)

22

23 MS. MARNIE KACHER: So to respond to  
24 your question, it is not yet fully implemented. But  
25 the implementation is underway.

1                   And again, our Investment Panel will be  
2 able to speak to that in more detail.

3                   MS. KATHLEEN MCCANDLESS:   Thank you.  
4 You mentioned, in your comments, that because of a  
5 labour interruption there have been delays in  
6 discovery for release 3 for NOVA, as well as release  
7 2.

8                   MS. MARNIE KACHER:    Yes, that's  
9 correct.

10                  MS. KATHLEEN MCCANDLESS:   And so, one  
11 would expect then that the project time line for NOVA  
12 will be affected by the labour interruption?

13                  MS. MARNIE KACHER:    It is definitely  
14 possible that the December 2025 time frame may need to  
15 be extended.

16                  MS. KATHLEEN MCCANDLESS:   And at this  
17 -- at this time, is the Corporation able to say the  
18 extent to which there might be a change?

19                  MS. MARNIE KACHER:    Not at this time.  
20 We're still assessing and will be taking some time to  
21 do some additional planning. We have key resources  
22 that have been allocated to core and essential  
23 customer service functions.

24                  And so, our focus will be on restoring  
25 customer service levels and clearing the backlogs that

1 have been created by labour disruption.

2 And so, work is underway to determine  
3 those impacts with, again, the potential that that  
4 time frame may need to be revisited.

5 MS. KATHLEEN MCCANDLESS: Is another  
6 re-baseline a possibility?

7 MS. MARNIE KACHER: Definitely re-  
8 planning. And whether there will be an impact to the  
9 budget, right now we're still working within the \$290  
10 million.

11 MS. KATHLEEN MCCANDLESS: Are there  
12 any updates on the Project NOVA governance review by  
13 MNP?

14 MS. MARNIE KACHER: So the governance  
15 vendor has now started their work. We don't have  
16 their initial work products though. They're still  
17 developing those.

18 MS. KATHLEEN MCCANDLESS: Is there a  
19 target date for delivery of the report?

20 MS. MARNIE KACHER: I'm expecting that  
21 they'll have some material to share with our Board of  
22 Directors at our November technology meeting.

23 MS. KATHLEEN MCCANDLESS: What date is  
24 that?

25 MS. MARNIE KACHER: It's currently

1 scheduled for November 9.

2 MS. KATHLEEN MCCANDLESS: And have you  
3 had an opportunity to meet with MNP to discuss the  
4 Project NOVA governance as yet?

5 MS. MARNIE KACHER: I haven't met with  
6 them specifically, no.

7 MS. KATHLEEN MCCANDLESS: Now, with  
8 respect to the labour interruption, you mentioned that  
9 there are service delays caused by the labour  
10 interruption.

11 Can you just elaborate on what those  
12 delays are?

13 MS. MARNIE KACHER: Absolutely. So it  
14 varies depending on which service it is. So we have -  
15 - we're continuing to do work on things like adjusting  
16 claims, but our capacity is lower than it normal would  
17 be. And so, it's taking us longer to go through and -  
18 - and provide those services.

19 Other services like driver abstracts,  
20 for example, require certain system skills. And so,  
21 again, we have few people with those skill sets. It's  
22 taking us longer to generate things like driver  
23 abstracts.

24 So it depends a little bit on which  
25 part of the business you're looking at.

1 MS. KATHLEEN MCCANDLESS: Now, in  
2 terms of forecasting compensation, given the current  
3 circumstances, I do have some questions about the  
4 expenses information that's in the filing.

5 And first would be Figure EXP-10.

6 MS. MARNIE KACHER: Yes.

7 MS. KATHLEEN MCCANDLESS: And this  
8 figure shows the economic increases negotiated for in-  
9 scope staff up to the period of 2022.

10 MS. MARNIE KACHER: Yes.

11 MS. KATHLEEN MCCANDLESS: Now, you  
12 gave an update on the labour interruption.

13 Has -- MPI is negotiating with its in-  
14 scope staff for the period from September 2022 to  
15 2026?

16 MS. MARNIE KACHER: To 2025. 2022 to  
17 -- 2026, sorry, yes. You're right. It's the four (4)  
18 year period, starting in 2022.

19 MS. KATHLEEN MCCANDLESS: And so,  
20 again, could you just reiterate where things are at in  
21 the negotiations?

22 MS. MARNIE KACHER: MPI has extended  
23 an offer, which we believe fairly balances the needs  
24 of employees with our obligations to ratepayers.

25 That offer has not been taken to the

1 members for a vote at this point in time. So contract  
2 negotiations have not yet concluded.

3 MS. KATHLEEN MCCANDLESS: Does MPI  
4 know when that offer will go to the members for a  
5 vote?

6 MS. MARNIE KACHER: No, we do not.  
7 That would be union leadership to determine.

8 MS. KATHLEEN MCCANDLESS: Given the  
9 status of the current negotiations, how reliable is  
10 this forecast for -- for the contract period?

11 MS. MARNIE KACHER: It's likely that  
12 the forecast would need to change, pending negotiation  
13 outcomes.

14 MS. KATHLEEN MCCANDLESS: And by  
15 change, I would expect that would be an increase based  
16 on what's been discussed?

17 MS. MARNIE KACHER: Most likely, yes.

18 MS. KATHLEEN MCCANDLESS: Now, if we  
19 could go to Figure EXP -- EXP Appendix 12. And so  
20 this is the Corporation's Corporate Annual  
21 Compensation Changes.

22 MS. MARNIE KACHER: Yes.

23 MS. KATHLEEN MCCANDLESS: At line 9,  
24 we can see a percentage change from 2022/'23 to  
25 2023/'24 of 13.5 percent.

1 MS. MARNIE KACHER: Yes, that's  
2 correct.

3 MS. KATHLEEN MCCANDLESS: Is there a  
4 potential that this analysis will be adjusted based on  
5 the outcome of the negotiations?

6  
7 (BRIEF PAUSE)

8  
9 MS. MARNIE KACHER: Could you please  
10 repeat the question?

11 MS. KATHLEEN MCCANDLESS: Yes, is  
12 there a potential that the increase, the percentage  
13 increase that we see at line 9 for total compensation,  
14 13.5 percent, could change based on the outcome of the  
15 negotiations?

16 MS. MARNIE KACHER: Yes, there's  
17 potential.

18 MS. KATHLEEN MCCANDLESS: And,  
19 directionally, would that be -- that -- that would be  
20 increase?

21 MS. MARNIE KACHER: That would likely  
22 be an increase.

23 MS. KATHLEEN MCCANDLESS: Now, just  
24 briefly on the issue of transfers from Extension to  
25 Driver and Vehicle Administration.

1                   The document that's on the screen now  
2 is RSR Appendix 4 and it shows historical transfers  
3 from retained earnings to DVA and to Basic from 2004  
4 to 2005 to 2022/'23. Yes?

5                   MS. MARNIE KACHER: Yes.

6                   MS. KATHLEEN MCCANDLESS: And we see a  
7 total of \$117 million in transfers in 2020/'21 and  
8 2021/'22 from --

9                   MS. MARNIE KACHER: Yes, that's  
10 correct.

11                   MS. KATHLEEN MCCANDLESS: -- Extension  
12 to DVA. And that was to cover an ongoing deficit in  
13 the Driver and Vehicle Administration line?

14                   MS. MARNIE KACHER: Yes.

15                   MS. KATHLEEN MCCANDLESS: Okay. The  
16 Board has heard in previous hearings about  
17 negotiations with the government to increase funding  
18 to that line of business to cover the deficit.

19                   Can you provide an update?

20                   MS. MARNIE KACHER: Discussions with  
21 the government on DVA funding sustainability are  
22 ongoing.

23                   MS. KATHLEEN MCCANDLESS: And is there  
24 any expectation that the nature of the discussions  
25 will change based on the change in government?



1 MS. MARNIE KACHER: I wouldn't be able  
2 to comment on that.

3 MS. KATHLEEN MCCANDLESS: Lastly, with  
4 respect to the organizational review, which you  
5 mentioned in your comments, I gather it's on track to  
6 be delivered by December 31, 2023?

7 MS. MARNIE KACHER: Yes, there's some  
8 pressure on the timeline, but it is on track.

9 MS. KATHLEEN MCCANDLESS: Will the  
10 report be made public?

11 MS. MARNIE KACHER: The statement of  
12 work calls for the report to be provided to our Board  
13 and to the Minister responsible for MPI. So, it does  
14 not call for the document to be public. We would  
15 require permission to make it so.

16 MS. KATHLEEN MCCANDLESS: You'd  
17 require permission from the report author or from --  
18 for -- from the Minister?

19 MS. MARNIE KACHER: From the Minister  
20 I believe.

21 MS. KATHLEEN MCCANDLESS: And finally,  
22 if you could just elaborate somewhat on how the  
23 Corporation has been affected by the extent of the  
24 change at the executive level and the Board, since the  
25 last GRA hearing.

1 MS. MARNIE KACHER: There's definitely  
2 been a lot of -- a lot of change that has happened,  
3 both at the Board and at the executive level, as you  
4 have identified.

5 I think that what we have seen is that  
6 our Board has made a very strong point of making sure  
7 that the leadership of MPI knows what the Board's  
8 priorities are and I spoke to those in the opening  
9 statement today.

10 And so, we've had that clarity and that  
11 focus. And I think everybody is very committed to --  
12 to achieving the priorities that the Board has set  
13 forth for us, in spite of all of the changes.

14 MS. KATHLEEN MCCANDLESS: Thank you.  
15 I don't have any further questions.

16 PANEL CHAIRPERSON: Thank you, Ms.  
17 McCandless. Ms. Dilay...?

18 MS. KATRINE DILAY: Thank you, Madam  
19 Chair.

20

21 CROSS-EXAMINATION BY MS. DILAY:

22 MS. KATRINE DILAY: Good morning, Ms.  
23 Kacher. My name is Katrine Dilay and I'm legal  
24 counsel to CAC (Manitoba), The Consumers Association -  
25 - Association of Canada, Manitoba Branch.

1 MS. MARNIE KACHER: Good morning.

2 MS. KATRINE DILAY: I have a few  
3 questions for you this morning and I'll start with  
4 some relatively general questions.

5 At a high level, you'll agree that  
6 inflation in the recent couple of years has been  
7 higher than in the years just before?

8 MS. MARNIE KACHER: Yes.

9 MS. KATRINE DILAY: And you'll also  
10 agree that interest rates have gone up in the last  
11 couple of years?

12 MS. MARNIE KACHER: Yes.

13 MS. KATRINE DILAY: And you'll agree  
14 that both higher inflation and higher interest rates  
15 have had an impact on the cost of living for  
16 Manitobans?

17 MS. MARNIE KACHER: Yes.

18 MS. KATRINE DILAY: In the sense that  
19 the cost of living is higher, correct?

20 MS. MARNIE KACHER: Yes, that's  
21 correct.

22 MS. KATRINE DILAY: And that would  
23 include transportation costs?

24 MS. MARNIE KACHER: Yes.

25 MS. KATRINE DILAY: That would include

1 housing costs?

2 MS. MARNIE KACHER: Yes.

3 MS. KATRINE DILAY: And that would  
4 also include the cost of other necessities, such as  
5 groceries?

6 MS. MARNIE KACHER: Yeah.

7 MS. KATRINE DILAY: And you'll agree  
8 that when the cost of necessities rise, without a  
9 corresponding rise in salaries, this means that  
10 consumers, in general, have to make choices regarding  
11 what they spend their money on?

12 MS. MARNIE KACHER: Yeah.

13 MS. KATRINE DILAY: And you'll agree  
14 that MPI is a Crown Corporation created by  
15 legislation?

16 MS. MARNIE KACHER: Yes, that's  
17 correct.

18 MS. KATRINE DILAY: And you'll agree  
19 that as per legislation, MPI is a monopoly for the  
20 provision of Basic insurance product.

21 MS. MARNIE KACHER: Yes.

22 MS. KATRINE DILAY: And, as a result  
23 of being a monopoly for these services, Manitobans  
24 have no other choice but to purchase Basic insurance  
25 from MPI. Correct?

1 MS. MARNIE KACHER: Yes, that's  
2 correct.

3 MS. KATRINE DILAY: In other words,  
4 MPI does not compete with other service providers for  
5 the provision of Basic insurance products? Correct?

6 MS. MARNIE KACHER: Correct.

7 MS. KATRINE DILAY: And, so you'll  
8 agree that customers do not have to compare the  
9 various products and services of multiple companies  
10 and make a choice of where to purchase their Basic  
11 insurance. Correct?

12 MS. MARNIE KACHER: Correct.

13 MS. KATRINE DILAY: And you'll agree  
14 that rates for MPI are regulated by the Public  
15 Utilities Board?

16 MS. MARNIE KACHER: Yes, that's  
17 correct.

18 MS. KATRINE DILAY: And, I'll just  
19 clarify, rates for Basic insurance provided by MPI.  
20 Correct?

21 MS. MARNIE KACHER: Yeah.

22 MS. KATRINE DILAY: Thank you. And  
23 this means that the PUB reviews MPI's rates for Basic  
24 insurance every year and decides what level is just  
25 and reasonable. Correct?

1 MS. MARNIE KACHER: Yes.

2 MS. KATRINE DILAY: And, generally,  
3 you'll agree that the PUB reviews similar issues in  
4 rate hearings relative to MPI from year to year?

5 MS. MARNIE KACHER: Yes.

6 MS. KATRINE DILAY: And you'll agree  
7 that this provides continuity for ratepayers of MPI?

8 MS. MARNIE KACHER: Yes.

9 MS. KATRINE DILAY: And it also  
10 provides stability for ratepayers?

11 MS. MARNIE KACHER: Yes.

12 MS. KATRINE DILAY: And you'll agree  
13 that as a Crown Corporation, MPI must be accountable  
14 to Manitobans?

15 MS. MARNIE KACHER: Yes, I agree.

16 MS. KATRINE DILAY: And one way in  
17 which MPI can be accountable to Manitobans is by  
18 opening its books in PUB hearings?

19 MS. MARNIE KACHER: Yes.

20 MS. KATRINE DILAY: And you'll agree  
21 that money spent by MPI on a specific project is then  
22 not available to spend on another project. Correct?

23 MS. MARNIE KACHER: Yes.

24 MS. KATRINE DILAY: And those funds  
25 are also not available to reduce premiums?

1 MS. MARNIE KACHER: Correct.

2 MS. KATRINE DILAY: And those funds  
3 are also not available to issue a rebate to customers.  
4 Correct?

5 MS. MARNIE KACHER: Correct.

6 MS. KATRINE DILAY: And you'll agree  
7 that the majority of MPI funds come from MPI  
8 ratepayers?

9 MS. MARNIE KACHER: Yeah.

10 MS. KATRINE DILAY: And a certain  
11 amount of MPI funds come from investment income.  
12 Correct?

13 MS. MARNIE KACHER: Correct.

14 MS. KATRINE DILAY: And, so at a high  
15 level, you will agree that Manitobans look to MPI to  
16 demonstrate value for the money it spends. Correct?

17 MS. MARNIE KACHER: Yes.

18 MS. KATRINE DILAY: And you'll agree  
19 that as a Crown Corporation, MPI must be transparent?

20 MS. MARNIE KACHER: Yes, I agree.

21 MS. KATRINE DILAY: And one way in  
22 which MPI can be transparent is by sharing information  
23 about its finances and its activities in PUB hearings?

24 MS. MARNIE KACHER: Yeah.

25 MS. KATRINE DILAY: And you'll confirm

1 your understanding that the Public Utilities Board  
2 regulates in the public interest?

3 MS. MARNIE KACHER: Yes.

4 MS. KATRINE DILAY: And it does this  
5 by approving rates that consider both the impact to  
6 ratepayers and financial requirements of the Utility?

7 MS. MARNIE KACHER: Yes.

8 MS. KATRINE DILAY: You'll agree that  
9 over the last two (2) years, MPI has experienced  
10 significant turnover in its executive office?

11 MS. MARNIE KACHER: Yes.

12 MS. KATRINE DILAY: And one (1)  
13 example is that Mr. Eric Herbelin, the CEO was let go  
14 in May of 2023?

15 MS. MARNIE KACHER: That's correct.

16 MS. KATRINE DILAY: And Mr. Siddhartha  
17 Parti, MPI's former Chief -- Chief Information and  
18 Technology Officer resigned?

19 MS. MARNIE KACHER: Yes.

20 MS. KATRINE DILAY: And at the Board  
21 level, the Chair of the MPI Board, Dr. Michael  
22 Sullivan resigned in May, 2023?

23 MS. MARNIE KACHER: Yes, that's  
24 correct.

25 MS. KATRINE DILAY: And was replaced



1 by Mr. Ward Keith?

2 MS. MARNIE KACHER: Yes.

3 MS. KATRINE DILAY: And you'll also  
4 agree that the overall staff turnover rate at MPI has  
5 been higher than average in the last two (2) years?

6 MS. MARNIE KACHER: Yes, that's  
7 correct.

8 MS. KATRINE DILAY: Subject to check,  
9 it was more than 6 percent in the last fiscal year?

10 MS. MARNIE KACHER: Subject to check,  
11 yeah.

12 MS. KATRINE DILAY: And subject to  
13 check, over 9 percent in this fiscal year to date?

14 MS. MARNIE KACHER: Yeah.

15 MS. KATRINE DILAY: And you'll agree  
16 that the Government of Manitoba ordered an external  
17 organizational review of MPI?

18 MS. MARNIE KACHER: That's correct.

19 MS. KATRINE DILAY: And you'll confirm  
20 that this review was ordered as a result of concerns  
21 raised regarding MPI's expenditures in the last rate  
22 hearing?

23 MS. MARNIE KACHER: I would say that  
24 there are a couple of reasons that it was ordered, but  
25 that would have been one of the reasons. Yes. Thank

1 you.

2 MS. KATRINE DILAY: And concerns  
3 regarding MPI's expenditures in the last rate hearing  
4 were raised by both the PUB, as well as Minister  
5 Goertzman?

6 MS. MARNIE KACHER: Yes.

7 MS. KATRINE DILAY: And you'll agree  
8 that pending the results of this governmental review,  
9 the government has ordered MPI not to request any rate  
10 changes?

11 MS. MARNIE KACHER: That's correct.

12 MS. KATRINE DILAY: Ms. Schubert,  
13 could we go to the IR CAC/MPI 2-13.

14 And if we just look at the question  
15 before us, Ms. Kacher, you'll agree that Part B of the  
16 question asks for a description of the public  
17 consultation and stakeholder engagement to be  
18 conducted by Ernst and Young in conducting the  
19 organizational review?

20 MS. MARNIE KACHER: Yes.

21 MS. KATRINE DILAY: And if we go to  
22 the next page, in response to Part B, you'll agree  
23 that, the first sentence -- in the first sentence, MPI  
24 responded that its organizational review does not  
25 contemplate consultation with external stakeholders?

1 MS. MARNIE KACHER: That's correct.

2 MS. KATRINE DILAY: And, perhaps, we  
3 could turn to the Order in Council from government  
4 which, Ms. Schubert, it was cited in a footnote, but  
5 Ms. Schubert, of course, already has it on the screen.  
6 Thank you. And could we go, Ms. Schubert, to pdf,  
7 page 4, so the last page and if we look at Part A,  
8 under Directive. You see that, Ms. Kacher?

9 MS. MARNIE KACHER: I do.

10 MS. KATRINE DILAY: And so you'll  
11 agree that the government directed MPI to enter into  
12 an agreement with an independent third party  
13 identified by a competitive procurement process to  
14 conduct an organizational review of the Corporation?

15 MS. MARNIE KACHER: Yes.

16 MS. KATRINE DILAY: And that the form  
17 and content of the agreement were to be approved in  
18 advance by the Minister responsible for the  
19 Corporation?

20 MS. MARNIE KACHER: Yes.

21 MS. KATRINE DILAY: So, the  
22 Corporation was to draft the agreement, which would  
23 then be reviewed by government. Correct?

24 MS. MARNIE KACHER: Correct.

25 MS. KATRINE DILAY: And the

1 Corporation would have drafted the request for  
2 proposals as part of the competitive procurement  
3 process. Correct?

4 MS. MARNIE KACHER: Yes.

5 MS. KATRINE DILAY: And, Ms. Schubert,  
6 if we could go back to page 3 of the pdf, under  
7 Application and Scope.

8 Ms. Kacher, if you take a look at Part  
9 B, you'll agree that one of the items contemplated as  
10 part of the -- the scope of the organizational review  
11 in the Order in Council is an examination of the  
12 allocation of resources across the Corporation's lines  
13 of business, including future growth of staffing  
14 complement to improve service delivery?

15 MS. MARNIE KACHER: Yes, that's  
16 correct.

17 MS. KATRINE DILAY: And, at a high  
18 level, you'll agree that future growth of staffing  
19 complement contributes to MPI's overall revenue  
20 requirement?

21 MS. MARNIE KACHER: Yes.

22 MS. KATRINE DILAY: And, therefore,  
23 has an impact on MPI rates for service. Correct?

24 MS. MARNIE KACHER: Yes.

25 MS. KATRINE DILAY: And if we look at

1 Part D, under Application and Scope, you'll agree that  
2 another item contemplated in the Order in Council is  
3 an analysis of operational expenditures, including the  
4 allocation of costs across the Corporation's lines of  
5 business?

6 MS. MARNIE KACHER: Yes.

7 MS. KATRINE DILAY: And you'll agree  
8 that operational expenditures have a direct impact on  
9 MPI's overall revenue requirement. Correct?

10 MS. MARNIE KACHER: Correct.

11 MS. KATRINE DILAY: And, therefore,  
12 has an impact on rates for service?

13 MS. MARNIE KACHER: Yes.

14 MS. KATRINE DILAY: And, if we look at  
15 the next page, Ms. Schubert, Part F.

16 You'll agree that another item  
17 contemplated by this Order in Council is consideration  
18 of the Corporation's processes and procedures for  
19 developing forecasts and projections, preparing  
20 reports, and undertaking evaluations regarding  
21 individual programs, lines of business, and the  
22 organization overall?

23 MS. MARNIE KACHER: Yes.

24 MS. KATRINE DILAY: And you'll agree  
25 that forecasts and projections have a direct impact on

1 MPI's future revenue requirement. Correct?

2 MS. MARNIE KACHER: Yes.

3 MS. KATRINE DILAY: And, therefore,  
4 has an impact on rates for service?

5 MS. MARNIE KACHER: Yes.

6 MS. KATRINE DILAY: And you will  
7 confirm that the PUB is the independent tribunal that  
8 regulates MPI's rates for service?

9 MS. MARNIE KACHER: Yes.

10 MS. KATRINE DILAY: And you'll confirm  
11 that even though many of the issues that were  
12 contemplated in this Order in Council go to the heart  
13 of the PUB's rate regulation authority, MPI is not  
14 contemplating consultation with external stakeholders  
15 as part of the organizational review. Correct?

16 MS. MARNIE KACHER: That is correct.

17 MS. KATRINE DILAY: And, presumably,  
18 that is because MPI does not think that external  
19 stakeholders would have anything to add to the  
20 organizational review?

21

22 (BRIEF PAUSE)

23

24 MS. MARNIE KACHER: Would I be able to  
25 ask for CAC 2-13 to -- to be pulled up for us? Some

1 of that response is similar to -- to what we'll be  
2 sharing here.

3                   So, when we reviewed the Order in  
4 Council, it didn't contemplate public consultation and  
5 so the statement of work with the consultant also  
6 didn't contemplate public consultation.

7                   As part of the materials that are being  
8 provided and that the consultant is reviewing, many of  
9 them are very similar or are the materials that we  
10 share with the Public Utilities Board and, in terms of  
11 having Public Utilities Board input, insight, and  
12 feedback, the org. review doesn't impact the hearing  
13 process where we still have the opportunity to -- to  
14 get the Board's insight.

15                   MS. KATRINE DILAY: Thank you, Ms.  
16 Kacher. Those are all my questions for Ms. Kacher  
17 this morning.

18                   PANEL CHAIRPERSON: Thank you, Ms.  
19 Dilay. Ms. Meek...?

20                   MS. CHARLOTTE MEEK: I have no  
21 questions for Ms. Kacher. Thank you.

22                   PANEL CHAIRPERSON: Thank you. Ms.  
23 Wittman...?

24                   MS. KAREN WITTMAN: Thank you. I have  
25 no questions.

1 PANEL CHAIRPERSON: Yes. Ms.  
2 Boulter...?

3 BOARD MEMBER BOULTER: Hi. I have two  
4 (2) questions. Right now, are non-management  
5 positions at MPI compensated at a comparable or higher  
6 rate than those of the comparable jobs in the  
7 government and to the MGU (phonetic)?

8

9 (BRIEF PAUSE)

10

11 MS. MARNIE KACHER: I'm sorry, but I  
12 don't have detail to answer that question here today.  
13 I know it'll be explored, probably a little bit more,  
14 in the Financial Forecasting Panel as well.

15 BOARD MEMBER BOULTER: Okay. Thank  
16 you very much. And the other question that will  
17 probably -- I pose to you is that, currently, an  
18 employee with MPI that starts is entitled to merit  
19 increase every year for six (6) years, then tops out,  
20 and, then, of course, you're in the middle of colon  
21 (sic) negotiations right now, as well.

22 But I was intrigued by something that I  
23 read in Round One of CAC questions, page 158, that MPI  
24 does not pay bonuses but then, it goes on to add:

25 "Those at the maximum salary range



1                   are eligible for a lump-sum merit,  
2                   if they receive high performance  
3                   rating."

4                   That sounds like a bonus to me, just  
5 differential wordings, and I'm wondering how many  
6 employees get that and what the compensation would be  
7 for those employees in that package.

8

9                   (BRIEF PAUSE)

10

11                   MS. MARNIE KACHER:    Can I please ask  
12 you to repeat the question?

13                   BOARD MEMBER BOULTER:    I'm glad I  
14 wrote it down.  According to my understanding, a new  
15 employee would have merit increases once every six (6)  
16 years till they tap out, and then, as they're a new  
17 employee or they're promoted or they're re-  
18 classification, they get those, but then they tap out.

19                   Every year, they're going to be getting  
20 the COLA (phonetic) increases if those have been  
21 negotiated in the agreement, and that's what -- the  
22 process you're in right now.  But then on page 158 of  
23 Round 1 of CAC, in reply to a question, MPI stated  
24 that it does not pay bonuses.

25                   I believe the question was:  Do you pay

1 bonuses?" And it said did not pay bonuses.

2 "Those at the maximum of salary  
3 range are eligible for a lump-sum  
4 merit if they receive high  
5 performance ratings."

6 So my question was: How many people  
7 get that, and what is the -- all right. Let's make it  
8 even more interesting. Make it the average one and  
9 then total aggregate -- total accumulated amount of  
10 all those bonuses that are paid out so.

11 MR. STEVEN SCARFONE: So -- so the  
12 best way to handle that would be by way of an  
13 undertaking. So what we can do is undertake to  
14 provide that information.

15 So just to clarify for the record what  
16 is being sought by way of undertaking is the average  
17 merit performance pay provided to out-of-scope staff?

18 BOARD MEMBER BOULTER: That's correct.  
19 How many got it and how much the total amount is. So  
20 there's (a), (b), (c) there.

21 MR. STEVEN SCARFONE: Is that for the  
22 last fiscal year, or the most recent fiscal year?

23 BOARD MEMBER BOULTER: I don't think  
24 you'd have it for the first -- for the cur -- if you  
25 have it last fiscal year, and if you've been paying it

1 out this year, sure, throw that in, too.

2 MR. STEVEN SCARFONE: No, sorry. I  
3 was just -- in terms of just the last fiscal year as  
4 opposed to more of a range of -- of previous years as  
5 well. So you just want it for the last year?

6 BOARD MEMBER BOULTER: So quickly, if  
7 you want to throw yourself into this question, go  
8 ahead. But I guess I'm just interested in last year.

9 MR. STEVEN SCARFONE: Okay.

10 BOARD MEMBER BOULTER: Okay.

11 MR. STEVEN SCARFONE: Thank you. Yes.  
12 We'll provide the undertaking.

13

14 --- UNDERTAKING NO. 1: MPI to provide the average  
15 merit performance pay  
16 provided to out-of-scope  
17 staff for the last fiscal  
18 year, how many got it, and  
19 total amount.

20

21 PANEL CHAIRPERSON: Mr. Gabor...?

22 BOARD CHAIR GABOR: I'm going to leave  
23 this one up. I'm sort of intrigued by my colleague's  
24 question.

25 What's the difference between a bonus

1 and a lump-sum merit if there's a high enough  
2 performance rating? That's what I thought a bonus is,  
3 but...

4

5 (BRIEF PAUSE)

6

7 MR. STEVEN SCARFONE: It's  
8 complicated, Mr. Gabor.

9 BOARD CHAIR GABOR: Life -- life is,  
10 Mr. Scarfone, but you've got the lead on this one, so.

11 MS. MARNIE KACHER: All right.

12 BOARD CHAIR GABOR: Ms. Kacher...?

13 MS. MARNIE KACHER: Bear with me.  
14 I'll -- I'll do my best.

15 So to clarify, we're talking about out-  
16 of-scope individuals, not in-scope. And so out-of-  
17 scope who are at the top of their salary range may  
18 have the ability to earn merit if their performance  
19 exceeds expectations.

20 As we're talking about the difference  
21 between merit and bonuses, how we were talking about  
22 bonuses in terms of things like profit sharing which  
23 are not necessarily tied to individual performance.  
24 For us, merit is tied to the individual performance.

25 BOARD CHAIR GABOR: Okay. And in-

1 scope, are they entitled to merit?

2 MS. MARNIE KACHER: No, they are not.

3 BOARD CHAIR GABOR: They are not.

4 Okay. Okay. I've got a few other questions.

5 In last year's hearing, Mr. Giesbrecht  
6 -- and I believe the year before -- Mr. Giesbrecht  
7 testified on behalf of the Company, and he took the  
8 position that MPI, under the CMP, would transfer from  
9 Extension to Basic if it exceeded 200 percent MCT as  
10 of March 31st.

11 But if it decided to transfer the funds  
12 to DBD (phonetic) or any other project, it could do so  
13 so long as it did that before March 31st.

14 Is that still the position of the  
15 Corporation?

16

17 (BRIEF PAUSE)

18

19 MS. MARNIE KACHER: Yes.

20 BOARD CHAIR GABOR: Thank you. You  
21 made reference to Project NOVA, and you know the  
22 Board's concerns about Project NOVA and the earlier  
23 projects.

24 I guess the question I have is -- and  
25 I'll put this same question to Mr. Herbelin -- you

1 indicated that the -- the budget put forward is still  
2 the budget, but I would put to you that, in fact, you  
3 -- MPI won't know the budget until release 3 is  
4 completed and tested.

5                   Is that correct, that the budget may  
6 change after release 3 is -- is issued?

7

8                   (BRIEF PAUSE)

9

10                   MS. MARNIE KACHER: I think our next  
11 milestone in terms of the budget for NOVA will be  
12 completing of R-3 discovery. At that point, we'll be  
13 planning out what that work will look like, and we  
14 should have a much better idea at that point if  
15 there's any additional pressure that we didn't  
16 anticipate for -- for the budget.

17                   BOARD CHAIR GABOR: Okay. Thank you.  
18 Given the delays and the cost increases to Project  
19 NOVA over the past few years, can you at a high level  
20 -- we -- I realize that we're going to have the  
21 Project NOVA Panel later in, but can you give us some  
22 idea why we should have con -- more confidence in  
23 Project NOVA this year than has happened in the past?

24                   MS. MARNIE KACHER: I think that we've  
25 definitely been learning as we go along, and we've

1 been trying to capture those lessons and apply them  
2 going forward.

3                   And I think that, as we enter or we  
4 prepare for release 3, we have a number of activities  
5 that we are going to complete to make sure that we're  
6 ready to move on to the next phase.

7                   So there's a number of prerequisites.  
8 There's the discovery planning. So I think, as we get  
9 into the more complicated release, we've definitely  
10 done a lot more to assess and plan the work.

11                   BOARD CHAIR GABOR: Thank you. Those  
12 are my questions.

13                   PANEL CHAIRPERSON: Ms. Nemec...?

14                   BOARD MEMBER NEMEC: Ms. Kacher, I had  
15 -- just to follow up on Mr. Gabor's question on  
16 Project NOVA, staffing -- and we've seen some staffing  
17 changes at the very senior executive level.

18                   And I'm curious as to the staffing  
19 continuity, both internal and the external consulting,  
20 throughout the last year and looking forward as a risk  
21 factor to the Project.

22                   MS. MARNIE KACHER: With -- with  
23 Project NOVA, we have not placed all of our reliance  
24 on only one (1) individual. So, for example, as we  
25 got into May, we started to extend our executive

1 steering columns for the whole executive team so we  
2 can have more of our executive members more engaged in  
3 the project.

4                   We have a lot of individuals who have  
5 been involved in NOVA in various ways even though they  
6 may have changed roles. So you'll hear a little bit  
7 more from the NOVA Panel. You'll continue to see  
8 Shayon Mitra. And he's played various roles but  
9 provides a great amount of continuity, as does our  
10 program director and many of the other individuals who  
11 are involved.

12                   BOARD MEMBER NEMEC: Just as a follow-  
13 up, do you actually track the number of individuals on  
14 Project NOVA, whether they're in different cells of --  
15 of whether it's release 1, release 2, release 3, and  
16 the -- the continuity from beginning of the project to  
17 today and forward?

18

19                   (BRIEF PAUSE)

20

21                   MS. MARNIE KACHER: I don't know that  
22 we've tracked the resources in exactly that way,  
23 particularly where we've had some things that have had  
24 parallel development. So it's not necessarily the  
25 exact same people on release 1 as it will be on



1 release 2, and some of them will be on release 3. So  
2 we haven't tracked individual program participants  
3 that way.

4                   From a leadership perspective though,  
5 you do have people like myself, like our interim CEO,  
6 Jeff Sass, you have Shayon Mitra, where we've been  
7 involved with the project, again, in various  
8 capacities over its -- its history.

9                   BOARD MEMBER NEMEC:   And maybe I put  
10 words in your mouth. You don't see that as a risk,  
11 the actual current employees or consultants as being a  
12 risk factor for continuity of the project?

13                   MS. MARNIE KACHER:   Maybe you could  
14 elaborate on the question. I'm not sure I've caught  
15 what you're --

16                   BOARD MEMBER NEMEC:   For Project NOVA,  
17 as an executive, you do not see the continuity of  
18 staff on the project as an issue going forward?

19                   MS. MARNIE KACHER:   So I think  
20 continuity of people on the project is something that  
21 we need to pay close attention to. I think it sort  
22 of varies depending on the roles that individuals are  
23 playing.

24                   So, for example, the development  
25 resources may be have less of a need for continuity as

1 there may be at the leadership level. I don't know if  
2 that quite answers your question though, Susan.

3 BOARD MEMBER NEMEC: That's okay.  
4 I'll -- I'll continue to another question. You  
5 mentioned -- I believe you mentioned that there are  
6 seventeen hundred (1,700) unionized employees on  
7 strike.

8 MS. MARNIE KACHER: Yes.

9 BOARD MEMBER NEMEC: And you also  
10 mentioned that this has impacted the release of, I  
11 believe, release 2 and the discovery portion of  
12 release 3.

13 MS. MARNIE KACHER: Yes.

14 BOARD MEMBER NEMEC: I'm just curious  
15 as to do you have an idea of how many of those  
16 seventeen hundred (1,700) were -- of those seventeen  
17 hundred (1,700) on strike were part of release 2 and  
18 release 3, or was it that you re-employed people to  
19 cover positions that impacted service to your  
20 customers?

21 MS. MARNIE KACHER: It's both of those  
22 pieces. So we do have some individuals who are out on  
23 strike right now who are part of Project NOVA. And  
24 then there are other out-of-scope staff who we have  
25 redeployed to help us deliver critical services to

1 customers. I don't have the exact number though.

2 BOARD MEMBER NEMEC: Okay. Thank you.

3 One (1) final question. And -- and it sounds like you  
4 had to work with a lot of partners to find different  
5 ways to actually deliver service.

6 Are any of those -- or is it one (1) of  
7 the -- maybe when you look back and -- and see what  
8 happened, will you be looking back to say was anything  
9 that you partnered looking as to be maybe a more  
10 efficient delivery mechanism in the future, has -- any  
11 early insights to that?

12 MS. MARNIE KACHER: I think, as we  
13 come out of labour interruption, we'll definitely be  
14 asking ourselves those questions to see what we've  
15 learned and what we can apply going forward.

16 And I think it's too early for me to --  
17 to say at this -- at this stage, but that is something  
18 that we will look at and, again, kind of in  
19 conjunction with whatever the terms of our -- our  
20 collective agreement are for work available to the  
21 bargaining unit.

22 BOARD MEMBER NEMEC: That's it. Thank  
23 you.

24 PANEL CHAIRPERSON: Mr. Bass...?

25 BOARD MEMBER BASS: There's two (2)

1 areas I wanted to explore. The first one was you had  
2 mentioned earlier about a profit sharing program.

3 Does MPI have a profit sharing program?

4 MS. MARNIE KACHER: No, we don't.

5 BOARD MEMBER BASS: Well, that was  
6 quick. The second area is a philosophical question.

7 So, earlier this morning, we were  
8 hearing about cross-subsidization. And I -- I don't  
9 want to get into the specific area necessarily. I  
10 want to explore it at a higher level. But it caused  
11 me to think about the essence of insurance being a  
12 pool of individuals who have gotten together to share  
13 risks subject to certain underwriting rules, right?

14 MS. MARNIE KACHER: Yes.

15 BOARD MEMBER BASS: Okay. And then I  
16 -- I sat back, and I take notice of the fact that in  
17 the early 1970s, when MPI was being set up, one (1) of  
18 the arguments to have a public insurer was to reduce  
19 rates, particularly, for drivers who were at either  
20 end of the experience spectrum, older drivers as  
21 opposed to younger drivers, and there -- there could  
22 be some relief with respect to that.

23 So I'd be interested in your -- your  
24 views on the -- the philosophy with respect to that  
25 sort of cross-subsidization in property and casualty

1 insurance and, specifically, whether insurance is, in  
2 essence, a cross-subsidization anyways.

3

4 (BRIEF PAUSE)

5

6 BOARD MEMBER BASS: And just to be  
7 clear, when I said "your views," I mean MPI's views.

8 MS. MARNIE KACHER: Thank you for that  
9 clarification. I think, you know, you've described  
10 insurance well in terms of that -- that pool of risk,  
11 and certainly agree with that.

12 I think kind of how we approach rates  
13 is based on our -- our actuarial best practices. And  
14 -- and so I think maybe this is best for me to defer  
15 to Ms. Cara Low and -- and her team.

16 BOARD MEMBER BASS: Okay. Thanks.

17 PANEL CHAIRPERSON: Mr. Guerra...?

18 MR. ANTHONY GUERRA: There's no  
19 further redirect on those questions. Thank you.

20 MR. STEVEN SCARFONE: I do have one  
21 (1) question on redirect. I think it's important, Mr.  
22 Guerra, if you don't mind.

23 MR. ANTHONY GUERRA: Okay.

24

25 RE-DIRECT EXAMINATION BY MR. STEVE SCARFONE:

1 MR. STEVE SCARFONE: Ms. Kacher, Board  
2 counsel was asking you about the labour interruption.  
3 You recall that line of questioning. And she asked  
4 about MPI's most recent offer and when it might be put  
5 to the -- to the members.

6 Do you know -- and I know that you said  
7 you didn't know when that might occur. Do you know if  
8 that particular offer is going to be brought to the  
9 members?

10 MS. MARNIE KACHER: I do not know.

11 MR. STEVE SCARFONE: Okay. Thank you  
12 for that. And that was my only question on re-direct.

13 PANEL CHAIRPERSON: Thank you, Mr.  
14 Scarfone. Thank you very much, Ms. Kacher. We will  
15 adjourn now for lunch. And I believe we are  
16 reconvening at 1:15 with presentations. So thank you.

17

18 --- Upon recessing at 11:46 a.m.

19 --- Upon resuming at 1:15 p.m.

20

21 PANEL CHAIRPERSON: Good afternoon,  
22 everyone. We will now commence the afternoon with  
23 presentations, starting with Mr. Doug Houghton.

24 Mr. Houghton...?

25

1 PUBLIC PRESENTATIONS:

2 MR. DOUG HOUGHTON: Working now.

3 Thanks very much.

4 Okay. Good afternoon, Board members,  
5 MPI staff, legal counsel, Interveners, and presenters.

6 Thank you for this opportunity to speak to Manitoba  
7 Public Insurance's 2024/25 Rate Application.

8 Little bit of my background, I've been  
9 riding motorcycles for more than fifty-five (55)  
10 years, probably closer to sixty (60). And have been a  
11 member of the Coalition of Manitoba Motorcycle Group,  
12 CMMG, for about twenty-seven (27) years.

13 I'm a former President of CMMG. And  
14 currently on its Board of Directors as Treasurer.

15 I've been a motorcyclist most of my  
16 life and motorcycling is how I spend much of my spare  
17 time with friends and family.

18 In my other life, prior to retirement,  
19 I was a municipal planner. Thirty-six (36) years with  
20 Robson, Manitoba. I've also sat on the Board of the  
21 local Regional Health Authority, and served as a  
22 member of the Manitoba Municipal Board.

23 I'm currently involved in -- with other  
24 volunteer organizations, as well as CMMG.

25 Today, I'm speaking on my own behalf as

1 some of the views expressed are my own and not  
2 necessarily those of CMMG.

3           This year's presentation should be  
4 brief. I'm not getting into a lot of details on  
5 stats. I intend to focus on the DSR system and  
6 current MPI methodologies that permit premium  
7 avoidance by high risk drivers.

8           I would also like to suggest  
9 alternatives so as to incorporate fairness in premium  
10 methodology.

11           I totally support CMMG with this year's  
12 Intervention. We need to achieve an actuarially sound  
13 Driver Safety Rating system and fairer model such as a  
14 -- as the Primary Driver Model, for purposes of  
15 determining premium rates for vehicles.

16           Firstly, the Registered Driver Model.  
17 In my opinion, the current Registered Owner Model,  
18 which allocates premiums based on the record of the  
19 registered owner, is open to abuse and does not  
20 reflect the real risk created by actual drivers of  
21 insured vehicles.

22           I'll not get into statistics as much of  
23 that information has been presented at previous  
24 Hearings.

25           In the past, we've heard about the



1 great number of accidents caused by drivers who are  
2 not registered owners. And in some instances, the  
3 registered owner may not even drive the insured  
4 vehicle or even have the appropriate driver's licence  
5 for the particular type of vehicle they own.

6 In most instances, the registered owner  
7 may have a very high DSR premium discount, yet the  
8 vehicle could be driven by -- on a regular basis, by  
9 one or more drivers with a poor driving record. These  
10 persons would otherwise be paying much higher premiums  
11 if a Primary Driver Model were used with premiums  
12 based on driving record.

13 The current model encourages drivers  
14 with a negative DSR rate due to accidents or traffic  
15 violations to transfer ownership of their vehicles to  
16 another person or family member with a good driving  
17 record, a high DSR rate, and lower vehicle premiums.

18 When a driver who is not the registered  
19 owner is at fault in an accident, the current  
20 methodology provides for an increase in the cost of  
21 the driver's licence. But to my knowledge, the  
22 registered owner's vehicle premiums are not affected.

23 There is little -- there is little or  
24 no incentive for the registered owner to discontinue  
25 allowing these drivers to use their vehicle; nor for

1 the driver to improve their driving habits.

2                   Loss of premium income that would  
3 otherwise be paid is borne by higher premiums for all  
4 insured Manitobans.

5                   If the Registered Driver Model is to  
6 remain in effect, perhaps there should be a greater  
7 onus placed on the registered owner, since it is the  
8 registered owner who permits the high risk driver to  
9 use their vehicle on a regular basis. Perhaps there  
10 should be a premium or surcharge placed on the  
11 registered owner's vehicle should it be involved in an  
12 accident caused by the high risk driver.

13                   The Primary Driver Model -- my  
14 understanding of the Primary Driver Model is that each  
15 insured vehicle is assigned one (1) primary driver.  
16 The primary driver is one whose driving record and  
17 risk profile is used to calculate premiums because  
18 they are the person who drives the car the most.

19                   Although better than the Registered  
20 Owner Model, there may still be some pitfalls in the  
21 system. If only the primary driver is listed, there  
22 still could be one (1) or more secondary drivers with  
23 poor driving records who also drive the affected  
24 vehicle on a regular basis.

25                   It's imperative that the primary driver

1 is listed so there -- excuse me -- if only the primary  
2 driver is listed, there could be one (1) or more  
3 secondary drivers with poor driving records who also  
4 drive the affected vehicle on a regular basis.

5                   It is imperative that the Primary  
6 Driver Model also includes secondary drivers, and that  
7 premiums are apportioned appropriately based on  
8 average DSR rating of all persons listed as primary  
9 and secondary drivers.

10                   This may, however, be difficult to  
11 monitor and administer on a year to day (sic) basis as  
12 individual driving records change according to birth  
13 dates and not necessarily coinciding with the vehicle  
14 renewal date.

15                   In many cases, the registered owner is  
16 often the primary driver. If the primary driver's DSR  
17 rate becomes negative, and secondary drivers are not  
18 listed, what is to prevent the driver owner from  
19 changing the listed primary driver to another  
20 secondary or regular driver with a higher DSR premium  
21 discount?

22                   This model also depends on the honesty  
23 of the primary driver to identify all secondary  
24 drivers. Some owners may take the chance of not  
25 listing other regular drivers who may have a lower DSR

1 rating.

2 Unless there is an accident and a  
3 detailed investigation, there is no way to determine  
4 if there has been a misrepresentation or  
5 falsification.

6 If the Primary Driver Model is  
7 implemented, there needs to be detailed parameters as  
8 to what constitutes primary drivers, secondary  
9 drivers, and occasional drivers.

10 Personally, I would not want to affect  
11 the current ability to loan your vehicle to a friend  
12 or other family member on an occasional basis to run  
13 an errand or when their own vehicle is in for repair,  
14 et cetera.

15 It is my understanding that MPI does  
16 not have accurate data to reflect who is actually  
17 driving vehicles in Manitoba. And that legislation  
18 does not provide with the -- with the jurisdiction to  
19 collect that kind of data.

20 I should note that MPI already requires  
21 this data when insuring other types of vehicles.  
22 When registering and insuring my quad, I was required  
23 to list and provide copies of driver's licence of  
24 other persons who would be driving this ATV.

25 Is the legislation different for these

1 vehicles?

2                   It is my suggestion that MPI implement  
3 voluntary data collection on (INDISCERNIBLE) basis,  
4 but for the long term, seek legislative changes to the  
5 DSR system to provide her with the jurisdiction to  
6 collect data from its customers.

7                   Legislation should also provide for the  
8 appropriate penalties for falsifying information.

9                   Transfer of penalties to the driver's  
10 licence. I much prefer the Primary Driver Model over  
11 the current Registered Owner Model. However, should  
12 the Registered Owner Model continue, there's a much  
13 simpler methodology to ensure that high risk drivers  
14 fair -- pay a fair share of claims costs.

15                   Drivers and riders cause accidents.  
16 Vehicles don't. So perhaps the easiest and fairest  
17 solution is to apply all penalty costs to the driver's  
18 licence and not the vehicle. Then there is less  
19 financial incentive to transfer ownership.

20                   The data is already available and runs  
21 with the driver's licence.

22                   Now, that concludes my presentation and  
23 thank you again for giving me this opportunity to  
24 speak and for your attention to this matter.

25                   BOARD CHAIRPERSON: Thank you, Mr.

1 Houghton.

2 Any questions? Mr. Gabor...?

3 BOARD CHAIR GABOR: Mr. Houghton, it's  
4 good to see you again.

5 MR. DOUG HOUGHTON: Thank you.

6 BOARD CHAIR GABOR: So I have two (2)  
7 questions. One is would you, at the very least, want  
8 for motorcycles -- motorcyclists -- that if you're the  
9 registered owner, you must have a motorcycle licence?

10 MR. DOUG HOUGHTON: That would be  
11 probably beneficial, but I don't think making it  
12 mandatory -- what it might be is that if -- if the  
13 registered owner doesn't have the licence, that you  
14 don't -- you don't base the premium on the registered  
15 owner's automobile driving record. You get the full  
16 cost as if you're starting again all over.

17 BOARD CHAIR GABOR: Yeah. This is --  
18 I'm -- I'm just going by memory, which is always  
19 dangerous.

20 But it seems to me -- I might have it  
21 wrong -- there's -- what was it seven thousand (7,000)  
22 people who are registered owners of motorcycles who  
23 don't have a motorcycle licence?

24 MR. DOUG HOUGHTON: That we sometimes  
25 refer to as 'grandma's motorcycle'.

1 BOARD CHAIR GABOR: Yeah.

2 MR. DOUG HOUGHTON: I think it was  
3 about 20 percent or something. Yeah.

4 BOARD CHAIR GABOR: The -- the other  
5 thing is, you know, CMMG has been attending these  
6 Hearings for a while and has worked with MPI.

7 And just sort of a comment, you're  
8 involved with CMMG, aren't you?

9 MR. DOUG HOUGHTON: Yes, I am.

10 BOARD CHAIR GABOR: Okay. Would you  
11 say that over the past five (5) years, the  
12 relationship between CMMG and MPI has gotten better,  
13 stayed the same, or gotten worse?

14 MR. DOUG HOUGHTON: I think it goes  
15 beyond the last five (5) years. Actually for the last  
16 ten (10) years, I think our relationship with MPI has  
17 improved. We have frequent meetings with MPI senior  
18 staff, dealing with Rate Applications, accidents, and  
19 so on, and certain trends that are happening.

20 We also deal with them in terms of  
21 trying to set up a safety programs and safety  
22 announcements. So it's very -- it's a collegial type  
23 of relationship, unlike at the hearings we tend to be  
24 a little more formal and --

25 BOARD CHAIR GABOR: Yeah.

1 MR. DOUG HOUGHTON: -- aggressive, I  
2 guess.

3 BOARD CHAIR GABOR: Okay. Thank you  
4 very much, sir.

5 PANEL CHAIRPERSON: Thank you very  
6 much for your presentation, Mr. Houghton.

7 Mr. Dugdale...?

8 MR. FRED DUGDALE: Great, thank you.  
9 I'm coming at it from a slightly -- I'm -- yeah, I  
10 have a strong voice so, slightly different  
11 perspective.

12 I know that rates are set so that they  
13 can cover whatever costs are going to be associated  
14 and that's what actuaries do. But what I'm looking  
15 for is when you have an accident and there is a  
16 personal injury claim, how does MPI calculate how that  
17 injury claim will be managed.

18 In particular, there have been denials,  
19 many denials of, I guess, gray areas, so what I was  
20 looking at here is a something that came out in the  
21 news a while back, was in actual -- October 5th, of  
22 2022. And it said that Manitoba neurosurgeon with  
23 research on traumatic brain injuries gets funding  
24 boost from MPI and U of M.

25 And it goes on in here to talk about



1 the complexities, which were addressed, partly, last  
2 year, because I was involved in -- in the process last  
3 year.

4 I happened to be in the study, which I  
5 also mentioned last year. And when that study was  
6 done and the results were submitted was in 20 -- 2015.  
7 Nothing really came of that, in terms of benefit for  
8 anybody who had a brain injury, which I happen to  
9 have.

10 It's even more difficult to get a  
11 proper assessment of a brain injury and so we have, on  
12 one side, all of these things being developed. On the  
13 other side, we don't have access to a lot of this,  
14 simply because we can't get approved at the outset.

15 The -- there's not a lot of clarity to  
16 the way in which these assessments are done. And even  
17 though it -- it appears that there is this interest in  
18 -- in helping us, and in fact, the former CEO was --  
19 was quoted in this article as saying,

20 "when we speak about traumatic brain  
21 injury and severe traumatic brain  
22 injury, it is very important for MPI  
23 to take care of those cases, making  
24 sure that we provide the best  
25 service, coverage and indemnity to

1                   those injured and their families and  
2                   also the care that goes with it on  
3                   an ongoing basis."

4                   Many of the people that I'm involved  
5 with, because I'm on Manitoba Brain Injury and such,  
6 we have never been able to cross that threshold. And  
7 you can have lots of studies. You can come up with  
8 wonderful things, but having paid premiums and having  
9 had -- accidents happen to us, our problem is, is we  
10 can't even get beyond the recognition of those  
11 problems.

12                   So, you can spend \$2 million here and I  
13 don't know how much was done on the study, that I was  
14 involved in, but it's interesting that I was accepted  
15 into that study by the University of Manitoba because  
16 I was deemed to have consistent post-concussion  
17 syndrome.

18                   And yet, it went no further than the  
19 study. When the study was over, the report was  
20 submitted. It was handed in and we've heard nothing  
21 since.

22                   So, if MPI is going to spend money on  
23 studies and those studies do recommend certain things  
24 to happen, how do we, as people who have been  
25 diagnosed by our physicians, but denied by Manitoba

1 Public Insurance? How do we get there? How do we  
2 come up with some names by which we can be evaluated -  
3 - I -- I just -- obviously I'm frustrated by a lot of  
4 this and don't really know how to -- to resolve it.

5                   The criteria needs to be examined. It  
6 needs to be brought up to date. How can you have a  
7 neurologist over here say this and whoever is on the -  
8 - the health committee that does assessments for MPI  
9 basically say, oh well, you know, that is insufficient  
10 or whatever.

11                   We just don't seem to have -- and there  
12 are these levels that you can go through, mediation  
13 and AICAC, but it's still at the outset depends on you  
14 actually getting a diagnosis that will be accepted.  
15 And we just can't seem to get there.

16                   So, you can concentrate on this side,  
17 but you really need something to change on that side  
18 so that, you know, we do have a -- a better way of  
19 doing this. There are too many of us that are being  
20 denied and as time ticks on, we don't get better. But  
21 that's all I really wanted to -- to bring up.

22                   PANEL CHAIRPERSON: Thank you, Mr.  
23 Dugdale. Any questions?

24                   BOARD CHAIR GABOR: Mr. Dugdale, I --  
25 I -- I've got a few questions. I'm trying to

1 understand this more.

2 MR. FRED DUGDALE: Sure.

3 BOARD CHAIR GABOR: Is this that MPI  
4 didn't -- doesn't compensate for it or it -- it's not  
5 viewed as being something they recognize as an injury?

6 MR. FRED DUGDALE: I guess it could be  
7 really a combination of all of that.

8 BOARD CHAIR GABOR: But what -- what  
9 did they give you as the reason, though, I mean, I  
10 assume you -- you put in a claim.

11 MR. FRED DUGDALE: Yeah.

12 BOARD CHAIR GABOR: They came back and  
13 denied it --

14 MR. FRED DUGDALE: Denied it.

15 BOARD CHAIR GABOR: -- and denied it,  
16 for what reason?

17 MR. FRED DUGDALE: They don't seem to  
18 feel that there's sufficient evidence, I suppose, but,  
19 again, we don't -- we don't really get very clear  
20 information.

21 I mean, the neurologist I went to ran a  
22 bunch of tests. He submitted that to my doctor. All  
23 this stuff's on file.

24 Going through the process I did to be  
25 part of a clinical study, which would be very

1 carefully structured within the university system,  
2 they're not going to accept a person in who doesn't  
3 have that.

4 So, what we've got is, some evidence on  
5 this side that says I have this condition and we've  
6 got the other side saying that, you know, we're not --  
7 we're not able to come to the same conclusion.

8 The systems that are in place for  
9 mediation and AICAC are looking at that same kind of  
10 information and we're not being told how we can give  
11 them what they need.

12 I -- I -- on many occasions, have said,  
13 you keep telling me what you won't accept, will you  
14 please tell me what you will accept. Are there tests?  
15 Are there things that should be done that haven't been  
16 done? I mean, it gets very confusing as to how to get  
17 there.

18 BOARD CHAIR GABOR: What did AI --  
19 AICAC -- you -- you -- I assume you appealed it to  
20 them, the denial, to the Appeals Commission.

21 Is that correct?

22 MR. FRED DUGDALE: I -- I -- I stopped  
23 when I could no longer give them what they needed. I  
24 just said, look, you know, I mean, you've -- you've --  
25 you've got to tell me how this moves.

1 I've talked to so many other people who  
2 have gone through the process and it just gets pushed  
3 down and pushed down and pushed down. You don't --  
4 you don't know how to bring what they need and going  
5 level after level, it -- it just -- it's more of an  
6 exercise in futility than it is being productive.

7 BOARD CHAIR GABOR: Sorry to hear  
8 that. All right. Thank you.

9 PANEL CHAIRPERSON: Mr. Dugdale, does  
10 your pursuit of this claim also include speaking to  
11 the claimant advisor?

12 MR. FRED DUGDALE: I have a hearing  
13 impairment, that was --

14 PANEL CHAIRPERSON: Have you spoken to  
15 the claimant advisor with regards to your concerns?

16 MR. FRED DUGDALE: I have spoken to  
17 just about everybody that's available to speak to. We  
18 just get kind of moved. The clarity for -- for us is  
19 just not there, as to, you know, what we can do to get  
20 this recognized.

21 I mean, if you -- if you look at how it  
22 was handled, down in -- in the States for the National  
23 Football League, for instance, I mean, they said,  
24 okay, you know, we'll look for this, this, and this.  
25 There were certain scans that would give evidence.

1 There were a lot of other things.

2                   We -- we can't even access that stuff  
3 here. There are so many different ways, I think, to  
4 measure that un -- if there was enough brought  
5 forward, it would make it, you know, almost, as they  
6 say in the courtrooms, like circumstantial evidence.  
7 If you can't -- if you can't see it in a -- a -- an x-  
8 ray scan, which you can't, or a CT scan, which you  
9 can't, build enough of the things that do point in  
10 that direction, and you're either going to satisfy or  
11 not satisfy, but some of the things that they actually  
12 use, like in neuropsychological analysis, that gives  
13 you your capabilities on that day when you went  
14 through those tests. It does not look at where you  
15 were before, what you were immediately after, or  
16 anything else.

17                   It's, you know, so, they will put a lot  
18 of weight on things like that and, yet, we can't seem  
19 to get the kind of tests that are a lot more specific  
20 and targeted.

21                   PANEL CHAIRPERSON: Thank you for that  
22 answer. Yes, Mr. Gabor...?

23                   BOARD CHAIR GABOR: Yeah. Sorry.  
24 When you referred to "we". Sorry, when you referred  
25 to "we," I'm just writing my notes, is it called the

1 Manitoba Brain Injury Association?

2 MR. FRED DUGDALE: Yes. It is. Yes.

3 BOARD CHAIR GABOR: Thank you.

4 MR. FRED DUGDALE: And there are many  
5 within that have a similar situation.

6 BOARD CHAIR GABOR: Yes. Thank you.

7 MR. FRED DUGDALE: Yeah.

8 PANEL CHAIRPERSON: Thank you very  
9 much for your presentation.

10 Our next presenter -- or presenters are  
11 from the University of Manitoba Rights Clinic and I'd  
12 like to ask them to come forward to the table for the  
13 presenters.

14 PANEL CHAIRPERSON: Good afternoon.  
15 Would you please introduce yourselves?

16 MS. ANNA EVANS-BOUDREAU: Anna Evans-  
17 Boudreau.

18 MR. LEWIS LEE: Lewis Lee.

19 PANEL CHAIRPERSON: Thank you very  
20 much. Please proceed.

21 MS. ANNA EVANS-BOUDREAU: Good  
22 afternoon everyone. As I just said, my name is Anna  
23 Evans-Boudreau and this is my colleague and co-  
24 presenter, Lewis Lee.

25 Thank -- thank you for having us here



1 today on behalf of the Rights Clinic at Robson Hall.  
2 We're appreciative of this opportunity. The Rights  
3 Clinic was founded in July of 2022 to expand the  
4 Clinic offerings at the University of Manitoba Faculty  
5 of Law and to advocate for the protection and  
6 advancements of rights.

7           It has a specific focus on assisting  
8 Manitobans with rights advancing issues in cases in  
9 the areas of environmental rights, Charter rights,  
10 Indigenous rights, disability rights, and privacy  
11 rights, amongst others.

12           Today, my colleague and I will be  
13 arguing against MPI's rate application. I will be  
14 focussing my attention on the inaccessibility of MPI's  
15 GRA, while my colleague will be focussing on MPI's  
16 misleading cross-Canada premium comparisons. While  
17 the Rights Clinic raised these two (2) issues last  
18 year, they continue to persist. I will now move into  
19 my portion of the presentation.

20           In my presentation, I will provide an  
21 overview of what it means to make information  
22 accessible, explore why it is necessary to make  
23 information accessible, explain why MPI's GRA is  
24 currently inaccessible and provide two (2)  
25 recommendations to improve it, and, finally, outline

1 why -- why the GRA must be made accessible to comply  
2 with the law.

3                   Accessibility barriers are anything  
4 that limits or prevents a person from receiving  
5 information, services and goods, accessing a space, or  
6 participating in activities. These barriers can be  
7 attitudinal, technological, systemic, physical,  
8 architectural, or informational.

9                   Access to information has received  
10 increased attention over the years. When we talk  
11 about the accessibility of information, we are not  
12 only talking about making information physically  
13 accessible but accessible in all forms. Accessible  
14 information is information that people can understand,  
15 which can look different for different people. That  
16 may include providing information in different  
17 languages, in plain language, or in large print, to  
18 offer a few examples. It can be particularly harmful  
19 when information about a powerful institution is not  
20 accessible. Inaccessible information can be  
21 weaponized to silence public criticism.

22                   In contrast, improving access to  
23 information not only increases the public trust in  
24 these institutions, but it also allows for increased  
25 public participation in holding these institutions

1 accountable.

2                   Access to information can be  
3 particularly in -- useful for increasing public  
4 participation in hearings like the one we're at today.  
5 The PUB's website affirms the importance and values of  
6 public participation in these processes. More  
7 specifically, the PUB's website states that the PUB  
8 welcomes and encourages public participation in its  
9 hearings and that public participation ensures that  
10 all public issues and perspective come to the Board's  
11 attention.

12                   Unfortunately, the inaccessibility of  
13 the information provided in MPI's GRA limits the  
14 perspectives that may come to the Board's attention.  
15 In other words, because of the way that MPI has  
16 provided the information for their GRA, only the  
17 perspectives of those who have the time, energy,  
18 resources, and ability to read, sift through, and  
19 understand the document will be able to participate.  
20 This is largely due to issues with the navigability of  
21 the document and the failure to provide a plain  
22 language executive summary of the document.

23                   Dealing first with the navigability of  
24 the document. The GRA submitted by MPI is thousands  
25 of pages long. Recognizing that the length of the

1 document may be unavoidable, given the complexity of  
2 the GRA, one easy solution to improve navigability is  
3 the addition of a Table of Contents. Indeed, this  
4 recommendation was made by the Rights Clinic last year  
5 and we are appreciative that a Table of Contents was  
6 included in this year's GRA.

7                   Nevertheless, the way the Table of  
8 Contents has been constructed falls short as a tool of  
9 accessibility. The Master Table of Contents that is  
10 provided at the beginning of the document is very  
11 brief, as it only provides a list of the different  
12 parts of the document, with a few subheadings included  
13 as well. These two (2) images in the PowerPoint show  
14 the entirety of the Master Table of Contents for the  
15 entire document.

16                   There are no page numbers or hyperlinks  
17 to these parts or subheadings, which means that the  
18 reader must still sift through the document, page by  
19 page, to find where each part begins. Next slide,  
20 please. Thank you.

21                   When the reader does get to the part of  
22 the document they are looking for, then they are able  
23 to find an expanded Table of Contents for that  
24 section. This slide provides an example of this  
25 expanded Table of Contents, which does include

1 hyperlinks and page numbers, as well as more  
2 descriptive subheadings.

3           The reader is left to wonder why these  
4 expanded, more navigable Table of Contents are not  
5 provided at the beginning of the document. While this  
6 issue may be less of a barrier for a smaller document,  
7 when a document contains thousands of pages, this  
8 barrier to accessing information increases  
9 exponentially.

10           For example, my colleague needed to  
11 find the cross-Canada premium comparisons contained in  
12 the GRA, in order to speak on them. He first tried  
13 consulting the Master Table of Contents but, for the  
14 reasons I just explained, it was not helpful. Only  
15 after going through the document, page by page, for  
16 over 500 pages, with the assistance of our supervising  
17 professor, was my colleague, a third-year law student,  
18 able to find the comparisons he was looking for.

19           This task becomes even more onerous for  
20 an average member of the public, with competing  
21 responsibilities, like work, children, or care-giver  
22 duties. The average member of the public does not  
23 have the time or the energy to read thousands of pages  
24 simply to learn what information MPI is providing  
25 through the GRA, not to mention the capacity to, then,

1 be able to speak on it, through a hearing, such as  
2 this.

3                   Therefore, our first recommendation is  
4 to require MPI to provide a Master Table of Contents  
5 at the beginning of the GRA that clearly identifies  
6 each item contained in the document, with hyperlinks  
7 and page numbers.

8                   By compiling the various expanded table  
9 of contents that are littered throughout the document  
10 into one (1) master table of contents available at the  
11 beginning of the document, access to information will  
12 be improved, increasing the likelihood of public  
13 participation.

14                   Dealing now with the lack of an  
15 executive summary. Last year, the Rights Clinic also  
16 recommended that MPI should submit a document  
17 alongside the GRA that is specifically for the general  
18 public.

19                   This document would be an executive  
20 summary that provides the key facts of the GRA,  
21 written in plain language, and a reasonable length.  
22 The document should be accessible enough that any  
23 concerned citizen could read it and become  
24 knowledgeable enough about rate changes to prepare  
25 well-informed comments for this Panel.

1                   Unfortunately, this change was not  
2 implemented for this year's GRA, meaning that the only  
3 way for someone to learn about what this GRA contains  
4 is to, once again, read thousands of pages.

5                   We would like to reiterate the  
6 importance of such a summary, and we ask again, as our  
7 second recommendation, that such a document be  
8 requested by the Panel from MPI.

9                   The failure to provide an executive  
10 summary and to provide accessible information about  
11 the GRA more broadly is at odds with MPI's various  
12 commitments to accessibility. MPI provides multi-year  
13 accessibility plans which, their website states,  
14 ensures a clear and comprehensive roadmap towards  
15 universal accessibility, meaning that all people,  
16 regardless of their physical or development abilities,  
17 have access to all information and services.

18                   MPI's most recent accessibility plan  
19 states that they are committed to inclusion and  
20 ensuring equal access and participation for all. This  
21 plan, which is sixteen (16) pages long, reiterates  
22 MPI's commitment to accessibility and outlines how  
23 they seek to fulfil it.

24                   These accessibility plans demonstrate  
25 that MPI not only understands what it means to make

1 information accessible, but that they enthusiastically  
2 commit to it. And yet the information contained in  
3 the GRA continues to be inaccessible.

4           Even if MPI is not mandated to provide  
5 an executive summary by the -- by the Panel, it is  
6 confusing that they would not proactively provide this  
7 document and a more navigable table of contents given  
8 their purported understanding of and commitment to  
9 accessibility.

10           Concerns about the inaccessibility of  
11 information surrounding the GRA are even more pressing  
12 given that, in Manitoba, it is the law for MPI to make  
13 documents and information accessible for people with  
14 disabilities.

15           The Accessibility for Manitobans Act,  
16 which was passed in 2013, requires organizations to  
17 comply with standards to create an inclusive and  
18 accessible Manitoba. MPI's accessibility plans were  
19 created in response to this legislation.

20           The act is divided into accessibility  
21 standards that focus on five (5) key areas, two (2) of  
22 which apply to providing accessible documents and  
23 making information accessible for people with  
24 disabilities. These two (2) standards build on  
25 existing requirements of Manitoba's Human Rights Code



1 such as the obligation to make reasonable  
2 accommodations and anti-discrimination clauses.

3           One standard under the Accessibility  
4 for Manitobans Act is the accessibility standard for  
5 customer service which requires all organizations with  
6 one (1) or more employees to reasonably accommodate  
7 their customers.

8           For example, organizations must meet  
9 communication needs by offering to communicate in  
10 different ways such as reading things out loud or  
11 taking extra time to explain things.

12           To assist -- sorry. To assist  
13 organizations in complying with the act and its  
14 standards, the Manitoba Accessibility Office has  
15 developed various documents that provide information  
16 and examples of what compliance looks like -- looks  
17 like.

18           In one (1) of these document (sic), the  
19 Manitoba Accessibility Office suggests providing an  
20 active offer on all publications that tells the  
21 customer that the document is available in alternate  
22 formats upon request.

23           Despite MPI developing an accessible  
24 customer service policy in response to this standard,  
25 no such active offer exists on MPI's website page

1 where the GRA can be accessed. It is also not  
2 provided in the GRA itself.

3           The second standard under the act that  
4 relates to accessible information is the Information  
5 and Communications Accessibility Standard. Crown  
6 corporations, including MPI, must comply by May 1st,  
7 2024. To comply, MPI is required to have measures,  
8 policies, and practices to address barriers to  
9 information and communication.

10           These include creating and maintaining  
11 accessible websites and notifying the public that  
12 information is available through communication  
13 supports and alternate formats upon request.

14           As I previously noted, this type of  
15 active offer is not currently provided for MPI's GRA,  
16 meaning that MPI will need to provide this by May 2024  
17 if they are to comply with the Information and  
18 Communications Accessibility Standard.

19           But will an alternate format of MPI's  
20 GRA actually address barriers to accessibility? The  
21 Manitoba Accessibility Office provides various  
22 examples of what it means to make a document  
23 accessible.

24           One suggestion is to provide the  
25 document in an audio format for people with learning

1 disabilities such as dyslexia. Due to the length of  
2 the document, must the person then sit through what  
3 may be hours of audio to learn what is contained in  
4 the GRA?

5                   And would the audio format have the  
6 capacity to explain, for example, the various tables  
7 included in the document such as the Cross-Canada  
8 Premium Comparisons?

9                   This is only one (1) example of where  
10 MPI may face difficulty in complying with its  
11 information and communications accessibility standard  
12 by 2024, and in meeting their commitment to  
13 accessibility more broadly.

14                   Once again, we recognize that the  
15 length of the document may be unavoidable given the  
16 complexity of a GRA. Nevertheless, MPI must comply  
17 with the law.

18                   The creation of an executive summary is  
19 a partial solution to -- to compliance. An executive  
20 summary would not only increase the accessibility of  
21 the information contained in the GRA for the general  
22 public, but it would also be more adopt -- adaptable  
23 for alternate formats if requested by those with  
24 disabilities.

25                   Finally, the Manitoba Accessibility

1 Office has provided a checklist for compliance with  
2 this most recent standard. One (1) item on the  
3 checklist states the following:

4 "We welcome and respond promptly to  
5 feedback we receive on the  
6 accessibility of our information and  
7 communication."

8 We hope that MPI responds promptly to  
9 the feedback on accessibility that we have provided  
10 today. Making information accessible extends beyond a  
11 checklist, though. While our recommendations to  
12 improve the table of contents and provide an executive  
13 summary may not specifically be outlined in the  
14 Information and Communications Accessibility Standard,  
15 we would hope that MPI would be receptive to improving  
16 accessibility even when they are not mandated to do  
17 so.

18 Whether or not the Panel requests these  
19 changes of -- of MPI, we hope that MPI will take  
20 proactive steps to improve the accessibility of their  
21 information and show Manitobans that they are serious  
22 about their commitment to accessibility.

23 Whether you have a disability or not,  
24 everyone benefits from increased access to  
25 information. We hope that the Panel requests of MPI

1 these two (2) minimal but impactful steps that they --  
2 that we have recommended to improve access to the  
3 information contained in the GRA.

4 We also hope that MPI is mindful of how  
5 the accessibility standards can be applied to the GRA  
6 to ensure compliance. We believe that our  
7 recommendations will improve public trust, but it will  
8 also allow for increased public participation on  
9 important matters including the rate application  
10 before the Panel today.

11 That concludes my portion of the  
12 presentation. I will now turn the presentation over  
13 to my colleague. Thank you again for your time and  
14 for this opportunity.

15 MR. LEWIS LEE: I will be discussing  
16 cross-country comparisons in the Primary Driver Model.  
17 So first I'll be discussing about the pitfalls of  
18 using models and estimates to evaluate concerns. In  
19 general, these models can be misleading and not  
20 accurately reflect the average Canadian experience for  
21 buying car insurance.

22 The Ernst and Young model within the  
23 MPI's General Rate Application has many limitations  
24 and assumptions. For example, one (1) assumption the  
25 Ernst and Young model uses, as mentioned on page 542

1 of MPI's General Rate Application, is the purchaser  
2 declining any bundled insurance discount packages,  
3 including any bundled auto and home insurance.

4                   However, a report from Deloitte noted  
5 that 55 percent of Canadians buy insurance through  
6 insurance bundles, as you can see on the graph. This  
7 would make car insurance cheaper, and so that the  
8 Ernst and Young model does not accurately reflect the  
9 average experience for buying car insurance here in  
10 Canada because it does not take into account the  
11 various benefits people use to buy car insurance.

12                   So it's difficult to draw any  
13 conclusions, especially when the model that is used,  
14 the Ernst and Young model, has many limitations and  
15 assumptions built into it.

16                   And this image here is from the  
17 Insurance Bureau of Canada which shows the average  
18 amount of insurance a Canadian would pay across  
19 various provinces and territories. The averages here  
20 contrast with what's in the Ernst and Young model.

21                   The averages from the Insurance Bureau  
22 of Canada show that BC, Saskatchewan, and Manitoba  
23 rank high in terms of average insurance premiums,  
24 whereas in the Ernst and Young model, Manitoba,  
25 Saskatchewan, and BC are one (1) of the lowest in

1 terms of insurance premiums across the board.

2                   And on page 2106 of MPI's General Rate  
3 Application, the 2024/2025 estimated premiums are now  
4 at one thousand one hundred and twenty dollars  
5 (\$1,120); that's an increase from the listed price  
6 here at one thousand eighty dollars (\$1,080). So that  
7 means, for Manitobans, the average insurance premium  
8 prices are in fact rising.

9                   And also that means that ultimately no  
10 one (1) model or average is determinative of which  
11 province has the cheapest insurance. Especially when  
12 relying on only one (1) model, that can be really  
13 misleading because there will always be other models  
14 out there that will contradict with what is said with  
15 one (1) given model because of the limitations and  
16 assumptions built into each model.

17                   Another reason why models can be  
18 different is because Basic mandatory coverage varies  
19 across provinces. Different provinces will have  
20 different coverage. That could be a different -- that  
21 could be -- explain the difference in costs.

22                   Just because one province is cheaper  
23 does not mean the coverage is the same across other  
24 provinces. So comparing price is not -- what you need  
25 to do as well -- that's when you compare what -- also

1 what the insurance also provides as well.

2           For example, as you can see here  
3 through the chart, which is also provided by the  
4 Insurance Bureau of Canada, Manitoba lacks any  
5 accident benefits whereas it's mandatory coverage in  
6 most other provinces.

7           So that means, in Manitoba, if you want  
8 accident benefits, that may mean paying more compared  
9 to other provinces which are already included in the  
10 Basic mandatory coverage.

11           Also Manitoba is one of the only two  
12 (2) provinces, with Quebec being the other, to have a  
13 no fault system for recovering damages. Meanwhile,  
14 other provinces have a tort system or hybrid system,  
15 which is a mix of the tort system and no fault system.  
16 So that could explain why there could be a higher cost  
17 in other provinces because there's more coverage.

18           So that means insurance can be higher  
19 priced in other provinces because you are paying more  
20 for more coverage. Meanwhile, here in Manitoba, we  
21 may be paying less, but we're also paying less -- for  
22 less coverage.

23           So cost is not the be all and end all  
24 when comparing insurance prices.

25           Next I'll be talking about the Primary



1 Driver Model and why it's a better reflection of the  
2 driving reality.

3                   The PUB (INDISCERNIBLE) jurisdiction to  
4 mandate MPI to change the premium system to a Primary  
5 Driver Model from Registered Owner Model, which is  
6 currently being used. This was confirmed by the  
7 Manitoba Court of Appeal last year.

8                   And there are currently only three (3)  
9 provinces to maintain a Registered Owner Model, which  
10 are BC, Saskatchewan, and Manitoba, which was also  
11 stated by the Manitoba Court of Appeal last year.

12                   And if you follow the Ernst and Young  
13 model that I mentioned before, it's these three (3)  
14 provinces that have the lowest insurance premiums.

15                   However, the insurance -- the average  
16 provided by the Insurance Bureau of Canada, which I  
17 showed earlier in the chart, the three (3) provinces  
18 that used the Registered Owner Model had higher  
19 insurance premiums with both BC and Saskatchewan in  
20 the top three (3).

21                   Plus there could be other factors at  
22 play that could explain the difference in insurance  
23 premiums costs. Perhaps the reality of buying car  
24 insurance provides a cheaper price of those in  
25 provinces that use a Primary Driver Model. However,

1 on average, it appears that the Primary Driver Model  
2 actually provides cheaper car insurance for people.

3                   Regardless, the Registered Owner Model  
4 has many flaws with it; not only in terms of cost, but  
5 also in terms of safety. Having a Registered Owner  
6 Model means that very dangerous drivers are paying the  
7 actual monetary price for their dangerous driving.  
8 And that would mean safer drivers may be unfairly  
9 bearing more of a burden in terms of costs.

10                   In fact, it would be important to  
11 reiterate what the Manitoba Court of Appeal said last  
12 year in their decision. And here's what they said at  
13 paragraph 64:

14                   "The DSR system is a form of  
15 customer classification over which  
16 the PUB holds authority. If the PUB  
17 were to require MPIC to change plan  
18 premium discounts or additional  
19 amounts based not on the registered  
20 owner, but on the primary driver,  
21 that would be a change in rate-  
22 setting methodology over which PUB  
23 has jurisdiction."

24                   So that means if the PUB is unhappy or  
25 unsatisfied with any of the changes MPI is proposing

1 with its new model, the PUB is well within its  
2 jurisdiction to require change in that methodology.

3           So what's MPI currently doing to  
4 implement the new system? MPI at its current stage  
5 adds definitions (INDISCERNIBLE) with the new model.  
6 This includes definitions for primary driver, listed  
7 driver, combined driver, and registered owner models.  
8 These definitions can be found on page 2,749 of MPI's  
9 General Rate Application.

10           MPI is also basing its new model after  
11 BC's recent changes in their model, which is a mix of  
12 primary and listed driver. And MPI is also currently  
13 collecting data to test the new model, subject to  
14 government and PUB approval.

15           Now, it's also important that the model  
16 MPI actually proposes is one that benefits Manitobans  
17 and is one that improves safety and costs.

18           It's also important Manitobans are  
19 educated and well aware of these changes that MPI are  
20 making.

21           In a 2019 consultation by MPI, most  
22 drivers were against a move from the Registered Owner  
23 Model to a Primary Driver Model. However, what's  
24 important is having MPI provide better -- better  
25 education to the public on what the benefits of the

1 Primary Driver Model -- how it would be better for  
2 Manitoba safety-wise and cost-wise.

3                   And it's important for MPI, as part of  
4 their five (5) year plan, that education is a  
5 forefront focus in the (INDISCERNIBLE) Manitobans are  
6 aware of these changes and its benefits.

7                   At page 2,768 of the MPI's General Rate  
8 Application, customer engagement only seems to be a  
9 small part of the plan for MPI to implement their  
10 Primary Driver Model. And on here, you can see the  
11 (INDISCERNIBLE) that they provided on that page.

12                   And you can see customer engagement,  
13 which is the item number 3 -- customer engagement only  
14 seems to be taking up two (2) small snippets of the  
15 entire five (5) year plan. This work of engagement  
16 and education (INDISCERNIBLE) continual process that  
17 takes place over the entire five (5) year plan.

18                   And also, on page 2,751 of the MPI's  
19 General Rate Application, it outlines what MPI wants  
20 to do with customer -- customer engagement. It  
21 doesn't seem to suggest any long term education or  
22 program on these new models.

23                   It is important to have education on  
24 these new models because this will affect every  
25 Manitoban who drives and it's important to let them

1 know what changes are being made. And as my colleague  
2 here has already mentioned, making this information  
3 more accessible to the public should be a priority for  
4 MPI.

5                   Therefore, the PUB is well in its  
6 jurisdiction to suggest a change to MPI's plan to  
7 making education and accessibility of this new model  
8 more prominent in its five (5) year plan.

9                   And in conclusion, there can be two (2)  
10 main recommendations can be -- that can be drawn.

11                   The first one is not relying on  
12 (INDISCERNIBLE) models to purport that MPI has the  
13 cheapest rates across the country. There are many  
14 factors at play that determine which province has the  
15 cheapest insurance premiums. And the Ernst and Young  
16 model that MPI uses cannot provide accurate rates  
17 because of the various limitations and assumptions  
18 that it has.

19                   The second recommendation is making  
20 educating the public on the benefits of the Primary  
21 Driver Model a topic of continuous priority over MPI's  
22 five (5) year plan in transitioning to the Primary  
23 Driver Model. Thank you.

24                   PANEL CHAIRPERSON: Thank you for your  
25 presentations. Any questions?

1 BOARD CHAIR GABOR: Ms. Evans-  
2 Boudreau, we've got an eight-thousand (8,000) page  
3 Application. How long should the executive summary  
4 be?

5 MS. ANNA EVANS-BOUDREAU: Enough that  
6 it's summarized what's in it, in a clear and  
7 manageable way. I don't think I can name a number for  
8 that page.

9 BOARD CHAIR GABOR: Okay. We wrote a  
10 -- a Manitoba Hydro Order in 2018. The Order was  
11 three-hundred-and-thirteen (313) pages. We had a  
12 forty (40) page summary. And we were told that was  
13 too long by some people. And other people said, Well,  
14 our summary didn't capture what was in the  
15 application.

16 Do you run into a problem where, if  
17 you've got an eight thousand (8,000) page Application,  
18 because it is a complicated area, that you're going to  
19 have the same argument? Some people are going to say,  
20 Well, the summary is too long; and other people are  
21 going to say, No matter how long you have it, you  
22 really didn't capture the information they wanted to  
23 see in the application.

24 Sorry, is that -- oh. Yeah. Sorry.  
25 So you -- yeah.

1 MS. ANNA EVANS-BOUDREAU: Sorry,  
2 repeat the -- your question?

3 BOARD CHAIR GABOR: Yeah. No, I mean,  
4 don't you have that problem? That no matter what you  
5 do, you're damned if you do and you're damned if you  
6 don't with some people. No matter how long it is,  
7 it'll be too long. And in others, it can't be long  
8 enough because it doesn't have the information they  
9 want to see from the application.

10 MS. ANNA EVANS-BOUDREAU: Yeah. I  
11 appreciate that question. I think it's really fair.

12 I have two (2) things that I would say  
13 in response. One is I think that there has to be at  
14 least an attempt. Right now, the option is nothing or  
15 thousands of page long. There has to be at least an  
16 attempt to provide somewhere in between or at least a  
17 starting point.

18 What I would also say is that, from my  
19 understanding, counsel for MPI gave a pretty succinct  
20 overview of what is contained in the GRA and what they  
21 would be discussing throughout this Hearing.

22 And even that would be at least some  
23 information that could be provided to Manitobans about  
24 what is contained in the GRA.

25 BOARD CHAIR GABOR: Right. And I -- I

1 take your opening comment that if you had links for  
2 specific area -- like the Table of Contents linking to  
3 the specific section.

4                   The -- the other -- the other problem  
5 with the -- the Application process -- and this is  
6 certainly not MPI's fault -- is where you have  
7 problems is we get updates on the financials right  
8 before the Hearing in order to have the most recent  
9 information. That causes a problem when you've filed  
10 an application three (3) months earlier, so.

11                   But I just put it forward. Anyways,  
12 thank you.

13                   PANEL CHAIRPERSON: Thank you very  
14 much for your presentation.

15                   MR. LEWIS LEE: Thank you.

16

17                   (BRIEF PAUSE)

18

19                   BOARD CHAIRPERSON: If we could ask  
20 MPI to move back to the front bench. Are we going to  
21 have a discussion with regard to procedure on the  
22 motion?

23                   MS. KATHLEEN MCCANDLESS: Yeah.  
24 Perhaps we should just take a couple minutes to --  
25 five (5) minutes to -- for MPI to get settled and



1 everything --

2 BOARD CHAIRPERSON: Okay. Thank you.

3 MS. KATHLEEN MCCANDLESS: -- to be  
4 back in its place.

5 BOARD CHAIRPERSON: Thank you.

6

7 --- Upon recessing at 2:04 p.m.

8 --- Upon resuming at 2:11 p.m.

9

10 PANEL CHAIRPERSON: Good afternoon,  
11 Mr. Guerra, would you please introduce your panel and  
12 then we'll have them sworn in.

13 MR. ANTHONY GUERRA: Yes, thank --

14 MS. KATHLEEN MCCANDLESS: Pardon me,  
15 Madam Chair, were we going to have a -- a brief  
16 discussion about process on the MPI motion?

17 PANEL CHAIRPERSON: We can do that  
18 now, or we can do it at the end of the panel which  
19 would be your preference?

20 MR. ANTHONY GUERRA: I don't have any  
21 problem put -- with it at the end of today, if that's  
22 okay?

23 PANEL CHAIRPERSON: Okay.

24 MR. ANTHONY GUERRA: Yeah.

25 PANEL CHAIRPERSON: Then we can excuse

1 the rest of the --

2 MR. ANTHONY GUERRA: Thank you.

3 PANEL CHAIRPERSON: -- front and back  
4 row from that discussion. Thank you, Mr. Guerra.

5 MR. ANTHONY GUERRA: Good afternoon,  
6 Madam Chair. And just for everyone's reference, we  
7 have our bench -- Benchmarking Panel, rather, here  
8 with us today.

9 Front row witnesses we have our Ryan  
10 Kolaski, our Vice-President and Chief Financial  
11 Officer. Scott Patton, our Manager of Customer  
12 Insights and Analytics and also, Satvir Jatana, our  
13 Chief Customer Officer and Vice President.

14 And in the back row we have, Dean  
15 Dunstone, Manager of Financial Forecasting, Grant  
16 Gaudry, Manager of Budgeting, Diane Hopkins, Manager  
17 of Financial Reporting and Bradley Moore who's a back  
18 row virtual and he's the Director of Customer  
19 Experience.

20

21 MPI BENCHMARKING (NON-IT) PANEL:

22 RYAN KOLASKI, Sworn

23 SCOTT PATTON, Sworn

24 SATVIR JATANA, Sworn

25

1 EXAMINATION-IN-CHIEF BY ANTHONY GUERRA:

2 MR. ANTHONY GUERRA: Thank you  
3 everyone. And just to confirm, before us, we have a  
4 presentation entitled Benchmarking. Is that correct?

5

6 (BRIEF PAUSE)

7

8 MR. ANTHONY GUERRA: Sorry, this is  
9 the -- yeah, this is the Benchmarking presentation,  
10 correct?

11 MR. RYAN KOLASKI: That is correct.  
12 Yeah, thank you, Anthony.

13 Today I'll walk you through briefly a  
14 presentation on Benchmarking overall. If we can go to  
15 the next slide.

16 The agenda today is to cover off three  
17 (3) core areas. The first being vehicle premium  
18 comparison, how does MPI compare in contrast with  
19 other jurisdictions.

20 The second being, customer experience.  
21 How do Manitobans feel about MPI and our general  
22 branding in the marketplace.

23 The third area, being operation  
24 insights, Crown benchmarking, typically against SGI  
25 and ICBC.

1                   For this year, we also have the AON  
2 Benchmarking Report, which expanded that peer group  
3 for benchmarking purposes. Next slide, please.

4                   In terms of customer experience, MPI  
5 continues to be seen to offer value and delivering on  
6 its mission. We looked at four (4) key dimensions,  
7 the first being coverage, the second being service,  
8 the third being affordability and the fourth being  
9 safer roads.

10                  Overall, within these -- each of these  
11 lanes, folks strongly agree or somewhat agree, upwards  
12 of 70 percent, which is pretty respectable in terms of  
13 their overall view of the MPI brand.

14                  Of late, we've seen compression on our  
15 CX scores versus our historical levels. We are trying  
16 to work back and get those -- numbers up, but I think  
17 it's fair to say, given labor interruption this year,  
18 it will be challenging over the next twelve (12) to  
19 eighteen (18) months, to move those scores higher to  
20 where they were historically.

21                  Sure. In terms of vehicle premium  
22 trending, overall Canada saw 3.2 percent increase.  
23 Manitoba saw 1.8 percent increase. We were less than  
24 the Canadian average. Good news story and  
25 historically we're tracking our historical rates

1 overall.

2                   What's interesting on this slide,  
3 there's a couple of takeaways. If you look at the  
4 gray line, that's ICBC. You'll notice, that's a sharp  
5 decrease. That represents where ICBC instituted no  
6 fault insurance, very similar to MPI's program.

7                   MPI did no fault insurance back in the  
8 mid '90s. So, what you're seeing is a trending, in  
9 terms of strong value for public insurance and no  
10 fault as a business model.

11                   What's also interesting is all three  
12 (3) of the Crown Corporations are now clustered  
13 together. And I would expect on a trending basis,  
14 we'll see that going forward.

15                   What is also interesting is the blue  
16 line, which is Alberta, contrasting the Crown  
17 Corporations, Alberta has seen some very significant  
18 growth, so much so, that in January 2023, the  
19 government actually decided to pause rates. They said  
20 no rate increases for the year.

21                   As a result of that, one of the  
22 carriers actually pulled out of that market and I  
23 wouldn't be surprised to see if they moved to a public  
24 model, similar to what we have in Manitoba overall.

25                   In terms of driver profile, we've

1 selected a number of profiles and then we shopped them  
2 across Canada to different jurisdictions.

3           You'll see that Winnipeg, specifically,  
4 and Brandon, trend very well with our partners in  
5 Saskatchewan in terms of rates, but then the  
6 comparison diverges. If you shop over to Toronto,  
7 that gap widens significantly, similarly in Calgary,  
8 similarly in Vancouver.

9           And, while I can respect that different  
10 jurisdictions have a different insurance primary  
11 driver model than say a registered model that we do in  
12 terms of affordability, that gap is still pretty  
13 significant, which represents a strong value  
14 proposition for those in Manitoba.

15           The rate comparison, we struck a hurdle  
16 this year. AON wide generally provides a report.  
17 That report is a fee for service report. They opted  
18 not to provide that this year. That meant we were  
19 limited to going online to look for rates and doing  
20 comparisons.

21           The aggregators are moving away from  
22 putting rates online. And then, specifically,  
23 depending on the class, we can't actually find the  
24 rates, specifically, say around motorcycles.

25           So, what that does, is it creates an

1 opportunity to work with you folks to decide a path  
2 forward, which is perhaps the regulators can bring  
3 forward and work collaboratively to bring the rates  
4 forward, so we could use them in our analysis.

5 But, absent that, we're at a challenge  
6 or a standstill, in terms of how to get those vehicle  
7 comparisons that we would have done in the past.

8 In terms of our Crown peers, typically  
9 benchmarker sales against SGI and ICBC, you'll see two  
10 (2) highlights really come off this slide. First,  
11 total gross expenses per FTE were lower than our  
12 peers, which is a good news story.

13 The second one that jumps out, is road  
14 safety versus significantly more value conscious  
15 relative to our peers, in terms of total dollars spent  
16 in that particular lane. Next slide.

17 This year we did bring back the AON  
18 Benchmarking Report. In terms of operational insights  
19 I peeled one particular graph off, which is kind of a  
20 general core com gross expenses to gross premiums to  
21 kind of do a level test on, how does MPI compare to  
22 the rest of the peer group overall.

23 On first blush, you look at it, 25  
24 percent versus 36 percent, really strong business case  
25 that the MPI business model is doing well.

1                   However, if you look at the business  
2 model itself, I felt that you should normalize it  
3 slightly. So, if you look at the Crown status, we  
4 don't do marketing. We should add that back. We have  
5 a no fault insurance program. We should definitely  
6 add back litigation costs that would be normal in the  
7 industry.

8                   When you do that, you get to 35 percent  
9 versus the benchmark of 36.43 percent. So overall,  
10 even on a normalized basis, we're still within the  
11 overall Canadian benchmark itself. A favourable  
12 result and a good news story.

13                   In terms of advancing operational  
14 insights, as indicated earlier this morning,  
15 benchmarking's a challenge.

16                   Part of the challenges are that the  
17 companies are very different, both from technology in  
18 terms of where they are at, in terms of their  
19 modernization of systems. Both in terms of ability to  
20 attract staffing, retain staffing, they have different  
21 economies of scale.

22                   So when you factor all that in,  
23 benchmarking has relevance in terms of how do you  
24 position yourself overall relative to the rest of the  
25 pool. But it's really tough to gain operational



1 insights in terms of what actual items can MPI  
2 undertake in order to move the process forward and do  
3 better overall for operational efficiency.

4                   To that end, we invite a discussion  
5 with PUB to kind of redesign what that process would  
6 look like, or even move the cadence from an annual  
7 process say out two (2) or three (3) years to kind of  
8 give some leeway in terms of where the operational  
9 efficiencies are being seen because on a year-to-year  
10 basis, it's really tough to see where those changes  
11 are happening.

12                   And that's all I have for a  
13 presentation today.

14                   MR. ANTHONY GUERRA: Thank you very  
15 much, Mr. Kolaski, and just before we get into some  
16 further questions, I just wanted -- if you have just  
17 some few comments you can give to the Panel just to  
18 introduce yourself.

19                   I know this is the first time that the  
20 Panel is -- is meeting you as an individual, and --  
21 and if you could just help the -- the Board understand  
22 where you come from and what you bring to your role as  
23 the new chief financial officer.

24                   MR. RYAN KOLASKI: Sure. Ryan  
25 Kolaski. I'll give you the elevator speech. Born and

1 raised in Winnipeg. Got a B. Comm. at the University  
2 of Manitoba. Got a Masters in accounting, articulated at  
3 KPMG. Got a CPA. Went into their corporate finance  
4 group. Got a CBV, which is a Chartered Business  
5 Valuator designator as well.

6 After spending about eight (8) years in  
7 public practice, moved into industry. Went through a  
8 variety of industries from manufacturing and  
9 distribution, high-growth, high-turnover companies.  
10 Went into oil and gas.

11 Went into carpeting distribution.  
12 Seems odd, but it was bought by a private equity  
13 group, and then we grew that company from a 150  
14 million to over \$300 million, and they sold it for an  
15 investment of \$260 million after three (3) years. So  
16 highly successful in terms of growing complex  
17 organizations.

18 From that, I moved into newspapers,  
19 which is the opposite spectrum; compressing business,  
20 pivoting business. Business was changing into  
21 digital, so it became a matter of how do you manage a  
22 business where your revenues are declining and your  
23 costs are bumping up against fixed costs? And then  
24 how do you right size that while you're pivoting that  
25 business overall?

1                   So I bring to the table obviously not a  
2 lot of insurance background, to say the least, but  
3 then within the context of MPI, we have a large AIR  
4 (phonetic) group, we have a large team of people on  
5 the accounting side that have been with the  
6 Organization for most of their career.

7                   So what I bring is financial oversight  
8 and bench strength in terms of driving out value and  
9 profitability for cost-containment strategies overall.  
10 That's all I have.

11                   MR. ANTHONY GUERRA: All right. Thank  
12 you very much. No further questions at this time,  
13 subject to any questions on re-direct.

14                   PANEL CHAIRPERSON: Thank you.

15                   Ms. McCandless...?

16

17 CROSS-EXAMINATION BY MS. KATHLEEN MCCANDLESS:

18                   MS. KATHLEEN MCCANDLESS: Thank you.

19 Good afternoon to the Panel. Mr. Patton, Ms. Jatana,  
20 we've met before. Mr. Kolaski, welcome.

21                   I'm Kathleen McCandless, counsel to the  
22 Board. I'll have a few questions about the Crown  
23 benchmarking exercise today. Unless I direct my  
24 question to a particular member of the panel, whoever  
25 wants to volunteer to answer is free to do so.

1                   So I'd first just like to go through  
2 the methodology for Crown benchmarking, and that would  
3 be at the benchmarking section of the Application at  
4 page 21. Thank you. And I'm looking at lines 8 to 10  
5 essentially here.

6                   So MPI has advised that, since  
7 2018/'19, it has been using Crown Corporation  
8 benchmarking with SGI -- so that's Saskatchewan  
9 Government Insurance -- and ICBC -- Insurance  
10 Corporation of British Columbia -- for financial  
11 comparatives.

12                   This exercise allows MPI to review its  
13 operational effectiveness, yes?

14                   MR. RYAN KOLASKI: Correct.

15                   MS. KATHLEEN MCCANDLESS: And then  
16 down to lines 16 through to 21, we see that MPI met  
17 with SGI and ICBC?

18                   MR. RYAN KOLASKI: Correct.

19                   MS. KATHLEEN MCCANDLESS: And that was  
20 to review strategic differences and alignment. ICBC  
21 and SGI did conclude that Crown comparatives  
22 differences are driven by very strategic focuses and  
23 priorities and differing scale and size of entities,  
24 for instance.

25                   And it's noted here that ICBC has

1 revenue that is three (3) times higher than both SGI  
2 and MPI?

3 MR. RYAN KOLASKI: Correct.

4 MS. KATHLEEN MCCANDLESS: And so that  
5 would allow ICBC for greater cost efficiencies?

6 MR. RYAN KOLASKI: Correct.

7 MS. KATHLEEN MCCANDLESS: And then  
8 lower, FTE -- so full-time equivalent -- requirements,  
9 scales of economies are maximized?

10 MR. RYAN KOLASKI: Correct.

11 MS. KATHLEEN MCCANDLESS: When was it  
12 that MPI met with SGI and ICBC for the latest  
13 iteration of the Crown benchmarking?

14 MR. RYAN KOLASKI: Just one (1)  
15 moment.

16

17 (BRIEF PAUSE)

18

19 MR. RYAN KOLASKI: Early March.

20 MS. KATHLEEN MCCANDLESS: And what  
21 extent did these meetings go to in terms of the  
22 efforts to understand the differences among the three  
23 (3) Crowns?

24 MR. RYAN KOLASKI: They're fairly  
25 generic in terms of the differences, right? Part of

1 the issue is the amount of time and resources required  
2 to do the nuance on the analysis really isn't present  
3 on either parties' side, right?

4 I don't have dedicated resources to go  
5 through specifically item by item how you would  
6 normalize our operations relative to their operations.  
7 And then, in certain cases, information can be  
8 provided at a general level, but then they're not  
9 going to provide an appetite to get into specific  
10 details. So it's a very high-level kind of comparison  
11 overall.

12 MS. KATHLEEN MCCANDLESS: Thank you.  
13 Now if we could go to CAC/MPI-1-3, and we heard that  
14 there was the AON benchmarking exercise and the Crown  
15 benchmarking exercise provided in this Application.

16 MR. RYAN KOLASKI: That is correct.

17 MS. KATHLEEN MCCANDLESS: And at  
18 question A, MPI was asked for a narrative discussion  
19 on the value received by MPI from the Crown  
20 benchmarking exercise compared to the AON benchmarking  
21 exercise.

22 MR. RYAN KOLASKI: Correct.

23 MS. KATHLEEN MCCANDLESS: And we -- we  
24 see the response here. The peer group and Crown  
25 benchmarking is limited obviously to ICBC and SGI, as

1 we've discussed, and then there's reference to the  
2 size of ICBC.

3 "SGI segments the auto fund for  
4 reporting purposes, and so to this  
5 end, SGI uses distinct parameters to  
6 allocate expenses to this line of  
7 business, including the use of  
8 implied FTEs."

9 Is that right?

10 MR. RYAN KOLASKI: Correct.

11 MS. KATHLEEN MCCANDLESS: And does MPI  
12 have any comment on -- on how SGI or ICBC use or  
13 determine their full-time equivalents for the  
14 comparative analysis?

15 MR. RYAN KOLASKI: For SGI, we just  
16 have a high-level view on how they do it. They have  
17 an allocation engine at SGI Canada, which then  
18 allocates costs over to their lines of business. And  
19 then they use an average salary in order to impute  
20 what would be the FTEs.

21 With respect to ICBC, I will just take  
22 a moment and ask my back row.

23

24 (BRIEF PAUSE)

25

1 MR. RYAN KOLASKI: That's tricky.  
2 That's awesome. ICBC does a very similar approach in  
3 terms of allocating costs and to their lines of  
4 business as well.

5 MS. KATHLEEN MCCANDLESS: Thank you.  
6 Just after the portion that I read in, MPI writes:

7 "In addition, SGI and ICBC are at  
8 different stages of maturity related  
9 to technology as well as their  
10 approach and time into modernizing  
11 their systems and processes,  
12 rendering them less comparable to  
13 MPI."

14 Yes?

15 MR. RYAN KOLASKI: That is correct,  
16 yes.

17 MS. KATHLEEN MCCANDLESS: What is  
18 MPI's understanding of the degree of technological  
19 maturity of the comparator Crowns?

20 MR. RYAN KOLASKI: So in SGI's case,  
21 they are about to undertake their own legacy system  
22 modernization, so they're reviewing how that back-end  
23 foundational work will under -- be undertaken and how  
24 that'll be phased out.

25 ICBC is in the early stages of



1 reviewing the same thing, so literally they're  
2 probably -- in my estimation, probably a couple of  
3 years behind where MPI was when we started Project  
4 NOVA overall.

5 MS. KATHLEEN MCCANDLESS: Thank you.  
6 MPI has stated that, over the years, it's refined its  
7 comparison framework?

8 MR. RYAN KOLASKI: Correct.

9 MS. KATHLEEN MCCANDLESS: And can you  
10 explain what that means? What's been done to refine  
11 it?

12 MR. RYAN KOLASKI: Sure. One (1)  
13 moment.

14

15 (BRIEF PAUSE)

16

17 MR. RYAN KOLASKI: The refinements  
18 come down to their allocators, to lines of business  
19 and how they would align more to our way of doing  
20 things or what the differences are in order so that we  
21 could possibly normalize those between the two, to the  
22 extent that they're willing to provide that  
23 information.

24 MS. KATHLEEN MCCANDLESS: So, that  
25 would, effectively, be normalizing the -- the head

1 count metrics, the premium metrics, the policy  
2 metrics, and the sat -- traffic safety metrics?

3 MR. RYAN KOLASKI: Those are the  
4 primary KPIs today. Yes.

5 MS. KATHLEEN MCCANDLESS: Were there  
6 any other changes or refinements to the benchmarking  
7 process?

8 MR. RYAN KOLASKI: No.

9 MS. KATHLEEN MCCANDLESS: Even with  
10 these refinements, does MPI maintain, as it has  
11 mentioned in the past, that with respect to ICBC, the  
12 comparison is only so reliable because of the  
13 economies of scale that ICBC has?

14 MR. RYAN KOLASKI: Correct. That is  
15 correct. If we could normalize out the allocation  
16 engine, the economies of scale and, then, get a  
17 comparable apples-to-apples comparison, you'd get a  
18 lot better insights. We're just not at a point where  
19 we can do that.

20 MS. KATHLEEN MCCANDLESS: In MPI's  
21 view is the best comparator, then, SGI?

22 MR. RYAN KOLASKI: Between the two (2)  
23 organizations? It is the most comparable. Yes.

24 MS. KATHLEEN MCCANDLESS: Thank you.  
25 Now, I'd like to go to PUB/MPI-175. Thank you,

1 Kristen.

2                   So, here, the Corporation was asked, at  
3 A, to provide the assumed level of Full-Time  
4 Equivalents used for the determination, and, if we go  
5 up just a little bit of the variable. Oh. Pardon me.  
6 There was no preamble.

7                   So, we're looking at -- at assumed  
8 level of FTEs and, so, at the response at A, was the  
9 assumed level of FTEs that MPI used for the benchmark  
10 exercise for those three (3) fiscal years?

11                   MR. RYAN KOLASKI: Correct.

12                   MS. KATHLEEN MCCANDLESS: And, then,  
13 if we were to go to PUB/MPI-1-47 and page 2, this is a  
14 comparison of total corporate staffing 2021/'22.

15                   So, if I'm looking at the first table,  
16 at the top of the page, we have total Corporate Staff,  
17 FTEs, line 6, one thousand eight hundred seventy-nine  
18 point five (1,879.5)?

19                   MR. RYAN KOLASKI: Correct.

20                   MS. KATHLEEN MCCANDLESS: So, then,  
21 how does that number reconcile with what -- and we can  
22 go back to the previous figure, at 175 -- how does  
23 that reconcile with the one thousand three hundred and  
24 forty-one point eight (1,341.8)?

25                   MR. RYAN KOLASKI: I'll just take a

1 moment.

2 MS. KATHLEEN MCCANDLESS: Sure.

3

4 (BRIEF PAUSE)

5

6 MR. RYAN KOLASKI: It's simply the  
7 allocation to the Basic line of business.

8 MS. KATHLEEN MCCANDLESS: Thank you.

9 And what was the -- the methodology or the analysis  
10 that MPI used, in order to come to that number of one  
11 thousand three hundred and forty-one point eight  
12 (1,341.8) out of the overall corporate number?

13 MR. RYAN KOLASKI: One second.

14

15 (BRIEF PAUSE)

16

17 MR. RYAN KOLASKI: We have our own  
18 internal allocation engine. So, what we do is we run  
19 those FTEs, in total, for corporate, through that  
20 model and, then, it will calculate out the FTEs by  
21 line of business and that would be the calculation for  
22 the Basic line of business overall.

23 MS. KATHLEEN MCCANDLESS: Is that  
24 something that MPI does on an annual basis?

25 MR. RYAN KOLASKI: Just one moment.

1 (BRIEF PAUSE)

2

3 MR. RYAN KOLASKI: That process is  
4 done solely for this process, for the Application.

5 MS. KATHLEEN MCCANDLESS: And is that  
6 analysis readily available or -- or not?

7 MR. RYAN KOLASKI: That analysis is  
8 readily available.

9 MS. KATHLEEN MCCANDLESS: Thank you.  
10 Then, I would ask for an Undertaking to produce the  
11 analysis that arrives at the assumed level of Full-  
12 Time Equivalents for the Crown benchmarking exercise  
13 for 2021/'22.

14 MR. ANTHONY GUERRA: Yes, Ms.  
15 McCandless, we can provide that Undertaking.

16

17 --- UNDERTAKING NO. 2: To produce the analysis  
18 that arrives at the  
19 assumed level of Full-Time  
20 Equivalents for the Crown  
21 benchmarking exercise for  
22 2021/'22.

23

24 CONTINUED BY MS. KATHLEEN MCCANDLESS:

25 MS. KATHLEEN MCCANDLESS: Thank you.

1 Did the Corporation assess whether its FTEs were --  
2 its management FTEs, in particular, were determined on  
3 the same basis as SGI and ICBC?

4 MR. RYAN KOLASKI: Just one moment.

5

6 (BRIEF PAUSE)

7

8 MR. RYAN KOLASKI: We -- they have  
9 nuances between how we do our allocation engine and  
10 theirs. So, the answer is no. We don't have a -- a  
11 method with which to evaluate how they determine the  
12 split.

13 MS. KATHLEEN MCCANDLESS: Thank you.  
14 Moving on to PUB/MPI-1-76. Thank you and, if we  
15 scroll down to the questions. Keep going. Thank you.

16 At C, MPI was asked to file a table of  
17 the data used to support the calculation of the  
18 metrics for MPI, SAF, so Saskatchewan Auto Fund, and  
19 ICBC. So, Full-Time Equivalents, gross expenses, loss  
20 adjustment expenses, policies in force, et cetera,  
21 and, if we go to Appendix 1, this was what was  
22 provided in response?

23 MR. RYAN KOLASKI: Correct.

24 MS. KATHLEEN MCCANDLESS: Starting  
25 with Performance Measurement 1, Head Count Analysis,

1 which is right at the top of the top of the screen,  
2 there are three (3) line items here.

3                   So, Gross Premiums Written, Total Full-  
4 Time Equivalents as of End of Year, and Full-Time  
5 Equivalents Per 100 Million of Gross Premiums Written?

6                   MR. RYAN KOLASKI:    Correct.

7                   MS. KATHLEEN MCCANDLESS:   And a -- a  
8 lower ratio would generally be preferred for the --  
9 the FTEs per 100 million of -- of gross premium  
10 written?

11                   MR. RYAN KOLASKI:    Correct.

12                   MS. KATHLEEN MCCANDLESS:    So, if we're  
13 looking at the Full-Time Equivalents per 100 million,  
14 this ratio for MPI, one twenty-four point one (124.1),  
15 that reflects the relative total basic staffing to  
16 deliver services?

17                   MR. RYAN KOLASKI:    Just one moment.

18

19                                   (BRIEF PAUSE)

20

21                   MR. RYAN KOLASKI:    That is correct.

22                   MS. KATHLEEN MCCANDLESS:    And we see  
23 here that MPI's Full-Time Equivalents per 100 million  
24 of gross premium written are the highest among the  
25 comparator Crowns?

1 MR. RYAN KOLASKI: Correct.

2 MS. KATHLEEN MCCANDLESS: Looking to  
3 the bottom of the screen, at the staff Full-Time  
4 Equivalents per 100 million.

5 So this represents non-management Full-  
6 Time Equivalents?

7 MR. RYAN KOLASKI: Correct.

8 MS. KATHLEEN MCCANDLESS: And, if we  
9 look at the bottom line of this metric, middle column,  
10 we see that MPI -- its ratio is one fifteen point four  
11 (115.4)?

12 MR. RYAN KOLASKI: Correct.

13 MS. KATHLEEN MCCANDLESS: So,  
14 significantly higher than both SGI and ICBC?

15 MR. RYAN KOLASKI: That is correct. I  
16 would add, though, like, in terms of FTEs, you have to  
17 weigh different organizations' frameworks between in-  
18 house service versus external consulting. Right?

19 So, you can lower your FTEs or raise  
20 them, depending on your view, in terms of self-  
21 sufficiency versus relying on consultants. So, while  
22 the ratio appears that we're worse off, it's not  
23 necessarily the case. It depends on, perhaps, the  
24 other organizations are using more consulting or  
25 external services and, therefore, their FTEs are



1 lower, but I understand where you're going with it.

2 MS. KATHLEEN MCCANDLESS: Is MPI  
3 developing any internal targets for Full-Time  
4 Equivalents, either overall or staff Full-Time  
5 Equivalents, per 100 million of GPW at this time?

6 MR. RYAN KOLASKI: So, at this time,  
7 in creating the budget for '24/'25, we, basically,  
8 landed to freeze the FTEs overall with where they were  
9 for '23/'24, in terms of the organization, and we're  
10 now working towards what is a self-sustaining versus  
11 consulting kind of arrangement with respect to our IT  
12 services.

13 We haven't formalized what that looks  
14 like but, again, as you go through technology  
15 developments, you have to weigh your costs between do  
16 you want to be on a self-sufficiency or do you want to  
17 be on consulting.

18 But, as of right now, it's not about a  
19 benchmark KPI, it's more about creating an overall  
20 kind of status quo and, then, backfilling that against  
21 your vacancy allowance in terms of managing the day-  
22 to-day business, right, so to still allow for some  
23 flexibility.

24 MS. KATHLEEN MCCANDLESS: Thank you.  
25 Now, if we look to the row above, that's the

1 Management Full-Time Equivalents per 100 million of  
2 gross premiums written?

3 MR. RYAN KOLASKI: That's correct.

4 MS. KATHLEEN MCCANDLESS: And, here,  
5 we see the middle column that's MPI compares  
6 favourably to the Crown peers.

7 MR. RYAN KOLASKI: That is correct.

8 MS. KATHLEEN MCCANDLESS: Then,  
9 scrolling down to 'Span of control analysis.' So span  
10 of control at item 4, that's a ratio of staff to  
11 management?

12 MR. RYAN KOLASKI: Correct.

13 MS. KATHLEEN MCCANDLESS: And MPI has  
14 a greater proportion of staff to management than both  
15 SGI and ICBC?

16 MR. RYAN KOLASKI: Correct.

17 MS. KATHLEEN MCCANDLESS: And that's  
18 the 13.2 we see; that's MPI's metric?

19 MR. RYAN KOLASKI: Correct.

20 MS. KATHLEEN MCCANDLESS: Does MPI  
21 have an internal target for span of control?

22 MR. RYAN KOLASKI: We do not at this  
23 time, no.

24 MS. KATHLEEN MCCANDLESS: Then looking  
25 to the bottom metric, which is gross premiums written

1 and gross premiums written per full-time equivalent.

2 So we see that MPI's gross premiums written, first at  
3 number 6, that would be the 1.08 million?

4 MR. RYAN KOLASKI: Correct.

5 MS. KATHLEEN MCCANDLESS: ICBC is the  
6 3.2 million on the right-hand side?

7 MR. RYAN KOLASKI: Correct.

8 MS. KATHLEEN MCCANDLESS: And then SGI  
9 is the 1.0 million?

10 MR. RYAN KOLASKI: Correct.

11 MS. KATHLEEN MCCANDLESS: At metric 7,  
12 the average gross premiums written per full-time  
13 equivalent, so they're based on the gross premium  
14 written divided by the full-time equivalent counts?

15 MR. RYAN KOLASKI: Correct.

16 MS. KATHLEEN MCCANDLESS: So the  
17 higher the outcome the better because this speaks to  
18 fewer full-time -- full-time equivalents required per  
19 -- for the gross premium written?

20 MR. RYAN KOLASKI: That is correct.

21 MS. KATHLEEN MCCANDLESS: So it  
22 appears that, looking at the relative size of the book  
23 of business, MPI has a more significant staff  
24 compliment than ICBC and SGI relative to premiums  
25 written?

1 MR. RYAN KOLASKI: It would appear  
2 that way. But, again, you have to possibly normalize,  
3 right, as I said, between how people view self-  
4 sufficiency with FTEs versus external consulting.

5 And then what's rolling into that  
6 number is you have compounding rate increases from  
7 previous years. So, depending on how the previous  
8 year's rates were implied, you could get rate action  
9 in other areas versus MPI, right.

10 So, historically, we're kind of on par  
11 or going negative. Other jurisdictions are zero or  
12 positive, so you're going to see higher premiums  
13 relative to FTEs overall.

14 But, yes, directionally, just based on  
15 the facts of the numbers there that would be the  
16 indication. But, again, when you're doing  
17 benchmarking, you really got to, like, take a step  
18 back and decided what is the normalization that may or  
19 may not be present.

20 MS. KATHLEEN MCCANDLESS: Thank you.  
21 Now, just a couple of questions by way of follow-up on  
22 your slide presentation.

23 MR. RYAN KOLASKI: Sure.

24 MS. KATHLEEN MCCANDLESS: There was a  
25 mention at the outset that E&Y declined to provide its

1 benchmarking services?

2 MR. RYAN KOLASKI: Correct.

3 MS. KATHLEEN MCCANDLESS: And why is  
4 that?

5 MR. RYAN KOLASKI: Just one moment.

6

7 (BRIEF PAUSE)

8

9 MR. RYAN KOLASKI: They had a falling  
10 out with ICBC with a complaint from Alberta, so they  
11 made an internal decision, but they didn't want to  
12 move forward with that report this year.

13 MS. KATHLEEN MCCANDLESS: Thank you.  
14 And then slide 9. Mr. Kolaski, you had mentioned  
15 inviting a discussion with the PUB to undertake the  
16 operational benchmarking periodically?

17 MR. RYAN KOLASKI: Correct.

18 MS. KATHLEEN MCCANDLESS: And so does  
19 MPI have a sense as to what the cadence of that review  
20 would be?

21 MR. RYAN KOLASKI: We were open to  
22 have just a frank discussion around it. Internally,  
23 we understand occasionally you guys move from annual  
24 to biannual, so every second year.

25 My preference would be either two (2)

1 years or three (3) years. It's just the nature of  
2 this industry, right; it moves very slowly.

3                   And then, in terms of tactics, how do  
4 you drive out value, right. You literally need some  
5 time to kind of dig into what are those nuances, just  
6 as I've highlighted this afternoon, in order to kind  
7 of get that apples-to-apples comparison and decide can  
8 you get insights and bring that into your business, or  
9 we're going to different direction because they have a  
10 different mandate.

11                   So, to me, it would seem fair to take a  
12 pause. And then it just also allows more resources to  
13 focus on internally in terms of the business itself  
14 than doing benchmarking which, again, when you look at  
15 it from last year's chapter to this year's chapter,  
16 you kind of look at it and go, it looks very similar,  
17 what do I get for insights.

18                   And then, when you talk to the team  
19 internally, the answer is, not much. So then from a  
20 value perspective of time, moving that cadence would  
21 probably give us more value overall.

22                   And it's also the feedback that came  
23 back from Aeon. When they ran that report, a lot of  
24 people were, I don't want to do it every year because  
25 it's a big cost, I don't get a lot of value, but

1 perhaps every second or third year.

2                   So there's some industry benchmarks  
3 both from a Crown perspective and from a peer group  
4 that's non-Crown that kind of says two (2) or three  
5 (3) years is probably the right feeling in terms of  
6 looking at benchmarking, and then kind of where  
7 everyone's at.

8                   MS. KATHLEEN MCCANDLESS: Thank you.  
9 So there's a couple aspects then to that. One (1) --  
10 one (1) is the allocation of resources to the exercise  
11 from year to year.

12                   The second, I gather from your  
13 response, was that perhaps there could be a more  
14 robust analysis if it was -- it the cadence was  
15 changed?

16                   MR. RYAN KOLASKI: Correct. So, if  
17 you change the cadence, you allow some room with  
18 respect to have a better dialogue and create a  
19 relationship with your peers, right.

20                   This process is fairly public. So then  
21 a lot of information that people may be willing to  
22 share only goes so far, similar to E&Y, right. They  
23 pulled out because, again, they had to make a  
24 decision, do I want to be in this forum or not.

25                   So, if you literally have some space,

1 you can talk about things that happened two (2) years  
2 ago, and people are less concerned about sharing of  
3 information because by the time it comes to this  
4 forum, the world's already kind of moved, right.

5 And I just think it allows for a more  
6 open dialogue with your peers, even on a Crown basis  
7 or independently, so.

8 MS. KATHLEEN MCCANDLESS: All right.  
9 Thank you. Those are all my questions for this Panel.

10 MR. RYAN KOLASKI: Thank you.

11 PANEL CHAIRPERSON: Thank you, Ms.  
12 McCandless. Ms. Dilay...?

13 MS. KATRINE DILAY: Thank you, Madam  
14 Chair.

15

16 CROSS-EXAMINATION BY MS. KATRINE DILAY:

17 MS. KATRINE DILAY: Good afternoon.  
18 My name is Katrine Dilay, and I'm legal counsel to the  
19 Consumers' Association of Canada, Manitoba branch.  
20 I've met a few of you before, but it's nice to see you  
21 again.

22 I have a few questions for the panel  
23 this afternoon, and I'd propose to pose the questions  
24 generally, and whoever is best suited to respond can  
25 jump in.



1                   At a high level, you'll agree that  
2 benchmarking is the practice of comparing a company's  
3 processes, performance metrics, or strategies to  
4 industry best practice?

5                   MR. RYAN KOLASKI:    I -- I agree with  
6 that, except for industry best practice because you're  
7 not sure who is the tier 1 provider within the peer  
8 group itself.  But if you do get a sense of relative  
9 ranking -- so that will follow, yes.

10                  MS. KATRINE DILAY:   Thank you for that  
11 clarification.  And just to expand on what industry  
12 best practice might mean, that can come from comparing  
13 to other companies or to standards that have been  
14 established?

15                  MR. RYAN KOLASKI:    Correct.

16                  MS. KATRINE DILAY:    And you'll agree  
17 that one (1) purpose of benchmarking can be to get a  
18 comprehensive understanding of a company's overall  
19 operational efficiency, effectiveness, and  
20 competitiveness in various domains within the  
21 industry?

22                  MR. RYAN KOLASKI:    Correct.

23                  MS. KATRINE DILAY:    And another  
24 purpose can be to identify opportunities for  
25 improvement?

1 MR. RYAN KOLASKI: Potentially, yes.

2 MS. KATRINE DILAY: And you'll agree  
3 that benchmarking is data driven?

4 MR. RYAN KOLASKI: Largely data  
5 driven, yes.

6 MS. KATRINE DILAY: And you'll agree  
7 that in order for benchmarking activities to be  
8 successful, the items that are being compared should  
9 be strategic in nature?

10 MR. RYAN KOLASKI: I'm not sure I  
11 totally agree. I think strategy plays an important  
12 part in terms of how you align your business  
13 operations and your specific market.

14 So you'd have to understand your peer  
15 group in terms of what their mandate is and what their  
16 trying to achieve in terms of scale and scope so then  
17 you can normalize that and compare that to your own  
18 operation because, again, strategy drives tactics in  
19 some -- in some respects.

20 So, 'yes' and 'no' depending on the  
21 situation or the specific benchmark that you're  
22 looking at.

23 MS. KATRINE DILAY: Okay. I may come  
24 to that, but we'll leave it.

25 MR. RYAN KOLASKI: Sure. Yeah. No

1 problem.

2 MS. KATRINE DILAY: Thank you. You'll  
3 agree that the items that are being compared in a  
4 benchmarking activity should be relevant?

5 MR. RYAN KOLASKI: Correct.

6 MS. KATRINE DILAY: They should be  
7 unambiguous?

8 MR. RYAN KOLASKI: To the best extent  
9 possible, yes.

10 MS. KATRINE DILAY: And, finally, the  
11 items being compared should also be measurable?

12 MR. RYAN KOLASKI: Correct.

13 MS. KATRINE DILAY: And you'll agree  
14 that one (1) benefit of benchmarking data is to  
15 provide a measurement against a group of peers?

16 MR. RYAN KOLASKI: Correct.

17 MS. KATRINE DILAY: And that the group  
18 of peers should be appropriate in that they should  
19 have relatively similar characteristics?

20 MR. RYAN KOLASKI: Correct.

21 MS. KATRINE DILAY: And you'll agree  
22 that in order to be beneficial, benchmarking should  
23 measure performance over time?

24 MR. RYAN KOLASKI: Correct.

25 MS. KATRINE DILAY: You'll agree that

1 MPI does not operate in a competitive environment for  
2 Basic insurance?

3 MR. RYAN KOLASKI: Correct.

4 MS. KATRINE DILAY: And so there is no  
5 competitive market that places pressure on MPI's  
6 expenses to exercise fiscal prudence, correct?

7 MR. RYAN KOLASKI: I'm not sure I  
8 totally agree with that. I think you have to be  
9 competitive on your expense profile. Even though  
10 you're rate neutral, at the end of the day, you still  
11 have to drive value.

12 Part of that value comes from  
13 containing your expenses and part of it's from driving  
14 technology investments, the return on which is  
15 probably not within the rate setting year, so have to  
16 make allowances for that.

17 So I think, overall, it's partially  
18 correct, but, again, it's very situational specific.

19 MS. KATRINE DILAY: But you'll agree  
20 that MPI's customers have no choice but to purchase  
21 MPI's --

22 MR. RYAN KOLASKI: That is correct,  
23 yeah.

24 MS. KATRINE DILAY: -- Basic  
25 insurance? And you'll agree that PUB -- that -- sorry

1 -- part of the PUB regulation of MPI is to examine its  
2 expenses to ensure they are prudent?

3 MR. RYAN KOLASKI: Correct.

4 MS. KATRINE DILAY: And one (1) way of  
5 examining whether expenses are prudent is to ask MPI  
6 for the rationale for these expenses?

7 MR. RYAN KOLASKI: Correct.

8 MS. KATRINE DILAY: And another way of  
9 examining whether expenses are prudent can be to  
10 compare MPI's expenses to the expenses of comparable  
11 peers?

12 MR. RYAN KOLASKI: Correct.

13 MS. KATRINE DILAY: And we can either  
14 go to a reference or you can take this subject to  
15 check, but you'll agree that the PUB has previously  
16 found that it views benchmarking as an essential  
17 exercise undertaken as a matter of course in a well  
18 run corporation? And...

19

20 (BRIEF PAUSE)

21

22 MR. RYAN KOLASKI: Do you how many  
23 years ago that was -- your reference is referring to?

24 MS. KATRINE DILAY: And Ms. -- Ms.  
25 Schubert actually pulled up the reference before us.

1 MR. RYAN KOLASKI: Oh, okay. Yeah,  
2 no.

3 MS. KATRINE DILAY: And so you'll  
4 agree, Mr. Kolaski, that before us we have -- you  
5 might see at the top there this is PUB Order 134 of  
6 '21. Do you see that?

7 MR. RYAN KOLASKI: I do, yes.

8 MS. KATRINE DILAY: And at the bottom,  
9 you'll agree that the PUB has previously found that it  
10 views benchmarking as an essential exercise undertaken  
11 as a matter of course in well run corporations?

12 MR. RYAN KOLASKI: Correct.

13 MS. KATRINE DILAY: Thank you. And  
14 just to confirm, at a high level, MPI organizes its  
15 benchmarking activities in four (4) areas, correct?  
16 And we can go through those four (4) areas if you'd  
17 like.

18 So -- so one (1) area is the Canadian  
19 vehicle insurance rate and average premium growth?

20 MR. RYAN KOLASKI: Correct.

21 MS. KATRINE DILAY: And the second  
22 area is serving Manitobans relating to customer  
23 experience and satisfaction?

24 MR. RYAN KOLASKI: Correct.

25 MS. KATRINE DILAY: And a third area

1 is operational benchmarking?

2 MR. RYAN KOLASKI: Correct.

3 MS. KATRINE DILAY: And within  
4 operational benchmarking, that includes the Crown auto  
5 benchmark report?

6 MR. RYAN KOLASKI: Correct.

7 MS. KATRINE DILAY: And operational  
8 benchmarking also includes this year the AON  
9 benchmarking report, correct?

10 MR. RYAN KOLASKI: Correct.

11 MS. KATRINE DILAY: And we won't go  
12 into detail on this one, recognizing it's for another  
13 panel but, generally speaking, the fourth area that  
14 MPI benchmarks is information technology led by  
15 Gartner, correct?

16 MR. RYAN KOLASKI: Correct.

17 MS. KATRINE DILAY: And so you'll  
18 agree that, as it relates to operational efficiency  
19 benchmarking specifically, this relates to the  
20 capacity of MPI to deliver products and services to  
21 Manitobans in the most cost-effective manner possible?

22 MR. RYAN KOLASKI: Correct.

23 MS. KATRINE DILAY: While ensuring the  
24 high quality of MPI's products, services, and support?

25 MR. RYAN KOLASKI: Correct.

1 MS. KATRINE DILAY: And as it relates  
2 to operational efficiency benchmarking, MPI has  
3 acknowledged previously the value of -- of  
4 benchmarking, correct?

5 MR. RYAN KOLASKI: Correct.

6 MS. KATRINE DILAY: As a method to  
7 understand and quantify the performance of its core  
8 business?

9 MR. RYAN KOLASKI: Correct.

10 MS. KATRINE DILAY: As well as being  
11 an avenue to identify opportunities for further  
12 improvement, correct?

13 MR. RYAN KOLASKI: Correct.

14 MS. KATRINE DILAY: And, again, in  
15 terms of operational efficiency benchmarking, you'll  
16 confirm that MPI is still considering the most  
17 appropriate benchmarking method?

18 MR. RYAN KOLASKI: Correct.

19 MS. KATRINE DILAY: And that MPI  
20 anticipates receiving and exploring a variety of  
21 recommendations and discussing its findings as part of  
22 the GRA process?

23 MR. RYAN KOLASKI: Correct.

24 MS. KATRINE DILAY: So it would be  
25 fair to say that, as it relates to operational



1 benchmarking, MPI's practices are evolving?

2 MR. RYAN KOLASKI: Correct.

3 MS. KATRINE DILAY: And that there is  
4 room for improvement?

5 MR. RYAN KOLASKI: There's always room  
6 for improvement, correct.

7 MS. KATRINE DILAY: Especially in  
8 order to get the best value for Manitoban's of the  
9 benchmarking exercise?

10 MR. RYAN KOLASKI: Correct.

11 MS. KATRINE DILAY: And, Ms. Schubert,  
12 if we could turn to part 4 of the GRA Benchmarking  
13 Attachment 'A'. And we can go right to the beginning  
14 of this report. Thank you.

15 So you'll agree this is the AON  
16 Benchmarking Report for 2021?

17 MR. RYAN KOLASKI: Correct.

18 MS. KATRINE DILAY: And you'll agree  
19 that this benchmarking exercise is based on private  
20 sector comparators?

21 MR. RYAN KOLASKI: I believe there's a  
22 list of all -- the peer group that was in there, in  
23 the executive summary. I just want to make sure it's  
24 a complete list. But there is a list of all the  
25 participants in that survey.

1 MS. KATRINE DILAY: And are you able  
2 to confirm whether they're all private sector  
3 comparators?

4 MR. RYAN KOLASKI: One moment.

5

6 (BRIEF PAUSE)

7

8 MS. KATRINE DILAY: Oh, your mic.

9 MR. RYAN KOLASKI: On page 2? No,  
10 it's the executive summary that has the list.

11

12 (BRIEF PAUSE)

13

14 MR. RYAN KOLASKI: Can you move on?  
15 We'll track down the list for you. And then I can  
16 confirm what you've asked.

17 MS. KATRINE DILAY: Thank you. So  
18 maybe we'll turn just to page 8 of this document.

19 You'll agree this is the AON findings  
20 relating to information technology expense as a  
21 percentage of gross premiums written?

22 MR. RYAN KOLASKI: Correct.

23 MS. KATRINE DILAY: And if we look --  
24 just one moment.

25 MR. RYAN KOLASKI: Sure.

1 (BRIEF PAUSE)

2

3 MS. KATRINE DILAY: If you look to the  
4 -- the graph with the blue bars, to the far left,  
5 you'll confirm that, in 2017, MPI was at 4.52 percent  
6 of IT expenses as a percentage of gross premiums  
7 written?

8 MR. RYAN KOLASKI: Correct.

9 MS. KATRINE DILAY: And in 2021, the  
10 same metric had gone up to 5.90 percent, correct?

11 MR. RYAN KOLASKI: Correct.

12 MS. KATRINE DILAY: And if we do some  
13 -- some simple math, this is 1.8 percent higher than  
14 the Canada personal auto benchmark, the next -- the  
15 first dark blue column?

16 MR. RYAN KOLASKI: Correct.

17 MS. KATRINE DILAY: And just over 1.7  
18 percent higher than the Canada industry benchmark?

19 MR. RYAN KOLASKI: Correct.

20 MS. KATRINE DILAY: And almost 1  
21 percent above the US personal auto benchmark, correct?

22 MR. RYAN KOLASKI: Correct.

23 MS. KATRINE DILAY: And generally  
24 speaking, regarding the AON Benchmarking Report,  
25 you'll agree that AON did not provide specific

1 recommendations to MPI?

2

3

(BRIEF PAUSE)

4

5

MR. RYAN KOLASKI: That is correct.

6

MS. KATRINE DILAY: And I can take you  
7 to a reference, if you'd like.

8

But you'll agree that MPI does not plan  
9 to take any actions as a result of the learnings from  
10 the AON operational heat map, correct?

11

We can take you to the reference if  
12 that would help.

13

14

(BRIEF PAUSE)

15

16

MR. RYAN KOLASKI: That is correct.

17

MS. KATRINE DILAY: And this is  
18 because MPI says the findings generally support that  
19 MPI is operating within benchmark averages, correct?

20

MR. RYAN KOLASKI: Overall as it  
21 relates to the overall study, yes.

22

MS. KATRINE DILAY: And if we could  
23 turn to the Information Request CAC/MPI-1-3. And Ms.  
24 Schubert, if we could go to page 3, at the top of the  
25 page. Ms. Schubert, if we could just go -- just to

1 see the full response.

2 And so, you'll -- you'll agree here  
3 that in response to 'A', MPI is referring to the Crown  
4 benchmarking analysis?

5 MR. RYAN KOLASKI: That is correct,  
6 yes.

7 MS. KATRINE DILAY: And Ms. Schubert,  
8 if we can then go to the top of page 3.

9 You'll agree there that it's MPI's view  
10 that the results of the Crown benchmarking do not  
11 provide MPI with insight into actions that it can take  
12 to improve its own metric?

13 MR. RYAN KOLASKI: That is correct.

14 MS. KATRINE DILAY: And the next  
15 paragraph, as it relates to the AON report, MPI says  
16 the results are informative but may not be entirely  
17 relevant, correct?

18 MR. RYAN KOLASKI: Correct.

19 MS. KATRINE DILAY: And just before  
20 saying that, MPI -- you'll agree that MPI says it  
21 cannot be easily compared to its peers, especially  
22 those without a similar public mandate?

23 MR. RYAN KOLASKI: Correct.

24 MS. KATRINE DILAY: And, sir, you'll  
25 agree that benchmarking should not just be an activity

1 undertaken to check a box on a checklist, correct?

2 MR. RYAN KOLASKI: Correct.

3 MS. KATRINE DILAY: And you'll agree  
4 that there's room for operational efficiency  
5 benchmarking to be refocused to become a strategic and  
6 useful tool for MPI and Manitobans?

7 MR. RYAN KOLASKI: To the extent you  
8 have a working group of peers that are willing to  
9 collaborate, yes.

10 MS. KATRINE DILAY: And you'll agree  
11 that benchmarking should lead to recommendations and  
12 actions for improvement?

13 MR. RYAN KOLASKI: Correct.

14 MS. KATRINE DILAY: And that  
15 benchmarking should look at comparable performance  
16 measures over time in order to track progress?

17 MR. RYAN KOLASKI: Correct.

18 MS. KATRINE DILAY: And you'll agree  
19 that benchmarking can be useful to the regulatory  
20 process as it relates to examining the reasonableness  
21 of MPI's expenditures?

22 MR. RYAN KOLASKI: Correct.

23 MS. KATRINE DILAY: You'll agree that  
24 benchmarking compares MPI's performance on certain  
25 activities to other comparable entities?

1 MR. RYAN KOLASKI: Correct.

2 MS. KATRINE DILAY: And at a high  
3 level, you'll agree that key performance indicators,  
4 or KPIs, are a set of quantifiable measurements used  
5 to gauge a company's overall long term performance?

6 MR. RYAN KOLASKI: Both long term and  
7 short term, yes. Correct.

8 MS. KATRINE DILAY: And you'll agree  
9 that certain of the activities that MPI tracks in its  
10 benchmarking activities are effectively gauging the  
11 Company's overall short-term and long-term  
12 performance?

13 MR. RYAN KOLASKI: Correct.

14 MS. KATRINE DILAY: And I just have a  
15 few more questions for this panel. Ms. Schubert, if  
16 we could go to the GRA Part 4 Benchmarking at page 23.

17 And this is the 2021/2022 Crown  
18 Benchmark Report, correct?

19 MR. RYAN KOLASKI: Correct.

20 MS. KATRINE DILAY: And if we focus on  
21 the line number 2, under 'Headcount Analysis', and  
22 then there's a number 1, and you see there, it says,  
23 "FTEs per 100 million of gross premiums written"?

24 MR. RYAN KOLASKI: Correct.

25 MS. KATRINE DILAY: And you'll agree,

1 if we look at the results for SGI, MPI, and ICBC, MPI  
2 has approximately fourteen (14) more staff in its  
3 performance measurement than SGI?

4 MR. RYAN KOLASKI: Correct.

5 MS. KATRINE DILAY: And approximately  
6 thirty (30) more staff in its performance -- in this  
7 performance measurement than ICBC?

8 MR. RYAN KOLASKI: Correct.

9 MS. KATRINE DILAY: And then, if we go  
10 to the next page, page 24.

11 This is the Comparative Crown Benchmark  
12 Report for Q3 of 2022/23, correct?

13 MR. RYAN KOLASKI: Correct.

14 MS. KATRINE DILAY: So more recent  
15 than the one we just looked at?

16 MR. RYAN KOLASKI: Yes.

17 MS. KATRINE DILAY: And looking again  
18 at this same line in this report, so line number 2 --  
19 but that has a number 1 -- this is the same FTEs per  
20 100 million of gross premiums written?

21 MR. RYAN KOLASKI: Correct.

22 MS. KATRINE DILAY: And so, you'll  
23 agree, if we look under MPI, that MPI's FTEs under  
24 this performance measure have gone up by approximately  
25 seven (7) as compared to '21/'22?



1 MR. RYAN KOLASKI: Correct.

2 MS. KATRINE DILAY: And that now MPI  
3 has almost thirty (30) FTEs more than SGI?

4 MR. RYAN KOLASKI: Correct.

5 MS. KATRINE DILAY: And eleven (11)  
6 more than ICBC?

7 MR. RYAN KOLASKI: Correct.

8 MS. KATRINE DILAY: Thank you. And if  
9 I can just have one moment. Those may be all my  
10 questions, but I'll just discuss with my co-counsel.

11

12 (BRIEF PAUSE)

13

14 MS. KATRINE DILAY: Subject to any  
15 questions, those are our questions for this panel.

16 PANEL CHAIRPERSON: Thank you, Ms.  
17 Dilay. Ms. Meek...?

18 MS. CHARLOTTE MEEK: Thank you, Madam  
19 Chair.

20

21 CROSS-EXAMINATION BY MS. CHARLOTTE MEEK:

22 MS. CHARLOTTE MEEK: Good afternoon to  
23 the panel. My name is Charlotte Meek. I represent  
24 the Coalition of Manitoba Motorcycle Groups, or CMMG.  
25 Similarly to my colleague, I'll just direct my

1 questions broadly, and whoever feels able to respond  
2 can -- can jump in.

3                   You would agree with me that the  
4 benchmarking exercise that MPI undertakes, as it  
5 relates to vehicle rates, helps to evaluate the  
6 Corporation's practices with its peers and assist in  
7 ensuring the Corporation is providing competitive  
8 pricing and optimal performance.

9                   MR. RYAN KOLASKI: I think -- what's  
10 that? I'm on -- apparently I'm on a roll.

11                   I think it provides competitive  
12 relative pricing. Again, each jurisdiction has a very  
13 different model, so I think you have to like really do  
14 an apples-to-apples comparison when you want to take a  
15 driver profile from Manitoba and go to Toronto or  
16 Calgary or Saskatchewan and really make sure that the  
17 coverage you're getting is exactly the same 'cause  
18 they do offer different options.

19                   So in terms of maximizing the pricing,  
20 I'm not sure. I think you have to do a little more  
21 work than just do a broad comparison overall.

22                   MS. CHARLOTTE MEEK: Okay. So I think  
23 you're highlighting some of the concerns that exist  
24 when we're comparing to our peers and other public  
25 jurisdictions --

1 MR. RYAN KOLASKI: Correct.

2 MS. CHARLOTTE MEEK: -- that there  
3 might be differences in the way that insurance rates  
4 are calculated.

5 MR. RYAN KOLASKI: Correct.

6 MS. CHARLOTTE MEEK: Right. But we  
7 still proceed with this pricing analysis and this  
8 comparison in order to compare ourselves with other  
9 jurisdictions to see if our pricing is somewhat  
10 comparative and competitive.

11 Would you agree with that?

12 MR. RYAN KOLASKI: That's correct,  
13 yeah.

14 MS. CHARLOTTE MEEK: Thank you. So if  
15 we could go to part 4, benchmarking, please, page 10.

16 And this is the benchmarking exercise  
17 that MPI provided in its Application this year as it  
18 relates to motorcycle rates.

19 Is that correct?

20 MR. RYAN KOLASKI: Correct.

21 MS. CHARLOTTE MEEK: Okay. And could  
22 we scroll up one (1) page to page 9, please? And at  
23 lines 5 to 6 at the top of the page there, it says:

24 "A comparison of motorcycle rates  
25 within Canada shows that MPI

1 continues to excel in providing what  
2 are among the lowest motorcycle  
3 insurance rates in the country."

4 Do you see that there?

5 MR. SCOTT PATTON: Yes.

6 MS. CHARLOTTE MEEK: Thank you. And  
7 if we could go to an Information Response CMMG/MPI-1-  
8 5, please. If we go to the last page -- oh, thank  
9 you, Kristen.

10 So in response to one (1) of the  
11 questions posed by MPI, MPI then qualified that  
12 response. And you'll see that qualification is in the  
13 last line of this response where it says:

14 "MPI says more accurately that its  
15 motorcycle rates are, among those  
16 available for comparison, among the  
17 lowest rates in the country."

18 MR. SCOTT PATTON: That is correct.

19 MS. CHARLOTTE MEEK: Thank you. So if  
20 we could scroll back down, please. So we're scrolling  
21 -- sorry. Go back to benchmarking, so part 4 of the  
22 Application, back to page 10.

23 So when looking at the profiles  
24 provided here, can you confirm for me that in profile  
25 28 -- so the -- the left column here -- Winnipeg has

1 the highest rate as compared to other jurisdictions in  
2 -- in ICBC and SGI? Is that correct?

3 MR. SCOTT PATTON: Yeah, and for the  
4 record, it's Scott Patton speaking. And, yes, that is  
5 correct in this comparison. I'll maybe jump in and  
6 maybe answer some of your other questions right now.

7 We withdrew the across-Canada  
8 comparison because for motorcycle rates specifically,  
9 we were not able to, and Ernst -- Ernst and Young was  
10 not able to, get comparison rates across Canada. So  
11 we only have three (3) private -- or three (3) public  
12 jurisdictions that are compared here. So it would be  
13 incorrect to say that anything from this comparison is  
14 across Canada.

15 MS. CHARLOTTE MEEK: So if we talk  
16 about those available for comparison in the country,  
17 which is -- which is the qualification I think that we  
18 just looked at, right, the qualification that MPI  
19 provided was:

20 "MPI says more accurately that its  
21 motorcycle rates are, among those  
22 available for comparison, among the  
23 lowest in the country."

24 Is that the qualification you're  
25 referring to?

1 MR. SCOTT PATTON: Yes.

2 MS. CHARLOTTE MEEK: Thank you. Yes.

3 So -- so back to my question here. We had just  
4 confirmed that, at profile 28, Winnipeg does have the  
5 highest rate among those available for comparison  
6 across Canada.

7 Is that correct?

8 MR. SCOTT PATTON: Again, sorry, the  
9 "across Canada" is tripping me up. In the three (3)  
10 rates that are compared here, yes, that one is the  
11 highest number.

12 MS. CHARLOTTE MEEK: Right. Yes. The  
13 ones that we can compare to, which is the only ones  
14 that you've provided in this chart. I -- I appreciate  
15 that comment, yes.

16 So perhaps I can phrase it as: Among  
17 the rates available for comparison, Winnipeg has the  
18 highest rate in profile 28.

19 MR. SCOTT PATTON: Correct.

20 MS. CHARLOTTE MEEK: Thank you. And  
21 Brandon in profile 28 has the fourth highest rate, and  
22 you can confirm that subject to check if you'd like.

23 MR. SCOTT PATTON: I'll leave it as  
24 correct.

25 MS. CHARLOTTE MEEK: Thank you. And

1 in profile 29, so the middle profile there, Winnipeg  
2 again has the highest rate in comparison?

3 MR. SCOTT PATTON: (NO AUDIBLE  
4 RESPONSE).

5 MS. CHARLOTTE MEEK: Thank you. And  
6 Brandon has the second highest rate in that profile?

7 MR. SCOTT PATTON: That is correct.

8 MS. CHARLOTTE MEEK: Thank you. And  
9 then in profile 30, the one on the far right of the  
10 screen, Winnipeg has the second highest rate in  
11 comparison?

12 MR. SCOTT PATTON: That is correct.

13 MS. CHARLOTTE MEEK: And Brandon has  
14 the fifth highest rate.

15 Is that correct?

16 MR. SCOTT PATTON: Yes.

17 MS. CHARLOTTE MEEK: Thank you. And  
18 this is out of ten (10) available comparisons that  
19 you've provided here.

20 MR. SCOTT PATTON: (NO AUDIBLE  
21 RESPONSE).

22 MS. CHARLOTTE MEEK: Thank you. And  
23 could we please go to CMMG/MPI-1-4. And if we go to  
24 page 2, maybe we could zoom out a little bit and look  
25 at the answer.

1                   So we were asking some information  
2 about the territories with this question, and  
3 Territory 1 includes Winnipeg, and it also includes a  
4 couple of various municipalities outside Winnipeg.

5                   Is that correct?

6                   MR. SCOTT PATTON:     Yes.

7                   MS. CHARLOTTE MEEK:    Thank you.  And  
8 as provided by MPI's response here, Territory 1  
9 represents 44 percent of motorcycle registrations in  
10 the province.

11                   Is that correct?

12                   MR. SCOTT PATTON:     Yes, it is.

13                   MS. CHARLOTTE MEEK:    Thank you.  And  
14 Territory 2 includes Brandon, Portage La Prairie, and  
15 the remainder of Manitoba that is south of the 53rd  
16 parallel.

17                   Is that correct?

18                   MR. SCOTT PATTON:     Yes.

19                   MS. CHARLOTTE MEEK:    Okay.  And as MPI  
20 has confirmed here, that represents 52 percent of all  
21 motorcycle registrations in the province.

22                   MR. SCOTT PATTON:     Right.

23                   MS. CHARLOTTE MEEK:    Thank you.  And  
24 so Territories 1 and 2 combined represent 96 percent  
25 of motorcycle riders in the province.



1 Is that correct?

2 MR. SCOTT PATTON: Not riders, but  
3 registrations, yes.

4 MS. CHARLOTTE MEEK: Pardon me. Thank  
5 you. Yes, motorcycle registrations in the province.  
6 Thank you.

7 And so you would agree with me that  
8 Winnipeg has either the highest or second highest  
9 motorcycle rates in the country among those available  
10 for comparison.

11 Would you agree with that statement?

12 MR. SCOTT PATTON: That being not in  
13 the country, I would compare -- I -- I would say that  
14 among those that (INDISCERNIBLE) not the country. But  
15 yes, correct.

16 MS. CHARLOTTE MEEK: Sure. So let me  
17 rephrase the question. Winnipeg has the highest or  
18 the second highest rate among the comparable rates  
19 that were provided by the Corporation.

20 Is that correct?

21 MR. SCOTT PATTON: Correct.

22 MS. CHARLOTTE MEEK: Thank you. And  
23 so Winnipeg and Brandon, which are in Territories 1  
24 and 2, representing 96 percent of Manitoba's  
25 motorcycle registrations, has motorcycle rates which

1 are, among those available for comparison, the  
2 highest.

3 MR. SCOTT PATTON: Correct.

4 MS. CHARLOTTE MEEK: Okay. And I  
5 would expect that, based on some of the answers that  
6 you'd provided, you'd also like me to acknowledge that  
7 Thompson and The Pas have some of the lowest rates  
8 that are available for comparison when we look at our  
9 peers.

10 Is that correct?

11 MR. SCOTT PATTON: Correct.

12 MS. CHARLOTTE MEEK: Okay. And -- and  
13 you would agree with me that those locations are  
14 within territories which represent 4 percent of  
15 motorcycle registrations, which would be less than  
16 four thousand (4,000) riders.

17 Would you agree with that statement?

18 MR. SCOTT PATTON: Correct.

19 MS. CHARLOTTE MEEK: Thank you. Those  
20 are my questions.

21 PANEL CHAIRPERSON: Thank you. Mr.  
22 Guerra...?

23 MR. ANTHONY GUERRA: I'll be just one  
24 (1) moment, please.

25

1 (BRIEF PAUSE)

2

3 RE-DIRECT EXAMINATION BY MR. ANTHONY GUERRA:

4 MR. ANTHONY GUERRA: All right.

5 Sorry. I have one more question, or just one question  
6 on re-direct, and that is:

7 There were questions posed to you  
8 earlier this afternoon about MPI not having any  
9 internal target for span of control.

10 Do you recall those questions?

11 MR. RYAN KOLASKI: Correct.

12 MR. ANTHONY GUERRA: And, just to  
13 confirm, will the organizational review being  
14 conducted at the moment by Ernst and Young, review  
15 span of control for MPI in the preceding two (2)  
16 years.

17 MR. RYAN KOLASKI: That is correct.

18 MR. ANTHONY GUERRA: And will MPI  
19 consider the results of the org review, in developing  
20 an internal target for span of control?

21 MR. RYAN KOLASKI: MPI will, yes.

22 MR. ANTHONY GUERRA: Thank you. No  
23 further questions.

24 PANEL CHAIRPERSON: Thank you.

25 Questions? Ms. Boulter...?

1 BOARD MEMBER BOULTER: Hi. I have  
2 three (3) questions. First off, for motorcycles, is  
3 your insurance valid for only a set period of time of  
4 the year, like, they can only ride motorcycles May to  
5 October. Like is there a finite time?

6 MR. SCOTT PATTON: No, it's an annual  
7 policy.

8 BOARD MEMBER BOULTER: Okay, so if I  
9 want to take my motorcycle out in September, I can do  
10 that.

11 BOARD MEMBER BASS: As long as you're  
12 found -- registered, yes.

13 BOARD MEMBER BOULTER: Okay. I don't,  
14 I haven't a clue. Okay. They look lovely though.

15 Okay. And my -- my last question now  
16 is that MPI believes in fair value for Manitobans, and  
17 -- and number 1, you've been talking about the rates  
18 that they pay.

19 But, I'm also wondering about the  
20 benefits that you get when you're in an accident. So,  
21 I'm wondering, are we going to see a comparison,  
22 because some of the information that we've been given,  
23 like in four hundred (400) -- on page 490, of the GRA,  
24 it talks about funeral costs being nine thousand eight  
25 hundred and fifty one (9,851), max.

1 Saskatchewan, is a eleven thousand,  
2 seven hundred and twenty-six (11,726) and BC is nine  
3 thousand nine hundred and forty-nine (9,949). The  
4 difference between our -- us and our neighbors of over  
5 \$2,000.00. And funerals are expensive and they're  
6 going up.

7 The other thing that I was concerned  
8 about, speaking on behalf of Manitobans, is the cost -  
9 - care-giver weekly indemnity of being five hundred  
10 and twenty-three (523) for taking care of one person,  
11 and six hundred and eighty-seven (687) for four (4) or  
12 more injured people.

13 I -- I don't know where you're hiring  
14 people for that kind of money to take care of injured  
15 people, but I'm wondering if you've done -- if -- if  
16 you're looking at those values and -- and trying to  
17 determine if those should go up. Because, that's part  
18 of the fair value to Manitobans' equation.

19 MS. SATVIR JATANA: Thank you, Ms.  
20 Boulter. You're absolutely right that as part of the  
21 value is we look at how our product is compared to  
22 other, and from time to time, we do that  
23 jurisdictional scan to understand whether our product  
24 requires improvement.

25 I can also tell you that, you know, we

1 meet with CMMG almost on a quarterly basis, where I'm  
2 actually a part of that conversation. And we try to  
3 understand the needs and wants of the customers.

4 And, I will say, there are some items  
5 that are being looked at in terms of product  
6 enhancement and perhaps, you know, at some later date  
7 we would be able to provide a little bit of better  
8 visibility as we get fuller alignment on that.

9 PANEL CHAIRPERSON: Mr. Gabor...?

10 BOARD CHAIR GABOR: Just a -- a  
11 confirmation. Mr. Patton, when we're talking about  
12 the cross Canada comparisons for the jurisdictions,  
13 we're talking about three (3) provinces. Right?  
14 We're talking -- where they're available for  
15 motorcycles.

16 We're talking BC, Saskatchewan and  
17 Manitoba where they have public -- public insurance,  
18 correct?

19 MR. SCOTT PATTON: Yeah, for -- for  
20 the motorcycle rates.

21 BOARD CHAIR GABOR: Right.

22 MR. SCOTT PATTON: And that -- that's  
23 simply because motorcycle rates have always been very,  
24 very difficult to find and get.

25 BOARD CHAIR GABOR: Right.

1 MR. SCOTT PATTON: Some of the things  
2 that the -- the Law Center highlighted this morning.  
3 Bundling, bundling has always been something that  
4 almost every jurisdiction, other than the -- the  
5 public jurisdictions, follows from a motorcycle  
6 perspective.

7 BOARD CHAIR GABOR: Right.

8 MR. SCOTT PATTON: It goes to the --  
9 the riding season. Right? It's -- it's not an  
10 insurance product that is typically used year round in  
11 a lot of places.

12 So there's a lot of different schemes  
13 and models to price the -- the insurance rate.  
14 Unfortunately, for motorcycles that puts us in a  
15 really, really hard situation where we can't make  
16 comparisons across Canada.

17 You know, we used to actually be able  
18 to, you know, do some mystery shopping and get rates  
19 in Toronto or other places. And it's just not  
20 possible anymore.

21 BOARD CHAIR GABOR: Yeah. Thank you.

22 PANEL CHAIRPERSON: Ms. Nemec...?

23 BOARD MEMBER NEMEC: I'm not sure how  
24 to ask my question, but it's -- I guess more about  
25 process and utilizing benchmarking, understanding the

1 effort that goes into benchmarking and the value  
2 that's being attributed to the work that's done with  
3 the benchmarking results.

4           And I'm -- I'm hearing that -- and  
5 benchmarking is always hard to find -- it's always a  
6 challenge to find someone that is very comparable and  
7 I'm not sure anyone that finds the one that is totally  
8 comparable, but sort of peeling back the skin of the  
9 onion is what does make sense. And are there issues -  
10 - are some of these numbers or -- metrics, is there  
11 something that has a basis to that.

12           Is -- is there some issue that needs to  
13 be uncovered by going into some more detail. So, for  
14 example, I think some of the things that were  
15 different was the maturity of the technology between  
16 the three (3) comparables and the Crown benchmarking.

17           And was there any work done? I guess,  
18 Part A, of that, was there any work done to try to  
19 make some sense of the one number that I think  
20 everyone's brought up, what's the gross premiums  
21 written for FTE? So, was there any more work done to  
22 say, is that an issue.

23           And the Part B of that, is you did talk  
24 about like freezing FTE's going forward, going towards  
25 what's self sustaining. There was some issues of some



1 of the decision making that you have in front of you.

2                   So have you -- or can you use some of  
3 that information from the benchmarking, comparing it  
4 to others and how that's going to work into your  
5 decision making coming forward?

6                   That's a very long question and I said  
7 I did have a hard time putting it out there.

8                   MR. RYAN KOLASKI:   That's a fair  
9 question.   Just one moment.

10

11                                   (BRIEF PAUSE)

12

13                   MR. STEVEN SCARFONE:   Madam Chair,  
14 just while they're caucusing, going forward.   So,  
15 we're happy to do it either way, but Mr. Guerra and I  
16 may have questions on re-direct after the cross-  
17 examination, but we must -- might also have some  
18 questions arising from the questions that the Panel  
19 puts to our witnesses.

20                   So, we're happy to do it either way,  
21 but maybe we can do all of our re-direct, once all the  
22 crosses are done and the panel has asked their  
23 questions.

24                   PANEL CHAIRPERSON:   Sure.   That's  
25 fine, Mr. Scarfone.

1 MR. RYAN KOLASKI: Sorry, for the  
2 pause, I was just trying to think of how to articulate  
3 the response, right. 'Cause your question is kind of,  
4 intuitively, what we discuss internally at MPI, right,  
5 or at least I have brought it up.

6 Is, how do you take that benchmarking  
7 which is what you're saying, and then normalize those  
8 nuances the best you can to get a more or less,  
9 consistent comparability, right.

10 So, if you look at SGI, right, which is  
11 a pretty decent comparable in terms of coverage and  
12 size on the auto fund piece. Part of the issue is  
13 like the SGI Canada piece, and then how much  
14 information can we get in terms of how they allocate  
15 those costs and then how those costs are used to drive  
16 lines of business.

17 We have the same issue internally. How  
18 do you do cost allocations between lines of business?  
19 There's a PUB Order related to that.

20 Ernst and Young is looking at how we're  
21 going to currently change our allocation process and  
22 review our current process and how you use that to,  
23 then, drive out the FTE piece. Right?

24 So, if you have a business where you  
25 have multiple lines of business, similar to MPI, you

1 can use those other lines of business to offset cost  
2 into another line of business, just by changing your  
3 allocation. Right?

4                   So, if -- and I don't know this, but,  
5 like if I was SGI, I would use like other core  
6 businesses to offset expenses prior to allocations to  
7 the auto fund 'cause, then, I can play with kind of  
8 that rate that's out in the market, no different than  
9 all the IRs related to MPI on what do you do with  
10 profitability in your other lines of business, being  
11 SRI and Extension. Right? Are those monies coming  
12 back over to fund Basic and, then, how do you deal  
13 with that?

14                   So, part of the question is -- is it's  
15 really tough, as you say, to get that collaboration  
16 and the part is we do meet with our Crown counterparts  
17 once a month to kind of go over kind of strategy and  
18 where they're at in terms of IFRS-17 and challenges  
19 they have as a business, but we don't necessarily take  
20 it to the next level, which is where are they at in  
21 terms of their technical data versus where we are and,  
22 then, how are they migrating through that process as  
23 well. Right.

24                   And it's still an evolving process,  
25 even for us as a company in terms of what is self-

1 sustaining versus consulting, we don't have a solid  
2 framework. Right? As you move through NOVA, and I'll  
3 direct you to the NOVA Panel, at some point, you have  
4 to decide we're not going to have consultants, we're  
5 going to have internal staffing.

6                   But, then, if you want to have internal  
7 staffing, your consulting costs are going to go off.  
8 So, then, your FTEs go up, naturally, and you have an  
9 off-set in dollars on consulting. Right? It's hard  
10 to say today whether ICBC or SGI are the reverse.  
11 They have lower FTEs today, but they have higher  
12 consulting. Right?

13                   So, I think that process will mature  
14 over time, in order to understand better how we can do  
15 comps but, today, we just don't have it, and it's a  
16 part resource as well. You have to have dedicated  
17 resources internally to go through and do those  
18 calculations. Right, which is challenging in the  
19 current environment we're in.

20                   So, not totally the best answer you're  
21 probably looking for, but it's kind of -- it's a work  
22 in progress of where we are, knowing the limitations  
23 that are presented in the market we have.

24                   BOARD MEMBER NEMEC: So, do you see  
25 this benchmarking process, as you refine and improve

1 it, affords you the opportunity, in the future, to set  
2 targets, so that you, then, know what are some  
3 reasonable targets for you to be able to manage  
4 towards?

5 MR. RYAN KOLASKI: I think you have to  
6 have both targets and you also have to have higher  
7 level strategy. So, if you look at FTEs, right, part  
8 of that growth in your FTE line is capability,  
9 capacity. Right?

10 So, historically, you could go back in  
11 time and say, why don't we have that capability or why  
12 don't we have that capacity and why do we need that  
13 capacity and capability today? So, part of the issue  
14 is it kind of gets highlighted within the NOVA span,  
15 which is we're doing this transformational piece and,  
16 then, as we're doing that, we need resources related  
17 to it, in order to be able to build up capacity and  
18 capability.

19 So, part of the transformation, I  
20 think, is like the FTEs have grown naturally, just in  
21 terms of where the organization needs to go, which is  
22 the strategy on how to become more digital and  
23 friendly, in order for people to access insurance on  
24 their phone, perhaps but also, historically, we  
25 haven't built those capabilities. So, now you're both

1 building a foundation and, then, capability going  
2 forward. Right.

3 And, then, the question becomes, should  
4 you have that level of capability in the organization  
5 versus where you were, and it really depends on which  
6 line and department you're looking at. Right.

7 And, then, you can take that  
8 information and compare that to with where the other  
9 corporations are in terms of that department.

10 So, it's not so much FTEs on a global  
11 management versus span of control. It's really kind  
12 of what is your kind of org. structure, right,  
13 relative to your market position kind of thing.

14 So, again, it's really a maturity of  
15 that process and trying to gain insights as to how  
16 other organizations operate within that spectrum.  
17 Right? Hopefully, that answers your question.

18 BOARD MEMBER NEMEC: I appreciate the  
19 -- the answer. Thank you.

20 PANEL CHAIRPERSON: Mr. Bass...?

21 BOARD MEMBER BASS: Mr. Kolaski, I've  
22 got some question -- or one question, maybe, on  
23 performance measurement amongst the Crowns, and is  
24 part of the difficulty with respect to comparability  
25 the possibly different financial statement

1 presentation between the Crowns?

2 MR. RYAN KOLASKI: Not so much. If  
3 you look at the IFRS-17, it's a very core standard  
4 now, even under IFRS-4, the standard is very similar.  
5 It's really about the components that go into it.  
6 Right? That's where the comparability kind of  
7 changes. Right?

8 You've really got to spend time  
9 understanding those line items and how that interplays  
10 with their business versus ours. Right, and this --  
11 they're -- while there's similarities, there's always  
12 nuances and differences. Right?

13 If you look at the MCT, which was  
14 popular this morning, our ratios are slightly  
15 different than our Crown counterparts. Right, and  
16 they have a different view on how to manage capital  
17 than, say, MPI does. Right? Right or wrong, it's  
18 just a different view and, then, that just kind of  
19 permeates overall in terms of how they operate their  
20 business constructively.

21 BOARD MEMBER BASS: So, the  
22 comparability that you're dealing with comes from the  
23 financial statements?

24 MR. RYAN KOLASKI: Correct. Yeah.  
25 Today it does and, then, we ask for additional

1 information on FTEs and claims. Right? So, then, we  
2 can kind of change back their nuances and make it  
3 comparable to MPI as best as we can.

4 BOARD MEMBER BASS: I have a  
5 recollection from the last GRA that the minimum  
6 capital test is a joint effort between the Finance  
7 Department and the Actuarial Department.

8 Is that still the case?

9 MR. RYAN KOLASKI: Just one moment.  
10 That is correct. Yes.

11 BOARD MEMBER BASS: And, is the  
12 initial data input into the MCT done by the Finance  
13 Department or the Actuarial Department?

14 MR. RYAN KOLASKI: Let me just confirm  
15 the steps in that process.

16

17 (BRIEF PAUSE)

18

19 MR. RYAN KOLASKI: It's kind of a two-  
20 step process. AIR will provide us information, say,  
21 duration, and calculations. Finance will, then, take  
22 that and do the actual calculation itself. Then, we  
23 give it back to AIR, in order to re-validate it.

24 So, there's kind of a two-step check  
25 internally. Ultimately, at the end of the year, we,



1 then, have PricewaterhouseCoopers review that and sign  
2 off -- on it, as well, as part of our audit process,  
3 as a third-party confirmation.

4 BOARD MEMBER BASS: So, did you say  
5 that you'd give it back to AIR to look at?

6 MR. RYAN KOLASKI: Correct. So, we  
7 get inputs from them in terms of the -- the  
8 components. We, then, do the calculation process.  
9 We, then, give it back to AIR for a final kind of two-  
10 party check and, then, it comes back to us and -- and,  
11 then, it's validated.

12 At the end of the year, it -- what's  
13 that -- oh, AIR? I'm sorry that's the actuarial  
14 group. Sorry. AIR is just an acronym internally in -  
15 - in terms of MPI. My apologies.

16 BOARD MEMBER BASS: Can you spell  
17 that, 'cause I'm not familiar with it.

18 MR. RYAN KOLASKI: What's that? Sure.  
19 It's A is Actuary, I is Investment, and R is Risk.

20 BOARD MEMBER BASS: Okay.

21 MR. RYAN KOLASKI: Actuarial  
22 Investment and Risk Department.

23 BOARD MEMBER BASS: Got it. So, when  
24 the -- the calculation is done for the MCT, do you use  
25 software that's either been provided or mandated by

1 OSFI, the Office of the Superintendent for Financial  
2 Institutions?

3 MR. RYAN KOLASKI: Let me just confirm  
4 the model for the IFRS-17 process. One second.

5

6 (BRIEF PAUSE)

7

8 MR. RYAN KOLASKI: We do. We have an  
9 Excel file provided by Pricewaterhouse that we use and  
10 it's based off the OSFI templates.

11 BOARD MEMBER BASS: Okay. And, so,  
12 OSFI's done that, I would assume, to standardize the  
13 calculation across insurance companies.

14 Would you agree with that?

15 MR. RYAN KOLASKI: I would agree with  
16 that.

17 BOARD MEMBER BASS: And, so, we would  
18 expect that SGI and ICBC would be doing a similar sort  
19 of thing with respect to their MCT. Correct?

20 MR. RYAN KOLASKI: Correct.

21 BOARD MEMBER BASS: So, if you're  
22 having trouble with comparability, rather than dealing  
23 with financial statements, why wouldn't you work off  
24 the MCT, which is standardized across the Crowns?

25 MR. RYAN KOLASKI: So, I guess when I

1 think of benchmarking, I don't think of just MCT  
2 calculation on its own. I think of all the other  
3 components that are required in do -- running the  
4 business. Right?

5                   Everything from how you go to market,  
6 what your policy covers are, how many people you have,  
7 what your service requirements are, what your  
8 investment appetite is, how that's different than  
9 other organizations.

10                   So, the MCT is a conclusion of sorts,  
11 but there is a lot of components that you -- in terms  
12 of running the business, so to speak, that go into  
13 that final calculation overall.

14                   BOARD MEMBER BASS: But all of the  
15 financial components would be there in the MCT.  
16 Right?

17                   MR. RYAN KOLASKI: At that point in  
18 time, that would be correct.

19

20                   (BRIEF PAUSE)

21

22                   MR. RYAN KOLASKI: How to synthesize  
23 that. So, again, they have an MCT that is done on a  
24 corporate basis, not necessarily by line of business  
25 so we don't have insights into, like, all the

1 specifics overall.

2 BOARD MEMBER BASS: Are you familiar  
3 with that OSFI in its collection of financial  
4 information from insurers across Canada has different  
5 schedules based upon line of insurance so that auto  
6 would be segregated from others?

7

8 (BRIEF PAUSE)

9

10 MR. RYAN KOLASKI: I'd have to defer  
11 that question to the CMP panel. Mixed messages on the  
12 back row.

13 BOARD MEMBER BASS: Okay. Thank you.

14 PANEL CHAIRPERSON: Thank you. Mr.  
15 Guerra, any re-examination based on the questions from  
16 the Panel?

17 MR. ANTHONY GUERRA: There was one (1)  
18 topic that was canvassed initially by my friends in  
19 the CAC that perhaps needs to be clarified. There was  
20 a question about whether or not the AON benchmarking  
21 report does include other comparators besides public -  
22 - or besides private.

23 And we do have an answer to that  
24 question, so perhaps now is the best time to make sure  
25 that we just clarify the record.

1 MR. RYAN KOLASKI: In terms of the --  
2 the listing of corporations, it does include Crowns,  
3 so it's both private and Crown corporations.

4 MS. KATRINE DILAY: Thank you. We  
5 appreciate that clarification.

6 PANEL CHAIRPERSON: Thank you very  
7 much, and thank you very much. I believe this is the  
8 -- we've reached the conclusion of the testimony of  
9 the MPI Benchmarking (Non-IT) Panel, so we appreciate  
10 you being here.

11 And if counsel could please stay so  
12 that we could have a discussion with regard to the  
13 motion that MPI has filed.

14

15 (PANEL STANDS DOWN)

16

17 PANEL CHAIRPERSON: We'll just take a  
18 five (5) minute break before we recommence with regard  
19 to the motion. Thank you.

20

21 --- Upon recessing at 3:38 p.m.

22 --- Upon resuming at 3:44 p.m.

23

24 DISCUSSION:

25 PANEL CHAIRPERSON: Ms. McCandless...?

1 MS. KATHLEEN MCCANDLESS: Thank you.  
2 So yesterday, MPI circulated a notice... I don't  
3 think we're going to be -- because we're not in the  
4 CSI module right now on the transcripts, I don't think  
5 that we'll be discussing CSI content right now.

6 So yesterday, MPI filed a notice of  
7 motion seeking confidential treatment of two (2)  
8 documents, and given the -- the short notice, parties  
9 hopefully have had some time to formulate their  
10 positions.

11 I was advised by Ms. Meek that CMMG is  
12 not taking a position on the motion. At this time, I  
13 would suggest that we just have a discussion about the  
14 process and timing for the hearing of the motion.

15 PANEL CHAIRPERSON: And can you advise  
16 the Board of the positions of counsel with regard to  
17 this?

18 MS. KATHLEEN MCCANDLESS: I think  
19 we'll have CAC speak to it. Of course, Board counsel  
20 will be assisting the Board, so not taking a position.

21 PANEL CHAIRPERSON: Ms. Dilay...?

22 MR. CHRIS KLASSEN: Thanks, Ms.  
23 McCandless and Madam Chair. It's Chris Klassen, for  
24 CAC (Manitoba).

25 CAC will be opposing MPI's motion for

1 confidential treatment of the E&Y financial condition  
2 test and the Deloitte opinion on the application of  
3 IFRS-14.

4 We are prepared to provide oral  
5 submissions on -- on the merits of the Application  
6 today if it's the Board's preference. Of course  
7 subject to the Board's direction, we're happy to  
8 discuss scheduling as well. Thank you.

9 PANEL CHAIRPERSON: Mr. Guerra, are  
10 you in a position to respond today?

11 MR. ANTHONY GUERRA: We have the  
12 motion materials, Madam Chair, and my colleague, Mr.  
13 Scarfone, is the counsel who prepared the material so  
14 is probably best to speak to that. But we can  
15 certainly do so today.

16

17 (BRIEF PAUSE)

18

19 PANEL CHAIRPERSON: As you're aware,  
20 the -- the motion came in over the weekend, and some  
21 of us had not had the opportunity to read it yet.

22 So I would suggest that, on Friday, we  
23 may have time after the testimony of the MPI  
24 Ratemaking Panel, which is going to be Thursday and  
25 Friday.

1                   So I would suggest that we schedule it  
2 for Friday at the conclusion of the Ratemaking Panel  
3 and have the -- the motion made by MPI with a response  
4 from CAC at that point.

5                   Is that acceptable?

6                   MR. ANTHONY GUERRA:    The one (1) --  
7 the one (1) thing I might add, Madam Chair, is Friday  
8 -- we discussed this earlier -- so if the Board was  
9 inclined to find that one (1) or both of those reports  
10 shouldn't be on the confidential record, we would need  
11 that decision I think by Friday so that counsel could  
12 put those reports to the Financial Forecasting Panel  
13 on the Monday.

14                   So I don't know if arguing it on Friday  
15 would leave the Board in a position to make its  
16 decision before Monday morning.  Again, and -- and  
17 just so you know, the -- the Corporation does intend  
18 to go back to these third-party vendors to clarify  
19 that they do, in fact, feel strongly about having  
20 these documents on the confidential record.

21                   And -- and I know, Mr. Gabor, you're  
22 going to say, well, the FCT has always been on the  
23 public record, and -- and we -- we're -- we're aware  
24 of that.  We understand it to be an IFRS-17 issue  
25 that's causing the FCT report to be on the



1 confidential side of things.

2 BOARD CHAIR GABOR: I haven't read any  
3 of the material but, you know, when we deal with this,  
4 we're going to have to go onto a separate tape and  
5 everything.

6 But the question I have is: Is it  
7 MPI's position that it has to take this position  
8 because the third parties are requiring it?

9 MS. KATHLEEN MCCANDLESS: I didn't --  
10 I -- perhaps there was a -- a nod. There wasn't  
11 anything on the record.

12 MR. STEVE SCARFONE: Oh, that's a yes.

13 BOARD CHAIR GABOR: Yes. So that's  
14 the position. The problem is then -- the problem is  
15 the third party that provided -- is it because of the  
16 methodology that they use, or is it --

17 MR. STEVE SCARFONE: The analysis,  
18 yes. What they call their methodology and the  
19 analysis, particularly as it concerns the -- the  
20 applicability of IFRS-14 to MPI's operations.

21 BOARD CHAIR GABOR: Okay. Do they  
22 care if the final -- sorry. Their conclusions are on  
23 the record and the methodology is protected?

24 MR. STEVE SCARFONE: I'll let Mr.  
25 Guerra speak to that 'cause I do believe he had a

1 conversation with them about that, and...

2 MR. ANTHONY GUERRA: So the  
3 conclusions will actually be part of the evidence that  
4 we will receive from Mr. Kolaski's panel on Monday, so  
5 to that extent, those -- Mr. Kolaski can testify to  
6 how those conclusions have been adopted by MPI and  
7 applied.

8 So -- so, no, there's no concern there.  
9 It's more about the analysis.

10 PANEL CHAIRPERSON: Given your  
11 comments, Mr. Scarfone, what I would suggest is then  
12 that on Thursday, October the 12th, prior to the MPI  
13 Ratemaking Panel starting, we will deal with the  
14 motion at that point, which will give the Board an  
15 opportunity to provide you with a response in time for  
16 the testimony on Monday.

17 MR. STEVEN SCARFONE: Okay. Thank  
18 you.

19 PANEL CHAIRPERSON: Is that  
20 satisfactory to CAC?

21 MR. CHRIS KLASSEN: In terms of  
22 scheduling, yes, Madam Chair, it is. And our only  
23 other question would be for the Board to indicate  
24 whether it has a preference for written materials  
25

1 in advance of Thursday or whether oral submissions are  
2 adequate.

3 PANEL CHAIRPERSON: Do you have -- do  
4 you have remarks prepared, or is that going to be a  
5 time crunch for you given that we're at the end of  
6 Tuesday?

7 MR. CHRIS KLASSEN: We're -- I  
8 appreciate the question. If it's a matter of  
9 efficiency, I have rough notes prepared that I could  
10 have spoken to today, and those could be turned into a  
11 letter fairly efficiently, and so we're not opposed to  
12 preparing written submissions, you know, for tomorrow  
13 evening, for example.

14 PANEL CHAIRPERSON: Ms. McCandless, do  
15 you have any further comments?

16 MS. KATHLEEN MCCANDLESS: So, just to  
17 clarify, those are written submissions to supplement  
18 an argument -- an oral argument on Thursday morning?

19 PANEL CHAIRPERSON: Yes, that's  
20 correct.

21 MS. KATHLEEN MCCANDLESS: Okay. So  
22 then we would commence on Thursday morning on the CSI  
23 module, which means that any -- any of those parties  
24 who have not signed a confidentially undertaking would  
25 need to wait until we are back on the public record

1 before they attend.

2 I guess the -- the other comment I  
3 would have is that we do have some time to perhaps  
4 have some discussions offline if MPI is able to go  
5 back to its consultants and see if there's any  
6 compromise that can be reached in the meantime that  
7 would avoid the need for the Board's resources on a  
8 decision like this in -- in the middle of -- of a  
9 hearing.

10 If MPI's position is different than  
11 that of its consultants and MPI is not in a position  
12 to advance that on behalf of its consultants, then the  
13 question becomes whether the consultants need to have  
14 their own submissions given at the hearing of the  
15 motion.

16 MR. ANTHONY GUERRA: Thank you, Ms.  
17 McCandless. That's always an -- an issue that we face  
18 when we have third-party information. MPI will --  
19 will not review it with the same tenure as -- as,  
20 obviously, their counsel will, or will have the same  
21 insights as to why information is proprietary or being  
22 claimed is proprietary.

23 We have no reason in this case to --  
24 you know, to advocate against the -- the wishes of  
25 Deloitte and E&Y in this particular case. You know,

1 there's no obvious reasons that we see that, you know,  
2 the claim of confidentiality is being claimed on  
3 behalf of these two (2) entities improperly, for  
4 example.

5                   So to the extent that, you know, we've  
6 had discussions where we've outlined this proceed,  
7 including advising that they have the right to -- you  
8 know, to have counsel present, both entities have  
9 indicated that their preference would be for -- for  
10 MPI to present the -- the basis for their claims to  
11 the PUB, and that's what we're doing in this  
12 particular case.

13                   We certainly have an open dialogue with  
14 -- with both Deloitte and E&Y, but they've been clear  
15 at this point in time as to what their preference  
16 would be.

17                   MR. STEVE SCARFONE:   And -- and it  
18 might, at this point, be good to clarify with the  
19 Board, as I think it's contemplated under the rules,  
20 so if the Board was to find in favour of the CAC's  
21 motion, and we made the third-party vendors aware that  
22 their reports were going to be placed on the public  
23 record, and they instructed MPIC then not to file it  
24 at all, what would be the Board's view on that be?

25                   PANEL CHAIRPERSON:   Well, I believe

1 that the rules speak to that fairly clearly in  
2 relation to the reports then being withdrawn.

3 BOARD CHAIR GABOR: On Monday then?

4 PANEL CHAIRPERSON: Yeah, that's --  
5 that's a good point that the Chair raises is, then on  
6 Monday, if you're relying on the information that's  
7 contained within the reports, can you continue to do  
8 that if those reports have been withdrawn from the  
9 public record?

10 MR. ANTHONY GUERRA: Yeah, it's a  
11 difficult position. And, obviously, we would not --  
12 we would not want to be in that position. And we  
13 appreciate that this is a complicated matter.

14 We did not anticipate receiving these  
15 responses from our third parties until very recently,  
16 which is why it wasn't included in our original  
17 confidentiality motion earlier last -- last month, I  
18 should say, but it is what it is. And we are adhering  
19 to the concerns raised by the third parties.

20 PANEL CHAIRPERSON: Okay. Thank you  
21 very much for your comments, everyone. What we will  
22 do then is we will proceed on Thursday morning not on  
23 the public record with regard to that motion. And  
24 then, when it has been concluded, we will go back on  
25 to the public record and start with claims

1 forecasting, okay.

2

3

(BRIEF PAUSE)

4

5

BOARD CHAIR GABOR: Sorry, sorry.

6

Yeah, not only Digi-Tran, but who -- who hasn't signed

7

the NDAs? Every -- has everyone signed it? Okay. So

8

then we have to have notice to Charlotte Meek and to

9

Kristen Wittman -- sorry -- Karen Wittman.

10

PANEL CHAIRPERSON: Yes.

11

BOARD CHAIR GABOR: Sorry, wrong

12

Wittman.

13

MS. KATHLEEN MCCANDLESS: I -- I

14

expect that they'll be here tomorrow, so we can advise

15

them in person tomorrow. And they -- they often will

16

review the transcript for the portions of the Hearing

17

they weren't in attendance, as well, so they typically

18

are able to -- to pick up on things that had been

19

discussed in their absence.

20

PANEL CHAIRPERSON: Thank you, Ms.

21

McCandless. Thank you, everyone. We're adjourned for

22

today.

23

24

--- Upon adjourning at 3:56 p.m.

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7 Wendy Woodworth, Ms.  
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