



“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 11, 2023

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

2

3 PANEL CHAIRPERSON: Good morning,  
4 everyone. Before we start with the next MPI panel, I  
5 would just like to discuss a couple of procedural  
6 matters.

7 First of all, with regard to the CSI  
8 motion that we had a discussion about at the end of  
9 the day yesterday, one (1) of our Board members has to  
10 be completed and out of the hearing room by 4:30, and  
11 therefore, we will hear the CSI motion at the end of  
12 the day on Thursday so that we don't interfere with  
13 the evidence that's being presented on Thursday by  
14 MPI.

15 Secondly, with regard to the two (2)  
16 reports, E&Y and -- and Deloitte, given that MPI is  
17 not claiming the CSI on its own behalf but rather the  
18 companies are, we would like you to advise them that  
19 they need lawyers here to argue the CSI motion.

20 And with that, Mr. Guerra, would you  
21 please introduce your panel, and then we'll have them  
22 sworn.

23 MR. ANTHONY GUERRA: Thank you, Madam  
24 Chair. And before we begin with that, I just have a  
25 few exhibits to read into the record. And so just a

1 clarification from last -- from last time, Exhibit  
2 number 54 for MPI was combined with two (2) IRs and  
3 should actually be separated.

4                   So MPI Exhibit 54 should be the partial  
5 responses to Information Request CAC-2-12, and Exhibit  
6 number 55 should be the partial responses to CAC  
7 Information Request 2-11.

8                   MPI Exhibit number 56 is the response  
9 to CMMG Pre-ask number 2.

10                   MPI Exhibit number 57 is the  
11 Benchmarking presentation from yesterday.

12                   MPI Exhibit number 58 is the response  
13 to CMMG Pre-ask number 1.

14                   MPI Exhibit number 59 is the response  
15 to CAC Pre-ask number 2.

16                   And finally, MPI Exhibit number 60 will  
17 be the Product Enhancements presentation that we'll  
18 receive this morning.

19

20 --- EXHIBIT NO. MPI-54:       Partial responses to  
21                                   Information Request CAC-2-  
22                                   12

23

24 --- EXHIBIT NO. MPI-55:       Partial responses to  
25                                   Information Request CAC-2-



1

11

2

3 --- EXHIBIT NO. MPI-56: Response to CMMG Pre-ask 2

4

5 --- EXHIBIT NO. MPI-57: Benchmarking Presentation

6

from October 10, 2023

7

8 --- EXHIBIT NO. MPI-58: Response to CMMG Pre-ask 1

9

10 --- EXHIBIT NO. MPI-59: Response to CAC Pre-ask 2

11

12 --- EXHIBIT NO. MPI-60: Product Enhancements

13

Presentation

14

15 MR. ANTHONY GUERRA: And with that,

16 I'd like to introduce the members of the Product

17 Enhancement Panel.

18

So on the front row, we have Robert

19 Smithson, our director of customer value proposition;

20 Curtis Prystupa, customer value proposition lead;

21 Simmi Mann, customer value proposition lead; Khurram

22 Masud, director of pricing; and in the back-row

23 support we have Cara Low, our vice-president, chief

24 actuary, and chief risk officer; Kyle Casalla, our

25 manager of pricing transformation; and Satvir Jatana,

1 the vice-president and chief customer officer.

2 With that, I'll ask that the witnesses  
3 be sworn in, please.

4

5 PRODUCT ENHANCEMENTS PANEL:

6 KHURRAM MASUD, Affirmed

7 SIMMI MANN, Sworn

8 ROBERT SMITHSON, Sworn

9 CURTIS PRYSTUPA, Sworn

10

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

12 MR. ANTHONY GUERRA: Thank you. And  
13 these questions I'll pose to Mr. Smithson, just on  
14 behalf of the panel if I may.

15 Before you, Mr. Smithson, you see --  
16 Smithson rather, you see the product enhancements  
17 presentation MPI Exhibit number 60, correct?

18 MR. ROBERT SMITHSON: Yes.

19 MR. ANTHONY GUERRA: And you'll  
20 confirm that this is a presentation prepared by  
21 yourself and your team?

22 MR. ROBERT SMITHSON: Yes.

23 MR. ANTHONY GUERRA: And so what I'll  
24 do is I'll invite you to now go through your  
25 presentation with your panel members, and I may have

1 some questions throughout the process. Thank you.

2 MR. ROBERT SMITHSON: Thank you very  
3 much. Thank you very much to the Panel and everyone  
4 else here.

5 We're going to be presenting today on a  
6 couple of topics. First we'll be starting off with  
7 the Basic Insurance Model to be presented by Curtis  
8 Prystupa, followed by the taxi -- sorry, I apologize -  
9 - the VFH blanket policy to be presented by Simmi Mann  
10 and Khurram Masud.

11 So I'll pass it on now to Curtis to  
12 deliver the Basic Insurance Model presentation.

13 MR. CURTIS PRYSTUPA: Good morning.  
14 My name is Curtis Prystupa. I'm a customer value  
15 proposition lead working with Simmi, Rob, and Satvir.

16 I appreciate the opportunity to be here  
17 to present our progress and outline our future plans  
18 for advancing the Basic Insurance Model with a  
19 specific emphasis on the Driver Safety Rating.

20 Before moving into the main part of the  
21 presentation, I would like to take a moment to  
22 emphasize the importance of driver data collection.  
23 Because large scale changes to the Basic Insurance  
24 Model may have significant impact to premiums, we  
25 believe that taking a measured approach before any

1 potential future DSR model is selected is in the best  
2 interest of Manitobans.

3                   This is why you will notice that  
4 throughout this presentation that driver data  
5 collection is a central topic.

6                   Over the past few years, we have talked  
7 about various alternative models to the current  
8 registered owner model that each have their own pros  
9 and cons. Subjectively, we understand that as risk  
10 rating accuracy improves, so does the amount of driver  
11 information we need to collect from our customers and  
12 the more administratively burdensome the DSR program  
13 becomes.

14                   MPI has previously stated on record  
15 that the primary driver is more actuarially sound than  
16 the current registered owner model. However, what we  
17 lack without driver information is the ability to  
18 measure how much of an improvement we would see in  
19 accurately representing risk with the primary driver  
20 or any other potential alternate models.

21                   Also, because we lack driver  
22 information, we do not have the ability to objectively  
23 measure the financial impact to customers that would  
24 occur by moving to any potential alternate model.

25                   Collecting driver information for DSR

1 eligible policies will allow us to conduct data driven  
2 analysis to answer these important questions and more  
3 and, ultimately, develop a recommendation for the  
4 future DSR model that will strive to strike a balance  
5 between risk rating accuracy, customer preference and  
6 experience, managing rate dislocation, stakeholder  
7 interests, and industry best practices.

8                   In the 2024 General Rate Application,  
9 MPI submitted an update to the Basic Insurance Model  
10 evolution as part of the product enhancements chapter.  
11 This presentation is aimed to highlight four (4) main  
12 aspects of our updates.

13                   I will provide an overview of the  
14 progress MPI has made since last year's GRA followed  
15 by an update to our project plan. After that, I will  
16 outline some of the next steps in our journey to  
17 enable data collection and finish by briefly speaking  
18 to our compliance with PUB Orders and providing a  
19 brief recap. Next slide, please.

20                   During the progress since last year's  
21 GRA, in our 2024 GRA Application we detailed our  
22 progress on four (4) main topics. We continued an  
23 analysis on driver-based data collection in other  
24 Canadian jurisdictions which primarily focussed on  
25 British Columbia and the journey that led their public

1 auto insurer, ICBC, to gain the authority to collect  
2 additional driver information.

3           In May of 2018, the BC Provincial  
4 Government made changes to the Insurance Vehicle Act  
5 of British Columbia that gave ICBC new authority to  
6 collect driver data among other new legislative  
7 instruments to support a new rate design.

8           About three (3) months after that, the  
9 same government directed ICBC to apply to their  
10 regulator, the British Columbia Utilities Commission,  
11 for large-scale changes to their rate design that  
12 incorporated this new driver data as part of the  
13 updated government ordered rate design.

14           We also detailed the regulatory changes  
15 required to begin data collection in Manitoba. Like  
16 ICBC prior to May of 2018, MPI does not have the  
17 regulatory authority currently to collect the driver  
18 data necessary to analyze the impacts of a DSR model  
19 using driver data.

20           Additionally, to provide clarity and  
21 common terminology, we developed working names and  
22 definitions of potential future insurance models and  
23 submitted these names and definitions for  
24 consideration in this year's GRA.

25           MPI also stressed that it is critical

1 to perform analysis on driver data that is  
2 representative of DSR eligible policies and, because  
3 of this, introduce favourable self-selection. It is  
4 very important to compel policyholders to provide  
5 driver information rather than collecting information  
6 on a voluntary basis.

7           For example, an individual that has a  
8 plus 17 DSR rating and is the only person that drives  
9 the vehicle is, in the opinion of MPI, more likely to  
10 be forthcoming involuntary -- in volunteering their  
11 driver information than a registered owner with a plus  
12 17 DSR rating where -- where the primary driver has a  
13 zero (0) DSR rating and a listed driver has a plus two  
14 (2) DSR rating.

15           Supporting the importance of compelling  
16 data collection, we also outline some solutions that  
17 may be considered to compel policyholders to provide  
18 driver information to prepare for the inevitable  
19 situations that will occur where a customer does not  
20 want to provide driver information. Next slide,  
21 please.

22           Supported by the formation of a project  
23 charter and project plan developed by the Basic  
24 Insurance Model project team and project manager, we  
25 created what we believe is a substantial update to the

1 five (5) year plan filed in the 2023 GRA.

2                   You will notice two (2) distinct phases  
3 that make up the overall Basic Insurance Model  
4 program. The first phase is the data collection and  
5 analysis phase, where we will collect primary driver  
6 and listed driver information from policyholders on  
7 DSR eligible plans, and conduct actuarial and product  
8 analysis to understand the impact on Manitobans of  
9 various potential future models; and develop a  
10 recommendation for the future Basic Insurance Model.

11                   The second phase surrounds  
12 implementation of the approved future Basic Insurance  
13 Model. While one phase is certainly not more  
14 important than the other, in our 2024 GRA Application,  
15 we felt it pertinent to focus on providing a more  
16 detailed work plan on the data collection and analysis  
17 phase, rather than the implementation phase.

18                   Because many of the details of the  
19 implementation plan could differ greatly based on the  
20 Basic Insurance Model, we are ultimately granted  
21 approval by this Board to proceed with. Next slide,  
22 please.

23                   We have a strong plan with well defined  
24 steps to get us to the point where driver data  
25 collection can begin. This plan includes



1 communication and collaboration with important  
2 individuals and groups, including customers, brokers,  
3 and stakeholders.

4           We have started this conversation with  
5 the Provincial Governments and now that the Provincial  
6 election has concluded, we intend to continue the  
7 conversation very soon to gain approval for the  
8 regulation changes necessary to begin data collection.

9           Armed with knowledge from these  
10 conversations and collaborations, our business rules  
11 for the data collection phase can be finalized and our  
12 communication plan can be developed and launched at  
13 the appropriate time.

14           From a systems perspective, we intend  
15 to build, as part of NOVA release 3, the functionality  
16 to collect primary and listed driver information.  
17 Once the aforementioned tasks are completed, driver  
18 data collection can begin. Next slide, please.

19           As outlined through the Basic Insurance  
20 Model section of the product enhancements chapter of  
21 the current GRA and reviewed here, we hope we've  
22 demonstrated meaningful compliance with Directive 12-  
23 16 of PUB Order 4/'23 through showing substantial  
24 progress on several key topics, a strong logical work  
25 plan with supporting materials developed within the

1 MPI project management office, well detailed next  
2 steps to enable us to begin the all important work of  
3 driver data collection, and an outline of our  
4 implementation phase.

5 I'll now hand it over to my colleague,  
6 Simmi Mann, who will take you through a presentation  
7 on Vehicles for Hire. Thank you for your time.

8 MS. SIMMI MANN: Thank you very much,  
9 Curtis. So my name is Simmi and I'm here to speak to  
10 you today on Vehicles for Hire.

11 So starting with a summary of the FH  
12 insurance from 2018 and looking ahead to 2024, on  
13 March 1st, 2018, MPI introduced a new Vehicle for Hire  
14 insurance model in response to the Local Vehicles for  
15 Hire Act that was proclaimed on February 28, 2018.  
16 This is known as the time ban model, which provides  
17 both full-time and part-time VFH coverage across all  
18 stakeholders in one model.

19 Over time, a number of weaknesses have  
20 been identified, both internally by MPI as well as by  
21 our VFH operators. This prompted MPI to complete a  
22 Vehicle for Hire Framework review, which spanned the  
23 years of 2021 to 2023.

24 So in the 2023 GRA, MPI filed the  
25 results of the VFH Framework review, as well as the

1 concept for the revisions to the VFH Insurance  
2 Framework.

3 In the 2024 General Rate Application,  
4 MPI has filed the VFH Insurance Framework for PUB  
5 approval, but will not be seeking approval for the per  
6 kilometre rate. Instead, in the 2025 GRA, MPI  
7 anticipates filing the per kilometre rate for PUB  
8 approval.

9 So in terms of the relief being sought  
10 in the 2024 General Rate Application, MPI is seeking  
11 PUB approval for the proposed VFH Framework.

12 Concerning the TNC blanket policy, that  
13 is approval for the overall product and pricing, with  
14 the exception of the per kilometer rate.

15 Concerning our VFH insurance uses, this  
16 is approval for decommissioning of the time ban model  
17 and moving VFH uses to full time.

18 Finally, MPI is seeking a Directive for  
19 materials filed in the 2025 General Rate Application,  
20 as well as in proceeding applications, that would  
21 restrict the sharing of specific third party  
22 confidential data with registered Interveners.

23 Now, the goal related to this Directive  
24 is to implement a TNC blanket policy within the VFH  
25 insurance framework under the Basic line of insurance.

1 Now, we will give more context around why we are  
2 seeking this Directive, shortly.

3           So, beginning with the proposed VFH  
4 insurance framework, based on the results of the VFH  
5 framework review, MPI is proposing a more streamlined  
6 framework that will provide more choice to our VFH  
7 operators and bring MPI inline with industry  
8 standards.

9           As you can see, we currently have this  
10 time ban model which is a one-size-fits-all solution.  
11 And, in the future we're looking to offer two (2)  
12 products under VFH insurance. The first being the TNC  
13 blanket policy. This is the industry standard product  
14 for ride-share across the country. This is a  
15 dispatcher purchase policy that provides VFH coverage  
16 during defined ride-share periods.

17           Now, at the onset, while this has been  
18 developed for TNCs, this is simply due to the results  
19 of the VFH framework review. All groups remain  
20 eligible for a blanket policy, provided they meet  
21 minimum requirements.

22           The second product are the VFH  
23 insurance uses. These are our traditional registered  
24 owner purchase policies of limos, taxis and accessible  
25 Vehicle for Hire.

1                   Here, MPI is proposing on moving the  
2 small -- or the minority of customers who insure as  
3 VFH 1, 2 and 3 to full-time uses, where they'll  
4 continue to have VFH coverage that does not vary based  
5 on time of day.

6                   So, as MPI work to further develop our  
7 models, we outline specific guiding principles for  
8 which our model had to meet, the first being, Basic  
9 insurance coverage.

10                  So, VFH operators continue to have  
11 Basic insurance coverage. This is consistent with our  
12 approach in 2018. This is consistent with historical  
13 treatment of Vehicle for Hire at MPI, as well as with  
14 public auto industry standards.

15                  The second criteria is implementation  
16 of the proposed framework will not result in cross-  
17 subsidization. So, the focus here is namely on the  
18 blanket policy as that is the new product being  
19 developed under the Basic line of insurance. So, all  
20 product and pricing elements have been developed,  
21 based on historical passenger Vehicle for Hire  
22 experience.

23                  All losses occurring during ride-  
24 sharing periods will be used to evaluate the adequacy  
25 of the per kilometer rate, so our per kilometer rate

1 will be reflective of the overall TNC experience.

2                   On a per policyholder basis, TNCs will  
3 be held accountable for the claims' experience of  
4 their affiliated vehicles. This will be achieved  
5 through an annual loss reconciliation where TNCs will  
6 be ultimately rebated or surcharged based on their  
7 experience.

8                   These rebates will be funded by TNC  
9 policyholders. The cost associated with any loss cap,  
10 will be incorporated into the rebate surcharge  
11 mechanism. And TNC policyholders will be excluded  
12 from the Capital Management Plan.

13                   Concerning our VFH insurance uses,  
14 these groups continue to have experience-based rating  
15 adjustments that maintain fair and equitable rates  
16 that are reflective of each groups' experience.

17                   The third criteria, is that our  
18 framework is fair and equitable across all VFH  
19 stakeholders. So, this framework has been informed by  
20 an extensive amount of ongoing stakeholder engagement.  
21 All groups are eligible for both products.

22                   So, if taxis, limos and accessible feel  
23 the blanket policy is the right product for them, MPI  
24 is willing to engage in further model development.

25                   If passenger Vehicle for Hire operators

1 want to continue to operate for smaller, independent  
2 and/or rural operation, they can continue to do so by  
3 insuring as passenger Vehicle for Hire.

4                   Finally, MPI wants to highlight that we  
5 remain committed to our stakeholders and will continue  
6 to review the viability of models outside of the VFH  
7 insurance use and blanket policy based on stakeholder  
8 need.

9                   The final criteria is that the model  
10 and, specifically, the elements for which we seek  
11 approval for today in the 2024 GRA demonstrate  
12 actuarial accepted practices, and our actuarial team  
13 can speak to those in greater detail.

14                   So, beginning with the TNC blanket  
15 policy, in this model, VFH coverage is provided  
16 through a dispatcher purchase blanket policy during  
17 VFH operation, which is denoted as period 2 and 3.

18                   Period 2 is when a driver accepts a  
19 trip to when a passenger enters and period 3 is when a  
20 passenger enters to when they're transported to his or  
21 her destination. This is when the blanket policy is  
22 active.

23                   So, based on the way this model works,  
24 premium requirements are based on the aggregate  
25 reported kilometers in P2, P3 for each dispatcher on a

1 per policy basis.

2 In period zero and period 1, customers  
3 will be instructed to insure based on the most  
4 appropriate insurance use when they're not engaged in  
5 ride-share capacity for a TNC with an approved blanket  
6 policy.

7 Essentially, customers will be  
8 instructed to insure, as we all are, based on the  
9 principle intended use of the vehicle. At minimum,  
10 this is required to be all-purpose and pleasure use  
11 will not be permitted to be used in combination with a  
12 blanket policy.

13 Now, as MPI currently does not have  
14 experience with a blanket policy, it will be tracking  
15 the underlying uses being used in combination with the  
16 blanket policy as the product goes in -- into  
17 implementation to make any necessary adjustments.

18 So concerning minimum requirements for  
19 TNC policyholders. One (1) of the key aspects here is  
20 the technological capability to reliably track and  
21 report P2/P3 kilometres. This requires geo location  
22 or global positioning system functionality. Both of  
23 these technologies permit an internet connected device  
24 to be tracked by its latitude and longitude.

25 Now, as per PUB Order 4/'23, Directive



1 12-10, MPI was directed to ensure the overall  
2 accessibility of this technology, and we can report  
3 that it is widely available, and that is because it is  
4 utilized across a number of dispatching industries, so  
5 long-distance trucking, fleet companies, taxi, ride  
6 share logistics.

7           We can see that there is a wide array;  
8 however, the scope of the solution is going to be  
9 highly dependent on a dispatcher's business model as  
10 well their -- as well as their existing technological  
11 platform.

12           So, for that purpose, MPI cannot  
13 endorse any specific technology, service provider, or  
14 platform. However, we remain committed to our  
15 stakeholder, and if this is the product journey that  
16 they will want to take, we will provide more support  
17 and clarity around minimum requirements.

18           At minimum, the technology must  
19 represent trip start and end points by latitude and  
20 longitude; must represent kilometres by the actual  
21 route taken, not an inferred route; categorize trips  
22 by defined ride share periods, so that's P2/P3; and  
23 report data in this format on a monthly basis.

24           Additionally, TNCs are required to  
25 submit a premium deposit, as well as monthly premium

1 installments across the policy year.

2                   Finally, MPI requires TNCs to submit a  
3 reoccurring vehicle listing; that is, the VIN and  
4 plate numbers of all of their affiliated vehicles, and  
5 this is for internal monitoring and tracking purposes.

6                   So that brings us to the determination  
7 of insurance premiums. So, as stated, premium is  
8 determined based on the aggregate P2/P3 kilometres  
9 travelled by all of the TNC's affiliated vehicles  
10 across the policy year.

11                   At the onset, TNCs will be required to  
12 submit a premium deposit. Here TNCs will provide an  
13 annual kilometre estimate across all of their  
14 affiliated vehicles to which MPI will apply the per  
15 kilometre rate. Here we will ascertain the annual  
16 premium estimate and retain a 20 percent deposit.

17                   Now, across the policy year, TNCs will  
18 be required to submit monthly premium installments  
19 which will be based on the actual kilometres travelled  
20 across their affiliated vehicles.

21                   MPI will take the monthly reported  
22 kilometres, apply the per kilometre rate, and invoice  
23 the TNC appropriately. MPI can take from that initial  
24 deposit amount, where appropriate, so if TNC is likely  
25 to be in a surplus situation.

1                   Post policy expiry, MPI will complete  
2 an annual kilometre reconciliation. Here MPI will  
3 total the annual premium over a policy year to compare  
4 the actual annual premium to that initial premium  
5 estimate to ascertain any differential. If there is a  
6 deficit in premium, a TNC would be invoiced, and if  
7 there is surplus, they'd be entitled to a refund.

8                   That brings us to the treatment of  
9 claims and the annual loss reconciliation. So, as  
10 stated at the beginning concerning our per kilometre  
11 rate, MPI will allocate all losses occurring during  
12 ride sharing periods to the overall TNC experience.

13                   We will utilize this to evaluate the  
14 ongoing adequacy of our per kilometre rate through the  
15 General Rate Application process.

16                   On a per TNC policy basis, losses  
17 occurring during TNC -- losses occurring involving TNC  
18 affiliated vehicles during ride sharing will impact  
19 the TNC's annual assessment and subsequent calculation  
20 of their loss ratio.

21                   More specifically, these losses will be  
22 allocated based on percentage of responsibility. So  
23 if a TNC affiliated vehicle is involved in an incident  
24 during ride sharing and found 75 percent responsible,  
25 75 percent of those incident level costs would be

1 allocated to their annual assessment and impact the  
2 calculation of their loss ratio.

3           It's important to note that a fifty  
4 thousand dollar (\$50,000) loss cap will be applied at  
5 the incident level, and the cost associated --  
6 associated for this benefit is incorporated into the  
7 rebate surcharge mechanism.

8           Now MPI decided on the percentage of  
9 responsibility approach as a means to motivate  
10 dispatchers to manage the overall safety of their  
11 affiliated vehicles during ride-share periods.

12           Most policy expiry, MPI will complete  
13 in an annual loss reconciliation. This involves the  
14 calculation of the ultimate loss ratio for a policy  
15 year for each TNC.

16           TNCs will then receive a retrospective  
17 rebate or surcharge with final settlement in year  
18 three (3), to account for claims development.

19           I will now hand it over to Mr. Khurram  
20 Masud to speak to the rate-making portion of the  
21 presentation.

22           MR. KHURRAM MASUD: Thank you, Simmi.  
23 My name is Khurram Masud, I'm the director of pricing  
24 and I'll speak to the pricing basis of the  
25 (INDISCERNIBLE) blanket policy.

1                   We understand we are not seeking the  
2 approval of the per kilometre rate itself. For today,  
3 I'll just go through the basis we propose to use for  
4 the calculation of the per kilometre rate.

5                   The pricing of the per kilometre rate  
6 is based on revenue neutrality between the premiums  
7 charged, if the (INDISCERNIBLE) rates were in place,  
8 compared to the premium based on all purpose premiums  
9 and the balance to be made up for by the per kilometre  
10 rate.

11                   The per kilometre rate is calculated as  
12 this differential divided by the expected number of  
13 kilometres. The premium is expressed as per kilometre  
14 rate. The actually premium, however, would be  
15 calculated after the expiry of the policy based on the  
16 actual numbers of kilometres driven times the per  
17 kilometre rate determined at the onsite of the policy.

18                   Moreover, as Simmi alluded to, the  
19 premiums are (INDISCERNIBLE) retroactively with either  
20 an rebate or a surcharge based on the actual loss  
21 experience of the TNC provider.

22                   This adjustment to the premium  
23 encourages safer driving behaviour among the TNC  
24 providers. The calculation of the loss ratio gaps the  
25 large losses up to fifty thousand (50,000), and it's

1 based on the responsibility of the loss.

2                   The expected cost of large loss, and  
3 this loss transfer mechanism is built into the rebate  
4 surcharge scale. Since we do not have large amount of  
5 expedience for blanket policies, we would continue to  
6 monitor the lost experience and all of these factors  
7 may change over time as more and more experience  
8 unfolds.

9                   I'll just pass it on to -- and on the  
10 next slide to Simmi again.

11                   MS. SIMMI MANN: I quickly wanted to  
12 touch upon some of the challenges that MPI has faced  
13 in using external stakeholder data relative to the  
14 building of the blanket policy, and specifically that  
15 of the per kilometre rate.

16                   So, just to give everyone background  
17 here, from 2021 to 2023, as part of the VFH Framework  
18 Review, MPI engaged all TNCs to assist in the building  
19 of the blanket policy.

20                   This includes the collection of  
21 kilometre data from TNCs for the purposes of setting  
22 an accurate per kilometre rate at the onset or  
23 introduction of this policy.

24                   MPI currently does not collect  
25 kilometres for insurance purposes and we have the

1 added benefit of TNC operation within Manitoba. Now,  
2 since this time there's been a lot of volatility in  
3 the TNC space. This is due to factors such as new  
4 entrance into the TNC market, the global pandemic, as  
5 well as the rise in gas prices. All of this  
6 volatility and change has created issues for Manitoba  
7 Public Insurance.

8                   Currently, MPI cannot provide the data,  
9 that being the kilometres, in an aggregated form,  
10 where TNC data is unidentifiable. This data has been  
11 deemed by our stakeholders to be commercially  
12 sensitive due to concerns related to competition and  
13 revealing of market share.

14                   Now, in speaking to other public  
15 jurisdictions around how this situation is handled,  
16 when public filings are required, and this level of  
17 detail is required, the information has been redacted,  
18 and thus far only regulators have reviewed this level  
19 of detail.

20                   We want to add -- or highlight that,  
21 you know, as this (INDISCERNIBLE) economy and sharing  
22 economy continues to expand, other industries have  
23 since engaged MPI as well as government in the  
24 building of similar conceptual products.

25                   Now, due to the small size of the

1 Manitoba market, MPI feels that concerns around  
2 confidentiality and protecting of commercially  
3 sensitive information will remain around the  
4 development of these new and novel products under the  
5 Basic line of insurance.

6           So, in terms of outcomes that we are  
7 seeking, related to these challenges, MPI is seeking a  
8 directive from materials filed in the 2025 GRA, as  
9 well as in proceeding applications that would restrict  
10 the sharing of very specific third-party confidential  
11 data with registered Interveners.

12           The goal here is simply to implement  
13 the TNC blanket policy within the Basic line of  
14 insurance. MPI is of the opinion that, without this  
15 directive, we will be unable to implement a TNC  
16 blanket policy under the Basic line of insurance.

17           So while we could come up with  
18 alternative methods to initially derive the per  
19 kilometre rate, once that product goes on, we develop  
20 Manitoba experience and we go through our General Rate  
21 Application process. If we're required to file, you  
22 know, aggregate kilometres or number of TNCs amongst  
23 other variables, we're going to run into the same  
24 problem again.

25           This -- due to the small size of our



1 market, it leaves TNCs highly exposed, and they have  
2 concerns around protecting their commercially-  
3 sensitive information. So it is for this reason that  
4 we feel we need to seek this directive.

5 BOARD CHAIR GABOR: Sorry, can I  
6 interrupt you?

7 MS. SIMMI MANN: Yes, absolutely.

8 BOARD CHAIR GABOR: My understanding  
9 is that we requested information be filed at CSI, and  
10 at least one of the TNCs said they wouldn't do that.

11 So how is it that in other public  
12 jurisdictions information is filed with regulators,  
13 which I assume is pursuant to a CSI process, but in  
14 Manitoba they said they wouldn't even file it for a  
15 CSI process?

16 So I'm -- I'm a little confused in  
17 terms of -- you know, it sounds like one (1) thing  
18 happened pre-hearing and now we're being told  
19 something completely different.

20 MS. SIMMI MANN: So I think the TNCs  
21 were always okay with the regulators. They understand  
22 why regulators need to review this level of data.

23 The question is when registered  
24 Interveners are involved, in no other jurisdiction  
25 have registered Interveners been able to review this

1 level of data, and that is where the commercially  
2 sensitive or concerning information comes into it.

3 BOARD CHAIR GABOR: So what happened -  
4 - you need to say -- tell us what happens in BC, for  
5 example.

6 MS. SIMMI MANN: Yeah. So in BC, they  
7 redact the information, so the jurisdiction number  
8 referring to here is ICBC. And when they require it  
9 through products on Vehicle For Hire and others, they  
10 redact the information, and only regulators have been  
11 permitted to review this.

12 For SGI, they're not required to file  
13 this level of detail.

14 BOARD CHAIR GABOR: They redact the  
15 information --

16 MS. SIMMI MANN: M-hm.

17 BOARD CHAIR GABOR: -- and BCUC sees  
18 redacted information or unredacted information?

19 MS. SIMMI MANN: Unredacted. So if --

20 BOARD CHAIR GABOR: So the Interveners  
21 see redacted information.

22 MS. SIMMI MANN: Yes. Sorry.  
23 Correct.

24 BOARD CHAIR GABOR: BCUC sees  
25 unredacted.

1 MS. SIMMI MANN: Yes.

2 BOARD CHAIR GABOR: Okay. Thank you.

3

4 CONTINUED BY MR. ANTHONY GUERRA:

5 MR. ANTHONY GUERRA: And -- and, Ms.  
6 Mann, just before you -- you continue here, just a  
7 couple of clarifying questions for you. So I think  
8 you answered one (1) of them, which was ICBC was one  
9 (1) of the jurisdictions in which the redacted  
10 information is provided.

11 Is there any other jurisdiction that  
12 you referenced?

13 MS. SIMMI MANN: Not on this slide,  
14 but for SGI, the other jurisdiction that we commonly  
15 compare ourselves to, and they haven't filed this  
16 level of detail.

17 MR. ANTHONY GUERRA: So in the case of  
18 SGI, they're also filing redacted information for use  
19 of any Interveners?

20 MS. SIMMI MANN: They haven't filed  
21 any data that requires redaction.

22 MR. ANTHONY GUERRA: Okay. And then  
23 with respect to the nature of the directive being  
24 sought, so when you -- when you reference materials  
25 filed, can you clarify as to what specific material

1 MPI would file that would require confidential  
2 treatment?

3 MS. SIMMI MANN: Yeah, and I'll look  
4 to Khurram as well to verify, but it would be the  
5 aggregate kilometres. It would be what we base the --  
6 and the expected revenue. So I'll get Khurram to --

7 MR. KHURRAM MASUD: Yes, yes.

8 MS. SIMMI MANN: -- verify that.

9 MR. KHURRAM MASUD: That's -- that's  
10 correct. That's the information that is deemed  
11 commercially sensitive, and that is the information  
12 that goes into the pricing of the per kilometre rate.

13 MR. ANTHONY GUERRA: Okay. And just  
14 to clarify, in this -- this second last bullet here  
15 where it says:

16 "MPI is seeking a directive for  
17 materials filed in 20 -- 2025 GRA  
18 and proceeding applications that  
19 restricts the sharing of certain  
20 third-party confidential data."

21 So the restriction would be that only  
22 the PUB and PUB counsel -- or would it -- would it  
23 just be the PUB that could receive the data? Is there  
24 any further restrictions there?

25 MS. SIMMI MANN: I think it's PUB, PUB

1 counsel as well, of course.

2 MR. ANTHONY GUERRA: And consultants,  
3 correct --

4 MS. SIMMI MANN: Yes.

5 MR. ANTHONY GUERRA: -- for the PUB?

6 MS. SIMMI MANN: Yes.

7 MR. ANTHONY GUERRA: And then finally,  
8 just to confirm again, I believe your last bullet  
9 point does reference that. But without this  
10 directive, MPI's position is it could not move forward  
11 with the TNC blanket policy.

12 MS. SIMMI MANN: That's correct.

13 MR. ANTHONY GUERRA: Okay. Thank you.  
14 Please continue.

15 MS. SIMMI MANN: That brings us to the  
16 VFH insurance uses. So MPI is proposing to move the  
17 minority of customers, roughly 8 percent as of April  
18 2023, to full-time insurance uses for taxi, limo,  
19 accessible, and passenger Vehicle For Hire, and  
20 decommissioning the time bans.

21 So as per the results of the VFH  
22 framework review, we've seen that a majority of our  
23 customers continue to insure at full-time category.  
24 So while this model was predicated on providing both  
25 full-time and part-time coverage, a very small amount

1 of customers are actually using that inherent  
2 flexibility.

3           Additionally, when we speak to  
4 customers through consultation and surveys, they all  
5 indicate that the time ban model has been ineffective.

6           And then we want to highlight that --  
7 what we said earlier, which is we are committed to  
8 working with our stakeholders and we'll continue to  
9 review the viability and feasibility of models outside  
10 of the VFH insurance uses, as well as a blanket  
11 policy.

12           So as per the trac -- Taxi Coalition's  
13 request, MPI is continuing to review a part-time taxi  
14 model.

15           So that brings us to the conclusion of  
16 the VFH presentation. So just to recap, in compliance  
17 with PUB Order 4/'23, Directive 12-10, MPI has filed a  
18 VFH insurance framework for PUB approval. We have  
19 addressed concerns related to cross-subsidization and  
20 demonstrated the general accessibility of the required  
21 technology to take on a blanket policy.

22           MPI is seeking approval for the VFH  
23 insurance framework. Concerning the blanket policy,  
24 this is approval for the overall framework and  
25 methodology with the exception of the per kilometre

1 rate. As we stated earlier, we anticipate filing the  
2 per kilometre rate and the methodology for PUB  
3 approval in the 2025 GRA.

4                   Concerning the VFH insurance uses, this  
5 is approval for decommissioning of the time bans and  
6 transitioning VFH insurance uses to full time.

7                   Finally, as we just stated, we are  
8 seeking a directive for materials filed in the 2025  
9 GRA, as well as proceeding applications that would  
10 restrict the sharing of specific third-party  
11 confidential information with registered Interveners.

12                   And again, the goal around seeking this  
13 directive is to implement the TNC blanket policy,  
14 which is the industry standard product, under the  
15 Basic line of insurance. And again, without this  
16 Directive, MPI feels it will be unable to implement a  
17 TNC blanket policy.

18                   Thank you very much.

19                   MR. ANTHONY GUERRA: Thank you, Ms.  
20 Mann. One (1) clarifying question again. So for this  
21 year, the time ban model would continue, correct?

22                   MS. SIMMI MANN: (NO AUDIBLE  
23 RESPONSE).

24                   MR. ANTHONY GUERRA: And so the  
25 decommissioning of the time bans would be in lock step

1 with the introduction of the TNC blanket policy,  
2 correct?

3 MS. SIMMI MANN: Correct.

4 MR. ANTHONY GUERRA: Okay. And I have  
5 one (1) further question for Mr. Prystupa.

6 And, Ms. Schubert, can I ask you to  
7 pull up the transcript from -- from yesterday, please?

8

9 (BRIEF PAUSE)

10

11 MR. ANTHONY GUERRA: And if I can ask  
12 you to turn to page 210, please.

13 All right. Starting at line 15, there  
14 was a question posed in a discussion with Mr. Houghton  
15 yesterday on the public presentations' portion.

16 Do you recall that line of questioning,  
17 Mr. Prystupa?

18 MR. CURTIS PRYSTUPA: Yes, I do.

19 MR. ANTHONY GUERRA: And then so here  
20 there's a discussion about the -- the different  
21 models, and if we can scroll down to -- perhaps it's  
22 page 211. Maybe I have my --

23 MS. KATHLEEN MCCANDLESS: Mr. Guerra,  
24 it might be page 212.

25 MR. ANTHONY GUERRA: Two-twelve (212)?



1 MS. KATHLEEN MCCANDLESS: Is it Mr.  
2 Houghton's reference about having to provide driver's  
3 licences?

4 MR. ANTHONY GUERRA: No, with  
5 reference to the ATV registrations.

6 MS. KATHLEEN MCCANDLESS: Yes.

7

8 CONTINUED BY MR. ANTHONY GUERRA:

9 MR. ANTHONY GUERRA: Oh, here we go.  
10 Yes. So there's a discussion here. It says:

11 "My understanding is MPI does not  
12 have accurate data to reflect who is  
13 actually driving vehicles in  
14 Manitoba and that legislation does  
15 not provide with the -- with the  
16 jurisdiction to collect that kind of  
17 data.

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

25 Mr. Prystupa, can you help us

1 understand what the legislative scheme is around the  
2 registration of ATVs?

3 MR. CURTIS PRYSTUPA: Certainly. So  
4 with ATVs, when individuals are registering their  
5 ATVs, there is a -- a concept called usual drivers  
6 where individuals are required to provide the usual  
7 drivers of ATVs up to four (4) or five (5). I can't  
8 recall the exact amount.

9 And this is actually covered within the  
10 auto -- auto -- Automobile Insurance Plan, regulation  
11 49, 2019, under part 3, division 4, section 39(1) and  
12 (2) that gives MPI the authority to collect -- collect  
13 that information.

14 There's an additional concept called  
15 assigned driver which is similar to primary driver but  
16 used in very few circumstances where a registered  
17 owner has never had a licence or there's medical --  
18 medical exceptions where they are no longer able to --  
19 able to drive. And that's also covered in the same --  
20 the same regulation, just -- just division 3, section  
21 33(a) and (b).

22 MR. ANTHONY GUERRA: Thank you, Mr.  
23 Prystupa.

24 I have no further questions for this  
25 panel. Thank you.

1 PANEL CHAIRPERSON: Thank you.

2 Ms. McCandless...?

3 MS. KATHLEEN MCCANDLESS: Yes. I'm  
4 ready to proceed, with I would ask for the Board's  
5 indulgence for just a two (2) minute break. I -- I  
6 need to speak with MPI counsel about something.

7 PANEL CHAIRPERSON: Certainly. Thank  
8 you.

9

10 --- Upon recessing at 9:43 a.m.

11 --- Upon resuming at 9:47 a.m.

12

13 PANEL CHAIRPERSON: Ms. McCandless...?

14 MS. KATHLEEN MCCANDLESS: Yes. Thank  
15 you for the short break.

16 I had a discussion with Mr. Guerra. We  
17 just need to clarify something for the record  
18 regarding what Uber's position was on the Public  
19 Utilities Board's ability to see the data at issue in  
20 this GRA.

21 So, through communications with counsel  
22 on September 7th, all counsel were advised that Uber's  
23 position was that they were not agreeable to providing  
24 access to their CSI in this General Rate Application,  
25 and that would have included not providing it to the

1 Public Utilities Board.

2                   So I just wanted to make sure that that  
3 was clear on the record because from Ms. Mann's  
4 evidence, it seemed that the position that's now being  
5 advanced was the same that -- as what was advanced  
6 over the summer, which was not the case. I hope  
7 that's clear.

8                   MR. ANTHONY GUERRA:    Yeah, so that --  
9 that is the position. So Uber did indicate that this  
10 -- in this rate application, they did not want anyone  
11 to see their confidential data, including the PUB, so  
12 anyone other than -- than MPI.

13                   For the next rate application, our  
14 proposal would be a directive that only the PUB could  
15 see the confidential information.

16                   BOARD CHAIR GABOR:    But if Uber's  
17 position continues to be that even we cannot see it --

18                   MR. ANTHONY GUERRA:    Then the blanket  
19 policy doesn't work, correct.

20                   BOARD CHAIR GABOR:    I'm just a little  
21 -- little astonished. Uber takes the position that no  
22 one -- no regulator can see their information on a  
23 confidential basis where it -- where it's not  
24 released? They had to have given it to BC.

25

1 (BRIEF PAUSE)

2

3 MR. ANTHONY GUERRA: So, Mr. Gabor,  
4 further to your point here with -- with some context,  
5 the initial -- the initial NDA that Uber's counsel  
6 reviewed did contemplate the information being shared  
7 with the PUB only.

8 And then what happened was, when it  
9 became clear that Interveners in this process would be  
10 asked to comment on and perhaps challenge the claim of  
11 confidentiality, Uber was not prepared to have that  
12 discussion in this rate application and -- and  
13 instructed us to withdraw that information from the  
14 record.

15 So there isn't any appetite to have a  
16 discussion about this in terms of a confidential  
17 motion; it has to be a directive.

18 BOARD CHAIR GABOR: Well, I guess  
19 we'll talk amongst ourselves. But it would be nice to  
20 have something from Uber on the record indicating  
21 exactly what their position is now before we issue a  
22 directive to you that's not going to work because it's  
23 a waste of time.

24 So if you can get in touch with Uber  
25 and indicate exactly what their position is, including

1 is their position that they would provide information  
2 on a -- on a commercially sensitive basis where,  
3 number 1, the Interveners could see it if they signed  
4 an NDA or, secondly, where the Board would receive  
5 unredacted information, but the Interveners would only  
6 received redacted information.

7                   Because before we're going to make the  
8 decision, you know, I -- I certainly don't want to be  
9 here a year from now where we're going through this  
10 whole thing again, so if we could find out exactly  
11 what their -- what their position is.

12                   MR. ANTHONY GUERRA:     Sir --

13                   BOARD CHAIR GABOR:     And I guess it's  
14 not only Uber, it's anybody else who is in the market.  
15 I don't know if anybody else is in the marketplace,  
16 but...

17                   MR. ANTHONY GUERRA:     That's a great  
18 point, Mr. Gabor. It -- it would apply to every TNC.  
19 Every TNC would take the same position for the same  
20 reasons, and so that has to be mindful. But we can  
21 give the undertaking to answer those specific  
22 questions that you've raised.

23

24 --- UNDERTAKING NO. 3:           MPI get in touch with Uber  
25   and indicate exactly what

1                                   their position is,  
2                                   including is their  
3                                   position that they would  
4                                   provide information on a  
5                                   commercially sensitive  
6                                   basis where, number 1, the  
7                                   Intervenors could see it  
8                                   if they signed an NDA or,  
9                                   secondly, where the Board  
10                                  would receive unredacted  
11                                  information, but the  
12                                  Intervenors would only  
13                                  received redacted  
14                                  information.

15  
16                                  PANEL CHAIRPERSON:    Thank you, Mr.  
17   Guerra.   Ms. McCandless...?

18                                  MS. KATHLEEN MCCANDLESS:    Thank you.

19  
20   CROSS-EXAMINATION BY MS. KATHLEEN MCCANDLESS:

21                                  MS. KATHLEEN MCCANDLESS:    Good morning  
22   to members of the Panel.   I am going to start with  
23   questions about Vehicles for Hire.   To my left is the  
24   actuarial advisor to the Board, Blair Manktelow.

25                                  And so, given Mr. Manktelow's presence

1 today, I think, Mr. Masud, you can expect that most of  
2 my questions will be for you but, of course, whoever  
3 is most appropriate to answer, please feel free to  
4 jump in.

5 So starting with the rate indication  
6 section of the filing at page 26. Thank you. The 'K'  
7 value used for major class loss cost credibility  
8 weighting was six thousand (6,000) insured units?

9 MR. KHURRAM MASUD: Yes.

10 MS. KATHLEEN MCCANDLESS: This would  
11 mean that if the current year of insured units was six  
12 thousand dollars (\$6,000) -- six thousand (6,000) --  
13 pardon me -- that the credibility assigned to that  
14 major class would be 50 percent?

15 MR. KHURRAM MASUD: Yes. I think I  
16 switched off my mic. Sorry.

17 MS. KATHLEEN MCCANDLESS: Thank you.  
18 And what credibility would that translate to given the  
19 number of earned units in PPV Vehicles for Hire?

20 MR. KHURRAM MASUD: You mean the  
21 actual -- actual number of...? I will have to go back  
22 and calculate that, yeah.

23 MS. KATHLEEN MCCANDLESS: Okay. So if  
24 we could have an undertaking to provide what the  
25 credibility would translate to given the number of



1 earned units in PPV Vehicles for Hire?

2 MR. KHURRAM MASUD: Sure.

3 MR. ANTHONY GUERRA: Yes, we'll give  
4 the undertaking.

5

6 --- UNDERTAKING NO. 4: For MPI to provide what  
7 the credibility would  
8 translate to given the  
9 number of earned units in  
10 PPV Vehicles for Hire

11

12 CONTINUED BY MS. KATHLEEN MCCANDLESS:

13 MS. KATHLEEN MCCANDLESS: Then moving  
14 to risk classification, page 9. At line 2, the  
15 constant 'K' used in the determination of credibility  
16 for each use and territory is sixty thousand (60,000)?

17 MR. KHURRAM MASUD: Yes.

18 MS. KATHLEEN MCCANDLESS: So this  
19 would mean that if the five (5) year earned units was  
20 sixty thousand (60,000) that the credibility assigned  
21 to that use and territory would be 50 percent?

22 MR. KHURRAM MASUD: Yes. Can you  
23 scroll up a little? Sorry. More. I just want to  
24 make sure that I understand the context of this. Can  
25 you scroll up a little more, please? Okay. Thank

1 you.

2 MS. KATHLEEN MCCANDLESS: I think your  
3 answer was "yes"?

4 MR. KHURRAM MASUD: Yes.

5 MS. KATHLEEN MCCANDLESS: Thank you.

6 And then, moving to table 12 of RC Appendix 3. I  
7 believe that should be page 152 of 176. Thank you.

8 And I'm looking at Passenger Vehicle  
9 for Hire. The total on the right-hand side. So the  
10 five (5) year earned units for Passenger Vehicle for  
11 Hire -- so that's passenger vehicle plus the truck  
12 category just under that -- would be four-thousand-  
13 six-hundred-and-sixty-three (4,663) plus sixty-eight  
14 (68)?

15 MR. KHURRAM MASUD: That's right.  
16 Yes.

17 MS. KATHLEEN MCCANDLESS: And so  
18 that's four-thousand-seven-hundred-and-thirty-one  
19 (4,731) earned vehicles?

20 MR. KHURRAM MASUD: Sounds about  
21 right. Yeah. If you did the math right.

22 MS. KATHLEEN MCCANDLESS: Subject to  
23 check?

24 MR. KHURRAM MASUD: Subject to check,  
25 yes.

1 MS. KATHLEEN MCCANDLESS: Okay. And  
2 so, based on four-thousand-seven-hundred-and-thirty-  
3 one (4,731) vehicles, then if we -- the calculated  
4 credibility would be 7.3 percent?

5

6 (BRIEF PAUSE)

7

8 MS. KATHLEEN MCCANDLESS: So that  
9 would be if we took the sixty thousand (60,000) plus  
10 the four-thousand-seven-hundred-and-thirty-one (4,731)  
11 and then divided it by the -- divided the four-  
12 thousand-seven-hundred-and-thirty-one (4,731) by --

13 MR. KHURRAM MASUD: Your calculation  
14 is right, so I'm guessing the number should also be  
15 right.

16 MS. KATHLEEN MCCANDLESS: Okay. And  
17 so, if we take that calculated credibility of 7.3  
18 percent, in the Classification Methodology, it would  
19 be increased to 10 percent?

20 MR. KHURRAM MASUD: Yes. Because the  
21 minimum is 10 percent.

22 MS. KATHLEEN MCCANDLESS: Thank you.  
23 But in the calculation of the blanket policy rate per  
24 kilometre, the historical information for these  
25 vehicles is determined to be 100 percent credible?

1 MR. KHURRAM MASUD: Implicitly, yes.  
2 Because we used -- Passenger Vehicle for Hire is their  
3 own experience. But there's also an adjustment of  
4 premium based on their own loss experience.

5 So their total premium is not just what  
6 they pay at the onset of the policy. Eventually, they  
7 will be paying based on -- on their own loss  
8 experience to remain profit neutral.

9 So it's just a starting point. But  
10 eventually, that premium is going to be adjusted based  
11 on their experience.

12 MS. KATHLEEN MCCANDLESS: Thank you.  
13 Thank you. Moving to RC Appendix 11, at 3.1  
14 Methodology. We're looking at the rate indication.

15 Here, MPI has indicated that the  
16 indicated rate change for Passenger Vehicles for Hire  
17 was an increase of 13.8 percent?

18 MR. KHURRAM MASUD: Yes.

19 MS. KATHLEEN MCCANDLESS: No details  
20 of this calculation were provided with the filing?

21 MR. KHURRAM MASUD: Just a second.

22

23 (BRIEF PAUSE)

24

25 MR. KHURRAM MASUD: This was shared

1 with the PUB as part of one (1) of the IRs.

2 MS. KATHLEEN MCCANDLESS: Yes. Not  
3 with the filing?

4 MR. KHURRAM MASUD: Yes. Not with the  
5 filing, with the IRs. That's correct.

6 MS. KATHLEEN MCCANDLESS: And so,  
7 first, at PUB/MPI-1-71, if we scroll to the response  
8 here. So that information was requested and the  
9 answer was subject to a confidentiality motion?

10 MR. KHURRAM MASUD: Yes.

11 MS. KATHLEEN MCCANDLESS: Okay. And  
12 what was MPI's position regarding the confidentiality  
13 issue regarding that per kilometre rate calculation?

14 MR. KHURRAM MASUD: It contains  
15 commercially sensitive information and that's why it  
16 was considered confidential.

17 MS. KATHLEEN MCCANDLESS: The  
18 Corporation had also indicated, in this response, that  
19 an external rate indication was completed?

20 MR. KHURRAM MASUD: That's right.  
21 Yes.

22 MS. KATHLEEN MCCANDLESS: And when was  
23 that third-party actuarial study completed?

24 MR. KHURRAM MASUD: Just a second.  
25 Let me check the dates.

1 (BRIEF PAUSE)

2

3 MR. KHURRAM MASUD: This was concluded  
4 during April this year.

5 MS. KATHLEEN MCCANDLESS: And so the  
6 external rate indication was not provided in response  
7 to PUB/MPI 171.

8

9 (BRIEF PAUSE)

10

11 MR. KHURRAM MASUD: We did provide  
12 this information in response to PUB-2-49.

13 MS. KATHLEEN MCCANDLESS: Yes. So it  
14 wasn't provided in response to 1-71, but it was  
15 provided in response to 2-49?

16 MR. KHURRAM MASUD: That's right.  
17 Yes.

18 MS. KATHLEEN MCCANDLESS: And that was  
19 an Excel spreadsheet of the external rate indication  
20 that was provided?

21 MR. KHURRAM MASUD: Yes.

22 MS. KATHLEEN MCCANDLESS: And no  
23 written narrative was included with that response in  
24 PUB/MPI-2-49?

25 MR. KHURRAM MASUD: That's correct.

1 But we included all the formulas in the Excel  
2 workbook.

3 MS. KATHLEEN MCCANDLESS: Did the  
4 serious loss loading in the rate indication for  
5 Passenger Vehicles for Hire include the amount of  
6 serious losses loaded on to Passenger Vehicles for  
7 Hire in the Classification Methodology?

8 MR. KHURRAM MASUD: You're referring  
9 to the PVFH, not the blanket policy?

10 MS. KATHLEEN MCCANDLESS: Correct.

11 MR. KHURRAM MASUD: Yes. That is  
12 included.

13 MS. KATHLEEN MCCANDLESS: Pardon me,  
14 in the blanket policy?

15 MR. KHURRAM MASUD: In the blanket  
16 policy, that's not included. That's included in the  
17 rebate surcharge scale, that loading.

18

19 (BRIEF PAUSE)

20

21 MS. KATHLEEN MCCANDLESS: So that  
22 means that MPI excluded the serious loss loading in  
23 the blanket Vehicles for Hire?

24 MR. KHURRAM MASUD: It's included in  
25 the rebate surcharge scale. So implicitly, it is

1 there.

2 MS. KATHLEEN MCCANDLESS: But not in  
3 the base rate calculation?

4 MR. KHURRAM MASUD: Not in the per  
5 kilometre rates.

6 MS. KATHLEEN MCCANDLESS: Thank you.  
7 Now moving to 4.1 Methodology. Thank you.

8 Just to confirm then, with respect to  
9 the capping of claims at fifty thousand (50,000), we  
10 see that's in the last line of 4.1 Methodology.

11 Did the loading take into consideration  
12 the amount of serious losses loaded onto PPV Vehicles  
13 for Hire in the Classification Methodology?

14 MR. KHURRAM MASUD: Yes. That's  
15 correct. For the Passenger Vehicles for Hire, yes.

16 MS. KATHLEEN MCCANDLESS: Thank you.  
17 Will the blanket policy exposures and claims be  
18 included in the overall rate indication for future  
19 rate indications?

20 MR. KHURRAM MASUD: Sorry, can you  
21 repeat that question? Are you being specific to the  
22 large loss cap and the loading for the large loss cap?

23 MS. KATHLEEN MCCANDLESS: No. Blanket  
24 policy exposures and claims to be included in the  
25 overall rate indication where MPI is applying for



1 approval of the blanket policy rates.

2 MR. KHURRAM MASUD: So I'll -- I'll  
3 just reiterate the question so I understand this  
4 correctly.

5 Are you saying that for PV -- if we  
6 will include the PV (INDISCERNIBLE) exposure in the  
7 VFH blanket policy pricing. Is that your question?

8

9 (BRIEF PAUSE)

10

11 MS. KATHLEEN MCCANDLESS: Okay. So,  
12 just to rephrase then, so in the 2026 GRA, if the  
13 blanket policy is approved in the 2025 GRA, will the  
14 blanket policy exposure and claims be included in the  
15 overall rate indication?

16 MR. KHURRAM MASUD: That's correct,  
17 yes.

18 MS. KATHLEEN MCCANDLESS: So, there  
19 will be no vehicle counts and, therefore, no loss  
20 costs estimates?

21 MR. KHURRAM MASUD: The exposure would  
22 be expressed as the kilometers driven.

23 MS. KATHLEEN MCCANDLESS: How will  
24 that be combined with the vehicle counts?

25

1 (BRIEF PAUSE)

2

3 MR. KHURRAM MASUD: So vehicle counts  
4 will not be used as exposure. We will use the  
5 kilometers driven and, likewise, the premium will be  
6 expressed as per kilometer as well.

7 MS. KATHLEEN MCCANDLESS: So, then it  
8 would not be included in the overall rate indication  
9 then?

10 MR. KHURRAM MASUD: For -- for  
11 everybody else? No. No.

12 MS. KATHLEEN MCCANDLESS: Thank you.

13 MR. KHURRAM MASUD: Was that your  
14 first question? Okay. Yeah.

15 MS. KATHLEEN MCCANDLESS: Now, in the  
16 -- in the discussion of the position of the TNCs about  
17 commercially sensitive information. I just have some  
18 followup on that.

19 So, in the calculation of the per  
20 kilometer charge, there would be the calculated  
21 aggregate claims costs, and that information would not  
22 be considered commercially sensitive?

23 MR. KHURRAM MASUD: If it's possible  
24 to maintain anonymity, then that would be considered  
25 not confidential.

1 MS. KATHLEEN MCCANDLESS: And then the  
2 number of kilometers -- it would be claimed as  
3 confidential?

4 MR. KHURRAM MASUD: Yes, that would  
5 still be considered confidential.

6 MS. KATHLEEN MCCANDLESS: So, however,  
7 the final kilometer rate would be public?

8 MR. KHURRAM MASUD: Yes, the kilometer  
9 rate, right, because that is still public.

10 MS. KATHLEEN MCCANDLESS: So, given  
11 the aggregate claims and the final per kilometer rate,  
12 is it an easy calculation to determine the number of  
13 kilometers?

14 MR. KHURRAM MASUD: I don't know.

15 MS. KATHLEEN MCCANDLESS: And when I  
16 say "easy," I mean easy for actuaries?

17

18 (BRIEF PAUSE)

19

20 MR. KHURRAM MASUD: I'm thinking there  
21 will be some assumptions around the -- what the future  
22 loss cost or the expected losses would be, so it could  
23 be -- I -- I -- I don't think it would be fairly  
24 straightforward to back track what the -- the number  
25 of kilometers driven are. Because that would be

1 assumptions on -- around the future trends and  
2 inflation, which -- I believe that information is  
3 public, then yes, it is possible to back track the per  
4 -- the number of kilometers on the aggregate level,  
5 yes.

6 MS. KATHLEEN MCCANDLESS: Thank you.  
7 Moving on to time bans, just briefly, the rates are  
8 shown in the rate tables.

9 Can MPI confirm it is proposing to not  
10 offer any other than the four (4) time ban rate?

11 MR. KHURRAM MASUD: That's correct,  
12 yes.

13 MS. KATHLEEN MCCANDLESS: And that --  
14 that would be after the blanket policy is in place?

15 MR. KHURRAM MASUD: Yes, yeah.

16 MS. KATHLEEN MCCANDLESS: And how  
17 large a premium increase would this cause for any  
18 operators currently only -- using one time ban?

19 MR. KHURRAM MASUD: Even if the  
20 current rates were in effect, because the rates will  
21 change, right. So, we could guess what the rates  
22 would -- but if the currents were -- rates were in  
23 place, I think this was on certain -- one of the IRs.  
24 Let me check.

25

1 (BRIEF PAUSE)

2

3 MR. KHURRAM MASUD: TC-118 refers to  
4 that. If you want to see it.

5 MS. KATHLEEN MCCANDLESS: I'm not sure  
6 if -- if Ms. Schubert is able to pull it up quickly.

7 I was more looking for sort of a  
8 directional than -- not -- we don't necessarily need a  
9 specific, but --

10 MR. KHURRAM MASUD: Yeah the --

11 MS. KATHLEEN MCCANDLESS: -- she got  
12 it there.

13 MR. KHURRAM MASUD: -- yes, the  
14 premium will increase, yes. It's TC1-19. Yeah.

15

16 (BRIEF PAUSE)

17

18 MR. KHURRAM MASUD: Yeah.

19 MS. KATHLEEN MCCANDLESS: So, this  
20 shows the overall increase -- it doesn't show an  
21 increase specifically for the one time ban operators?  
22 Correct?

23 MR. KHURRAM MASUD: Yes, that's  
24 correct. We can provide that information in the  
25 undertaking if it's required.

1 MS. KATHLEEN MCCANDLESS: I think,  
2 just generally, would it be a significant increase to  
3 the one time ban operators?

4 MR. KHURRAM MASUD: What would be  
5 considered 'significant'?

6 MS. KATHLEEN MCCANDLESS: I think,  
7 probably, the most efficient way then would be to just  
8 provide -- if you've got the information readily  
9 available, to provide it by way of undertaking.

10 MR. KHURRAM MASUD: We could do that,  
11 yeah.

12 MS. KATHLEEN MCCANDLESS: So, that  
13 would be to provide the estimated increase for  
14 operators currently using one time ban, with the --  
15 the offer of only the four (4) time ban rate.

16 MR. KHURRAM MASUD: Okay.

17 MR. ANTHONY GUERRA: Yes. Counsel  
18 will give the Undertaking --

19 MS. KATHLEEN MCCANDLESS: Thank you.

20 MR. ANTHONY GUERRA: -- Mr. Masud,  
21 please let me give the undertakings. Thank you.

22

23 --- UNDERTAKING NO. 5: MPI to provide the  
24 estimated increase for  
25 operators currently using

1 one time ban, with the  
2 offer of only the four (4)  
3 time ban rate

4

5

6 CONTINUED BY MS. KATHLEEN MCCANDLESS:

7 MS. KATHLEEN MCCANDLESS: So, how does  
8 the removal of the time ban option add value to  
9 customers?

10 MS. SIMMI MANN: Eventually we found -  
11 - as I think I stated, from the beginning, that while  
12 this model provides both full time and part time,  
13 customers are not using it.

14 When we engaged with customers, they  
15 all indicated that the time ban model was not aligning  
16 to their business operations.

17 The only group that asked for any  
18 change relative to time bans were the Taxi Coalition  
19 and we're working on assessing the overall viability.

20 But, otherwise, we find this to be a  
21 largely ineffective product, as it's a very small  
22 amount of customers that utilize less than four (4)  
23 time bans.

24 MS. KATHLEEN MCCANDLESS: With respect  
25 to telematics, in last year's GRA, MPI had indicated

1 that the pilot study for telematics for taxis had not  
2 started due to the inability to find a technology  
3 provider.

4 MR. CURTIS PRYSTUPA: That's correct.

5 MS. KATHLEEN MCCANDLESS: Is this  
6 still the current state?

7 MR. CURTIS PRYSTUPA: Earlier this  
8 year, MPI prepared a new Request For Proposal and they  
9 are now evaluating new submissions. That process will  
10 begin in the coming weeks.

11 We have received those submissions and  
12 the proposal has closed.

13 MS. KATHLEEN MCCANDLESS: So, it's now  
14 on to the -- the phase where MPI will be selecting the  
15 vendor from those who responded to the RFP?

16 MR. CURTIS PRYSTUPA: We'll be doing  
17 our vendor evaluations and selections.

18 MS. KATHLEEN MCCANDLESS: And is there  
19 a -- a date for delivery of the -- the study?

20

21 (BRIEF PAUSE)

22

23 MR. CURTIS PRYSTUPA: I'm sorry. Can  
24 you recite the question?

25 MS. KATHLEEN MCCANDLESS: Is there a -



1 - a date for delivery of the pilot study for  
2 telematics for taxis?

3 MR. CURTIS PRYSTUPA: At this time,  
4 no, we have not completed the evaluation of the  
5 vendors. From the initial RFP that was proposed with  
6 the -- would have collected both driver and vehicle  
7 data. We were unable to connect with a vendor that  
8 would sufficiently supply that and, working with the  
9 Taxi Coalition, we modified that proposal. That  
10 process took a little while.

11 So, we want to take the time to  
12 properly evaluate the off -- the proposals in front of  
13 us before committing.

14 MS. KATHLEEN MCCANDLESS: Thank you.  
15 Moving on to the Driver Safety Rating discounts, just  
16 to confirm the DSR discount change is one-quarter of  
17 the actuarially-indicated change, rounded down for  
18 each discount level, in accordance with the Board  
19 Order from last year?

20 MR. KHURRAM MASUD: That's correct.

21 MS. KATHLEEN MCCANDLESS: And, moving  
22 to RC Appendix 6, Figure RC APP 6-3, we see here that  
23 MPI has updated its estimate of the actuarially-  
24 indicated discounts?

25 MR. KHURRAM MASUD: We would like to

1 defer this to the Ratemaking Panel.

2

3 (BRIEF PAUSE)

4

5 MS. KATHLEEN MCCANDLESS: Thank you.

6 I will -- I had a series of questions regarding this

7 issue, but I think what we'll do is skip ahead and

8 defer that to Ratemaking then.

9 MR. KHURRAM MASUD: Okay.

10 MS. KATHLEEN MCCANDLESS: And, so, my

11 questions, then, will be about the Basic Insurance

12 Model and that is Part 8, Basic Insurance Model, page

13 12. So, here, MPI has developed names and definitions

14 for four (4) potential insurance models that it will

15 examine.

16 MR. CURTIS PRYSTUPA: That's correct.

17 MS. KATHLEEN MCCANDLESS: So, there's

18 the Primary Driver Model and that's where the vehicle

19 premium discount is based on the DSR level of the

20 primary driver, the primary driver being the person

21 who spends the most time driving the vehicle, as named

22 by the registered owner -- registered owner?

23 MR. CURTIS PRYSTUPA: Correct.

24 MS. KATHLEEN MCCANDLESS: The Listed

25 Driver Model, where the vehicle premium discount is

1 based on a calculation of the DSR li -- level of all  
2 drivers of the vehicle named by the registered owner?

3 MR. CURTIS PRYSTUPA: Correct.

4 MS. KATHLEEN MCCANDLESS: Combined  
5 Driver Model, the vehicle premium discount is based on  
6 the DSR level of all drivers of the vehicle named by  
7 the registered owner of the vehicle with a percentage  
8 of the premium based on the primary driver and the  
9 remaining percentage of the premium based on the  
10 listed drivers?

11 MR. CURTIS PRYSTUPA: That's correct.

12 MS. KATHLEEN MCCANDLESS: And, then,  
13 there's the Registered Owner Model which is what's  
14 current in effect. Correct?

15 MR. CURTIS PRYSTUPA: Yes.

16 MS. KATHLEEN MCCANDLESS: And, so,  
17 that's based on the DSR level of the -- of the  
18 registered owner of the vehicle?

19 MR. CURTIS PRYSTUPA: Yep.

20 MS. KATHLEEN MCCANDLESS: And MPI has  
21 provided some information about its Project Charter  
22 and how it's going to move towards this five-year  
23 plan. I'm -- I'd like to refer to BIM Appendix 1.  
24 Thank you.

25 So, this table -- or graph shows the --

1 the progression of the Basic Insurance Model  
2 evolution, with the first step to be taken -- to have  
3 taken place in Q1 of 2023 and implementation to be  
4 executed -- keep on scrolling -- at the end of Q4 in  
5 2028?

6 MR. CURTIS PRYSTUPA: Implementation  
7 is set to begin at the beginning of Q2, 2028.

8 MS. KATHLEEN MCCANDLESS: And complete  
9 by the end of Q4?

10 MR. CURTIS PRYSTUPA: Correct.

11 MS. KATHLEEN MCCANDLESS: And, so,  
12 based on the schedule, customer engagement is to be  
13 completed by the end of Q3 for 2023?

14 MR. CURTIS PRYSTUPA: One -- one phase  
15 of customer engagement. Yes.

16 MS. KATHLEEN MCCANDLESS: And, so, has  
17 customer a -- engagement begun?

18 MR. CURTIS PRYSTUPA: It -- it has  
19 not. No.

20 MS. KATHLEEN MCCANDLESS: If we could  
21 go to PUB/MPI 1-74? Here, in the preamble, it  
22 references that MPI would conduct further customer  
23 engagement on the topic of Basic Insurance Model in at  
24 least two (2) stages, beginning in the summer of 2023.

25 The first stage of engagement will be

1 smaller in scope than the 2019 public consultation and  
2 will be conducted via on-line survey, using a random  
3 representative sample of DSR eligible customers -- or  
4 con -- customers. Yes?

5 MR. CURTIS PRYSTUPA: Yep. That's  
6 correct.

7 MS. KATHLEEN MCCANDLESS: And, so, MPI  
8 was asked to provide a copy of the on-line survey --  
9 survey and whether it had begun the roll-out of the  
10 on-line survey.

11 As of the time of this response, the  
12 survey had not been finalized and the roll-out --  
13 roll-out, therefore, had not begun.

14 So, can MPI provide an update on that,  
15 now that the provincial election has past, because I  
16 believe that was part of the response at 'B'?

17 MR. CURTIS PRYSTUPA: Certainly. In  
18 CMMG 2-6, MPI provided -- provided a -- a response,  
19 including the public consultation that we -- or the  
20 survey that we will be -- that we'll be using.

21 And we also answered that we intend to  
22 start the customer engagement very, very soon. We  
23 don't have a specific date, at this point. We do want  
24 to have a touch-point with the incoming provincial  
25 governments, but we do intend to start the -- the

1 survey fairly shortly.

2 MS. KATHLEEN MCCANDLESS: And then,  
3 so, because you referenced it, we have CMMG 2-6 on the  
4 screen here and response to 'D' advises that MPI  
5 considers that stakeholder engagement has already  
6 begun through the annual GRA process?

7 MR. CURTIS PRYSTUPA: Correct.

8 MS. KATHLEEN MCCANDLESS: And it says  
9 that further engagement outside of the GRA process are  
10 planned after hearings are completed.

11 Can you provide some information as to  
12 what that engagement will look like?

13 MR. CURTIS PRYSTUPA: One moment,  
14 please.

15

16 (BRIEF PAUSE)

17

18 MR. CURTIS PRYSTUPA: In CAC 2-36, the  
19 question was asked what format of customer engagement  
20 is contemplated by the second stage, estimated to  
21 begin in -- or, sorry, that's -- that's relevant to  
22 the second stage. My -- my mistake. One moment,  
23 please.

24

25 (BRIEF PAUSE)

1 MR. CURTIS PRYSTUPA: Okay. I'm -- I'm  
2 sorry. Same -- same IR, CAC 2-36, section -- or the  
3 Question 'D', what methodology format of engagement is  
4 MPI contemplating for the stakeholder engagement?

5 And our response was that MPI plans to  
6 host sessions with stakeholders following the  
7 conclusion of the GRA hearings, the aim of which will  
8 be collaborative, where MPI will present information  
9 on various key topics, of course, related to BIM,  
10 specifically, to DSR, with the stakeholders, and have  
11 open discussions to gather opinions, perspectives, and  
12 any questions that -- that -- that the stakeholders  
13 may have.

14 MS. KATHLEEN MCCANDLESS: Who are the  
15 stakeholders contemplated?

16 MR. CURTIS PRYSTUPA: So, certainly,  
17 you know, brokers, Public Utilities Board, Counsel,  
18 CAC, CMMG, TC, predominantly from that -- that aspect  
19 of stakeholders. Government is also a stakeholder in  
20 that -- in that conversation as well.

21 MS. KATHLEEN MCCANDLESS: Thank you.  
22 Jumping back to the schedule showing the -- yeah, the  
23 roll-out. Thank you.

24 And Mr. Prystup -- Prystupa, you did  
25 talk about legislative changes necessary in MPI's use

1 for data collection. They are expected to begin in Q4  
2 and is that on track?

3 MR. CURTIS PRYSTUPA: Yes.

4 MS. KATHLEEN MCCANDLESS: Now, I -- I  
5 don't want to get into asking you about statutory  
6 interpretation, but you did mention, because you were  
7 asked by Mr. Guerra, who anticipated one of my  
8 questions, about the comment from Mr. Houghton  
9 yesterday, about being required to provide his -- the  
10 driver's licence of anyone else who's going to be  
11 riding his ATV and the particular regulation.

12 So, I'm just trying to understand, this  
13 -- this -- the section that you referenced, is that  
14 specific to off-road vehicles?

15 MR. CURTIS PRYSTUPA: Regarding the --  
16 the usual driver regulations, yes, that is very  
17 specific for off-road vehicles.

18 MS. KATHLEEN MCCANDLESS: And in the  
19 case of the changes to the Basic Insurance Model, MPI  
20 has not yet determined how it will gather data on  
21 drivers at this point?

22 MR. CURTIS PRYSTUPA: Can you -- can  
23 you be more specific on your -- in -- on your  
24 question?

25 MS. KATHLEEN MCCANDLESS: Methodology,



1 for example, through -- through brokers, or ...

2 MR. CURTIS PRYSTUPA: I would say not  
3 the -- necessarily the detailed aspects but, you know,  
4 high level, we have -- we would certainly look to  
5 study existing touch points with customers where we  
6 have opportunities to have conversations with  
7 customers and the -- the vast -- you know, the vast  
8 majority of those conversations happen with our  
9 brokers and service centres in today's world.

10 MS. KATHLEEN MCCANDLESS: Thank you.  
11 And MPI anticipates collecting data on drivers in Q1  
12 of 2025? That's 'execute data collection'.

13 MR. CURTIS PRYSTUPA: Yeah, just give  
14 me -- give me one moment to have a quick look here.

15 Yes, that appears to be the -- the  
16 current plan.

17 MS. KATHLEEN MCCANDLESS: With the  
18 actuarial examination or analysis of that data to  
19 begin in Q3 of 2025?

20 MR. CURTIS PRYSTUPA: That -- that is  
21 the current plan, yes.

22 MS. KATHLEEN MCCANDLESS: And then  
23 submitting its application for a new Basic Insurance  
24 Model in the 2027 General Rate Application?

25 MR. CURTIS PRYSTUPA: Understanding

1 that that is quite a -- quite a ways away in terms of  
2 time and there are multiple dependencies on  
3 legislation, on NOVA release 3, but yes, that is the  
4 current plan -- cur -- current schedule.

5 MS. KATHLEEN MCCANDLESS: To the  
6 extent that NOVA release 3, which we heard it has  
7 already been delayed somewhat, is delayed further,  
8 will that have an impact on the rollout of your new  
9 Basic Insurance Model?

10 MR. CURTIS PRYSTUPA: One (1) moment,  
11 please.

12

13 (BRIEF PAUSE)

14

15 MR. CURTIS PRYSTUPA: Could you repeat  
16 the question, please?

17 MS. KATHLEEN MCCANDLESS: We have  
18 heard that release 3 of NOVA is delayed beyond the  
19 schedule that was anticipated when the issue was last  
20 before the Board.

21 And so to the extent that there are  
22 dependencies on release 3 of NOVA for the  
23 implementation of a new Basic Insurance Model, does  
24 the Corporation anticipate any change to the schedule  
25 that's before us?

1 MR. CURTIS PRYSTUPA: I -- I think  
2 it's hard to predict at the current time. I think  
3 we'll know better as release 3 Discovery happens, and  
4 as we go through that -- through that process, but I  
5 think it's too early to consider any possible  
6 contingencies.

7 MS. KATHLEEN MCCANDLESS: And have any  
8 of the timelines at BM Appendix 1, ha -- been affected  
9 by this current strike?

10

11 (BRIEF PAUSE)

12

13 MR. CURTIS PRYSTUPA: Just to make  
14 sure I'm answering -- answering appropriately, could I  
15 ask you to repeat the question one more time, please?

16 MS. KATHLEEN MCCANDLESS: Okay. I'll  
17 try to keep it --

18 MR. CURTIS PRYSTUPA: Yeah, condensed.

19 MS. KATHLEEN MCCANDLESS: -- precise.  
20 Does MPI anticipate any impact on the schedule for the  
21 Basic Insurance Model changes flowing from any delays  
22 in release 3 of NOVA?

23 MR. CURTIS PRYSTUPA: Sorry, I think  
24 we covered that one.

25 MS. KATHLEEN MCCANDLESS: Oh sorry,

1 that was the previous question that you asked me to --

2 MR. CURTIS PRYSTUPA: There's a -- a  
3 labour inter -- labour interrupt question.

4 MS. KATHLEEN MCCANDLESS: Yes. Strike  
5 that. Impact of labour interruption on this schedule.

6 MR. CURTIS PRYSTUPA: Yeah, and are  
7 you asking me has -- has there already been?

8 MS. KATHLEEN MCCANDLESS: Yes.

9 MR. CURTIS PRYSTUPA: Okay. I would  
10 suggest that there -- there have likely mostly around  
11 the -- the customer engagement and -- and the building  
12 and preparing of the -- of the survey but it's  
13 relatively -- relatively minor at this point.

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

16 PANEL CHAIRPERSON: Thank you. It's  
17 10:30 exactly so we'll take the morning break now and  
18 then come back with cross-examination by CAC counsel,  
19 please, at quarter to 11:00.

20

21 --- Upon recessing at 10:31 a.m.

22 --- Upon resuming at 10:46 a.m.

23

24 PANEL CHAIRPERSON: Mr. Klassen...?

25

1 CROSS-EXAMINATION BY MR. CHRIS KLASSEN:

2 MR. CHRIS KLASSEN: Good morning.

3 Thank you, Madam Chair, and good morning also to MPI  
4 witnesses. Thanks for your time today. My name is  
5 Chris Klassen. I'm co-counsel to the Manitoba branch  
6 of the Consumers Association of Canada, and I'll have  
7 some questions for you this morning about the Product  
8 Enhancements portion of MPI's Application.

9 I expect that most of my questions will  
10 be directed -- or will be for you to answer, Mr.  
11 Prystupa. I may have some as well for -- for  
12 yourself, Ms. Mann, toward the end of my questioning.  
13 As always, I'm open to receiving responses from any  
14 member of the panel, as appropriate, but if you feel  
15 best equipped to respond, please feel free.

16 I'll also note that, for CAC  
17 (Manitoba), we'll be taking Mr. Masud's advice and  
18 reserving our questions about pricing related to DSR  
19 discounts for the Ratemaking Panel, so thank you for  
20 that direction.

21 So first, in general, referring to  
22 Manitoba Public Insurance's Basic Insurance Model, or  
23 BIM, as it's referred to in the Application, describes  
24 how MPI determines discounts or surcharges to be  
25 offered against a given vehicle's premium.

1 Is that an accurate characterization?

2 MR. CURTIS PRYSTUPA: I think -- I  
3 think it's a -- that's a pretty broad over-  
4 generalization. But, you know, in terms of the -- the  
5 ratemaking aspect of it, yes.

6 MR. CHRIS KLASSEN: Thanks. And the  
7 current Basic Insurance Model is called the Registered  
8 Owner Model, correct?

9 MR. CURTIS PRYSTUPA: That's the  
10 current model that's used for DSR discounts within the  
11 Basic Insurance Model, yes.

12 MR. CHRIS KLASSEN: Thank you. And as  
13 we heard this morning, the Registered Owner Model  
14 assigns vehicle premium discounts or surcharges based  
15 on the Driver Safety Rating of the registered owner of  
16 the vehicle, regardless of who habitually drives it,  
17 correct?

18 MR. CURTIS PRYSTUPA: That's correct.

19 MR. CHRIS KLASSEN: And is it accurate  
20 to say that the Public Utilities Board has found that  
21 the Registered Owner Model contributes to premiums  
22 which do not accurately reflect risk?

23 MR. CURTIS PRYSTUPA: That's correct,  
24 yes.

25 MR. CHRIS KLASSEN: And this issue is

1 related but distinct to the issue of pricing and  
2 cross-subsidization on the DSR, correct?

3 MR. CURTIS PRYSTUPA: Pardon me. Can  
4 you repeat that, Mr. Klassen?

5 MR. CHRIS KLASSEN: The issue of the  
6 Registered Owner Model's failure to adequately reflect  
7 risk is a related but -- but a separate issue from  
8 cross-subsidization and the -- the pricing questions  
9 about the DSR, correct? That will be canvassed with a  
10 different panel.

11 MR. CURTIS PRYSTUPA: Sure, yeah.

12 MR. CHRIS KLASSEN: And is it the  
13 panel's understanding that this Board has issued a  
14 number of directives in recent orders related to  
15 overcoming this shortcoming of the current Basic  
16 Insurance Model?

17 MR. CURTIS PRYSTUPA: Yeah,  
18 absolutely. Yes. This has been a topic of much  
19 discussion since 2018.

20 MR. CHRIS KLASSEN: Since 2018 in  
21 Order 130 of '17. Correct?

22 MR. CURTIS PRYSTUPA: Correct.

23 MR. CHRIS KLASSEN: In response to  
24 those directives, you'll confirm that MPI began to  
25 develop possible alternative Basic Insurance Models in

1 order to more appropriately reflect risk. Correct?

2 MR. CURTIS PRYSTUPA: I wouldn't say  
3 begun to define, I think we've probably refined.  
4 We've been looking at the possibility for different  
5 models since the 2019/2020 GRA.

6 MR. CHRIS KLASSEN: And I thank you  
7 for that clarification, Mr. Prystupa. And again, the  
8 intended outcome of this process is to develop an  
9 alternative Basic Insurance Model that more  
10 appropriately reflects risk. Correct?

11 MR. CURTIS PRYSTUPA: Yes, absolutely.

12 MR. CHRIS KLASSEN: And that  
13 contributes to fairer pricing. Correct?

14 MR. CURTIS PRYSTUPA: Yes.

15 MR. CHRIS KLASSEN: At various times  
16 over the last number of years MPI has conducted  
17 consumer engagement related to this issue. Correct?

18 MR. CURTIS PRYSTUPA: Yes.

19 MR. CHRIS KLASSEN: And in general,  
20 would MPI agree that consumer engagement can assist  
21 policy makers and organizations like MPI in making  
22 better decisions?

23 MR. CURTIS PRYSTUPA: Yes.

24 MR. CHRIS KLASSEN: And good consumer  
25 engagement can also improve the likelihood of success



1 in implementing these decisions. Correct?

2 MR. CURTIS PRYSTUPA: Yes.

3 MR. CHRIS KLASSEN: And you'd agree,  
4 Mr. Prystupa, that in general well designed public  
5 participation can promote transparency?

6 MR. CURTIS PRYSTUPA: Yes.

7 MR. CHRIS KLASSEN: And add legitimacy  
8 to processes and outcomes?

9 MR. CURTIS PRYSTUPA: Yes.

10 MR. CHRIS KLASSEN: And strengthen  
11 public trust and confidence in a process or decision.

12 MR. CURTIS PRYSTUPA: Certainly.

13 MR. CHRIS KLASSEN: And would also  
14 increase the likelihood that a decision or outcome  
15 will reflect the interests of the people who might be  
16 affected.

17 MR. CURTIS PRYSTUPA: Yes.

18 MR. CHRIS KLASSEN: And would MPI  
19 agree that communicating findings back to participants  
20 in engagement is a necessary part of good engagement  
21 practice?

22 MR. CURTIS PRYSTUPA: I'm sorry, can  
23 you repeat that.

24 MR. CHRIS KLASSEN: Would MPI agree  
25 that communicating findings following consumer

1 engagement processes back to participants is a  
2 necessary part of good engagement practice?

3 MR. CURTIS PRYSTUPA: I just want to  
4 check with the back row. Just give me a moment. Yes,  
5 we would agree with that.

6 MR. CHRIS KLASSEN: Thank you, Mr.  
7 Prystupa. A moment ago, Mr. Prystupa, you indicated  
8 that MPI has been developing possible alternative  
9 models beginning soon after this issue arose in 2018,  
10 correct?

11 MR. CURTIS PRYSTUPA: Yes.

12 MR. CHRIS KLASSEN: And MPI conducted  
13 consumer engagement on some of the preliminary ideas  
14 in 2019, correct?

15 MR. CURTIS PRYSTUPA: Yes.

16 MR. CHRIS KLASSEN: And the 2019  
17 report following that engagement is on the record of  
18 this proceeding, correct?

19 MR. CURTIS PRYSTUPA: Yes, it is.

20 MR. CHRIS KLASSEN: And that report is  
21 called DSR Public Consultation Detailed Report of  
22 Findings, correct?

23 MR. CURTIS PRYSTUPA: Yes.

24 MR. CHRIS KLASSEN: And that's located  
25 at Appendix 1 to CAC/MPI-2-36, right?

1 MR. CURTIS PRYSTUPA: That's correct.

2 MR. CHRIS KLASSEN: And based on the  
3 title, Mr. Prystupa, would MPI characterize this 2019  
4 engagement and the subsequent report as detailed?

5 MR. CURTIS PRYSTUPA: Yes.

6 MR. CHRIS KLASSEN: And the 2019  
7 engagement consisted of multiple opportunities for  
8 stakeholder input, correct?

9 MR. CURTIS PRYSTUPA: Correct.

10 MR. CHRIS KLASSEN: You'll confirm  
11 that these included phone surveys?

12 MR. CURTIS PRYSTUPA: Yes.

13 MR. CHRIS KLASSEN: Also, an open link  
14 survey?

15 MR. CURTIS PRYSTUPA: Yes.

16 MR. CHRIS KLASSEN: Also, related  
17 questions and MPI's regular Voice of the Consumer  
18 Panel survey?

19 MR. CURTIS PRYSTUPA: Yes.

20 MR. CHRIS KLASSEN: As well as written  
21 -- sorry -- requests for written submissions from GRA  
22 stakeholder groups, including CAC (Manitoba)?

23 MR. CURTIS PRYSTUPA: Yes, that's  
24 correct.

25 MR. CHRIS KLASSEN: And that

1 engagement was also accompanied by a public discussion  
2 paper on the proposed alternative insurance models as  
3 they existed at that time, correct?

4 MR. CURTIS PRYSTUPA: Yes.

5 MR. CHRIS KLASSEN: And there was also  
6 print and digital advertising inviting customers to  
7 participate, correct?

8 MR. CURTIS PRYSTUPA: Correct.

9 MR. CHRIS KLASSEN: The 2019  
10 engagement was carried out internally by MPI, correct?

11 MR. CURTIS PRYSTUPA: One -- one  
12 moment while I double -- double-check that with back  
13 row. Yes.

14 MR. CHRIS KLASSEN: MPI didn't rely on  
15 the services of -- of an external third-party research  
16 firm?

17 MR. CURTIS PRYSTUPA: I'll just check  
18 that. One moment. Sorry, can you repeat the  
19 question, Mr. Klassen.

20 MR. CHRIS KLASSEN: Did MPI rely on  
21 the services of an external research firm in  
22 conducting the 2019 engagement?

23 MR. CURTIS PRYSTUPA: For -- for  
24 portions of the public survey, yes.

25 MR. CHRIS KLASSEN: Thank you. And

1 the 2019 report was initially filed in the 2020 GRA,  
2 correct?

3 MR. CURTIS PRYSTUPA: Subject to  
4 check, yes.

5 MR. CHRIS KLASSEN: Thanks. And other  
6 than making the report public as part of the 2020 GRA  
7 filing and, of course, the subsequent inclusion in  
8 response to IRs in this process, MPI did not conduct  
9 any follow-up with participants to communicate its  
10 filings. Is that correct?

11 MR. CURTIS PRYSTUPA: Let me check  
12 with back row on that. One moment.

13 MR. CHRIS KLASSEN: And if I can  
14 clarify, Mr. Prystupa. I believe I misspoke. The  
15 last word I said was "filings," but I meant to say  
16 "findings." MPI did not conduct any follow-up with  
17 participants to communicate its findings.

18 MR. CURTIS PRYSTUPA: Okay. One --  
19 one moment. Let us check on that.

20

21 (BRIEF PAUSE)

22

23 MR. CURTIS PRYSTUPA: We -- we did not  
24 follow up with participants directly to share the  
25 findings, but the results of the findings were made

1 available, as you mentioned, in -- I believe we've  
2 posted these public consultation detailed report of  
3 findings in two (2), if not three (3), GRAs.

4 MR. CHRIS KLASSEN: Thank you. MPI's  
5 current Basic Insurance Model Evolution Project, which  
6 we're discussing today, presents different alternative  
7 BIM, or Basic Insurance Models, than were presented in  
8 2019, correct?

9 MR. CURTIS PRYSTUPA: Correct.

10 MR. CHRIS KLASSEN: For example, Mr.  
11 Prystupa, customers in 2019 were asked about an All  
12 Household Drivers Model, correct?

13 MR. CURTIS PRYSTUPA: Correct.

14 MR. CHRIS KLASSEN: And the All  
15 Household Drivers Model is no longer being considered  
16 by MPI?

17 MR. CURTIS PRYSTUPA: Correct.

18 MR. CHRIS KLASSEN: And the combined  
19 driver model presently being contemplated was not  
20 considered in 2019, correct?

21 MR. CURTIS PRYSTUPA: That's correct.

22 MR. CHRIS KLASSEN: And the first time  
23 that the new alternatives, those presented in this  
24 GRA, are being communicated to stakeholders is through  
25 the present GRA filing. Is that correct?

1 MR. CURTIS PRYSTUPA: I would -- I  
2 would state that I think that, especially through  
3 hearings in last year's GRA, these particular models  
4 themselves, albeit the combined driver we referred to  
5 as the hybrid model, so to speak, I think we had  
6 relatively consistently described these models then  
7 but, certainly, in this year's GRA, we put further  
8 emphasis into defining them.

9 MR. CHRIS KLASSEN: Right. And one  
10 (1) of the main activities undertaken by MPI since the  
11 last GRA, Mr. Prystupa, is confirming the names and  
12 detailed definitions of each model, correct?

13 MR. CURTIS PRYSTUPA: Pardon me. Can  
14 you repeat that.

15 MR. CHRIS KLASSEN: We understood this  
16 morning - and we'll ask you to confirm - that one (1)  
17 of the activities undertaken by MPI since the last GRA  
18 is confirming the detailed names and definitions of  
19 each model being presented, correct?

20 MR. CURTIS PRYSTUPA: Yes, that's  
21 correct. And just for -- for the record, I just want  
22 to provide an update to a previous question around  
23 findings being shared with customers.

24 Findings were shared in a regular  
25 update specific to the voice of customer 'E' Panel,

1 but not on an individual, general public basis.

2 MR. CHRIS KLASSEN: Thanks, Ms.

3 Prystupa. I appreciate the clarification.

4 MR. CURTIS PRYSTUPA: No problem.

5 MR. CHRIS KLASSEN: And with respect  
6 to the Basic Insurance Models, or the alternative  
7 models presently being contemplated, MPI is planning  
8 to conduct consumer engagement later in 2023, correct?

9 MR. CURTIS PRYSTUPA: Yes.

10 MR. CHRIS KLASSEN: And this upcoming  
11 round of engagement consists of a short survey that's  
12 currently on the record in draft form, correct?

13 MR. CURTIS PRYSTUPA: Correct.

14 MR. CHRIS KLASSEN: You'll confirm  
15 that this is intended to be an open link survey?

16 MR. CURTIS PRYSTUPA: I -- I believe,  
17 subject to check, combined with the 'E' Panel, as  
18 well, 'E' Panel and open link public survey.

19 MR. CHRIS KLASSEN: And when MPI  
20 identifies 'E' Panel, it's referring to its -- it's  
21 regular voice of the consumer panel survey?

22 MR. CURTIS PRYSTUPA: Correct.

23 MR. CHRIS KLASSEN: Compared to the  
24 2019 engagement, the 2023 engagement will not have an  
25 accompanying phone survey, correct?



1 MR. CURTIS PRYSTUPA: Correct.

2 MR. CHRIS KLASSEN: MPI's consumer  
3 engagement plan for the 2023 engagement does not  
4 identify a target sample size for the survey, correct?

5 MR. CURTIS PRYSTUPA: Not at this  
6 time.

7 MR. CHRIS KLASSEN: And it does not  
8 contemplate print and digital media to promote the  
9 survey as it did in 2019, correct?

10 MR. CURTIS PRYSTUPA: Not at this  
11 time, no.

12 MR. CHRIS KLASSEN: And recognizing  
13 the anticipated timing of the survey, participants in  
14 the 2023 engagement will not be responding to any new  
15 information not already before the Board in the  
16 current GRA, correct?

17 MR. CURTIS PRYSTUPA: Can you -- can  
18 you elaborate on that question?

19 MR. CHRIS KLASSEN: The information  
20 that MPI will provide to respondents in the 2023  
21 engagement is already before the Board, correct?

22 MR. CURTIS PRYSTUPA: Yes.

23 MR. CHRIS KLASSEN: We've seen it once  
24 already today, but, Ms. Schubert, if you could bring  
25 up on the screen for us BIM Appendix 1. Thank you

1 very much.

2 And to the panel, or to Mr. Prystupa,  
3 you'll agree that the document before us on the screen  
4 is Appendix 1 to the BIM chapter, correct?

5 MR. CURTIS PRYSTUPA: That's correct.

6 MR. CHRIS KLASSEN: And it presents a  
7 proposed time line for each activity in MPI's BIM  
8 Evolution Project, correct?

9 MR. CURTIS PRYSTUPA: Yes.

10 MR. CHRIS KLASSEN: And so, if we draw  
11 our attention to line 4. And, Ms. Schubert, we may  
12 need to scroll to the left so we can see the line  
13 numbers. Thank you.

14 Mr. Prystupa, at line 4 we see the task  
15 titled, "Stakeholder Consultations," correct?

16 MR. CURTIS PRYSTUPA: Yes.

17 MR. CHRIS KLASSEN: And if we follow  
18 that line to the right, being line 4, the blue bar  
19 that we see tells us that stakeholder consultations  
20 are projected to take place in third and fourth  
21 quarters of 2023, correct?

22 MR. CURTIS PRYSTUPA: That's correct.

23 MR. CHRIS KLASSEN: And MPI will  
24 confirm that no information or invitation has to date  
25 been shared with stakeholders regarding that

1 engagement?

2 MR. CURTIS PRYSTUPA: That's correct.

3 MR. CHRIS KLASSEN: And if we turn our  
4 attention slightly up the page to line 3, Mr.  
5 Prystupa, we'll see that that task is titled,  
6 "Consumer Engagement," correct?

7 MR. CURTIS PRYSTUPA: "Customer  
8 engagement," but that's my error.

9 MR. CHRIS KLASSEN: My apologies.

10 MR. CURTIS PRYSTUPA: Yes.

11 MR. CHRIS KLASSEN: And I appreciate  
12 the correction, customer engagement. Thank you.

13 And now that we've clarified that,  
14 you'll confirm that line -- line 3 is labelled,  
15 "Customer Engagement," correct?

16 MR. CURTIS PRYSTUPA: Correct.

17 MR. CHRIS KLASSEN: And so, if we  
18 follow the line 3 "Customer engagement" to the right,  
19 we'll see that the 2023 engagement period, at least by  
20 the blue bar, is slated for quarters 2 and 3 of the  
21 current year, correct?

22 MR. CURTIS PRYSTUPA: Correct.

23 MR. CHRIS KLASSEN: And if we follow  
24 that line further to the right, we see another  
25 customer engagement period planned for first and

1 second quarters of 2026, correct?

2 MR. CURTIS PRYSTUPA: Correct.

3 MR. CHRIS KLASSEN: Now, Mr. Prystupa,  
4 if we turn our attention next to line 14 down the  
5 page, we see that line 14 is titled 'Product analysis  
6 and creation of recommendation for future insurance  
7 model.'

8 Correct?

9 MR. CURTIS PRYSTUPA: Correct.

10 MR. CHRIS KLASSEN: And, again, if we  
11 follow that line to the right, we see that that work  
12 is expected to begin in third quarter of 2025,  
13 correct?

14 MR. CURTIS PRYSTUPA: Yes.

15 MR. CHRIS KLASSEN: And will continue  
16 to the end of first quarter in 2026, correct?

17 MR. CURTIS PRYSTUPA: As -- as best as  
18 can be predicted with as many dependencies, yes.

19 MR. CHRIS KLASSEN: Understood. Thank  
20 you. And if you could assist me, Mr. Prystupa, in  
21 comparing lines 3, 4, and 14. I'll ask you to confirm  
22 that line 14:

23 "The creation of the recommendation  
24 will conclude before the 2026  
25 customer and stakeholder engagements

1 are completed."

2 MR. CURTIS PRYSTUPA: That's not true.

3 The product analysis and creation of recommendation

4 for a future insurance model continues until the

5 middle of -- or three-quarters of the way

6 approximately through Q2 of 2026, where the customer

7 engagement and stakeholder consultations conclude, you

8 know -- you know, a period before that.

9 MR. CHRIS KLASSEN: And we may need to

10 zoom in a little bit just to -- to clarify, Ms.

11 Schubert.

12 I see. I thank you for that

13 correction, Mr. Prystupa. And so you'll confirm that

14 the customer and stakeholder engagements carry into Q2

15 of 2026 and the preparation of the recommendation also

16 concludes in second quarter of 2026?

17 MR. CURTIS PRYSTUPA: Yes, but later

18 than the customer and stakeholder engagements

19 complete.

20 MR. CHRIS KLASSEN: Thank you. Moving

21 on from customer engagement. The major input that MPI

22 expects to rely on in developing its recommendation in

23 2025, as we've just discussed, is the actuarial

24 pricing analysis, correct?

25 MR. CURTIS PRYSTUPA: Combined with

1 product analysis, yes.

2 MR. CHRIS KLASSEN: And the purpose of  
3 the actuarial pricing analysis would be to identify  
4 how customers' rates would change and by how much for  
5 each of the alternative models contemplated, correct?

6 MR. CURTIS PRYSTUPA: Amongst other --  
7 other benefits, yes.

8 MR. CHRIS KLASSEN: And MPI explains  
9 in its Application that in order to conduct this  
10 actuarial pricing analysis, MPI needs information  
11 about vehicle's primary drivers and additional list of  
12 drivers by name and driver's licence numbers, correct?

13 MR. CURTIS PRYSTUPA: That's correct.

14 MR. CHRIS KLASSEN: And MPI needs this  
15 information for what it assesses to be a "random and  
16 representative sample of customers," correct?

17 MR. CURTIS PRYSTUPA: Yes.

18 MR. CHRIS KLASSEN: MPI has explained  
19 on the record of this GRA that its engagement with  
20 government to request regulatory amendments related to  
21 Basic Insurance Model data collection has so far not  
22 been successful, correct?

23 MR. CURTIS PRYSTUPA: One moment,  
24 please.

25

1 (BRIEF PAUSE)

2

3 MR. CURTIS PRYSTUPA: Can I ask you to  
4 repeat the question, Mr. Klassen?

5 MR. CHRIS KLASSEN: Of course. Mr.  
6 Prystupa, I was merely asking you to confirm that MPI  
7 has approached government requesting regulatory  
8 changes and those have not been granted?

9 MR. CURTIS PRYSTUPA: Correct.

10 MR. CHRIS KLASSEN: Thank you. Ms.  
11 Schubert, would you mind displaying Section BIM.4 from  
12 the Basic Insurance Model chapter of the Application?  
13 And we'll find that on page 10 of 30. Thanks very  
14 much.

15 And taking a moment to familiarize  
16 yourself with the contents on the screen in front of  
17 you, Mr. Prystupa. I'll ask you to confirm that, at  
18 line 1, MPI's Application states that:

19 "It is currently developing  
20 solutions that may be used to compel  
21 required data."

22 Do you see that at line 1?

23 MR. CURTIS PRYSTUPA: Yes, I do.

24 MR. CHRIS KLASSEN: And I'll ask you  
25 to confirm that MPI's use of the term 'solutions'

1 implies that the options being presented in this  
2 section are being considered for implementation if MPI  
3 is ultimately not successful in advocating for  
4 regulatory change; is that correct?

5 MR. CURTIS PRYSTUPA: The -- the  
6 solutions contemplated here are not dependant on -- on  
7 gaining the regulatory authority or not. This is --  
8 it's an independent -- independent but inter-related  
9 topic.

10 MR. CHRIS KLASSEN: Thanks.

11 MR. CURTIS PRYSTUPA: But one is not  
12 dependant on the other.

13 MR. CHRIS KLASSEN: I understand. So  
14 the solutions to compel data collection presented in  
15 this section -- if I understand you correctly, and  
16 I'll ask you to confirm -- are not dependant on MPI  
17 gaining approval from government to amend regulations,  
18 correct?

19 MR. CURTIS PRYSTUPA: Correct.

20 MR. CHRIS KLASSEN: And as an example  
21 of one such solution, Mr. Prystupa, we see, at lines 4  
22 through 6, MPI explaining what it calls its main  
23 solution, correct?

24 MR. CURTIS PRYSTUPA: Yes.

25 MR. CHRIS KLASSEN: And that main



1 solution is:

2 "Customer education and  
3 communication to emphasize the  
4 importance of data collection."

5 Correct?

6 MR. CURTIS PRYSTUPA: That's correct.

7 MR. CHRIS KLASSEN: And is it a fair  
8 characterization of -- of lines 4 through 6 that what  
9 MPI is really talking about here is explaining to  
10 customers why MPI needs the data and inviting them to  
11 voluntarily provide it. Is that fair?

12 MR. CURTIS PRYSTUPA: I -- I think  
13 it's not necessarily volunteering -- we were asking  
14 them to volunteer the information. It's helping them  
15 gain a comfort level with -- you know, I believe that  
16 -- that a customer will be more willing to provide the  
17 information if they know the purpose that it's being -  
18 - that it's being used for. They'll have less  
19 resistance; whether it's information that they're  
20 being asked to volunteer, or information that they're  
21 required to provide.

22 MR. CHRIS KLASSEN: Thanks for that  
23 explanation.

24 Ms. Schubert, if we could scroll down  
25 to page 25 of 30, BIM 5.12, titled 'Actuarial

1 Examination'.

2                   And just to follow up on your comment  
3 of a moment ago, Mr. Prystupa, you'll see on the  
4 screen before us the section of the Application titled  
5 'Actuarial Examination'. Correct?

6                   MR. CURTIS PRYSTUPA:    Yes.

7                   MR. CHRIS KLASSEN:    And this describes  
8 the actuarial activity that MPI plans to base its  
9 Basic Insurance Model recommendation on. Correct?

10                  MR. CURTIS PRYSTUPA:    Yes.

11                  MR. CHRIS KLASSEN:    And the data  
12 collection activity that MPI's Application discusses  
13 and that you've been discussing today is intended to  
14 collect the inputs for this actuarial examination.

15                                   Correct?

16                  MR. CURTIS PRYSTUPA:    Yes.

17                  MR. CHRIS KLASSEN:    And you'll see at  
18 line 4, Mr. Prystupa, that MPI estimates this data  
19 collection activity to take approximately six (6)  
20 months. Correct?

21                  MR. CURTIS PRYSTUPA:    I don't believe  
22 that the data collection activity will take  
23 approximately six (6) months. I believe that, you  
24 know, in a period of approximately six (6) months of  
25 having data collection being conducted, if we can

1 achieve a random representative sample of  
2 approximately 50 percent of customers that actuarial  
3 examination can begin.

4 MR. CHRIS KLASSEN: I understand and  
5 thanks for that clarification, Mr. Prystupa.

6 And I -- and I believe -- and I'll ask  
7 you to confirm -- that elsewhere in MPI's Application,  
8 the Corporation confirms that data collection will  
9 actually continue on after the actuarial examination  
10 starts to continue to add data to the model and verify  
11 the findings. Correct?

12 MR. CURTIS PRYSTUPA: That's correct.

13 MR. CHRIS KLASSEN: But MPI's current  
14 estimate is that the actuarial examination will --  
15 will be able to begin approximately six (6) months  
16 after data collection starts?

17 MR. CURTIS PRYSTUPA: That's the --  
18 that's the current -- current belief, subject to all  
19 of the -- all of the dependencies we have, of course.

20 MR. CHRIS KLASSEN: Thanks. And --  
21 and so, to confirm, during that six (6) months and --  
22 and continuing on after, MPI will be collecting the  
23 names and licence numbers of drivers until it deems --  
24 until it has what it deems to be a random and  
25 representative sample of its customer base. Correct?

1 MR. CURTIS PRYSTUPA: I wouldn't -- I  
2 wouldn't use the term 'until'. In fact, if we go back  
3 to the schedule for a moment. And we don't  
4 necessarily need it -- need it for the visual.

5 MR. CHRIS KLASSEN: If I can interrupt  
6 you briefly, Mr. Prystupa. I'm not sure that that's  
7 necessary. You've -- you've answered the question  
8 that I asked and I don't intend to belabour the point  
9 that MPI will continue data collection after the  
10 actuarial examination starts. That's made clear and  
11 not an issue for our clients.

12 MR. CURTIS PRYSTUPA: Can you -- can  
13 you -- is there a question that you have?

14 MR. CHRIS KLASSEN: The question that  
15 I asked was simply to confirm that -- that data  
16 collection activity will be collecting the names and  
17 driver's licences -- driver's licence numbers of  
18 drivers and, at the point at which MPI deems it has a  
19 random and representative sample, it will begin the  
20 actuarial examination. Correct?

21 MR. CURTIS PRYSTUPA: Correct.

22 MR. CHRIS KLASSEN: Thank you. And I  
23 apologize for that confusion.

24 MR. CURTIS PRYSTUPA: It's all right.

25 MR. CHRIS KLASSEN: Turning our

1 attention back to BIM.5.12, if we look to line 7 and  
2 the sentence that starts, about halfway across line 7,  
3 we see MPI stating that:

4 "In the event there is a large  
5 segment of the population that is  
6 unable or unwilling to provide" --

7 What I assume to be primary driver or  
8 listed driver information.

9 "-- it may take longer than six (6)  
10 months to reach a suitable sample  
11 size."

12 Do you see that on the screen there?

13 MR. CURTIS PRYSTUPA: Yes, I do.

14 MR. CHRIS KLASSEN: And recognizing  
15 that MPI identifies a portion of the population that  
16 may be unable or unwilling to provide this  
17 information, is it fair to say that this sentence  
18 contemplates a voluntary, rather than a mandatory,  
19 data collection process?

20 MR. CURTIS PRYSTUPA: Just -- just one  
21 moment for me to check with the back row.

22

23 (BRIEF PAUSE)

24

25 MR. CURTIS PRYSTUPA: Thanks -- thanks

1 for the time. With this particular section here, when  
2 we're talking about a large segment of the population  
3 that is unable or unwilling to provide the -- the  
4 primary driver, listed driver information, this isn't  
5 -- doesn't differentiate between voluntary collection  
6 or collection where we have the legal authority to --  
7 to do so.

8                   Because even in a situation where we  
9 have the legal authority to do so, a customer may  
10 still say, No, I'm not going to provide you that  
11 information which is why we have the entire section  
12 where we contemplate potential solutions to compel  
13 that.

14                   The -- the 'what if' a customer doesn't  
15 provide that is still something that's being -- being  
16 worked through. But this section here doesn't refer  
17 to voluntary versus mandatory collection.

18                   MR. CHRIS KLASSEN: Thank you, sir.  
19 Ms. Schubert, if you don't mind, I'll ask you to  
20 display section BIM.5.4, beginning on page 15 of 30.

21                   And for Mr. Guerra's purposes, I'll  
22 note for the panel, that I acknowledged that this  
23 section presents MPI's interpretation of statutes.  
24 And I'm aware that the panel members are not lawyers.

25                   The purpose of these questions is to

1 confirm MPI's position as it's presented in the  
2 application and in no way am I intending to ask the  
3 panel members to respond to questions that go beyond  
4 the limits of their expertise.

5                   And, so, I'll ask you to respond to the  
6 best of your abilities and we'll see what we can  
7 accomplish together. Thank you.

8                   Not, necessarily for Mr. Prystupa, but  
9 recognizing that we've been having this discussion so  
10 far. You'll confirm, sir, that this section of the  
11 Application sites various pieces of legislation relied  
12 on by MPI to support its position with respect to its  
13 authority to collect Basic Insurance Model data,  
14 correct?

15                   MR. CURTIS PRYSTUPA: Specifically, to  
16 collect driver data.

17                   MR. CHRIS KLASSEN: Driver data, for  
18 the purposes of the Basic Insurance Model, correct?

19                   MR. CURTIS PRYSTUPA: Yeah, and to --  
20 to add to that for the purposes of analyzing any  
21 potential future DSR models.

22                   MR. CHRIS KLASSEN: Thank you.

23                   And if we scroll down to -- to pages 17  
24 and 18, I believe starting at the bottom of page 17,  
25 we see Section 6(2) of the Manitoba Public Insurance

1 Corporation Act presented, correct?

2 MR. CURTIS PRYSTUPA: Yes.

3 MR. CHRIS KLASSEN: And, again,  
4 recognizing that you are -- are not a lawyer, Mr.  
5 Prystupa, we can see in this introductory section at -  
6 - at the bottom of page 17, that Section 6(2) of this  
7 piece of legislation identifies things that MPI has  
8 the power and capacity to do. Is that correct?

9 MR. CURTIS PRYSTUPA: Yes.

10 MR. CHRIS KLASSEN: And if we scroll  
11 down a little bit further to lines 8 through 11 on  
12 page 18, I'll ask you to please confirm that Section  
13 6(2)(c) and (d) are presented?

14 MR. CURTIS PRYSTUPA: That is correct.

15 MR. CHRIS KLASSEN: And 6(2)(c)  
16 indicates that one of the things that MPI has the  
17 power and capacity to do, sir, is to prescribe forms  
18 of applications, contracts and forms of policy and  
19 such other forms as the Corporation considers  
20 necessary. Correct?

21 MR. CURTIS PRYSTUPA: Yes.

22 MR. CHRIS KLASSEN: And (d) confirms  
23 that the Corporation has the power and capacity to  
24 prescribe the information and detail required to be  
25 set out on any form. Correct?



1 MR. CURTIS PRYSTUPA: Yes.

2 MR. CHRIS KLASSEN: And if we scroll  
3 down further, Ms. Schubert, to page 19 at line 20.

4 Mr. Prystupa, I'll ask you to confirm  
5 that we see MPI presenting an interpretation of these  
6 two (2) subsections that we just reviewed, being  
7 sections 6(2)(c) and (d). Correct?

8

9 (BRIEF PAUSE)

10

11 MR. CURTIS PRYSTUPA: That -- that's  
12 correct.

13 MR. CHRIS KLASSEN: Thank you. And in  
14 the explanation presented at the second bullet there,  
15 beginning on line 20, Mr. Prystupa, we see MPI stating  
16 that Clauses 'C' and 'D' could allow MPI to create a  
17 form for the collection of primary driver, listed  
18 driver information from registered owners on a per  
19 policy level. Correct?

20 MR. CURTIS PRYSTUPA: That's correct.

21 MR. CHRIS KLASSEN: And further, that  
22 those clauses, would allow MPI to prescribe the  
23 information and detail to be included on said form.

24 Correct?

25 MR. CURTIS PRYSTUPA: Yes.

1 MR. CHRIS KLASSEN: And if we read on,  
2 sir, we see that MPI's position -- that providing such  
3 information via prescribed forms, would be far too  
4 onerous and create a poor experience for our customers  
5 and additional demand on brokers and service centers.

6 Correct?

7 MR. CURTIS PRYSTUPA: That is our  
8 position, yes.

9 MR. CHRIS KLASSEN: And you'll  
10 confirm, Mr. Prystupa, that there is no consumer or  
11 broker engagement on the record supporting this  
12 assertion?

13 MR. CURTIS PRYSTUPA: Not on the  
14 record, no. Thank you.

15 MR. CHRIS KLASSEN: Earlier today, Mr.  
16 Prystupa, you made reference to the Automobile  
17 Insurance Plan Regulation. Correct?

18 MR. CURTIS PRYSTUPA: Yes.

19 MR. CHRIS KLASSEN: And if I could  
20 take a moment to clarify one of your comments earlier,  
21 Ms. Schubert, I'll ask you to bring that regulation up  
22 on the screen for us.

23 And, in particular, Mr. Prystupa, I'll  
24 draw your attention to Section 33. And you indicated  
25 earlier that this section of the Automobile Insurance

1 Plan Regulation contemplates a registered owner  
2 receiving a DSR discount, or surcharge, that's based  
3 on the DSR level, not of the registered owner, but of  
4 an assigned driver. Is that correct?

5 MR. CURTIS PRYSTUPA: That is correct.

6 MR. CHRIS KLASSEN: And you indicated  
7 further, sir, that MPI typically makes use of this  
8 provision in its regulation in circumstances where the  
9 registered owner does not have a driver's licence.

10 Correct?

11 MR. CURTIS PRYSTUPA: Does not have a  
12 driver's licence or has surrendered their licence for  
13 age or health reasons or --

14 MR. CHRIS KLASSEN: Or has a medical  
15 restriction on driving was the other example you  
16 provided. Correct, sir?

17 MR. CURTIS PRYSTUPA: That is correct,  
18 yeah.

19 MR. CHRIS KLASSEN: And I'll ask you  
20 to confirm, sir, that the three (3) reasons that MPI  
21 applies this section that you just stated, being not  
22 having a licence, having surrendered their licence, or  
23 having a medical restriction on driving -- on driving,  
24 are not seen anywhere in Section 33 of the Automobile  
25 Insurance Plan Regulation. Is that correct, sir?

1 MR. CURTIS PRYSTUPA: That is correct.

2 MR. CHRIS KLASSEN: And I'll ask you  
3 to confirm further, sir, that Section 33 of the  
4 Automobile Insurance Plan Regulation is not sited in  
5 the Basic Insurance Model chapter of MPI's  
6 application. Is that correct?

7 MR. CURTIS PRYSTUPA: That's correct.

8 MR. CHRIS KLASSEN: Thank you. Mr.  
9 Prystupa, I think those might be all of my questions  
10 for you today, sir, and I thank you for your time.

11 But, Ms. Mann, if I could direct a few  
12 questions to you, I would appreciate your attention.

13 First, just to confirm our clients'  
14 understanding, the Vehicle for Hire or Transportation  
15 Network Company, blanket policy framework is now being  
16 presented for approval without proposed per kilometer  
17 rates, is that correct?

18 MS. SIMMI MANN: Correct -- correct.

19 MR. CHRIS KLASSEN: And recognizing  
20 the uncertainty identified today in the future  
21 prospects of -- of applying for rate approval, MPI's  
22 plan, when the time comes for MPI to apply for  
23 approval of blanket policy rates because for those  
24 rates to render the -- the TNC blanket policy revenue  
25 neutral. Correct?

1 MR. KHURRAM MASUD: Their sub-bases  
2 (phonetic) of the pricing. Yes.

3 MR. CHRIS KLASSEN: Thank you, Mr.  
4 Masud. And, sir, that means that when pricing is  
5 proposed, those rates will be designed to ensure that  
6 blanket policy premiums, taking into account the loss  
7 surcharges or rebates, will fully cover blanket policy  
8 claims costs. Correct?

9 MR. KHURRAM MASUD: Yes.

10 MR. CHRIS KLASSEN: And the purpose of  
11 that is so that the private passenger class will no  
12 way subsidize blanket policy drivers. Correct?

13 MR. KHURRAM MASUD: Yes. And the  
14 purpose of introducing a rebate surcharge mechanism is  
15 also to encourage safer driving.

16 MR. CHRIS KLASSEN: Thank you for that  
17 addition. I -- I appreciate that.

18 The TNC blanket policy functions by  
19 identifying four (4) time periods. Correct?

20 MS. SIMMI MANN: Correct.

21 MR. CHRIS KLASSEN: And in those  
22 definitions, we understand period 0 (zero) to be when  
23 a TNC driver is just using their personal vehicle for  
24 personal use. Is that correct?

25 MS. SIMMI MANN: Correct. It's when

1 the app is offline.

2 MR. CHRIS KLASSEN: When the app is  
3 offline. Thank you for that.

4 And during period 1, Ms. Mann, you'll  
5 confirm that period 1 describes the time when the app  
6 is online, when the driver is available to be assigned  
7 work for their TNC, but they've not yet confirmed or  
8 accepted a trip assignment. Correct?

9 MS. SIMMI MANN: Right. They haven't  
10 accepted.

11 MR. CHRIS KLASSEN: And in period 0  
12 (zero), the driver is covered by their Basic and  
13 Extension insurance. Correct?

14 MS. SIMMI MANN: It's covered by Basic  
15 insurance. Yeah.

16 MR. CHRIS KLASSEN: And, likewise, in  
17 period 1, the driver is covered by their Basic  
18 insurance. Correct?

19 MS. SIMMI MANN: Correct.

20 MR. CHRIS KLASSEN: And during period  
21 0 (zero) and 1, those drivers are not covered by the  
22 proposed blanket policy. Correct?

23 MS. SIMMI MANN: Correct.

24 MR. CHRIS KLASSEN: Period 2 is the  
25 time when a driver has accepted an assignment and is

1 enroute to pick up a customer. Correct?

2 MS. SIMMI MANN: Correct.

3 MR. CHRIS KLASSEN: And period 3 is  
4 when they're driving the passenger to their  
5 destination?

6 MS. SIMMI MANN: Correct.

7 MR. CHRIS KLASSEN: And when the  
8 passenger leaves their vehicle, assuming they remain  
9 available for subsequent assignments, that driver is  
10 back in period 1, until they receive the next  
11 assignment. Correct?

12 MS. SIMMI MANN: Correct. And  
13 sometimes they can cycle between period 2 and period  
14 3, so they don't necessarily go back to period 1 right  
15 away.

16 MR. CHRIS KLASSEN: Thank you for that  
17 clarification.

18 The minimum requirements that MPI  
19 proposes to impose on a TNC dispatcher will include  
20 mandatory monthly reporting requirements. Correct?

21 MS. SIMMI MANN: Correct.

22 MR. CHRIS KLASSEN: And those  
23 reporting requirements will enable MPI to assess the  
24 claims experience for blanket policy drivers during  
25 Periods 2 and 3. Correct?

1 MS. SIMMI MANN: It will allow MPI to  
2 just assess this group, in general, as I stated, where  
3 requiring a re-occurring vehicle listing. So that's  
4 the VIN and plate number. So, we'll understand who  
5 this population is.

6 MR. CHRIS KLASSEN: And -- and I thank  
7 you for that response, Ms. Mann.

8 And, in particular, the data that MPI  
9 is requesting from those drivers, on a monthly basis,  
10 will pertain to their experience in Periods 2 and 3.

11 Correct?

12 MS. SIMMI MANN: Yep. It will, but it  
13 will also tell us how they're -- what their experience  
14 is outside of that. So, we can look at this group,  
15 relative to the general group. That was the purpose  
16 of the recurring vehicle listing.

17 MR. CHRIS KLASSEN: Understood. And,  
18 so, through the recurring vehicle listing, MPI will be  
19 able to either collect or identify the claims  
20 experience of drivers during period 1?

21 MS. SIMMI MANN: During Periods 0 and  
22 1, yes, we can have an idea of the amount -- the sheer  
23 size of this group, as well as experience.

24 MR. CHRIS KLASSEN: Zero and 1  
25 combined, but not separately?



1 MS. SIMMI MANN: It would be hard  
2 because we won't capture, right, Period 0, when an app  
3 is off, but we can have a good idea of this group, in  
4 general, on those two (2) phases. Yes.

5 MR. CHRIS KLASSEN: And will the  
6 mandatory reporting requirements enable MPI to compare  
7 the claims experience of TNC drivers in Period 1 with  
8 the broader vehicle population, including TNC drivers  
9 in Period 0, as well as other Basic customers?

10

11 (BRIEF PAUSE)

12

13 MR. KHURRAM MASUD: Can you repeat the  
14 question, please?

15 MR. CHRIS KLASSEN: Sure, and,  
16 perhaps, we'll go about it in a slightly different  
17 way.

18 Ms. Schubert, just for the sake of  
19 certainty and clarification, would you mind pulling up  
20 the Vehicle for Hire chapter, in particular, page 17  
21 of 24 and, in fact, we'll start at the -- at the  
22 bottom of page 16.

23 Ms. Mann and Mr. -- Mr. Masud, I'll ask  
24 you to confirm that these bullet points on the page  
25 confirm the information that the TNC app will be able

1 to track. Correct?

2 MS. SIMMI MANN: Correct.

3 MR. CHRIS KLASSEN: And we see, at  
4 bullet 3, all trips travelled, relating to Periods 1 -  
5 - sorry 2 and 3. Correct?

6 MS. SIMMI MANN: Yes.

7 MR. CHRIS KLASSEN: And data reported  
8 monthly, in both Periods 2 and 3. Correct?

9 MS. SIMMI MANN: Correct.

10 MR. CHRIS KLASSEN: And, if we scroll  
11 to the next page, we see bullet points identifying the  
12 data that TNC will be -- TNCs will be required to  
13 provide. Correct?

14 MS. SIMMI MANN: Correct.

15 MR. CHRIS KLASSEN: And, at the second  
16 bullet, we see monthly aggregate kilometres accrued in  
17 both P. 2 and P. 3. Correct?

18 MS. SIMMI MANN: Correct.

19 MR. CHRIS KLASSEN: Thank you for that  
20 and I'll -- and, so, now, I'll -- I'll restate my  
21 question, asking MPI to confirm that the data  
22 collected through the mandatory reporting requirements  
23 from TNCs will not allow MPI to compare the claims  
24 experience of TNC drivers in Period 1 with the claims  
25 experience of the broader vehicle population?

1 MR. KHURRAM MASUD: You said "does not  
2 allow" or did you say "will allow"?

3 MR. CHRIS KLASSEN: I asked you to  
4 confirm that the data collected, described here,  
5 referring to Periods 2 and 3 won't allow, but you're  
6 welcome to not confirm and -- and say, instead, that  
7 it will.

8 MS. SIMMI MANN: It will allow us to  
9 review this experience. That's the reason for this  
10 actual minimum requirement. Is so that we can review  
11 the experience of this group and track this group.  
12 Other jurisdictions don't have this particular minimum  
13 requirement. MPI does, for this purpose.

14 MR. CHRIS KLASSEN: And, specifically,  
15 Ms. Mann, and I apologize for belabouring this point,  
16 but this will allow MPI to track the claims'  
17 experience of drivers during Period 1?

18 MS. SIMMI MANN: Yes. Periods 0 and  
19 1, we can't quite discern them, but we can review  
20 Periods 0 and 1, relative. We'll be able to see their  
21 experience.

22 MR. CHRIS KLASSEN: Thank you very  
23 much.

24

25 (BRIEF PAUSE)

1 MR. CHRIS KLASSEN: One final set of  
2 questions for you, Ms. Mann, and I appreciate your  
3 patience.

4 It was stated, during your  
5 presentation, that MPI was not able to provide per  
6 kilometre data from TNCs on an aggregate basis, such  
7 that the TNCs would be anonymous. Correct?

8 MS. SIMMI MANN: Correct.

9 MR. CHRIS KLASSEN: And the -- is the  
10 reason for that that there is currently only one TNC  
11 operator providing service in Manitoba?

12 MS. SIMMI MANN: No. It's just that  
13 the market is very small in Manitoba. So, it leaves  
14 TNCs highly exposed.

15 MR. CHRIS KLASSEN: Thanks very much.  
16 Madam Chair, those are my questions.

17 PANEL CHAIRPERSON: Thank you. Ms.  
18 Meek...?

19 MS. CHARLOTTE MEEK: Thank you, madam  
20 Chair. May I -- may I have a brief, five-minute  
21 break, just to confer with my colleagues at CAC,  
22 before I start my questions?

23 PANEL CHAIRPERSON: Certainly.

24

25 (BRIEF PAUSE)

1 MS. CHARLOTTE MEEK: Thank you, Madam  
2 Chair. I'm -- I'm ready to proceed, whenever  
3 everybody else is ready.

4 PANEL CHAIRPERSON: Thank you.

5 MS. CHARLOTTE MEEK: I think your  
6 Counsel's gone but...

7 PANEL CHAIRPERSON: We'll, perhaps,  
8 just wait for a moment, until PUB's counsel's back.

9 MS. CHARLOTTE MEEK: Thank you.

10

11 (BRIEF PAUSE)

12

13 PANEL CHAIRPERSON: Thank you, Ms.  
14 Meek. Please proceed.

15

16 CROSS-EXAMINATION BY MS. CHARLOTTE MEEK:

17 MS. CHARLOTTE MEEK: Thank you. Good  
18 morning to the Panel. My name is Charlotte Meek. I  
19 represent the Coalition of Manitoba Motorcycle Groups  
20 in this Application.

21 Similarly to my colleagues, I will just  
22 direct my questions, generally, and whoever feels most  
23 able to respond can do so. My questions are going to  
24 focus on the Basic Insurance Model and DSR.

25 So, with that in mind, could you

1 confirm for me that the DSR Program was implemented  
2 with three (3) goals in mind, and those goals being to  
3 reward good drivers, to encourage poor drivers to  
4 improve their driving, and to allow customers to  
5 understand how their good driving can affect insurance  
6 costs?

7 MR. CURTIS PRYSTUPA: Yes, those were  
8 the original goals.

9 MS. CHARLOTTE MEEK: Thank you. And  
10 you would agree with me that those goals broadly are a  
11 form of incentivization for customers?

12 MR. CURTIS PRYSTUPA: A form,  
13 absolutely.

14 MS. CHARLOTTE MEEK: And you would  
15 agree that for incentivization to work, rates must be  
16 aligned with the driving behaviour of that customer?

17

18 (BRIEF PAUSE)

19

20 MR. CURTIS PRYSTUPA: I don't know if  
21 I want to necessarily blanket agree with that. That's  
22 a -- that's a pretty broad over-general --  
23 generalization.

24 I think, you know, directional  
25 alignment between -- between rates and incentives is -

1 - is good, but I think that it's a pretty -- pretty  
2 broad statement that I don't know if I would  
3 necessarily completely agree with.

4 MS. CHARLOTTE MEEK: So you're saying  
5 directionally, meaning that as long as it goes one way  
6 or another slightly, that would be enough to  
7 incentivize a person, but it doesn't have to be exact  
8 -- exactly perfect is your position?

9 MR. CURTIS PRYSTUPA: Absolutely.

10 MS. CHARLOTTE MEEK: Okay. And maybe  
11 I can put it to you this way: Where rates are not  
12 aligned to driving behaviour, would you agree that  
13 incentivization is reduced?

14 MR. CURTIS PRYSTUPA: Can you repeat  
15 that for me, Ms. Meek?

16 MS. CHARLOTTE MEEK: Sure. Where  
17 rates are not aligned with driving behaviour,  
18 incentivization is reduced.

19 MR. CURTIS PRYSTUPA: Just one (1)  
20 moment, please.

21 MS. CHARLOTTE MEEK: Sure.

22

23 (BRIEF PAUSE)

24

25 MR. CURTIS PRYSTUPA: Thank you.

1 Similar to the previous question, directionally, I --  
2 I agree with -- with your statements. But, you know,  
3 the statement you've made is still a -- a fairly broad  
4 over -- over generalization in -- in my opinion.

5 MS. CHARLOTTE MEEK: Okay. Thank you.  
6 If we could turn, please, to CMMG/MPI-2-1, and this is  
7 page 3 of this IR, and this is a chart that was  
8 provided with data regarding the reported losses where  
9 the driver is not the registered owner of the vehicle.

10 Is that correct?

11

12 (BRIEF PAUSE)

13

14 MR. CURTIS PRYSTUPA: I'm not familiar  
15 with this -- with this chart. Just -- just one (1)  
16 moment, please.

17 MR. KHURRAM MASUD: That's correct,  
18 yes.

19 MS. CHARLOTTE MEEK: Thank you. And  
20 so I just want to -- to kind of lay out the  
21 information on this chart. To start with, on the  
22 furthest left column, we have the DSR level of the  
23 driver. Is that correct?

24 MR. KHURRAM MASUD: Yes.

25 MS. CHARLOTTE MEEK: And then the --



1 moving one (1) column to the right is -- provides  
2 total reported losses where the driver was the  
3 registered owner. Is that correct?

4 MR. KHURRAM MASUD: Yes.

5 MS. CHARLOTTE MEEK: Thank you. And  
6 then one (1) column over to the right again is the  
7 reported loss -- losses where the driver was not the  
8 registered owner. Is that correct?

9 MR. KHURRAM MASUD: Yes.

10 MS. CHARLOTTE MEEK: And then the  
11 furthest right column provides us the percentage of  
12 reported losses where the driver was not the  
13 registered owner?

14 MR. KHURRAM MASUD: Yes.

15 MS. CHARLOTTE MEEK: Thank you. And  
16 so when we look at that right-hand column -- Kristen,  
17 if we could scroll down a little bit, we might need to  
18 zoom out a tiny bit.

19 So there's three (3) columns provided,  
20 and that's for years 2020, 2021, 2022.

21 Is that correct?

22 MR. KHURRAM MASUD: Yes.

23 MS. CHARLOTTE MEEK: Thank you. And  
24 so looking at the furthest right-hand column of the  
25 year 2022, the combined total at the bottom is 34

1 percent, and that's indicating that 34 percent of the  
2 losses from collisions in 2022 were from collisions  
3 where the driver was not the registered owner.

4 Is that correct?

5 MR. KHURRAM MASUD: Yes.

6 MS. CHARLOTTE MEEK: Thank you. And  
7 subject to check, would you agree with me that if we  
8 just look at the demerit side of the scale, so just  
9 DSR levels negative one (1) to negative twenty (20),  
10 that total average for drivers who are not the  
11 registered owner, it goes up to 45 percent.

12 Would you agree with me, subject to  
13 check?

14 MR. KHURRAM MASUD: Yes, but you'll  
15 also notice that the volumes is -- volumes are much  
16 lower on the demerit side of the scale.

17 MS. CHARLOTTE MEEK: Absolutely, yes,  
18 and that's why, when you look at just the demerit side  
19 of the scale, the percentage goes higher.

20 MR. KHURRAM MASUD: Yes, and it's a  
21 little more volatile as well because of the sparsity  
22 of the -- of the volumes, so.

23 MS. CHARLOTTE MEEK: Sorry. Did you  
24 have a further comment, or --

25 MR. KHURRAM MASUD: Yes.

1 (BRIEF PAUSE)

2

3 MR. KHURRAM MASUD: Can you repeat the  
4 question again?

5 MS. CHARLOTTE MEEK: Yes. So my -- my  
6 question was: I think you had confirmed for me, but  
7 maybe you want to clarify that, that, subject to  
8 check, when we look at just the demerit side of the  
9 DSR scale there, so just from negative one (1) DSR to  
10 negative twenty (20) DSR, the percentage increases, so  
11 from 34 percent to 45 percent.

12 MR. KHURRAM MASUD: That's correct --

13 MS. CHARLOTTE MEEK: That's correct.  
14 Okay. And I think what you were clarifying there is  
15 that there's an upward trend as we move to the lower  
16 DSR levels. Is that correct?

17 MR. KHURRAM MASUD: Yes, and, yeah,  
18 what I was trying to also highlight is that if you go  
19 to the first -- second column to the right, you'll  
20 notice that the volumes decrease as well. So the  
21 volume is highest at DSR 15, but then it gradually  
22 reduces, and on the demerit side, the volume is very  
23 small. So that's why there is more volatility on that  
24 side of the scale.

25 MS. CHARLOTTE MEEK: Okay. Thank you.

1 Okay. And -- and this phenomenon that we're -- we're  
2 seeing here, where the registered owner is not driving  
3 the vehicle and the collisions that we're seeing  
4 occurring, this is a result of the fact that in  
5 Manitoba, as we've discussed, the registered owner of  
6 the vehicle can allow other people to drive their  
7 vehicle with their permission.

8 Is that correct?

9 MR. KHURRAM MASUD: That's right.

10 MS. CHARLOTTE MEEK: Okay. And so  
11 you'd agree with me that there are circumstances where  
12 a vehicle is owned by one (1) individual, but it is  
13 primarily or only drive -- driven by another  
14 individual.

15 MR. KHURRAM MASUD: I cannot confirm  
16 that in the absence of data. It is possible that the  
17 -- another person was driving at the time of accident,  
18 but it does not necessarily mean that the other person  
19 was the primary driver.

20 MS. CHARLOTTE MEEK: So -- and that's  
21 why I gave the option, right? They could primarily  
22 drive the vehicle or they could be the only driver or  
23 they could be one (1) of the listed drivers.

24 MR. KHURRAM MASUD: We have no way of  
25 -- of saying -- stating that with any confidence.

1 MS. CHARLOTTE MEEK: So, sorry, you're  
2 not able to confirm that there might be circumstances  
3 where someone else other than the registered owner  
4 could be driving the vehicle?

5 MR. KHURRAM MASUD: There might be  
6 circumstances, but we cannot confirm that. In cases  
7 where the driver was not the registered owner, the  
8 driver who was involved in the accident was the  
9 primary driver, whether or -- whether or not he was  
10 the primary driver.

11 MS. CHARLOTTE MEEK: Sure. In these  
12 circumstances of these collisions, okay. I appreciate  
13 that. But you had confirmed that there may be  
14 circumstances where a vehicle is registered with an  
15 owner, and it may be primarily driven by someone else  
16 --

17 MR. KHURRAM MASUD: Yes.

18 MS. CHARLOTTE MEEK: -- and it could  
19 be driven by various other people.

20 That's correct, right?

21 MR. KHURRAM MASUD: That is -- that is  
22 possible.

23 MS. CHARLOTTE MEEK: Okay. Thank you.  
24 And would you agree with me that this phenomenon is  
25 most likely occurring between family members?

1 MR. KHURRAM MASUD: We -- we cannot  
2 confirm that, unfortunately, in the absence of data,  
3 so it would be guesswork.

4 MS. CHARLOTTE MEEK: Right. And I  
5 think we've talked about this in -- in previous GRAs.  
6 We sometimes refer to this as the family transfer  
7 issue where we were acknowledging that -- that family  
8 members may be registering vehicles for their children  
9 or for other members, their spouses, in the event they  
10 had a better DSR rating.

11 So that's something that MPI is aware  
12 of. Would you agree with that?

13 MR. KHURRAM MASUD: Yeah. We cannot  
14 write off that possibility, so there is a possibility  
15 that that is happening, but we cannot confirm to what  
16 extent and whether or not this is happening in all  
17 cases.

18 MS. CHARLOTTE MEEK: But can you  
19 confirm for me that MPI would agree it's most likely  
20 happening between family members?

21 MR. CURTIS PRYSTUPA: Again, I think  
22 that's an overly broad generalization. I wouldn't  
23 agree to that statement.

24 MS. CHARLOTTE MEEK: Okay. And can  
25 you confirm for me that in order to register a vehicle

1 with MPI, an individual needs to show proof of  
2 ownership. Is that correct? So something like a bill  
3 of sale or a letter of gift, some sort of transfer of  
4 ownership --

5 MR. CURTIS PRYSTUPA: Yeah, that's  
6 correct.

7 MS. CHARLOTTE MEEK: Okay. And  
8 therefore, if an individual has a poor DSR rating and  
9 they want to obtain a more favourable discount by  
10 registering the vehicle in someone else's name, they  
11 would actually have to transfer ownership of that  
12 vehicle to that individual with the better DSR rating.

13 MR. CURTIS PRYSTUPA: Not necessarily  
14 transfer. They could add them as an additional owner.  
15 Like there -- it's -- it is possible to have more than  
16 one (1) owner of a -- of a vehicle in Manitoba.

17 MS. CHARLOTTE MEEK: Okay. So there  
18 could be two (2) owners of the vehicle. And then how  
19 is the DSR rating determined if there's two (2)  
20 registered owners?

21 MR. CURTIS PRYSTUPA: It's based on  
22 who the registered owner is, so who -- who has primary  
23 care and control of the vehicle and does the  
24 registration of the vehicle. One moment, please.

25 Sorry. Just to -- just to clarify, the

1 -- it's possible for there to be more than one (1)  
2 legal owner of a vehicle.

3 MS. CHARLOTTE MEEK: Right.

4 MR. CURTIS PRYSTUPA: The registered  
5 owner's a separate -- separate concept. So there's --  
6 it's only -- there's only possible to be one (1)  
7 registered owner, which could be either of the legal  
8 owners.

9 MS. CHARLOTTE MEEK: Okay. So there  
10 could be two (2) legal owners. And then there could -  
11 - they have to identify who is the registered owner  
12 when they register it with MPI?

13 MR. CURTIS PRYSTUPA: Correct.

14 MS. CHARLOTTE MEEK: Okay. And so  
15 would you agree that this concept of -- of ownership  
16 does create some protections regarding people just  
17 transferring -- or listing another person as -- as the  
18 owner in order to obtain a favourable DSR discount?

19 MR. CURTIS PRYSTUPA: Sorry, can you  
20 repeat that, please.

21 MS. CHARLOTTE MEEK: Sure. The point  
22 I'm getting at is, an individual can't just indicate  
23 another person is the owner of the vehicle in order to  
24 obtain a favourable DSR discount, they have to  
25 actually be listed as an owner?



1 MR. CURTIS PRYSTUPA: Yeah, that is  
2 correct.

3 MS. CHARLOTTE MEEK: And so, in order  
4 to register a vehicle with another owner, that comes  
5 with the trappings of ownership. So, if you give your  
6 asset to another person, you may risk losing that  
7 asset if you transfer ownership. Is that correct?

8 MR. CURTIS PRYSTUPA: You know, in the  
9 -- in the situation of talking about transferring  
10 ownership, yes. But where you -- typically, like I  
11 said, it's -- transferring ownership is not the only  
12 way to have an additional legal owner listed. You can  
13 actually have an additional legal owner declared on --  
14 on a vehicle.

15 MS. CHARLOTTE MEEK: As a joint owner?

16 MR. CURTIS PRYSTUPA: Yes.

17 MS. CHARLOTTE MEEK: Okay. Okay. And  
18 can you confirm for me then that when we're discussing  
19 fully transferring ownership of a vehicle, where an  
20 individual transfers ownership of a vehicle to a  
21 family member there is no retail sales tax.

22 Is that correct?

23 MR. CURTIS PRYSTUPA: I don't have all  
24 the -- all the details pulled up in -- in front of me;  
25 it's situational. It's not always that there's no tax

1 applicable, and it depends on the -- on the  
2 applicability of the familial relationship. But there  
3 are situations where -- where the tax is not applied  
4 in transferring between family members.

5 MS. CHARLOTTE MEEK: Thank you.

6

7 (BRIEF PAUSE)

8

9 MS. CHARLOTTE MEEK: Okay. Could we  
10 please go to part 8, product enhancements and  
11 Appendix 1. So this is the schedule that we'd looked  
12 at a little bit earlier today.

13 And so I know you've been asked a  
14 couple of questions about this already. And so I just  
15 want to get a couple more details from you, if I can.  
16 At line 3, we've talked about the customer engagement  
17 schedule there.

18 Is that customer engagement schedule  
19 there talking about the survey that -- that MPI's  
20 filed?

21 MR. CURTIS PRYSTUPA: I mean, there  
22 could be other forms of -- of engagement that we --  
23 that we could undertake but, primarily, that's the --  
24 the survey and voice of the customer 'E' Panel are --  
25 are predominantly the plan as it exists today.

1 MS. CHARLOTTE MEEK: Okay. So can you  
2 clarify that. Is there a plan to do any other  
3 customer engagement within that first scheduled time  
4 period; so that would be in the Q2 to Q3 of 2023?

5 MR. CURTIS PRYSTUPA: What I would say  
6 is, based on lessons that we've learned from other,  
7 you know, customer engagement recently, this kind of  
8 two (2) pronged approach of using the voice of the  
9 customer 'E' Panel followed by open link survey to  
10 gain additional volume, so to gain a better sample  
11 size, as well as better representation within the  
12 population, it's been something that's been very  
13 successful for us within other campaigns.

14 So we intend -- our first, you know,  
15 attempt is to use that -- use that method for this  
16 engagement, and that's how we've documented it  
17 throughout this General Rate Application. But I do  
18 want to impress upon -- upon yourself and this Board  
19 is, through this customer engagement, we're open to  
20 suggestions and we're open to change, and that could  
21 even change on the fly as engagement is going on.

22 For example, if we're finding that  
23 there's a particular demographic that's incredibly  
24 under represent -- under represented and we or our  
25 vendor feel that we might want to do phone engagement

1 to try to, you know, increase representation there,  
2 that's something we would consider for sure.

3 MS. CHARLOTTE MEEK: Okay. Thank you.

4 So can I ask you when this schedule was created by  
5 MPI, at that time, was the survey the only intended  
6 portion of this -- this first customer engagement?

7 MR. CURTIS PRYSTUPA: Correct. Yes.

8 MS. CHARLOTTE MEEK: Thank you. And  
9 so I'd just like you to confirm a little bit more  
10 specifically. From what I can tell from this chart,  
11 it looks like customer engagement was scheduled to  
12 start in June of 2023 and conclude by the end of  
13 September of 2023.

14 Would you say that's -- that's  
15 accurate?

16 MR. CURTIS PRYSTUPA: That is correct,  
17 yes.

18 MS. CHARLOTTE MEEK: Okay. And that  
19 would have required the survey to be ready for the  
20 commencement of that period then?

21 MR. CURTIS PRYSTUPA: Yes.

22 MS. CHARLOTTE MEEK: Could we please  
23 go to CMMG/MPI-2-6, please. Okay. And so we had just  
24 asked the question about when the customer engagement  
25 was meant to begin and to advise whether it had

1 actually begun. And if we could go to CMMG's response  
2 -- or sorry -- MPI's response.

3 And so MPI indicates:

4 "The rollout has not yet begun as  
5 the survey was not finalized in time  
6 for it to be completed before the  
7 provincial election blackout period,  
8 which began on August 4th, 2023."

9 And I'd just like to clarify here. Is  
10 MPI saying here that the survey wasn't finalized by  
11 August 4th or that MPI projected the survey couldn't  
12 be completed by the blackout and, therefore, chose not  
13 to proceed?

14 MR. CURTIS PRYSTUPA: Yeah, it was --  
15 it was the -- that it could not be -- well, just --  
16 just one moment, please.

17

18 (BRIEF PAUSE)

19

20 MR. CURTIS PRYSTUPA: Thanks for the  
21 moment there. The -- the answer really is both. The  
22 survey was not finalized in time. We thought about,  
23 you know, how quick can we get it out.

24 But we thought, as we kind of ran up to  
25 that provincial election blackout period, we -- we

1 felt that not only would we not be able to complete it  
2 before the blackout was over, but there was risk of us  
3 even being -- being able to finalize it before that  
4 time.

5 MS. CHARLOTTE MEEK: Right.

6 MR. CURTIS PRYSTUPA: So the -- the  
7 answer, just to be direct, it's both.

8 MS. CHARLOTTE MEEK: Right. Okay.  
9 Thank you. And so maybe we can also look at answer B  
10 to this question. CMMG had requested a copy of the  
11 customer engagement survey. And MPI here indicates:

12 "Due to the labour interruption,  
13 MPI's unable to provide a complete  
14 response to this request on  
15 September 6th and is committed to  
16 providing this appendix as  
17 conditions of work normalize."

18 And you did subsequently file that on  
19 September 12th. And so MPI is saying here that they  
20 couldn't provide the customer engagement survey  
21 because it was not prepared before August 28th.

22 Is that correct?

23 MR. CURTIS PRYSTUPA: Yes.

24 MS. CHARLOTTE MEEK: Thank you. And I  
25 want to ask some questions. You -- you answered some

1 questions with Board counsel this morning that the  
2 delay in customer engagement is not a significant one.  
3 So you had acknowledged that customer engagement  
4 hadn't started, but you said that it wasn't  
5 significant.

6 Is that correct? Do you remember that  
7 line of questioning?

8 MR. CURTIS PRYSTUPA: Yes.

9 MS. CHARLOTTE MEEK: Okay. And I'd  
10 just like to confirm that, from your understanding  
11 then, the schedule that has been provided by MPI, does  
12 that mean that it's not significant?

13 When you say "it's not significant," do  
14 you mean it won't impact any changes to the other  
15 portions of the schedule, that the customer engagement  
16 is going to be significantly delayed?

17 MR. CURTIS PRYSTUPA: Yeah, I don't  
18 believe that the -- you know, the -- you know, quarter  
19 or a few months, however you want to look at it, that  
20 the customer engagement has been delayed.

21 Our belief is that it will not cause  
22 monumental disruptions to the -- the remainder of the  
23 schedule.

24 MS. CHARLOTTE MEEK: Thank you. And  
25 during your previous questioning with other counsel

1 you had indicated that data collection for the purpose  
2 of analyzing the Basic Insurance Model is essential,  
3 correct?

4 MR. CURTIS PRYSTUPA: Yes.

5 MS. CHARLOTTE MEEK: And you've  
6 indicated that household data alone is insufficient  
7 for MPI to recommend large-scale changes to the Basic  
8 Insurance Model?

9 MR. CURTIS PRYSTUPA: That's correct.

10 MS. CHARLOTTE MEEK: Okay. And you  
11 had indicated -- oh, sorry. Let me rephrase that.

12

13 (BRIEF PAUSE)

14

15 MS. CHARLOTTE MEEK: I'm going to  
16 leave that, actually. Sorry. Could we please turn to  
17 MPI Exhibit number 34. Thank you.

18 And this is the draft survey that was  
19 then filed by MPI on September 12th. And it does  
20 indicate that it's a draft. Is there a final version  
21 of the survey that has been completed?

22 MR. CURTIS PRYSTUPA: No.  
23 Realistically, you know, we may -- as time goes on,  
24 since the survey is, like, not coming out today or  
25 tomorrow, we could revisit this and look to make



1 improvements to the survey.

2 But, you know, to answer your question,  
3 this isn't -- this certainly isn't -- isn't final.

4 This is what we intend to do, but we could certainly  
5 make improvements or -- based on suggestions or things  
6 that we learned, we -- we may -- may absolutely look  
7 to change this.

8 MS. CHARLOTTE MEEK: Okay. And in  
9 order for the survey to be completed, what is required  
10 for MPI to be able to complete the survey, to have a  
11 finalized version of the survey?

12 MR. CURTIS PRYSTUPA: To have a  
13 finalized version of the survey? Just -- just one  
14 moment, please.

15

16 (BRIEF PAUSE)

17

18 MR. CURTIS PRYSTUPA: Sorry for the  
19 delay. So to get to, you know, the final version of  
20 the -- of the survey, I think, you know, there's a --  
21 there's a few aspects. To be, you know, transparent,  
22 we do need the labour interruption to end as the  
23 analysts that would be fulfilling this, would -- you  
24 know, we need to have them back to work with us on  
25 this.

1 I think also, you know, we're looking  
2 at opportunities and how we could possibly better this  
3 survey. We do intend to do engagement with our  
4 stakeholders including, you know, many of the  
5 representatives here.

6 If there are suggestions based on that  
7 stakeholder engagement, based on discussions and  
8 feedback, it's possible that we could incorporate  
9 this.

10 So, you know, essentially, the labour  
11 interruption prevents us from actually rolling it out.  
12 And, you know, based on approval at the appropriate  
13 levels at -- at MPI, once we feel that we're in a  
14 position to do this, that that would be what makes  
15 this final.

16 MS. CHARLOTTE MEEK: Okay. So MPI --  
17 your position is then that this survey cannot be  
18 completed until the labour interruption is concluded?

19 MR. CURTIS PRYSTUPA: That's correct.

20 MS. CHARLOTTE MEEK: Okay.

21 MR. CURTIS PRYSTUPA: It cannot be  
22 rolled out -- rolled out. Like, the survey cannot be  
23 finalized. Like, it can not be turned from draft to  
24 final.

25 MS. CHARLOTTE MEEK: Okay. Thank you.

1 And could we just go to page 3 of this survey. And  
2 you'll see, at number 7, one of the questions here is  
3 the number of drivers using the vehicle regularly.

4 Does MPI have any intention to define  
5 what 'regularly' means here for the survey  
6 participants?

7 MR. CURTIS PRYSTUPA: You know what,  
8 this was actually intentional to use this wording,  
9 rather than providing a definition. Because it was --  
10 it was intended so that customers would use their own  
11 judgment on what would be considered regularly.

12 So for the purpose of this survey, you  
13 know, in -- obviously, as the -- you know, if we were  
14 going to define a model and roll out a model, we would  
15 want to have a specific definition. For the purpose  
16 of this survey, we wanted to have it based on, you  
17 know, what the customers feels 'regularly' means.

18 MS. CHARLOTTE MEEK: Okay. Thank you.  
19 And this draft survey is going to be provided with a  
20 preface paper, is that correct?

21 MR. CURTIS PRYSTUPA: That is correct.

22 MS. CHARLOTTE MEEK: Okay. And MPI  
23 provided a copy of that in response to a pre-ask by  
24 CMMG, which I believe is now MPI Exhibit 56. If we  
25 could pull that up. And so, we can scroll down to the

1 next page, please, Kristen. Thank you. That's fine.

2 And so, the preface paper provides a  
3 little bit of a background to the DSR Program and its  
4 purpose for participants. Is that correct?

5 MR. CURTIS PRYSTUPA: Yeah. For --  
6 for educational purposes, certainly.

7 MS. CHARLOTTE MEEK: Right. And so,  
8 it provides an explanation of the possible  
9 alternatives to the models that MPI is exploring?

10 MR. CURTIS PRYSTUPA: Yes. Among, you  
11 know, many -- many other things. It's a fairly --  
12 fairly decent sized document. It talks -- talks about  
13 a lot of -- a lot of things that customers may want to  
14 consider.

15 MS. CHARLOTTE MEEK: Right. Yes. I  
16 think it gives a background on the DSR Program and its  
17 purpose. And then defines the various BIM Models, the  
18 Basic Insurance Models.

19 MR. CURTIS PRYSTUPA: Right.

20 MS. CHARLOTTE MEEK: Okay. And so,  
21 could we go to page 7, please.

22 Okay. And so, this is where MPI  
23 provides an explanation of the current model, being  
24 the Registered Owner Model. Is that correct?

25 MR. CURTIS PRYSTUPA: Just one moment.

1 It's not lining up with my pages here.

2

3

(BRIEF PAUSE)

4

5 MS. CHARLOTTE MEEK: Maybe I can just  
6 refer you. What on -- is on the screen there, kind  
7 of, three (3) paragraphs in, it says:

8

"To date, we use what is referred to  
9 as the Registered Owner Model to  
10 determine the premiums discount."

9

10

11

12

13

14

15

It explains that under this model, the  
DSR level of the registered owner is used to calculate  
the insurance premium discount, regardless of other  
people driving the vehicle or using it and their  
driving record.

16

MR. CURTIS PRYSTUPA: Yes. Correct.

17

18

19

20

21

MS. CHARLOTTE MEEK: Thank you. And  
in the section just below that, under the heading  
'What this means', it indicates that there may be  
potential for inaccurate pricing of risk, given that  
the vehicle is driven by other drivers.

22

Is that correct?

23

MR. CURTIS PRYSTUPA: Yes.

24

25

MS. CHARLOTTE MEEK: And you would  
agree with me that this is the only piece of

1 information provided regarding the concern over  
2 pricing in the Registered Owner Model.

3 Is that correct?

4 MR. CURTIS PRYSTUPA: Can I ask you to  
5 repeat that, please?

6 MS. CHARLOTTE MEEK: Sure. In this  
7 preface paper, this is the only piece of information  
8 that is provided regarding concerns over the pricing  
9 in the Registered Owner Model. Is that correct?

10 MR. CURTIS PRYSTUPA: Give me a  
11 moment. I just want to -- I just want to have a quick  
12 look at that.

13

14 (BRIEF PAUSE)

15

16 MR. CURTIS PRYSTUPA: I wouldn't agree  
17 that that's the only -- only place where we -- we  
18 represent concerns about the current Registered Owner  
19 Model.

20 In the section above, when we talk  
21 about pricing risk on the road, there's -- you know,  
22 we're talking about, you know, the goal of any  
23 potential changes to allow us to more accurately  
24 determine vehicle and driver premiums based on the  
25 risk associated with drivers of a vehicle.

1                   So I wouldn't say that's the only  
2 portion within the document that we call out concerns  
3 with the current Registered Owner Model.

4                   MS. CHARLOTTE MEEK:    So sorry --  
5 sorry, were you saying somewhere else on this page  
6 that there's -- there's other concerns highlighted  
7 regarding the Registered Owner Model?

8                   MR. CURTIS PRYSTUPA:    No.  Further --  
9 further up within the same document.  Ms. Schubert, if  
10 you could scroll up to the heading of -- the heading  
11 of -- it is 'Pricing Risk on the Road'.  Our page  
12 numbers don't quite align, so.  There we go.  Yeah.

13                   In the last -- the last paragraph, in  
14 the second sentence, we say that:

15                   "The goal of any change is to allow  
16 us to more accurately determine  
17 vehicle and driver premiums based on  
18 the risk associated with drivers of  
19 a vehicle, and to continue to  
20 encourage safe driving."

21                   So we're calling out concerns with the  
22 pricing model there today or reasons that we would  
23 look to consider a different pricing model.

24                   MS. CHARLOTTE MEEK:    Right.  But you  
25 would agree with me this doesn't specifically say that

1 there are concerns with the pricing of the Registered  
2 Owner Model. This is indicating that a change may  
3 allow us to more accurately determine risk.

4 MR. CURTIS PRYSTUPA: Even -- even in  
5 the sentence before, we talk about -- you know, to --  
6 to see if there's a better way to price vehicle risk.  
7 So we're talking directly about pricing.

8 MS. CHARLOTTE MEEK: Right. You're  
9 talking about potentially improving pricing, but it  
10 doesn't highlight the concerns of the current  
11 Registered Owner Model. Would you agree with that?

12 MR. CURTIS PRYSTUPA: Well, it -- no,  
13 I wouldn't. Because, otherwise, why would we say "to  
14 see if there's a better way to price vehicle risk"?

15 Because we're not talking about  
16 concerns with the registered owner model with pricing,  
17 why would we mention that?

18 MS. CHARLOTTE MEEK: Okay. And so  
19 you'd confirm for me that in the pricing risk on road,  
20 the last paragraph there, this indicates that the  
21 Public Utilities Board has asked MPI to investigate if  
22 there's a better way to price risk?

23 MR. CURTIS PRYSTUPA: Yes.

24 MS. CHARLOTTE MEEK: Okay. And you'd  
25 agree with me that this preface doesn't inform



1 participants that in 2022, 30 percent -- 34 percent of  
2 all collision losses, totaling over \$177 million, are  
3 attributable to drivers who are not the registered  
4 owner of the vehicle?

5 MR. CURTIS PRYSTUPA: That is correct,  
6 yes.

7 MS. CHARLOTTE MEEK: And there isn't  
8 any information in this preface that alerts  
9 participants that the phenomenon of transfer of  
10 ownership results in cross-subsidization between good  
11 drivers and poor drivers?

12 MR. CURTIS PRYSTUPA: No, it doesn't  
13 say that.

14 MS. CHARLOTTE MEEK: And it doesn't  
15 highlight the issue of cross-subsidization in the  
16 current registered owner model?

17 MR. CURTIS PRYSTUPA: No, it doesn't,  
18 but the -- the -- the topic of cross-subsidization --  
19 I'll -- I'll just make a statement that, there is  
20 substantial time spent on this document to try to, you  
21 know, I think -- I think about the public presenters  
22 from the U of M yesterday that are talking about  
23 presenting things in plain language through the GRA.

24 There is substantial effort, in this  
25 document, trying to make this document legible by the

1 average -- average consumer and, you know, talking  
2 about, you know, cross-subsidization, it -- that  
3 language is very confusing for -- or -- actually I  
4 don't -- I don't want to say that. I'll -- I'll take  
5 that off.

6                   We didn't -- we didn't find that that  
7 was the most appropriate way to necessarily describe  
8 why -- why we were doing this. We wanted to focus on  
9 the positive of, you know, we -- to -- to -- put on  
10 record, we did not create a bullet that -- or a bullet  
11 that says, here's the list of all the problems with  
12 the current registered owner model.

13                   We didn't -- we didn't do that. We  
14 tried to say what we were doing and what -- what  
15 alternatives we were -- we were looking at  
16 considering.

17                   MS. CHARLOTTE MEEK: Thank you, and I  
18 appreciate your response. And I -- I want to express  
19 that I -- I do appreciate that we want to create a  
20 preface that people can understand.

21                   And I -- I -- I raise these questions  
22 and, Mr. Prystupa, you might recall this in previous  
23 applications, there have been questions from  
24 Interveners, as well as from the Panel, about the  
25 previous consultation that was done.

1                   And some of those questions have been -  
2 - were the respondents doing these surveys aware of  
3 the issues. Right? Aware that good drivers are  
4 subsidizing poor drivers. That was an issue that was  
5 raised.

6                   And so, maybe I -- I -- I'm tempting to  
7 bring that to MPI's attention, to say, the previous  
8 public consultation that was completed, there was some  
9 questions and concerns there.

10                   And -- and I'm highlighting here, that  
11 my client has those same questions and concerns as to  
12 whether or not we are providing information to the  
13 respondents that may be beneficial in them providing  
14 their response. Thank you.

15                   And I just have one (1) more question.  
16 And I don't think I even need to go to the reference  
17 for this.

18                   In the schedule that you have provided,  
19 the second stage of customer engagement we've talked  
20 about already, is meant to occur in 2026.

21                   Is that correct?

22                   MR. CURTIS PRYSTUPA:     Yes.

23                   MS. CHARLOTTE MEEK:     And MPI has  
24 indicated that is to allow MPI to collect and analyze  
25 data to inform further public consultations.

1 Is that -- is that correct?

2 MR. CURTIS PRYSTUPA: Sorry, are you -  
3 - are you referencing the second customer engagement  
4 in Q1 of 2026?

5 MS. CHARLOTTE MEEK: Yes. So, the  
6 second customer engagement, that's happening almost  
7 two (2) years after the -- the initial customer  
8 engagement process. And that's partly to allow the  
9 collection of some data in that time period and  
10 analysis of that data before a second engagement is  
11 completed. Is that correct?

12 MR. CURTIS PRYSTUPA: Just -- just one  
13 moment. Let me check.

14

15 (BRIEF PAUSE)

16

17 MR. CURTIS PRYSTUPA: Can I ask you to  
18 restate -- restate the question, please? We're --  
19 we're a little bit -- a little bit confused about --  
20 about the intent of the question.

21 MS. CHARLOTTE MEEK: Sure. I'm just  
22 asking -- there's a two (2) year period after the  
23 first customer engagement process, before the second  
24 engagement process occurs and part of that delay, it  
25 might not be the entire time period or the entire

1 reason for the delay, but part of that is to allow MPI  
2 to collect some data and analyze that data, which will  
3 then help to inform the second customer engagement  
4 that is meant to go through.

5 MR. CURTIS PRYSTUPA: Yes, that is  
6 correct. Thank you.

7 MS. CHARLOTTE MEEK: And part of --  
8 part of the schedule that is listed there requires  
9 government approval of legislated changes.

10 Is that correct?

11 MR. CURTIS PRYSTUPA: Yes.

12 MS. CHARLOTTE MEEK: And that's meant  
13 to start in Q4 of this year. Is that correct?

14 MR. CURTIS PRYSTUPA: Specific to the  
15 data collection phase, yes.

16 MS. CHARLOTTE MEEK: Okay. And if  
17 government does not -- approval does not occur from  
18 MPI's perspective, how might that impact the remaining  
19 schedule?

20 MR. CURTIS PRYSTUPA: One moment,  
21 please.

22

23 (BRIEF PAUSE)

24

25 MR. CURTIS PRYSTUPA: Thanks for the

1 time. So, if -- when we have conversations with --  
2 with government about the legislative changes for data  
3 collection, if they're not in support of those  
4 changes, it is our position that we are unable to  
5 conduct data collection for the purpose of the  
6 actuarial and product analysis and that we would have  
7 to, you know, essentially go back to the drawing board  
8 where we would have to consider other -- other  
9 options.

10 We know that there is always the  
11 possibility to move directly to a model, but again, it  
12 is MPI's position that that's not in the best interest  
13 of Manitobans.

14 And, there's many -- many reasons for -  
15 - for that where we would be creating, you know, an  
16 environment where the -- the financial impacts to  
17 customers and many of the details of the what would  
18 happen if we moved to any of those -- any of the other  
19 models, it becomes a very large unknown without driver  
20 data and we would certainly recommend against that.

21 MS. CHARLOTTE MEEK: Thank you. So --  
22 so can I understand from your response that, from  
23 MPI's perspective, where government approval is not  
24 obtained, it would impact the rest of the schedule --  
25 make the rest of the schedule difficult to continue

1 it?

2 MR. CURTIS PRYSTUPA: Yes.

3 MS. CHARLOTTE MEEK: Thank you. Those  
4 are my questions.

5 PANEL CHAIRPERSON: Thank you, Ms.  
6 Meek. It's almost quarter after 12:00, so we'll  
7 adjourn for lunch, coming back at quarter after 1:00  
8 please.

9

10 --- Upon recessing at 12:15 p.m.

11 --- Upon resuming at 1:17 p.m.

12

13 PANEL CHAIRPERSON: Good afternoon,  
14 everyone. Ms. Wittman...?

15 MS. KAREN WITTMAN: Thank you, Madam  
16 Chair.

17

18 CROSS-EXAMINATION BY MS. KAREN WITTMAN:

19 MS. KAREN WITTMAN: Good afternoon,  
20 everyone. I am Karen Wittman, and I'm appearing on  
21 behalf of the Taxi Coalition. Also with me is Sharna  
22 Nelco who's my co-counsel.

23 I'm going to have some questions for  
24 you today predominantly on the Vehicle For Hire, and  
25 given that I'm the fourth person up, I'm sure you'll

1 be pleased to know that a lot of my questions have  
2 already been asked and this might be a bit  
3 streamlined.

4 But I do still have some questions for  
5 you, and I'm going to direct the questions to the  
6 panel. And like the other Interveners, whoever's most  
7 best suited to answer the question can step up and do  
8 so.

9 So just to briefly recap, what MPI is  
10 proposing is a new Vehicle For Hire framework to  
11 replace the current time ban model, correct?

12 MS. SIMMI MANN: We're providing -- or  
13 we're proposing, sorry, a new framework that would  
14 offer two (2) products under Vehicle For Hire: one, a  
15 blanket policy for which all stakeholders are eligible  
16 for, and full-time VFH insurance uses.

17 MS. KAREN WITTMAN: Right. And that  
18 would replace the time ban?

19 MS. SIMMI MANN: We're decommissioning  
20 the time ban model and moving to full-time uses for  
21 those products.

22 MS. KAREN WITTMAN: Right. Okay. So  
23 I want to talk to you about both of those two (2) new  
24 proposed products, the -- the blanket policy, the TNC  
25 blanket policy, and the full-time Vehicle For Hire



1 insurance.

2                   So let's start first with the blanket  
3 policy. Now, we've already gone through, in your  
4 presentation and in the questions from Mr. Klassen,  
5 how that -- that will work with the different time  
6 periods.

7                   What I want to talk to you about is how  
8 the blanket policy premiums are going to be  
9 calculated. So in general terms, at a high level, as  
10 I understand it, for any TNC dispatcher that wants to  
11 participate, the TNC dispatcher will be required to  
12 provide an annual estimate of kilometres driven by the  
13 TNC's drivers during the ride-sharing period. That's  
14 P-2 and P-3, correct?

15                   MR. KHURRAM MASUD: That's correct,  
16 yes.

17                   MS. KAREN WITTMAN: MPI will then  
18 assess a premium to be paid by the TNC under the  
19 blanket policy, right?

20                   MR. KHURRAM MASUD: That's correct.

21                   MS. KAREN WITTMAN: Okay. And  
22 initially at least, that blanket policy premium is  
23 going to be calculated by multiplying the estimated  
24 number of kilometres that TNC drivers are expected to  
25 drive by the per rate -- or per kilometre rate.

1 MR. KHURRAM MASUD: That's correct,  
2 yes.

3 MS. KAREN WITTMAN: Okay. And then at  
4 policy year end, MPI will finalize the premium based  
5 on actual kilometres travelled and actual claims  
6 experience, correct?

7 MR. KHURRAM MASUD: Correct. So the  
8 premiums -- so the provision (INDISCERNIBLE) at the  
9 onset of the policy will be based on the estimate  
10 number of kilometres driven. At the expiry, when we  
11 get the information of the true kilometres driven,  
12 we'll multiply that rate with the actual kilometres  
13 driven to determine the total premium. And --

14 MS. KAREN WITTMAN: Correct.

15 MR. KHURRAM MASUD: -- yes.  
16 Subsequently, we will make the adjustment based on the  
17 loss experience, as you alluded to.

18 MS. KAREN WITTMAN: Okay. And so as  
19 part of that process, just so I understand it, there's  
20 effectively going to be two (2) reconciliations: a  
21 reconciliation of the annual kilometres that are  
22 driven and a reconciliation of the claims and losses -  
23 -

24 MR. KHURRAM MASUD: Correct.

25 MS. KAREN WITTMAN: -- correct?

1 MR. KHURRAM MASUD: Yes.

2 MS. KAREN WITTMAN: Yes. Okay. Now,  
3 as part of the materials, MPI has set out a method or  
4 formula for calculating the per kilometre rate, and  
5 that is set out in part 7, RC Appendix 11, page 4.

6 And, Ms. Schubert, it might be useful  
7 if we could pull that up, please.

8

9 (BRIEF PAUSE)

10

11 MS. KAREN WITTMAN: And it's on page  
12 4. So we'll see in front of us we have the -- the  
13 formula that MPI intends to use, correct?

14 MR. KHURRAM MASUD: That's right.

15 MS. KAREN WITTMAN: Okay. Now, in  
16 terms of the per kilometre rate, MPI has provided an  
17 estimate of zero point one four eight four (0.1484)  
18 per kilometre, but the data upon which MPI is basing  
19 this calculation has not been provided to the  
20 Interveners as part of this GRA process, correct?

21 MR. KHURRAM MASUD: That's correct,  
22 yes.

23 MS. KAREN WITTMAN: Okay. And that's  
24 because the proprietor of the information is claiming  
25 confidentiality on that data, correct?

1 MR. KHURRAM MASUD: That's true.

2 MS. KAREN WITTMAN: And that  
3 proprietor is not agreeing to waive that  
4 confidentiality claim, so this cannot be released to  
5 the Interveners this year.

6 MR. KHURRAM MASUD: That's true.

7 MS. KAREN WITTMAN: And this is  
8 leading to the directive that MPI is asking for next  
9 year.

10 MR. KHURRAM MASUD: That's right.

11 MS. KAREN WITTMAN: Now, you would  
12 agree with me, however, that a full examination of the  
13 proposed pricing by the Interveners is not going to be  
14 possible without seeing the data that's underlying it,  
15 correct?

16 MR. KHURRAM MASUD: That's correct,  
17 yes.

18 MS. KAREN WITTMAN: Now, you're also  
19 aware that the -- the PUB has this CSI process in  
20 place, correct?

21 MS. SIMMI MANN: Correct.

22 MS. KAREN WITTMAN: Right. And so  
23 under that process, as I understand it, anyone who  
24 wants access to confidential information is required  
25 to sign an undertaking that the confidential

1 information will not be disclosed to anyone who has  
2 not signed the undertaking, correct?

3 MS. SIMMI MANN: Correct.

4 MS. KAREN WITTMAN: So, for example,  
5 if I was to sign an undertaking, a CSI undertaking, I  
6 cannot disclose that information to anybody who hasn't  
7 also signed a CSI undertaking, right?

8

9 (BRIEF PAUSE)

10

11 MR. ANTHONY GUERRA: Ms. Wittman, the  
12 only concern is that the question being posed to the  
13 witness, as far as I understand it, is -- is what can  
14 and cannot be done under a non-disclosure agreement.  
15 And I just don't know if this panel has the -- the  
16 necessary abilities to be able to provide an answer to  
17 that particular question.

18

19 CONTINUED BY MS. KAREN WITTMAN:

20 MS. KAREN WITTMAN: All right. Fair  
21 enough, but how about this question then: If it was  
22 restricted such that this -- the confidential  
23 information in question was provided only to the  
24 lawyers or the consultants, would that satisfy the  
25 concerns of the TNC?

1 MR. KHURRAM MASUD: I'm not sure.

2 Okay.

3 MS. KAREN WITTMAN: I -- I meant to  
4 say the TNC, if I didn't say that. Would it satisfy  
5 Uber's concerns?

6

7 (BRIEF PAUSE)

8

9 BOARD CHAIR GABOR: I guess the  
10 concern I have is you're asking MPI a question of  
11 whether something is going to satisfy Uber.

12 MS. KAREN WITTMAN: Correct.

13 BOARD CHAIR GABOR: And I don't -- you  
14 know, you can ask them. It's a question that needs to  
15 be put to Uber and, you know, perhaps they know it,  
16 because I just don't know if they're going to be in a  
17 position to -- to ask what -- what would satisfy Uber.

18 MS. KAREN WITTMAN: Okay. And -- and,  
19 Mr. Gabor, that's -- that is a good point, and so --  
20 but I can back up just a little bit and say --

21

22 CONTINUED BY MS. KAREN WITTMAN:

23 MS. KAREN WITTMAN: -- has MPI  
24 canvassed Uber -- Uber about whether there are  
25 restrictions that could be placed on this confidential

1 information so that it could be provided to counsel?

2 MS. SIMMI MANN: I think we earlier  
3 agreed to an undertaking where we can provide  
4 clarification around Uber's position and TNC positions  
5 in general relative to this.

6 MS. KAREN WITTMAN: Okay.

7 BOARD CHAIR GABOR: Sorry. I asked  
8 them to obtain an email from Uber outlining exactly  
9 what their position was in terms of the release,  
10 whether it could be -- there was a process going to be  
11 in place to give an unredacted version to Interveners  
12 or not, or give an unredacted version to the PUB and a  
13 redacted version to the Interveners.

14 What we needed on the record was what  
15 is Uber's position. And there's -- Mr. Guerra  
16 indicated he would get in touch with Uber and try and  
17 put something on the record. You may want to, you  
18 know, bring forward your question at a later point  
19 when you have that on the record.

20 But I think the -- the key to this is  
21 find out exactly what Uber's position is so that you  
22 can put a question to them where everybody knows what  
23 the position is.

24 MS. KAREN WITTMAN: All right. Thank  
25 you for that. And so maybe what we'll do before I ask

1 more questions about this is wait to see what their  
2 position is.

3 MR. ANTHONY GUERRA: Yes. And, Ms.  
4 Wittman, I just would note that there is a  
5 Undertakings Panel that is scheduled for the final  
6 week of this Hearing, and -- and that may be where  
7 it's best allocated.

8 And, again, we are going to make our  
9 best efforts to try to get that opinion from -- or  
10 response from -- from Uber as quickly as possible.  
11 Obviously, I can only request the responses. I -- I  
12 can't guarantee that they will be available, so we  
13 will certainly deal with it as it comes.

14 MS. KAREN WITTMAN: Thank you. All  
15 right. Okay. So parking that issue for a second.

16

17 CONTINUED BY MS. KAREN WITTMAN:

18 MS. KAREN WITTMAN: Going back to the  
19 formula that's in front of us on the screen.

20 So, although MPI is not looking to have  
21 a specific per kilometre rate approved, they have  
22 proposed -- or they have -- you have proposed a  
23 formula which you have developed and what you would  
24 like adopted, and this is the formula in front of us?

25 MR. KHURRAM MASUD: That's correct,



1 yes.

2 MS. KAREN WITTMAN: Okay. And when I  
3 look at this formula, the numerator in the formula is  
4 the expected revenue from passenger Vehicle for Hire  
5 less the expected revenue from all-purpose under the  
6 current rate model, correct?

7 MR. KHURRAM MASUD: Just a sec.

8

9 (BRIEF PAUSE)

10

11 MR. KHURRAM MASUD: Yes, that's right.

12 MS. KAREN WITTMAN: Okay. And the  
13 denominator in this formula is the expected annual  
14 kilometres in periods P2 and P3, correct?

15 MR. KHURRAM MASUD: Yes.

16 MS. KAREN WITTMAN: And the expected  
17 annual kilometres are a projection of the annual  
18 kilometres driven in the ride sharing capacity during  
19 the rating year?

20 MR. KHURRAM MASUD: That's right.

21 MS. KAREN WITTMAN: And this  
22 projection is based on two (2) things, historical  
23 monthly TNC driving data in period 2 and 3 within the  
24 province; that's 1, and 2, an expected adoption rate  
25 of the TNC blanket policy, correct?

1

2

(BRIEF PAUSE)

3

4

MR. KHURRAM MASUD: Yes.

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MS. KAREN WITTMAN: Okay. So the per kilometre rate is not set for each individual TNC within the province, but is a global per kilometre rate for all of the TNCs. Have I got that right?

MR. KHURRAM MASUD: Yes.

MS. KAREN WITTMAN: Okay. And, as I understand it, all Vehicle for Hire stakeholder groups are eligible to participate in the TNC blanket policy so long as they meet the minimum technological -- or -- and reporting requirements, correct?

MR. KHURRAM MASUD: That's correct, yes.

MS. KAREN WITTMAN: But you'll agree with me that not all Vehicle for Hire stakeholders are in the passenger Vehicle for Hire insurance use, correct?

MS. SIMMI MANN: That is correct.

MS. KAREN WITTMAN: Okay. And I'm referring here specifically to taxi Vehicle for Hire. For example, they fall under the taxi Vehicle for Hire insurance use, not the passenger Vehicle for Hire

1 insurance --

2 MS. SIMMI MANN: Yes.

3 MS. KAREN WITTMAN: -- use, correct?

4 MS. SIMMI MANN: Yes.

5 MS. KAREN WITTMAN: Yes. So the per  
6 kilometre formula as it currently stands would not be  
7 workable for taxi Vehicle for Hire, correct?

8 MS. SIMMI MANN: Correct. So this  
9 blanket policy was developed in general based on  
10 passenger Vehicle for Hire historical experience. So  
11 the examination of the feasibility or what a taxi  
12 model would look like for a blanket is just a  
13 different examination.

14 If they are eligible to take a blanket  
15 policy, this would just be a separate development for  
16 MPI.

17 MS. KAREN WITTMAN: Okay. Then is it  
18 fair to say that, at least so far in this Application,  
19 what's in front of us right now, MPI has not set out  
20 how the TNC blanket policy would work for Vehicle for  
21 Hire stakeholders other than a TNC?

22

23 (BRIEF PAUSE)

24

25 MS. SIMMI MANN: Sorry. Can you

1 repeat the question one more time just so I -- I  
2 answer it properly here.

3 MS. KAREN WITTMAN: Sure. And -- and  
4 the point I'm trying to get to is that, as this is  
5 presented right now and the materials we have in front  
6 of us --

7 MS. SIMMI MANN: Correct.

8 MS. KAREN WITTMAN: -- it's -- the  
9 taxi Vehicle for Hire, it isn't set out in this how  
10 this blanket policy would work for a Vehicle for Hire  
11 stakeholder other than a TNC?

12 MS. SIMMI MANN: Correct.

13 MS. KAREN WITTMAN: Okay. Now, I went  
14 through with you earlier that there's two (2)  
15 reconciliations that need to take place, the annual  
16 kilometres driven, and then also the claims  
17 experience, correct.

18 So I want to talk about the second one  
19 right now. This is dealing with the allocation of  
20 losses. And I want to start by taking you to one (1)  
21 of the Information Requests that was submitted by  
22 PUB's counsel, namely, PUB MPI-2-49. Ms. Schubert,  
23 can you pull that up, please.

24 And what I'd like to draw your  
25 attention to is the response that MPI provided at the

1 bottom, which references an appendix, Appendix 1,  
2 external passenger Vehicle for Hire rate indication.  
3 And, Ms. Schubert, could you pull that up, please.

4                   And at the bottom, there's a number of  
5 tabs, Ms. Schubert. And I'm wondering if you can go  
6 to "Overall company." Then halfway down the page, we  
7 should have a passenger Vehicle for Hire projected  
8 loss ratios. You're there? A little bit further  
9 down. Exactly.

10                   So under that heading, MPI has set out  
11 the projected loss ratios for accident benefits,  
12 collision, and comprehensive, and then at the bottom  
13 has calculated a total projected loss ratio for all  
14 three (3).

15                   Am I interpreting that correctly? And,  
16 Ms. Schubert, maybe just scroll down to the bottom a  
17 little bit.

18                   MR. KHURRAM MASUD: Yes.

19                   MS. KAREN WITTMAN: And, ultimately,  
20 as I'm interpreting this appendix, what this is  
21 showing is the overall credibility given to passenger  
22 Vehicle for Hire for the external rate indication,  
23 correct?

24                   MR. KHURRAM MASUD: Where do you see  
25 the credibility? Sorry.

1 MS. KAREN WITTMAN: Well, and -- and  
2 that's set out, I -- I believe, in column P, row 166.  
3 So, Ms. Schubert, you'd have to scroll down just a  
4 little bit further.

5 MR. KHURRAM MASUD: Yes.

6 MS. KAREN WITTMAN: Yes. And if I'm  
7 reading correctly, the credibility percentage that MPI  
8 has assigned is a hundred percent. That's right?

9 MR. KHURRAM MASUD: Yeah.

10 MS. KAREN WITTMAN: Okay. And then  
11 looking at this chart, can you tell me what the claim  
12 count was that was used by MPI to arrive at this  
13 credibility percentage?

14

15 (BRIEF PAUSE)

16

17 MR. KHURRAM MASUD: So we use a  
18 standard of one thousand eighty-four (1,084) claims to  
19 determine the credibility. And hence, why you see the  
20 credibility is hundred percent because the actual  
21 claims exceeded one thousand eighty-four (1,084).

22 MS. KAREN WITTMAN: But when I'm  
23 looking at the claim count -- and -- and maybe --  
24 maybe you can help me with this. If I look at column  
25 zero -- or sorry, zero -- column O, row 166 --

1 MR. KHURRAM MASUD: Yes.

2 MS. KAREN WITTMAN: -- is that the  
3 claim count that was used, one thousand five hundred  
4 and fifty-three (1,553)?

5 MR. KHURRAM MASUD: Yes. Yes.

6 MS. KAREN WITTMAN: Okay. And then  
7 you've just told me that the -- the credibility  
8 standard that MPI uses is one thousand eight hundred  
9 (1,800) --

10 MR. KHURRAM MASUD: No, one thousand  
11 eighty-four (1,084) is the number I used.

12 MS. KAREN WITTMAN: Eighty-two (82)?

13 MR. KHURRAM MASUD: Oh, eighty-two  
14 (82). Sorry.

15 MS. KAREN WITTMAN: One thousand  
16 eighty-two (1,082)?

17 MR. KHURRAM MASUD: Yeah. Yeah.

18 MS. KAREN WITTMAN: That's right.  
19 Okay. So the credibility standard that MPI uses to  
20 arrive at this credibility percentage is one thousand  
21 and eighty-two (1,082) claims, correct?

22 MR. KHURRAM MASUD: Correct, yes.

23 MS. KAREN WITTMAN: And if we look at  
24 the most recent year in that chart, and that's year  
25 2021, can you tell me what the total claim count is?

1 MR. KHURRAM MASUD: Five thirty (530).

2 MS. KAREN WITTMAN: Is it the -- is it  
3 the number set out in column O in row 164, five  
4 thirty-nine (539)?

5 MR. KHURRAM MASUD: That's right.

6 MS. KAREN WITTMAN: Okay. And can you  
7 tell me what credibility percentage 2021 would receive  
8 based on the one thousand eighty-two (1,082) claim  
9 standard?

10 And -- and I can help with this maybe  
11 subject to check. I understand it would be 70.6  
12 percent.

13 MR. KHURRAM MASUD: Yes, subject to  
14 check. But we generally don't base our calculations  
15 on solely last year's data, so we generally include  
16 more years in order to get more credibility into the  
17 volume of the data. That's why we used five (5) years  
18 of data, and we assigned the credibility based on five  
19 (5) year loss count.

20 MS. KAREN WITTMAN: Okay. But just  
21 for that one (1) year, it would be 70.6 percent,  
22 correct?

23 MR. KHURRAM MASUD: Subject to check.

24 MS. KAREN WITTMAN: Subject to check,  
25 of course, yes. Okay. Now, the determination of



1 whether a rebate or surcharge is going to be owing to  
2 a TNC in the claims loss reconciliation is going to be  
3 based on the claims experience for the single most  
4 recent policy period, correct?

5 MR. KHURRAM MASUD: Yes, for every  
6 policy year. So it's -- it's done annually for  
7 individual policy years.

8 MS. KAREN WITTMAN: Right. And so  
9 what that means is that MPI's going to allocate all  
10 the losses that occurred during the policy period in  
11 ride sharing periods P2 and P3 to the overall TNC  
12 experience, right?

13 MR. KHURRAM MASUD: That's correct,  
14 yes. That's how it will be calculated, annually.

15 MS. KAREN WITTMAN: And so what that  
16 means is that every year, or within twenty-seven (27)  
17 months of policy expiry, TNCs will be paying what they  
18 should be paying based on their driver's actual loss  
19 experience, correct?

20 MR. KHURRAM MASUD: That's correct.

21 MS. KAREN WITTMAN: And agree with --  
22 you would agree with me then that the effect of this  
23 Rebate Surcharge Model in the TNC policy is that the  
24 TNC experience is going to be given 100 percent  
25 credibility for only one (1) year's worth of

1 experience.

2 MR. KHURRAM MASUD: The effect of this  
3 -- or the outcome of this would be that TNCs would be  
4 essentially at zero (0) profit -- close to a zero (0)  
5 profit, zero (0) loss situation. They will be paying  
6 for their own claims in most scenarios, except for the  
7 large loss capping. But they'll be paying what they -  
8 - what they are claiming for.

9 MS. KAREN WITTMAN: Sure. But it also  
10 means that they're going to be given 100 percent  
11 credibility, isn't that true?

12 MR. KHURRAM MASUD: I wouldn't agree  
13 to that because, generally, when we talk about  
14 credibility we talk about rates that relate to future  
15 periods and not retrospective.

16 You're doing calculations on actual  
17 losses and actual premiums. When you assign  
18 credibility, typically you're forecasting.

19 MS. KAREN WITTMAN: Sure. So  
20 credibility typically is prospective.

21 MR. KHURRAM MASUD: Correct.

22 MS. KAREN WITTMAN: Whereas what's  
23 happening here is retrospective.

24 But it's still based on 100 percent of  
25 what's happened in the past year. Is that another way

1 of saying it?

2 MR. KHURRAM MASUD: That's -- that's  
3 correct way of saying it. But it's -- yeah. The  
4 credibility doesn't come into picture here. It  
5 doesn't come into equation because when -- the  
6 credibility is assigned when you're forecasting  
7 something.

8 MS. KAREN WITTMAN: Okay. So if we  
9 take away the term 'credibility' right there, though,  
10 what's happening is there's 100 percent true-up. Can  
11 I say it that way?

12 MR. KHURRAM MASUD: Yeah.

13 MS. KAREN WITTMAN: Okay. For the TNC  
14 blanket policyholder?

15 MR. KHURRAM MASUD: Yeah. Yeah. So  
16 if their loss experience is more adverse, then they  
17 pay more. If their loss experience is more  
18 favourable, then they get rebate and we bring them  
19 back to a zero percent profit -- close to a zero  
20 percent profit.

21 MS. KAREN WITTMAN: Right. Okay.  
22 Now, I want to contrast that -- that approach, that  
23 true-up approach, with what MPI's current approach for  
24 ratemaking is and, in particular, for small insurance  
25 uses.

1                   So for example, the taxi Vehicle for  
2 Hire is a small insurance use. And as I understand  
3 it, for small insurance uses such as taxi Vehicle for  
4 Hire and passenger Vehicle for Hire, the credibility  
5 that's assigned to them in their experience is the  
6 minimum 10 percent. Is that right?

7                   MR. KHURRAM MASUD: That's -- yes,  
8 subject to -- yes. Yes, that's true.

9                   MS. KAREN WITTMAN: And would you  
10 agree with me that as a result of assigning a small  
11 insurance use the 10 percent minimum credibility, if  
12 the indicated rate is far off from the charged rate,  
13 it could take years or even decades for the actual  
14 loss experience of that small insurance use to be  
15 fully reflected in the rates charged?

16                   MR. KHURRAM MASUD: Generally, with  
17 the small insurance uses or small volumes of data,  
18 there's generally volatility in the experience. So  
19 it's very difficult to determine for small use cases  
20 what the true rate should be.

21                   So it is a common actual practice to  
22 assign credibility so that the rates don't go up and  
23 down every year. Otherwise, if we did not associate -  
24 - assign credibility to their past experience, you  
25 will see the rates go up and down every year.

1 MS. KAREN WITTMAN: Sure. But when  
2 you assign that 10 percent minimum credibility, that's  
3 a judgmental decision. Isn't that right?

4 That -- that selection of 10 percent is  
5 judgmental, correct?

6

7 (BRIEF PAUSE)

8

9 MR. KHURRAM MASUD: Can we defer this  
10 question to the Ratemaking Panel?

11 MS. KAREN WITTMAN: Okay.

12

13 (BRIEF PAUSE)

14

15 MS. KAREN WITTMAN: All right. Just a  
16 quick minute to take a look at my notes.

17

18 (BRIEF PAUSE)

19

20 MS. KAREN WITTMAN: The question that  
21 -- that was suggested be deferred to the Ratemaking  
22 Panel, which part of that question? Because I think I  
23 had thrown two (2) questions out there.

24 One of the questions that I wanted to  
25 ask was the decision to assign 10 percent minimum

1 credibility, that is a judgmental decision. Isn't it?  
2 It could be 20 percent, it could be 30 percent, for  
3 example.

4 MR. KHURRAM MASUD: This is the  
5 question that I would like to defer to the Ratemaking  
6 Panel.

7 MS. KAREN WITTMAN: Okay. And -- and  
8 that's fine.

9 But I -- I still have a couple of  
10 additional questions on this issue. And that's this,  
11 is that in the -- you may or may not remember, but in  
12 the 2022 GRA, the Taxi Coalition brought forward  
13 evidence about some of the ratemaking methodology.

14 And one of the points in that evidence  
15 was that, as a result of this 10 percent minimum  
16 credibility assignment, an insurance use with 50  
17 percent indicated rate increase would take forty-three  
18 (43) years for their actual loss experience to be  
19 fully reflected in the rates charged.

20 Do you remember that? It's a pretty  
21 specific question. And I can bring the evidence up if  
22 you like.

23 MR. KHURRAM MASUD: I -- I wasn't here  
24 in 2022, so.

25 MS. KAREN WITTMAN: Okay.

1 MR. KHURRAM MASUD: But -- yeah.

2 MS. KAREN WITTMAN: But that sounds  
3 about right to you?

4 MR. KHURRAM MASUD: That doesn't sound  
5 about right to me, but I believe what you're saying.  
6 So this must be based on some --

7 MS. KAREN WITTMAN: On something.

8 MR. KHURRAM MASUD: -- something,  
9 yeah.

10 MS. KAREN WITTMAN: And -- and you  
11 know what, to make that easier, I think we could  
12 probably pull that up.

13 MR. KHURRAM MASUD: That would be  
14 useful.

15 MS. KAREN WITTMAN: Ms. Schubert, so  
16 that was 2022 GRA Exhibit TC-4, page 9, please. Yeah.

17 And so, we'll see, at the bottom of  
18 this page, there's a reference to Appendix 5.2, which  
19 says that it illustrates how the slow -- how slow the  
20 current methodology reacts for classes with low  
21 credibility.

22 "In the illustration, which is in  
23 the appendix, where the raw required  
24 relativity is 50 percent higher than  
25 the current relativity, it would

1 take forty-three (43) years to fully  
2 recognize the true relativity  
3 required."

4 You're not disputing that? You have no  
5 reason to dispute that?

6 MR. KHURRAM MASUD: This doesn't sound  
7 right. But there maybe -- there must be some basis  
8 beyond this. I would really like to understand what  
9 are the assumptions behind this. Forty-three (43)  
10 years sounds too long for just a 50 percent excess in  
11 the relativity. Unless there are some smoothings that  
12 are applied here.

13 I'm not saying this is wrong, but I'd  
14 like to understand what this is based on.

15 MS. KAREN WITTMAN: All right.

16 MR. KHURRAM MASUD: For example, just  
17 a rate indication that we saw for VFH, we saw a 14  
18 percent increase in the rates. So if we were to  
19 follow that method, for example, it would take us less  
20 than five (5) years to see a 50 percent increase, 14  
21 percent each year.

22 MS. KAREN WITTMAN: But -- but you're  
23 not doing that rate increase, are you?

24 MR. KHURRAM MASUD: For VFH?

25 MS. KAREN WITTMAN: Yes.



1 MR. KHURRAM MASUD: We did 20 percent  
2 increase every year for VFH in the prior years.

3 MS. KAREN WITTMAN: Okay. Flipping  
4 back to the TNC blanket policy, you'd agree with me  
5 that part of the purpose of the Rebate Surcharge Model  
6 is to help promote and incentivize safe driving?

7 MR. KHURRAM MASUD: That's correct.

8 MS. KAREN WITTMAN: And you'd also  
9 agree with me that the promotion and incentivization  
10 of safe driving should be a goal across the board for  
11 the MPI, not just for TNCs?

12 MR. KHURRAM MASUD: That's correct.  
13 Yes.

14 MS. KAREN WITTMAN: Would you also  
15 agree with me that one way to incentivize safe  
16 driving, particularly for small insurance uses and  
17 taxi Vehicle for Hire, for example, would be to  
18 increase the minimum credibility from 10 percent to a  
19 higher number?

20 MR. KHURRAM MASUD: I do not agree  
21 with that statement because that does not naturally  
22 correspond to safer driving being incentivized.

23 Use of credibility does not prevent  
24 encouragement of safer driving. Use of credibility is  
25 to ensure smoothing and to ensure there's not -- the

1 rate remain stable. It is also one of the core values  
2 of MPI.

3 MS. KAREN WITTMAN: Now, one of the  
4 features of the TNC blanket policy is that it -- it  
5 allows the registered owners to switch between their  
6 registered owner policy, when they're in P0 and P1  
7 driving periods. And then the TNC blanket policy when  
8 they're in P2 and P3 periods, right?

9 MS. SIMMI MANN: Well, yeah, the  
10 blanket policy is active when they engage in ride-  
11 share operation.

12 MS. KAREN WITTMAN: That's P2, P3.

13 MS. SIMMI MANN: Correct.

14 MS. KAREN WITTMAN: Right. And when  
15 they're not engaged in ride-share operations, they're  
16 in P0 or P1, right?

17 MS. SIMMI MANN: Correct.

18 MS. KAREN WITTMAN: Okay. And you'll  
19 agree with me that the TNC blanket policy is the only  
20 instance where a vehicle can have two (2) insurance  
21 uses. Every other insurance is going -- has to pick  
22 one insurance use? Is that right?

23 Let me give you an example. For  
24 example, when we're talking about somebody driving for  
25 Skip the Dishes, for example, they would be required

1 to register their vehicle under a commercial use, such  
2 as common carrier, right?

3 Or whatever is the appropriate type of  
4 work, if they're delivering for Skip the Dishes?

5 MS. SIMMI MANN: Correct.

6 MS. KAREN WITTMAN: And the Skip the  
7 Dishes driver would not have the ability to switch  
8 from that commercial use to a private passenger policy  
9 when they're not driving for Skip. Right?

10 MS. SIMMI MANN: Yes. Correct. Our  
11 business is just very complicated and large, so I was  
12 making sure that there was nothing I was leaving out.  
13 But I absolutely understand your point, yeah.

14 MS. KAREN WITTMAN: Okay. And -- and  
15 -- and same with the pizza delivery driver, for  
16 example, they would -- if they were going to drive and  
17 deliver pizzas, that driver would have to register  
18 under a commercial policy and they wouldn't -- or  
19 commercial use, and they wouldn't be able to flip back  
20 and forth between private passenger and commercial  
21 use, depending on whether or not they've got a pizza  
22 in their car or not?

23 MS. SIMMI MANN: Correct. Those are  
24 registered owner purchase policies. Yes.

25 MS. KAREN WITTMAN: Okay. And also

1 the Taxi Vehicle for Hire, is not going to have that  
2 ability to switch back and forth between the Taxi  
3 Vehicle for Hire use and a different use, such as, a  
4 registered owner policy or a private passenger?

5 MS. SIMMI MANN: Yes.

6 MS. KAREN WITTMAN: Just yes -- so I  
7 maybe mis-phrased that question. But they don't have  
8 that ability?

9 MS. SIMMI MANN: Right.

10 MS. KAREN WITTMAN: Right. Okay, it's  
11 Taxi Vehicle for Hire. And under the blanket policy  
12 proposal, this P1 period, that's when the driver is  
13 available, but they are not on their way to pick up a  
14 fare and they don't have a fare in their car.

15 They're just available, right?

16 MS. SIMMI MANN: Yeah, the app is  
17 simply on.

18 MS. KAREN WITTMAN: Okay. So, the  
19 driver could be driving through the city running  
20 errands, for example, waiting to see if somebody needs  
21 a ride?

22 MS. SIMMI MANN: I can't comment on  
23 exactly what is happening or what the drivers are  
24 doing, but, yes, the app is on -- call.

25 MS. KAREN WITTMAN: The app is on, but

1 they -- they --

2 MS. SIMMI MANN: Yeah.

3 MS. KAREN WITTMAN: -- could be  
4 driving around?

5 MS. SIMMI MANN: Possibly.

6 MS. KAREN WITTMAN: Or they could be  
7 sitting, waiting, for example outside of the True  
8 North Centre to see if somebody potentially comes out  
9 and needs a ride?

10 MS. SIMMI MANN: Well, the way that  
11 the app works, is they're matched, based on the  
12 closest ride, based on latitude and longitude. So,  
13 they're not driving around looking for rides. That's  
14 not how it works -- no incentive.

15 MS. KAREN WITTMAN: Sorry, they could  
16 be driving somewhere in the city and have the app on  
17 and they're in the P1 and they haven't accepted a ride  
18 yet, so they could be driving, for example, or they  
19 could be parked.

20 MS. SIMMI MANN: Correct.

21 MS. KAREN WITTMAN: Okay. And they  
22 could be parked in front of the True North Centre, for  
23 example, waiting to see if somebody comes out but it -  
24 - it'll be in P1, not P2, right?

25 MS. SIMMI MANN: Correct, but they

1 don't generally wait when they turn their app on,  
2 they're matched to rides based on latitude and  
3 longitude.

4 MS. KAREN WITTMAN: You're saying they  
5 are immediately matched to rides.

6 MS. SIMMI MANN: From my  
7 understanding, yes, that they're -- as soon as that  
8 app is on, the rides come through. So there's no  
9 incentive to ride or wait in different locations for  
10 rides.

11

12 (BRIEF PAUSE)

13

14 MS. KAREN WITTMAN: Okay. But if --  
15 if an Uber driver, for example, a TNC driver, but  
16 specifically an Uber driver 'cause I think that's the  
17 one we're talking about mostly.

18 If -- if they wanted to say -- they  
19 wanted to be driving and they were waiting to see if  
20 somebody was coming home from a flight in the airport,  
21 they're not going to wait, say in East St. Paul, and  
22 turn on available, because the time they get there, it  
23 -- it won't work, someone else will have picked them  
24 up.

25 Aren't they going to wait near the

1 airport or at the airport, it's conceivable?

2 MS. SIMMI MANN: There could be a  
3 possibility for that, yeah.

4 MS. KAREN WITTMAN: Yeah. So, it  
5 would be no different, for example, than a taxi driver  
6 who is also waiting at the airport, maybe to see if  
7 there's a fare that comes along?

8 MS. SIMMI MANN: Can you just repeat  
9 the question one more -- one minute, whenever I talk,  
10 I forget the --

11 MS. KAREN WITTMAN: Not a problem.  
12 The point I'm trying to make is that you -- you could  
13 have a -- a TNC driver who's in P1 sitting at an  
14 airport --

15 MS. SIMMI MANN: M-hmm.

16 MS. KAREN WITTMAN: -- and they would  
17 be on their personal registered owner policy, correct?

18 MS. SIMMI MANN: Correct.

19 MS. KAREN WITTMAN: And you could have  
20 a Taxi Vehicle for Hire sitting at the airport,  
21 waiting to see if they get a fare, but they would be  
22 under their Taxi Vehicle for Hire policy, correct?

23 MS. SIMMI MANN: Correct.

24 MS. KAREN WITTMAN: And -- and MPI has  
25 decided that that P1 period under the -- the TNC

1 policy does not fall under the TNC blanket policy  
2 insurer's premium. It -- it sticks with the  
3 registered owner. Correct?

4 MS. SIMMI MANN: Based on our  
5 understanding of how the model works and if TNCs can  
6 meet the minimum requirements, this is also the  
7 industry standard product for public auto, so we have  
8 spoken to SGI and ICBC.

9 This aspect of the model, we've spoken  
10 to them about. So, yes, it is based on that.

11 MS. KAREN WITTMAN: Okay. And -- and  
12 maybe my question wasn't clear, but I'm talking about  
13 that P1 period --

14 MS. SIMMI MANN: Yeah.

15 MS. KAREN WITTMAN: -- that doesn't  
16 fall to the TNC, the dispatcher or the TNC company.

17 MS. SIMMI MANN: Correct.

18 MS. KAREN WITTMAN: That falls to the  
19 TNC driver?

20 MS. SIMMI MANN: Correct.

21 MS. KAREN WITTMAN: Right. And, are  
22 you aware of whether in other jurisdictions, aside  
23 from BC and -- and Saskatchewan, that in other  
24 jurisdictions that P1 falls under the TNC blanket  
25 policy?



1 MS. SIMMI MANN: It can in private  
2 jurisdictions, however, comparing private to public is  
3 always apples-to-oranges comparison, so these are  
4 often like contingent policies or there will be  
5 different conditions, limits may change.

6 And they're subject to much higher  
7 deductibles, right, so that may influence whether a  
8 claim is made or not. So this is the challenge we did  
9 review, like private models, in terms of development  
10 as well as the model in total. And as well as  
11 speaking to our public auto insurance, and this was  
12 the decision we made.

13 As when you're evaluating private  
14 products, it's very challenging because there's no  
15 consistency and the information is always limited and  
16 there's always conditions cover --

17 MS. KAREN WITTMAN: Okay. But the  
18 point is -- is that P1 could fall either outside of  
19 the blanket policy or within the blanket policy, and  
20 MPI has decided to put it outside the blanket policy.

21 MS. SIMMI MANN: In line with public  
22 auto industry standard, yes, but as stated -- and I  
23 think in our Application and earlier at hearings, we  
24 will be tracking the underlying uses being used in  
25 combination with this blanket policy.

1                   We will be able to track the experience  
2 of this group to make any necessary adjustments. We  
3 have spoken to public auto industry standards about --  
4 not standards -- insurers about this issue around P1  
5 and they have indicated there has been no issue. And  
6 this is the reason for our decision.

7                   MS. KAREN WITTMAN:   Okay. But this is  
8 something that MPI might look at in the future about  
9 whether P1 should be moved over to the blanket  
10 policyholder rather than the registered owner.

11                   MS. SIMMI MANN:   I think MPI will  
12 review the experience as this product goes into  
13 implementation. We have designed it so that we are  
14 able to truly track the experience of this product.  
15 So, we will look at it in a really comprehensive  
16 manner.

17                   MS. KAREN WITTMAN:   Okay. So, one  
18 final question about the TNC drivers.

19                   As it stands right now under the  
20 blanket policy, TNC drivers can spend as much time or  
21 as little time as they want in P -- P1, P2, P3.

22                   Right?

23                   MS. SIMMI MANN:   Sorry, can you repeat  
24 that?

25                   MS. KAREN WITTMAN:   They can -- they -

1 - they can be in P2 or P3, it doesn't have to be  
2 twenty-four (24) hours a day or they can spend just an  
3 hour in P2, P3.

4 MS. SIMMI MANN: Yeah, that is --  
5 yeah, all VFH -- yeah. It's their choice how much  
6 they want to ride-share.

7 MS. KAREN WITTMAN: Right. So, in  
8 other words, TNC drivers can drive part time if they  
9 want.

10 MS. SIMMI MANN: TNC drivers --  
11 correct.

12 MS. KAREN WITTMAN: Yes. And one of  
13 the things that's set out in the materials, is that  
14 the blanket policy cannot be implemented until NOVA  
15 Release Discovery 3 is complete, correct?

16 MS. SIMMI MANN: Correct.

17 MS. KAREN WITTMAN: Okay. And that's  
18 not expected until 2025. Correct?

19 MS. SIMMI MANN: I'm going to redirect  
20 that one to the NOVA Panel.

21 MS. KAREN WITTMAN: Okay. So, timing  
22 aside, would you agree with me that, if the NOVA 3  
23 Release is delayed, this blanket policy is going to be  
24 delayed?

25 MS. SIMMI MANN: Yes.

1 MS. KAREN WITTMAN: Okay. Now, in the  
2 materials, as I understand it, the premium amounts  
3 paid by TNCs will be based, in part, on the kilometres  
4 reported, and it's noted that a TNC will be required  
5 to provide monthly aggregate kilometres accrued in  
6 both P2 and P3 across all active vehicles, but the  
7 materials don't actually set out how that data is to  
8 be presented, do they?

9 MS. SIMMI MANN: Like how we will  
10 obtain the kilometre data?

11 MS. KAREN WITTMAN: Yes.

12 MS. SIMMI MANN: So, TNCs will be  
13 providing us that data.

14 MS. KAREN WITTMAN: But it doesn't say  
15 in what format. For example, is it a paper  
16 spreadsheet, is it like computer to computer?

17 MS. SIMMI MANN: You know, as we go  
18 through discovery, we can give a full answer for that  
19 but, right now, it will be electronic submission.  
20 It's just a data point aggregate kilometres in P2, P3.

21 MS. KAREN WITTMAN: But, for right  
22 now, based on what's on the record before us, that's  
23 kind of an unknown. We don't know exactly how it's  
24 going to -- so, if somebody else wants to join up,  
25 aside from Uber, it's not clear to them how to

1 communicate this information to MPI?

2 MS. SIMMI MANN: Once -- yeah, like  
3 once -- we'll have a full communication to customers,  
4 as we go through this change. So, those aspects will  
5 be made abundantly clear.

6 MS. KAREN WITTMAN: And do you know  
7 when -- when those aspects are going to be made  
8 abundantly clear?

9 MS. SIMMI MANN: I -- once the NOVA 3  
10 Discovery -- we get through that phase, we have a much  
11 better understanding and we can have more clarity  
12 around the information.

13 MS. KAREN WITTMAN: Okay. So, that'll  
14 be information that comes out later?

15 MS. SIMMI MANN: Correct.

16 MS. KAREN WITTMAN: And you'll also  
17 agree with it -- me that, the materials, as they stand  
18 right now, don't indicate whether the data is -- are -  
19 - is -- that's going to be provided is based on self-  
20 reporting from the TNC or directly from the technology  
21 used by the TNC?

22 MS. SIMMI MANN: Well, TNCs have to  
23 demonstrate the ability to reliably track and report  
24 this.

25 MS. KAREN WITTMAN: Right. Just so

1 we're clear --

2 MS. SIMMI MANN: So, they have to be  
3 able to do it through the app.

4 MS. KAREN WITTMAN: Through the app?

5 MS. SIMMI MANN: Right.

6 MS. KAREN WITTMAN: And it isn't clear  
7 yet though whether that app communicates directly with  
8 MPI or whether it's submitted to the TNC dispatcher  
9 and the dispatcher communicates it to MPI?

10 MS. SIMMI MANN: Correct.

11 MS. KAREN WITTMAN: And it's also not  
12 clear, in these materials, that if an accident occurs  
13 involving a TNC driver, it's not clear how MPI is  
14 going to determine whether that's in P1, P2, or P3?  
15 It's based on self-reporting, isn't it?

16 MS. SIMMI MANN: Well, when we go  
17 through the first notice of the loss process, there'll  
18 have to be two contacts required. So, we will -- the  
19 customer in the first year to see how this works in  
20 Manitoba. We are giving customers and Transportation  
21 Network Companies the ability to report the claim and,  
22 then, we will make a second contact to verify.

23 So, if the customer makes it first, and  
24 they indicate that it occurred during ride sharing.  
25 We would contact the TNC to verify this detail.

1 Likewise, if it's the Transportation Network Company  
2 that reports first, we will, then, contact the  
3 customer to verify the details.

4 MS. KAREN WITTMAN: The customer being  
5 the TNC driver?

6 MS. SIMMI MANN: Yes.

7 MS. KAREN WITTMAN: So, aside from the  
8 blanket policy, the other major change that's being  
9 introduced is that the Time Ban Model is going to be  
10 eliminated and all taxi for Vehicle for Hire are  
11 moving to full-time. Correct?

12 MS. SIMMI MANN: Correct. We are  
13 transitioning to full-time uses.

14 MS. KAREN WITTMAN: Okay. And so that  
15 any taxi that's currently operating part-time is going  
16 to have to go to a full-time use. Correct?

17 MS. SIMMI MANN: Correct.

18 MS. KAREN WITTMAN: All right, but MPI  
19 is aware that there are some taxis out there who have  
20 expressed interest in a part-time model. Correct?

21 MS. SIMMI MANN: Yes.

22 MS. KAREN WITTMAN: Okay. And, as I  
23 understand it, MPI is prepared to consider the overall  
24 viability of a part-time model but, before doing so,  
25 wants to gather further information. Is that right?

1 MS. SIMMI MANN: That is correct but,  
2 initially, we did provide, you know, a mock-up of the  
3 model, with preliminary rates, to the TC, and they  
4 were not amenable to that. So, you know, in co-  
5 ordination with our Telematics Initiative, we're going  
6 to review the up-take and the viability of that model.

7 MS. KAREN WITTMAN: Right. And you --  
8 you've anticipated where I'm going with this is that,  
9 as part of this process, you're looking at the  
10 Telematics Pilot. Right?

11 MS. SIMMI MANN: M-hm.

12 MS. KAREN WITTMAN: But that's been  
13 delayed.

14 MS. SIMMI MANN: Correct.

15 MS. KAREN WITTMAN: And I'm -- based  
16 on my review of the materials, MPI's put forward a  
17 revised set of key milestones and target delivery  
18 dates and that's at Part 5, Value Assurance, page 126  
19 and what I want to know -- I know that you've been  
20 asked some questions about this area already, but  
21 these have been delayed, as I understand it, and Ms.  
22 Schubert's anticipating it and pulling it up for us.

23 Could you tell us, are -- are we on  
24 track for any of this and, if not, what are the  
25 revised dates?



1 MR. ROBERT SMITHSON: We -- so, right  
2 now, looking at this plan, the device installation  
3 timed for October 2023 is not occurring. We're still  
4 reviewing our RFPs and contracting with vendors.

5 So, yes, this has been delayed. No, we  
6 do not have new dates at this time. We would have to  
7 wait until vendor selection is completed to confirm  
8 any future time-line.

9 MS. KAREN WITTMAN: Okay. So, data  
10 gathering and final report, you also don't have dates  
11 for us then?

12 MR. ROBERT SMITHSON: No.

13 MS. KAREN WITTMAN: Okay. Well, thank  
14 you very much. Those are my questions.

15 PANEL CHAIRPERSON: Thank you. Mr.  
16 Gabor...?

17 BOARD CHAIR GABOR: Ms. Schubert. Oh.  
18 Sorry. Ms. Schubert, if you could pull up Part 8 of  
19 the BIM that -- that table, the next one. Thank you.  
20 Can you make it a little larger? I had to print it  
21 all off, because I have trouble reading from the  
22 screen.

23 Mr. Prystupa, line 9, NOVA Release 3  
24 Launch and Product Support, am I right it's Q4 of 24?

25 MR. CURTIS PRYSTUPA: Beginning, yes.

1 BOARD CHAIR GABOR: Beginning of Q4.  
2 Okay. Then I see implement system changes for data  
3 collection is the same. Is that correct?

4 MR. CURTIS PRYSTUPA: Yes.

5 BOARD CHAIR GABOR: And execute  
6 communication plan for the data collection is the  
7 same?

8 MR. CURTIS PRYSTUPA: Right.

9 BOARD CHAIR GABOR: Okay. Are those -  
10 - I take it from this that they're dependent on the  
11 NOVA release date being that date?

12 MR. CURTIS PRYSTUPA: Yes.

13 Absolutely.

14 BOARD CHAIR GABOR: Okay, and, then,  
15 later on, you've got line 12, execute data collection,  
16 which I assume relates to NOVA release 3 starting when  
17 it starts, according to this, and, then, actuarial  
18 examination being, I guess, part-way through Q3 of 25.

19 They all relate to Project NOVA  
20 starting on those dates?

21 MR. CURTIS PRYSTUPA: That -- that's  
22 correct.

23 BOARD CHAIR GABOR: What happens if  
24 Project NOVA doesn't start on that date? If there's  
25 another delay to it, are -- I assume everything else

1 shifts. Right?

2 MR. CURTIS PRYSTUPA: Right. You --  
3 You know, at -- at -- at this time. Oh. Sorry. Just  
4 one moment, Mr. Gabor.

5

6 (BRIEF PAUSE)

7

8 MR. CURTIS PRYSTUPA: Thanks for the  
9 moment to confer with the back row. So, you -- you  
10 know, you are absolutely right. All -- all aspects of  
11 this schedule that's up in front of us here, starting  
12 at line 9 on what's on the screen and beyond are  
13 dependent on NOVA Release 3.

14 And -- and as -- as we've said, you  
15 know, when -- as we go through the Discovery pha --  
16 the Discovery phase for NOVA release 3, we'll get  
17 further details there.

18 And I believe when we were speaking  
19 with CMMG this morning we were talking about, you  
20 know, the 'what if', what if -- what if NOVA doesn't -  
21 - doesn't launch on time? I think it's -- it's too  
22 early to say.

23 We have to watch Discovery go through  
24 and see what happens in terms of contingency planning  
25 regarding that -- that Discovery planning, but our

1 position is that we do not want to begin data  
2 collection until NOVA release -- release 3, but we'd  
3 vis -- visit any potential contingencies at the -- at  
4 the appropriate time as we go through this Discovery.

5 BOARD CHAIR GABOR: Yeah, and -- and I  
6 understand not wanting to start the data collection  
7 until you have a system that you know works.

8 MR. CURTIS PRYSTUPA: Yeah.

9 BOARD CHAIR GABOR: And I -- and I  
10 appreciate that. In fact, the schedule is not a  
11 certain schedule. This is your, I was going to say  
12 best guess, but it's not a best guess, but best  
13 estimate based on what you're -- you're at now.

14 The concern I have is that a year ago  
15 we were talking about a project that was, I think,  
16 probably six (6) months earlier, that it slipped six  
17 (6) months and that's -- that's the concern and that's  
18 -- that's the concern.

19 This -- this is the best estimate, but  
20 until -- I take it until you actually get to Release 3  
21 in the pre Discovery and later, and get to the launch,  
22 you have no certainty these dates are -- are hard  
23 dates or they slip?

24 MR. CURTIS PRYSTUPA: Yeah, at this  
25 stage I couldn't -- couldn't say that certainly. I

1 don't -- and it's hard for me to estimate where along  
2 the scheduling we -- we would have that certainty.

3 But you're absolutely right. As we've,  
4 you know, talked about earlier, there are some very  
5 key critical milestones along this journey. You know,  
6 we've talked about, you know, government approval for  
7 the regulation changes that we need.

8 We've talked about an over-Release 3.  
9 We do have some pretty critical dependencies and key  
10 milestones that are tied to the -- the data collection  
11 project and this -- and this over all -- over all  
12 program schedule we have here.

13 BOARD CHAIR GABOR: All right. Thank  
14 you. That's my question.

15 PANEL CHAIRPERSON: Ms. Boulter...:

16 BOARD MEMBER BOULTER: Hi, it's me  
17 again. I'm interested in the telematics RFP. You  
18 said the installation is delayed pending the awarding  
19 -- assessment and -- and awarding of the vendor.

20 In your RFP, did you state that the --  
21 after the award, it has to be installed within two (2)  
22 months/three (3) months (x) amount? So, did you give  
23 them a specific time for that?

24 MR. ROBERT SMITHSON: No, we did not.  
25 Depending on the solutions proposed, installation

1 complexities and time of delivery, we did not propose  
2 a hard time frame.

3 BOARD MEMBER BOULTER: Okay. Thank you  
4 very much. In your opening statement you said  
5 customers with poor driving records were more likely  
6 to be untruthful or not cooperative with their  
7 information sharing.

8 And you've mentioned that the education  
9 communication program, you're hoping that you can pull  
10 out that cooperation. But you also covered your  
11 information gathering process by saying that it might  
12 take up to six (6) months to get all of the numbers,  
13 the people involved, to do that.

14 That made me wonder if perhaps you're  
15 going to be skewing it towards the cooperative good  
16 drivers and the information you gather might be skewed  
17 in that regard that you're not getting the naughty  
18 drivers, you're only getting the good boys and girls  
19 to cooperate with you.

20 MR. CURTIS PRYSTUPA: You know, that -  
21 - that's a very good point. And when we -- you know,  
22 both in the chapter and through some of the  
23 discussions we've talked about, you know, voluntary  
24 self-selection.

25 This is where we see a bias in the

1 results, based on who is able to volunteer. This is  
2 why when we're talking about really needing the  
3 ability to compel this information, in other words, it  
4 is a requirement that carries, you know, consequences  
5 or we motivate people in some way to actually provide  
6 this information where essentially it's required.

7                   We -- we require registered owners to  
8 do this. That's why there's such importance on that  
9 aspect is to reduce that favourable -- the -- the  
10 opportunity for favourable self-selection as much as  
11 we possibly can.

12                   BOARD MEMBER BOULTER: Okay. It is one  
13 (1) thing to concern me that you're only going to get  
14 that particular thing and -- and you're going to have  
15 to be -- you know, you've got the charts that show  
16 when the drivers are not owners. So that might be  
17 something that you can make sure.

18                   And I guess another caution would be  
19 perhaps you have to look at making sure that you get a  
20 good cross-representation on the DSR spectrum, okay?

21                   MR. CURTIS PRYSTUPA: Absolutely.

22                   BOARD MEMBER BOULTER: So -- so that -  
23 - that's going to be really important, too.

24                   So my third and last area of concern is  
25 on the blanket model. You're only collecting the

1 kilometres information. You're not collecting the  
2 hours that people are in that, so it made me start to  
3 think about here's me and I've got my AP -- all-  
4 purpose -- insurance, and I'm only driving Friday  
5 nights. So the vast majority of my time is under AP.

6 Fine and dandy, but what if my husband  
7 and I are sharing a vehicle and we're both driving,  
8 you know, ten (10) hours a day. And do I -- is my AP  
9 insurance cut back? Like do I pay less? Because  
10 really, only about twenty-four (24) hours a week are  
11 not under this blanket process.

12 Do I need to go over that again 'cause  
13 I rambled a bit.

14

15 (BRIEF PAUSE)

16

17 MS. SIMMI MANN: Yeah. No, I  
18 absolutely understand your question. It's -- that is  
19 kind of the -- the way that the product works, is the  
20 customer has to pay for the full-time premium  
21 associated with that other use. And then the blanket  
22 policy only kicks in for the time at which they're  
23 ride sharing.

24 BOARD MEMBER BOULTER: But that  
25 doesn't seem to be fair because I'm only using my



1 vehicle on personal business for about twenty-four  
2 (24) hours.

3 I -- the example I was looking at was  
4 there's a hundred and sixty-eight (168) hours in a  
5 week. If I'm a hundred and forty-four (144) hours in  
6 phase 3 and 4, leaving only twenty-four (24) hours  
7 that is my personal running around, picking the kids  
8 up, buying grocery time on my own -- on my own dime --

9 MS. SIMMI MANN: No, I -- I absolutely  
10 understand that. It's just a condition of taking this  
11 policy because the other side is a per-vehicle model,  
12 so we can't exactly, you know, measure that aspect.

13 So the way it's designed is when  
14 customers -- they -- the customer has to buy the  
15 personal registered-owner policy in all jurisdictions,  
16 and then this policy will only cover when you're  
17 engaged in ride sharing. Otherwise, there's no real  
18 interaction because we've got two (2) policyholders.

19 BOARD MEMBER BOULTER: Yeah, and I  
20 understand that. It just seems a little -- not to be  
21 fair. So that -- that was my point. Thank you very  
22 much.

23 PANEL CHAIRPERSON: Ms. Nemec...?

24 BOARD MEMBER NEMEC: Thank you. First  
25 question is, just to acknowledge, and -- other

1 organizations that have went from an owner model to a  
2 driver model for the Basic insurance, is there some  
3 kind of -- if, for example, the secondary driver got  
4 into an accident and hadn't been listed as a secondary  
5 driver, is there a penalties or something that happens  
6 long-term in that area?

7 MR. CURTIS PRYSTUPA: That's -- that's  
8 a great question. So, you know, the closest  
9 comparator that we've been looking at that's kind of  
10 made a similar evolution that we're looking at here is  
11 -- is ICBC in British Columbia.

12 And they have what's called -- there's  
13 a couple of -- of different mechanisms, but  
14 predominantly they have a -- I'm going to call it the  
15 -- you know, the great incentive to be forthcoming  
16 with information and be accurate with the information  
17 you're presenting because they have a non-listed  
18 driver surcharge. And we've -- we've described that  
19 as not necessarily one (1) of our models, but a  
20 concept that we would likely look to employ if we were  
21 going to move to a listed-driver or combined-driver  
22 model, as we've described.

23 So essentially, if there's somebody  
24 that is not one of the listed drivers on the policy  
25 that is in a collision and is noted as that driver at

1 the time of claim, the registered owner would then  
2 face a surcharge of, you know, either a static amount  
3 or a percentage of premium. ICBC has a fairly complex  
4 calculation that can range from -- you know, I think  
5 it's -- it's as little as -- if you give me a quick  
6 moment, I can give you a pretty good range here.

7                   So it can range from essentially zero  
8 to fifteen hundred dollars (\$1,500) as an unlisted  
9 driver surcharge. And that's on top of any  
10 deductibles or any -- anything else that's there. And  
11 that's certainly something with at least the -- pardon  
12 me -- the listed-driver or combined-driver model we  
13 would certainly look to consider.

14                   BOARD MEMBER NEMEC:    Okay.  Thanks.  
15 Secondary question, different than -- than the first,  
16 was:  How many -- when you get the study out or the  
17 requests for -- I'm not thinking of the right word --  
18 this customer engagement study or survey -- probably  
19 'survey' is the right word -- how many surveys do you  
20 hope to receive, just the -- like a number?

21                   MR. CURTIS PRYSTUPA:   That's a good  
22 question.  Let me -- let me check with back row for --  
23 for a moment, if you don't mind.

24

25

(BRIEF PAUSE)

1 MR. CURTIS PRYSTUPA: Okay. So I  
2 think, you know, when it comes to conducting customer  
3 engagement like that, you know, certainly come out and  
4 say that the more -- the more the better, right? So  
5 we want to encourage as much participation as -- as we  
6 can.

7 We had just shy of three thousand  
8 (3,000) in the 2019 public consultation. We would  
9 like -- we would like to, you know, meet or exceed  
10 that if -- if possible. There is some wiggle room  
11 there, depending on how close of, you know, a  
12 representative of sample we would be able -- able to  
13 achieve.

14 But I think, you know, the bare minimum  
15 would be maybe around two thousand (2,000), but we  
16 would certainly look to meet, if not exceed, what we  
17 had received from the public consultation previously.

18 BOARD MEMBER NEMEC: And the reason I  
19 was asking that question is one (1) of the questions  
20 from one (1) of the Interveners came up about some --  
21 providing more information with that survey, and like  
22 as a: Did you know 35 percent of drivers that are not  
23 the primary drivers have incurred an accident that  
24 year?

25 MR. CURTIS PRYSTUPA: Yeah.

1                   BOARD MEMBER NEMEC:     So just wondering  
2 if that communication is out there. Will you -- with  
3 giving good information, maybe some quick information,  
4 will that attract people to complete the study, or the  
5 survey, or is it also a good opportunity? I know it  
6 adds time and effort, but just a thought.

7                   MR. CURTIS PRYSTUPA:     I think the time  
8 and effort are probably the -- the least of the -- of  
9 the consideration when it comes to the information  
10 we're providing say on the -- you know, we called it  
11 the preface paper, but informa -- like the 'did you  
12 know?' information.

13                   I think that, if I looked at -- when I  
14 compare -- when I looked at the 2019 public  
15 consultation, and when I think about discussion about  
16 that consultation in previous hearings, there was  
17 positions where MPI possibly didn't put forward enough  
18 information for customers to make an educated  
19 decision, just like we were talking about, like did  
20 you know some of the deficits with the Registered  
21 Owner Model. But there was also criticism that  
22 perhaps MPI put forward too much information that  
23 might lead a customer a certain way.

24                   I'll just say that, with this  
25 particular engagement, we were very intentional to try

1 to keep to facts and be very careful that we're not  
2 persuading customers one way or another. We did hear  
3 definitely this morning the points that were -- that  
4 were raised by CMMG, and I'm hearing what you're  
5 saying as well, where I do think we're going to want  
6 to have another -- another look at that.

7                   But we -- we -- it's -- it's a delicate  
8 balance of information you provide and where that line  
9 is to educate a customer in a balanced way so that  
10 you're not leading them one way or another, because I  
11 don't believe -- I wasn't here in 2019, but I don't  
12 believe there was -- there was any intent to lead  
13 customers a certain way.

14                   And I -- and I know there certainly is  
15 now -- there certainly is not now, which is why we've  
16 stripped a lot of information out that could lead a  
17 customer one way or another.

18                   BOARD MEMBER NEMEC:     Hard to be  
19 perfect.

20                   MR. CURTIS PRYSTUPA:     Yeah. Yeah, for  
21 sure.

22                   BOARD MEMBER NEMEC:     My last question  
23 is just a clarification.

24                   In the TNC model, you talked about  
25 having a 20 percent deposit annually, based on the

1 estimated expected premium. And I believe that was  
2 going to be at the end of each year, whatever the  
3 claims or the costs involved, would then be a true-up.  
4 But then there was a three (3) year settlement.

5 So I just wasn't sure the  
6 differentiation between that, and I just wonder if you  
7 could clarify.

8 MR. KHURRAM MASUD: Yeah. So the 20  
9 percent deposit is at the beginning of the policy. At  
10 the end of the year, the actual premium, based on the  
11 actual kilometres driven, that would be reconciled.  
12 And then three (3) months after the expiry of the  
13 policy we'll evaluate the loss ratio for the first  
14 time. This would be a provisional calculation. And  
15 then we wait for another twenty-four (24) months becau  
16 -- before -- before we make a final settlement.

17 And the reason for waiting for those  
18 twenty-four (24) months is that claims do not fully  
19 double-up immediately, so we want to give some time so  
20 the claims can double-up so we can have a more  
21 accurate representation of the true loss ratio.

22 If we calculated too early, then maybe  
23 they'll have events later on and then we may have to  
24 go back and restate the loss ratios and do the  
25 settlement again or, you know, make those exchanges of

1 money again, so it -- yeah.

2 BOARD MEMBER NEMEC: So will the 20  
3 percent deposit be held until that three (3) year  
4 true-up?

5 MR. KHURRAM MASUD: Twenty percent  
6 deposit is paid at the -- on the start of the policy -  
7 -

8 BOARD MEMBER NEMEC: Right.

9 MR. KHURRAM MASUD: -- at the  
10 beginning of the policy.

11 BOARD MEMBER NEMEC: Thank you.

12 MR. KHURRAM MASUD: And when the --  
13 once the policy expires after twelve (12) months, we  
14 collect the true premium, based on the actual number  
15 of kilometres driven.

16 BOARD MEMBER NEMEC: Right.

17 MR. KHURRAM MASUD: So, at this stage,  
18 there is no assessment of loss ratios on the --

19 BOARD MEMBER NEMEC: No deposit left.

20 MR. KHURRAM MASUD: Yeah. So --

21 BOARD MEMBER NEMEC: The --

22 MR. KHURRAM MASUD: -- the full amount  
23 is with -- with MPI. Then we wait for three (3)  
24 months, and then we do the second reconciliation for -  
25 - based on the loss experience of provisional



1 assessment, and then we do it again twelve (12) months  
2 later. And then we do a final settlement twelve (12)  
3 months after that point in time.

4 BOARD MEMBER NEMEC: And no deposit on  
5 hand in case there's a significant loss at the final  
6 true-up?

7 MS. SIMMI MANN: No. So for the  
8 deposit, we kind of settle that in the annual  
9 kilometre reconciliation part.

10 PANEL CHAIRPERSON: Mr. Bass...?

11 BOARD MEMBER BASS: My questions are  
12 for Mr. Smithson.

13 I note that the schedule that's been  
14 provided to us, according to my recollection, contains  
15 a lot more detail than what was provided in the last  
16 GRA. I'm wondering, has the MPI Board or any of its  
17 committees reviewed this program and schedule?

18 MR. ROBERT SMITHSON: Our project team  
19 has -- I assume you're referring to the Basic  
20 insurance model plan?

21 BOARD MEMBER BASS: Yes.

22 MR. ROBERT SMITHSON: Okay. Thank  
23 you. This has been reviewed by different members of  
24 our executive who have, you know, been members of the  
25 team. The project management team has not been, to my

1 understanding -- one moment.

2

3

(BRIEF PAUSE)

4

5 MR. ROBERT SMITHSON: Yeah. So the  
6 entire schedule and its detail has not been reviewed  
7 with the Board.

8

9 BOARD MEMBER BASS: So I recall from  
10 the materials that Ms. Jatana is the project sponsor.  
11 So who has approved the -- the program and the  
12 schedule?

13

14 MR. ROBERT SMITHSON: To this date, my  
15 self, and Satvir has reviewed it with me.

16

17 BOARD MEMBER BASS: Okay. And it's  
18 not been reviewed or approved by MPI's president or  
19 interim president?

20

21 MR. ROBERT SMITHSON: Not at this  
22 time.

23

24 BOARD MEMBER BASS: And if MPI's board  
25 or likely the interim president, were to look at this  
26 schedule and direct that it be materially shortened,  
27 would you be able to do that?

28

29

(BRIEF PAUSE)

30

1 MR. ROBERT SMITHSON: I apologize. I  
2 just wanted to correct myself. We have actually  
3 presented the initial schedule to our executive  
4 committee and received approval for the initial data  
5 collection. And the full schedule was reviewed in  
6 brief with our past president, however, not our  
7 interim president.

8 As far as our ability to compress the  
9 schedule, I don't think we're in a position to comment  
10 right now on our ability to do so if directed, given  
11 the major milestones and the steps required to  
12 effectively make this change with the best information  
13 possible.

14 BOARD MEMBER BASS: Thank -- thank  
15 you.

16 PANEL CHAIRPERSON: Thank you. I have  
17 a question for Ms. Mann. I believe that you made  
18 reference to the blanket policy not being subject to  
19 the CMP. Is that correct?

20 MS. SIMMI MANN: Correct.

21 PANEL CHAIRPERSON: So there's no  
22 builder release that will ever occur within that?

23 MR. KHURRAM MASUD: Yes, that's  
24 correct. The reason for that is that they're already  
25 getting a rebate, or a surcharge based on their own

1 experience. But we don't want to give them another  
2 rebate or surcharge based on everybody else's  
3 experience, from which their experience is already  
4 excluded.

5 PANEL CHAIRPERSON: Okay. Thank you  
6 for that.

7 And, Mr. Prystupa, in your, I think,  
8 initial comments, you talked about the -- the BIM  
9 being based on industry best practices.

10 So does the industry include privacy  
11 industry or are you restricting that review to the  
12 other public insurers?

13 MR. CURTIS PRYSTUPA: The review isn't  
14 restricted to the -- to the other public insurers.  
15 The difficult part is -- and -- and, you know, I'm  
16 going to speak for myself and the work that I conduct  
17 here and that I've conducted on the Basic Insurance  
18 Model.

19 We -- you know, I will always look to  
20 our -- our industry peers first, meaning the other  
21 public auto insurers. And I will always try to gather  
22 as much information from the -- from private industry,  
23 as well, in Canada and the US. And I'll even look  
24 globally, as well.

25 What we find and what I can say

1 specifically about the Basic Insurance Model is  
2 there's a lot of language with private insurers that,  
3 you know, we will -- well, we give safe driving  
4 discounts.

5                   But if you try to dive deep into what  
6 they actually do, how they base their discounts on, a  
7 lot of that information is just not available  
8 publicly. And at -- at the current time, you know,  
9 there isn't, you know, great information on how it's -  
10 - how it's done elsewhere.

11                   We have had the advantage of being able  
12 to talk to -- to other individuals who have some  
13 experience in -- especially in other provinces, in how  
14 discounts such as DSR discounts are allocated within  
15 private -- private insurers.

16                   The information is -- so we've had some  
17 learnings, but we don't have a lot of great  
18 comparative detail, where with our public insurance  
19 peers in the industry, we're able to get a lot of deep  
20 detail.

21                   So all -- you know, both public and  
22 private are comparators. It ends up being, I just  
23 want to say, more effective to compare with our --  
24 with our public peers more often than not, and  
25 especially that's been the case with BIM.

1 PANEL CHAIRPERSON: Okay. Thank you.  
2 Mr. Guerra, do you have any re-direct?

3

4 RE-DIRECT EXAMINATION BY ANTHONY GUERRA:

5 MR. ANTHONY GUERRA: Thank you, Madam  
6 Chair. Just a couple of quick questions.

7 And, Ms. Schubert, can I ask you to  
8 pull up the BIM chapter, and specifically to page 19  
9 thereof.

10 This is a question for you, Mr.  
11 Prystupa. And so you -- you recall my friend's line  
12 of questioning this morning to you on the Section 6(2)  
13 of the MPIC Act, correct?

14 MR. CURTIS PRYSTUPA: Yes.

15 MR. ANTHONY GUERRA: And, in  
16 particular, the second bullet point there respecting  
17 clauses 'C' and 'D' that could allow MPI to create a  
18 form for the collection of primary driver -- list of  
19 driver information from registered owners on a per  
20 policy level, and would allow MPI to prescribe the  
21 information in detail to be included on said form?

22 MR. CURTIS PRYSTUPA: Yes, I recall.

23 MR. ANTHONY GUERRA: And you had  
24 mentioned, I think, at -- at one point, referring to  
25 the last sentence of that paragraph, about the -- the

1 process being far too onerous and creating a poor  
2 customer experience? Do you recall that?

3 MR. CURTIS PRYSTUPA: Yes.

4 MR. ANTHONY GUERRA: Can I ask you to  
5 elaborate on practically what we're referring to when  
6 you're referring to there as a poor customer  
7 experience?

8 MR. CURTIS PRYSTUPA: Yeah. And --  
9 and, if it's all right, I'd like to answer the poor --  
10 poor experience and additional demand all in -- all in  
11 one -- in one swoop here.

12 Where, essentially, first of all, by  
13 creating a new form, it -- it kind of goes against the  
14 goals of the Regulatory Accountability Program that  
15 MPI participates in where, you know, government  
16 entities and Crown corporations are asked to reduce  
17 the amount of paperwork or -- or red tape that the  
18 public has to use.

19 So, you know, creating a new form would  
20 kind of go against the -- the principles there. But  
21 when it comes to the experience is brokers would then  
22 be required to stock another form or print it on  
23 demand, and customers would be required to go through  
24 and fill out this long form that, you know, is  
25 probably more than they are used to filling out today.

1 It would be an additional burden and -- and, you know,  
2 work that we would be asking -- asking them to do that  
3 would just be not a great experience. It would add  
4 time, potentially frustration, to -- to customers for  
5 filling out additional paperwork.

6 I think there's -- there's something  
7 that, you know, additionally, I could have included  
8 within this section as well, is even though -- even if  
9 we were able to, you know, create a form and ask  
10 customers to fill this form out, I'm not -- I'm not  
11 necessarily convinced that we necessarily have the  
12 regulatory authority, even if we did create this form,  
13 to compel our registered owners to fill this out or we  
14 can -- where we can require it to be filled out with  
15 the current legislative scheme as well.

16 MR. ANTHONY GUERRA: But leaving that  
17 -- that point aside -- and I thank you for that, Mr.  
18 Prystupa -- if -- if a customer were to attend and to  
19 complete one of these forms and realize that they  
20 didn't have all the information to be able to complete  
21 it in one -- in one sitting, what would -- what would  
22 be the result in that case?

23 MR. CURTIS PRYSTUPA: We would likely  
24 -- it's -- it's too early to say if we would be able  
25 to necessarily, you know, be able to send customers



1 away with the form. But, you know, we would likely  
2 have to have them return -- return with the  
3 information at a later time.

4 MR. ANTHONY GUERRA: And in terms of  
5 the information that they would be required -- I think  
6 we talked about there being a requirement for a  
7 driver's licence number, correct?

8 MR. CURTIS PRYSTUPA: Correct.

9 MR. ANTHONY GUERRA: And -- and what,  
10 in addition to the driver's licence number would MPI  
11 be requiring on a form such as this?

12 MR. CURTIS PRYSTUPA: Other than the  
13 driver's licence number, we would have to -- we would  
14 be asking customers to fill out -- you know,  
15 especially the registered owner, they would be filling  
16 out their name, their customer number or driver's  
17 licence number, could be other -- other identification  
18 factors. I don't -- I haven't -- to be honest, I  
19 haven't necessarily thought through that level of  
20 detail.

21 But that registered owner would be  
22 required to fill out, you know, the name and driver's  
23 licence's number of the primary driver that they're  
24 identifying, but also any registered owners as well.

25 MR. ANTHONY GUERRA: And how might a

1 person completing that form be able to provide that  
2 level of detail? The driver's licence numbers, for  
3 example.

4 MR. CURTIS PRYSTUPA: They would have  
5 to speak to the particular people that they would  
6 identify as primary or listed drivers.

7 MR. ANTHONY GUERRA: Would there be  
8 any other ways to obtain that information besides just  
9 speaking to the individual?

10 MR. CURTIS PRYSTUPA: You could have  
11 the -- the individuals could -- could attend with  
12 them, rather than speaking with them. That's another  
13 possibility as well.

14 MR. ANTHONY GUERRA: Okay. Thank you.  
15 I have one (1) other question in regards to the TNC  
16 blanket policy. So this question, I'll pose to Ms.  
17 Mann.

18 Do you recall my friend from the Taxi  
19 Coalition asking questions about how the formula for  
20 the determination of the per kilometre rate would work  
21 for taxicabs under the -- under the current business  
22 model in which they operate?

23 MS. SIMMI MANN: Correct.

24 MR. ANTHONY GUERRA: And my  
25 understanding, based upon that -- that discussion,

1 that line of questioning, was that the response was  
2 that this formula doesn't currently work for the --  
3 for the taxicab business model, correct?

4 MS. SIMMI MANN: That is right.

5 MR. ANTHONY GUERRA: And was there  
6 previous consultation with the -- the Taxi Coalition  
7 and with respect to the desire for the taxi -- or for  
8 the TNC blanket policy?

9 MS. SIMMI MANN: Yes. So we consulted  
10 all Vehicle-For-Hire stakeholders around desirable  
11 products for Vehicles For Hire and just in general  
12 insurance products. And as expected, TNC has  
13 indicated interest for a blanket policy. Taxis,  
14 limos, and accessible did not, at that time, indicate  
15 interest in a blanket policy. So we did not go ahead  
16 further with that level of development inste --  
17 related to the TC, we worked on the part-time model,  
18 as well as a risk-incentive model.

19 That being said, as I stated, all  
20 groups are eligible; it just requires a separate  
21 development based on stakeholder needs. So I think we  
22 stated in our presentation that, you know, if taxis,  
23 limos, and accessible are interested in this policy,  
24 we will certainly review the feasibility and viability  
25 of a model like that for them.

1 MR. ANTHONY GUERRA: Thank you. No  
2 further questions.

3 PANEL CHAIRPERSON: Thank you, Mr.  
4 Guerra.

5 It's twenty (20) to 3:00 right now. I  
6 believe we're now changing panels to the IT  
7 Benchmarking Value Management Panel. So perhaps we  
8 could reconvene at five (5) to 3:00.

9

10 --- Upon recessing at 2:40 p.m.

11 --- Upon resuming at 2:55 p.m.

12

13 PANEL CHAIRPERSON: Good afternoon,  
14 Mr. Guerra, would you introduce your panel and then  
15 we'll have them sworn, please.

16 MR. ANTHONY GUERRA: Sure. One more -  
17 - one housekeeping issue before we begin, I have three  
18 exhibits to read into the record.

19 MPI Exhibit No. 61 is the response to  
20 Undertaking No. 1. MPI Exhibit No. 62 is the  
21 Information Technology and Value Assurance  
22 presentation, which we're about to receive. And MPI  
23 Exhibit No. 63, is the response to Undertaking No. 2.

24

25 --- EXHIBIT NO. MPI-61: The response to

1 Undertaking No. 1.

2

3 --- EXHIBIT NO. MPI-62: Information technology and  
4 value assurance  
5 presentation.

6

7 --- EXHIBIT NO. MPI-63: The response to  
8 Undertaking No. 2.

9

10 MR. ANTHONY GUERRA: Before you we  
11 have the IT Benchmarking and Value Assurances Panel,  
12 composition of which is Mr. Shawn Campbell, our Vice  
13 President, Chief Information, Technology Officer in an  
14 Interim position. Ms. Lani Edwards, our Director of  
15 Value Assurance. Mr. Shayon Mitra, our Vice  
16 President, Chief Transformation Officer. Mr. Chad  
17 Muir, our Director of Strategic Sourcing and Vendor  
18 Management.

19 In the back row we also have Lynne  
20 Onofreychuk, our Assistant Manager, Project  
21 Accounting. Rhonda Von Dohren, Value Assurance  
22 Coordinator and Toyin -- and last name?

23 MS. TOYIN FATUBARIN: Toyin Fatubarin.

24 MR. ANTHONY GUERRA: And she is the  
25 EPO -- EPMO Manager.

1 The witnesses are ready to be sworn in.

2

3 IT, IT BENCHMARKING AND VALUE ASSURANCE PANEL:

4 LANI EDWARDS, Sworn

5 SHAYON MITRA, Sworn

6 SHAWN CAMPBELL, Affirmed

7 CHAD MUIR, Sworn

8

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

10 MR. ANTHONY GUERRA: Thank you,  
11 members. This question is for Mr. Campbell.

12 Mr. Campbell, before you -- there is a  
13 presentation titled Information Technology and  
14 Enterprise Value Assurance. Do you see that?

15 MR. SHAWN CAMPBELL: Yes, I do.

16 MR. ANTHONY GUERRA: And this  
17 presentation was prepared by you and your -- your team  
18 members for presentation before the PUB this morning -  
19 - or this afternoon?

20 MR. SHAWN CAMPBELL: Yes, it was.

21 MR. ANTHONY GUERRA: Then, perhaps  
22 what I'll do now is I'll invite you and your members  
23 to walk the -- the Panel through the presentation  
24 material.

25 MR. SHAWN CAMPBELL: Thank you, Mr.

1 Guerra. Thank you all. Today, my esteemed colleagues  
2 and myself will bring to your attention the IT  
3 Strategy and Value Assurance Presentation. The agenda  
4 will be broken into three (3) parts.

5 The first part will be about  
6 information and technology, specifically, I will be  
7 talking about the IT strategy component.

8 Next, we'll have Mr. Muir talk about IT  
9 benchmarking and the external and contingent labour  
10 strategies.

11 And that will be followed up by Ms.  
12 Edwards, who will talk about enterprise value  
13 assurance. Next slide, please.

14 So, information and technology. On  
15 this slide here, I present to you that what the  
16 purpose of the ITU Division is and what our  
17 operational priorities are.

18 Today, our information and technology  
19 group is responsible for ensuring that all technology,  
20 whether it's applications, servers, laptops or phones,  
21 are functioning and in order to deliver business needs  
22 for Manitobans and MPI.

23 We are responsible for securing and  
24 protecting that information, as we maintain a number  
25 of sensitive pieces of information that are used to

1 manage your identity within the province, and as well  
2 as manage your driving records and your insurance  
3 records.

4           We are also responsible for bringing  
5 about change in delivery. And we are -- the -- the  
6 arm for bringing about new features and capabilities  
7 to the Corporation, so that the business can meet the  
8 demands of the customer.

9           Right now, we have five (5) operational  
10 priorities. The number 1 is restoring our customer  
11 service backlog. This, I'm sure, as you've heard,  
12 over the last couple of presentations, relates to our  
13 labour interruption.

14           We, right now, are focused on helping  
15 our business move forward, while this labour  
16 interruption's going on. And so, that means that our  
17 focus on the IT organization has been drawn back.

18           We are not in the process of running  
19 major projects, rather we are more focused on how do  
20 we keep the lights on, so that we can continue on with  
21 the -- the bare minimum services that we are able to  
22 provide.

23           As part of that, we do still want to  
24 try to deliver NOVA, but there has been serious  
25 impacts to what that looks like and we will talk about



1 that when we get to the NOVA Board.

2           As part of this, we have to make sure  
3 that we are continuing to monitor the security of the  
4 organization with regards to information security.

5           At this time, we are a target due to  
6 the labour interruption, delay in services, the  
7 reduction in staff, it becomes easy pickings for the  
8 bad actors out in the -- the world.

9           We do have the opportunity at this  
10 time, with the projects slowed down, or ground to a  
11 halt, that we can look at what our software delivery  
12 life cycle looks like and this is around, how do we  
13 take the lessons learned over the past number of  
14 years, and improve that engine.

15           So, that when we are able to bring  
16 these projects back online, that we can move forward  
17 in a more efficient and effective manner.

18           The last part of this is also taking a  
19 look at how can we optimize our infrastructure. This  
20 is about cost optimization. Are there opportunities  
21 that we can explore. Next slide, please.

22           As was attested to by Ms. Kacher at the  
23 beginning of this session, there has been some changes  
24 to our IT leadership and overall leadership within the  
25 organization.

1                   This year talked about who am I, and  
2 what relevance do I bring when talking about this.  
3 So, I have been in the IT industry for over twenty-  
4 five (25) years. I have worked, actually, at MPI in a  
5 -- various capacity over the last fifteen (15).

6                   Started out as a contractor, moved  
7 forward into a full-time employee and just recently  
8 was leading the Enterprise Architecture Directorate.

9                   Last year I was here, testifying with  
10 Mr. Parti, the former CITO, with regards to our  
11 delivery practice, the SAF and the IT strategy.

12                   Over the past four (4) months, I have  
13 been leading the IT organization in an interim  
14 position, with the following three (3) key focus  
15 areas.

16                   Number 1. Prioritizing our IT  
17 initiatives to make sure that we understand what we  
18 need in order to deliver in this fiscal year and what  
19 projects are of the highest priority.

20                   Improving our software delivery life  
21 cycle. As mentioned earlier, this is a -- a key  
22 challenge for us in that something that we want to  
23 continue to improve on as there's always room for  
24 improvement when it comes to software delivery and  
25 optimization.

1                   The last part is making sure that our  
2 cyber resiliency and recovery objectives are at  
3 service level agreements. It's critical that we make  
4 sure that our systems are recoverable, they meet the  
5 business needs and they're up and running 24/7. Next  
6 slide, please.

7                   For the IT strategy, we did file one in  
8 -- in June, but based on the recent events, especially  
9 with the labour interruption, as well as with the  
10 change in leadership, I just want to make note that  
11 our focus within the IT group is not on that strategy  
12 right now, but rather it is on keeping the lights on  
13 and making sure that we have systems available to our  
14 staff that are continuing to deliver services.

15                   Because of the change in leadership,  
16 there's an opportunity for us to take a look at,  
17 overall, what is the corporate strategy and make sure  
18 that the IT strategy itself aligns to supporting what  
19 that corporate strategy is.

20                   In the mean time, we are using the  
21 direction from the Board of Directors on the three (3)  
22 main business objectives they gave to us, which is  
23 about meeting financial obligations, delivering  
24 Project NOVA and improving service delivery.

25                   When the labour interruption is over,

1 we will be looking to re-evaluate what is our IT  
2 strategy and it is at that time that a new CITO will  
3 be in position to -- to take a look at what we are  
4 doing from an IT organize -- or IT division within the  
5 organization and make sure that it aligns to the  
6 larger groups direction. Next slide please.

7                   With that, I'll turn it over to Mr.  
8 Muir. Thank you.

9                   MR. CHAD MUIR: Thank you, Mr.  
10 Campbell. This is my first year sitting in the front  
11 row and -- and testifying in front of you. I thank  
12 you for the opportunity. Previously I've been  
13 virtually in the back row for the last couple of  
14 years, but it's a pleasure to be here.

15                   So, first on the agenda from my  
16 perspective is to discuss the -- the benchmarking  
17 piece. Thank you -- to discuss the benchmarking.

18                   So, we are in the fifth (5th) year of a  
19 five (5) agreement with Gartner. We will be going  
20 back to market as is procurement law to select a  
21 vendor going forward after this year. But this year's  
22 evaluation we've submitted. A couple really key  
23 points that I want to -- to discuss.

24                   So, to -- last year was the first year  
25 that we had two (2) data points, one with NOVA and one

1 without NOVA.

2                   When we take a look at peer groups,  
3 there's no background information about what journey  
4 that they are on at a particular time or what the  
5 environment is. So, it is very important for us to  
6 show what our IT Division is doing without NOVA, which  
7 is our standard transformation and modernization and,  
8 then, also including NOVA, which is a one-time  
9 generational change which, obviously, is going to  
10 impact the -- the data points very significantly.

11                   The other piece in terms of taking a  
12 look at the industry peers, they are selected by  
13 Gartner. They are customers of Gartner that are  
14 taking a very similar service to MPI. So, it changes  
15 as little as possible, but it does depend on who is a  
16 -- a customer of Gartner's at that particular time and  
17 what that data is.

18                   So, for example, in two (2) years, our  
19 data will look very different than it does today. We  
20 will look like we're saving a lot of money that we're  
21 very low in terms of our FTEs, because of labour  
22 interruption. These are snippets that, obviously, we  
23 can provide context to, from an MPI perspective, but,  
24 when we take a look at our peer reviews, that's  
25 information that Gartner or MPI does not have.

1                   So, this year, there were eleven (11)  
2 industry peers that were evaluated. We took a look at  
3 spending and staffing, again, with and without NOVA.  
4 We took a look at the maturity assessment for all  
5 areas of -- of IT and were able to take a look at all  
6 those data points, including five (5) recommendations  
7 from Gartner based on the data gathering and the  
8 interviews, and came up with five (5) recommendations.  
9 Next slide, please.

10                   So, like I mentioned, there's --  
11 there's two (2) data points, one with NOVA and one  
12 without. They were Information Requests that  
13 certainly focussed on the expense and the im -- FTE  
14 count with NOVA, but it is important to note that when  
15 we take NOVA out of the data points, that we come much  
16 closer to our industry peers than we have previously.

17                   Last year, there was over a percent  
18 difference. This year, we're down to point five (.5)  
19 without NOVA. So, our peer average is five point one  
20 (5.1) and we're five point six (5.6) for an IT spend  
21 as a percentage of our operational expenses, seventeen  
22 point two (17.2) for the peer average, nineteen point  
23 two (19.2) for MPI's IT staffing as a percentage of  
24 enterprise employees.

25                   Our IT spending per enterprise employee

1 is much less than our peers. So, a thirty-nine nine  
2 thirty-six (39,936) versus just over sixty thousand  
3 dollars (\$60,000) and you can see it, which is very  
4 important, especially when you consider the NOVA data,  
5 that our change is 83.5 percent compared to the  
6 industry peers at 38.3 percent. So, that's just one  
7 area where we're able to identify the level of  
8 transformation that MPI is going through that is  
9 reflected in these numbers. Next slide, please.

10 For the maturity levels, again,  
11 reflecting this is for '21/'22, our fiscal year. So,  
12 there were a number of changes that happened in that  
13 fiscal year.

14 Number one, we had Mr. Parti join us as  
15 the CITO and we were entering in, under his direction,  
16 a change from an on-premise environment to a cloud  
17 environment.

18 With Mr. Parti joining MPI, there were  
19 two (2) things that he wanted to make sure that we did  
20 with the Gartner assessment.

21 Number one is to make sure that we were  
22 looking at ourselves critically. From his outside  
23 experience, he thought that, maybe, the assessments  
24 had been too generous previously on the part of MPI.  
25 So, his request was that we took a really critical

1 look at ourselves when we were taking a look at the  
2 Gartner assessment.

3           The second piece is we were going  
4 through that transformation to -- or modernization to  
5 cloud and it does provide a lot of nuances and changes  
6 to a non-prem environment and, so, there are a lack of  
7 maturity, when you're entering into something such a  
8 cloud. This is when the data is leaving the  
9 environment controlled by the organization and going  
10 into an environment of third-party providers. They  
11 can be data centres for infrastructure platform as a  
12 service or they can be SAF services.

13           So, with that context, there was a  
14 shift in the maturity level that you'll see here.  
15 Almost all decreased in terms of the level of  
16 maturity. That was expected and I think, really, was  
17 a welcome view, in terms of making sure that we are  
18 looking at ourselves critically.

19           There are two (2) areas that very  
20 materially shifted. The first one I'd like to discuss  
21 is program and portfolio management.

22           Point Number One is this is an  
23 enterprise view. So, what it doesn't represent is  
24 Project NOVA. NOVA has their own program and  
25 portfolio management within their division and they



1 are more mature than the enterprise is on its own.

2                   We also had a few Director for the pro  
3 -- program and portfolio management join MPI, again,  
4 with an external view, but, because this was a new  
5 division, again, taking a critical look, it was  
6 assessing what do we have not just for NOVA but for  
7 the enterprise, and, so, that is why there was a very  
8 drastic decrease in the level of maturity.

9                   The second area to discuss were the,  
10 again, material change in the maturity of strategy and  
11 execution. This was something that I wish I could  
12 have done differently. So, with the questionnaire in  
13 dealing with Gartner, we have our Strategy and  
14 Execution Division under Digital and Transformation.  
15 That is where I assumed the questionnaire and  
16 interview should go. That should have stayed within  
17 IT and the maturity assessment would have been  
18 different. So, we're working with Gartner to correct  
19 that.

20                   So, that is not a true reflection of  
21 MPI's strategy and execution maturity level from an IT  
22 perspective. Next slide, please.

23                   Five (5) recommendations from Gartner  
24 and they closely align to some of the material changes  
25 we've had. So, the first three (3) really relate to

1 our program and portfolio management and these are  
2 things that have been started by Mr. Doerr, who joined  
3 MPI within this year.

4           So, develop a complete view of the  
5 project portfolio supported by centralized governance  
6 and documented PPM process. So, Toyin in the back row  
7 and Ed have been working previously on this. We want  
8 to make sure that initiatives and processes are mapped  
9 to measure business impacts prior to these efforts,  
10 based on strategy, and we want to enable self-service  
11 reporting and automation.

12           So, to make sure that people have inf -  
13 - access to the information they need, when they need  
14 it, and that is something that our data management and  
15 analytics team is working on.

16           What's come up in previous Panels for  
17 MPI, in general, and -- and in IT, in previous years,  
18 is how do we maintain in a very competitive market  
19 employees with the proper skills. So, it -- it was  
20 something that was also identified by Gartner and HR  
21 is taking a look at how do they do that. So, there's  
22 work on that.

23           And the final point comes in under  
24 better management and strategic sourcing, which is to  
25 formalize and document a better risk

1 management/supplier management framework. Again, it's  
2 not that we didn't have one, but it was really based  
3 on a lower level of risk, with everything being on  
4 prem, but we do have to take a look at how that's  
5 affected from a cloud-based environment.

6 All five (5) of these initiatives are  
7 underway to make sure that we take a look and we learn  
8 from the Gartner Report and that we make continuous  
9 improvement.

10 There are no project costs associated  
11 with this. These are all things that will be funded  
12 and done through our continuous operation.

13 The second topic for myself is the  
14 external and contingent labour strategies. So, we've  
15 been reporting to PUB previously of our work on that.  
16 So, in previous years, there has been an initiative to  
17 move from some of the long-term consultants to move to  
18 MPI FTEs. So, we've completed that process last year.  
19 We're really taking a look at how do we control the  
20 number of consultants.

21 So, this time last year, during the  
22 hearing, MPI had one hundred and thirty-seven (137) IT  
23 consultants; that was up from when we had submitted  
24 the documentation in July of last year. This year, as  
25 of the submission, we have a hundred and fourteen

1 (114) and, as of today, we're at a hundred and  
2 nineteen (119). So, we've done a much better job of  
3 controlling our consultants, in terms of lowering that  
4 number from last year, but also making sure it's much  
5 more consistent throughout the year.

6 Our term contracts are in shorter  
7 durations. They are reviewed monthly and we're taking  
8 a look at -- as we -- at -- are at the end of five-  
9 year agreements with all of our three (3) vendors, how  
10 we move forward on this, and we're looking closely  
11 with the Government of Manitoba on some of their  
12 initiatives as well.

13 The second piece in external and  
14 contingent labour strategies in terms of strategies to  
15 reduce the number of consultants is a new initiative.  
16 It's a request for standing offer for services. So,  
17 different than contingent labour. This is where we've  
18 identified vendors that went through the RFS or  
19 Request for Standing Offer process. So, essentially,  
20 short-listing vendors for eleven (11) different  
21 categories and subcategories and, within those,  
22 instead of looking for contingent labour, which is  
23 just someone to fill an FTE role, we're actually  
24 looking specific for services. So, something that is  
25 more outcome-based, where there is deliverables and

1 it's more along a fixed fee and, when we start to  
2 implement those services, we'll see the reduction of a  
3 need for consultants. Next slide.

4 Great and, with that, I'll pass it over  
5 to Ms. Edwards.

6 MS. LANI EDWARDS: Thank you. Good  
7 afternoon. My name is Lani Edwards and I'm here to --  
8 to talk to you today on Enterprise Value Assurance.  
9 Next slide, please.

10 So just a little background on  
11 Enterprise Value Assurance. The Value Management  
12 Office was originally established in 2017 and was  
13 rebranded in 2023 to keep with industry standards.

14 Enterprise Value Assurance's mission  
15 has not changed, and we will continue to provide  
16 guidance and support business owners by identifying,  
17 guiding, and enabling business outcomes and report on  
18 the realization of benefits.

19 We will continue to enhance and evolve  
20 our processes by leveraging best practices in the  
21 areas of strategic portfolio management and benefits  
22 realization management. Next slide, please.

23 The Value Assurance current focus has  
24 been in a number of areas this year. We've been  
25 understanding and evolving MPI's portfolios of work as

1 we document common definitions and terminology to  
2 assist with understanding, communication, and  
3 consistency of benefits realization.

4           We are currently developing the  
5 Benefits Realization Management Process which will  
6 enable MPI to measure value consistently across the  
7 enterprise and will ensure like-to-like comparisons  
8 for all proposed strategic investments.

9           We have also been busy supporting the  
10 LPM, which is lean portfolio management intake  
11 process, by vetting LBCs, which is the lean business  
12 cases, ongoing tracking and monitoring of initiatives,  
13 reviewing and following up on project close-out  
14 reports, and attainment of benefits. Next slide,  
15 please.

16           So this is an overview of the Benefits  
17 Realization Management Process. As you can see, there  
18 are eight (8) key templates that will be delivered as  
19 part of this process. The current focus at MPI has  
20 been on templates 1 and 3, in addition to components  
21 of others. But the Benefits Realization Process will  
22 focus on establishing all eight (8) of these templates  
23 in its framework. Next slide, please.

24           So here are the high-level key  
25 milestones for Enterprise Value Assurance. I'm just

1 going to pause here for a moment and then we can  
2 summarize the next steps on the next slide.

3

4 (BRIEF PAUSE)

5

6 MS. LANI EDWARDS: So our next steps  
7 start in January 2024. We -- we are looking to  
8 implement the Benefits Realization Management Process  
9 at that time. February of 2024, we're going to assess  
10 the current portfolio of change initiatives for value  
11 and apply the Benefits Realization Management Process  
12 to all multi-year initiatives.

13 In March, we're going to apply the new  
14 methodology all over -- sorry, over all new change  
15 initiatives, and then in August we're going to  
16 leverage Strategic Portfolio Management best practice  
17 to support and implement the Enterprise Value  
18 Assurance Framework.

19 This concludes my presentation today.  
20 I would like to thank everybody for your time. Thank  
21 you.

22 PANEL CHAIRPERSON: Mr. Guerra...?

23 MR. ANTHONY GUERRA: Thank you. I  
24 have no further questions.

25 PANEL CHAIRPERSON: Ms. McCandless...?

1 CROSS-EXAMINATION BY MS. KATHLEEN MCCANDLESS:

2 MS. KATHLEEN MCCANDLESS: Thank you.  
3 Good afternoon. My name is Kathleen McCandless, and  
4 I'm Board counsel. Nice to see you again, Mr. Mitra  
5 and Mr. Campbell. Mr. Muir and Ms. Edwards, I don't  
6 believe we've met before.

7 I'm going to start with some questions  
8 in the area of Gartner benchmarking, so I expect that  
9 my questions will go primarily to Mr. Muir.

10 MR. CHAD MUIR: That's correct.

11 MS. KATHLEEN MCCANDLESS: But to the  
12 extent that anyone else on the panel is able to answer  
13 any of my questions, please feel free to jump in.

14 So, Kristen, could we start by pulling  
15 up MPI Exhibit number 5? And this is the -- the  
16 Gartner MPI Information Technology Benchmark for  
17 fiscal year 2021/'22.

18 MR. CHAD MUIR: Yes, I can see that.

19 MS. KATHLEEN MCCANDLESS: And, Mr.  
20 Muir, can you just summarize for us the value that MPI  
21 receives from the Gartner Benchmarking report?

22 MR. CHAD MUIR: Yeah, absolutely. So  
23 there's two (2) components to the Gartner benchmark  
24 report. Number one is a financial benchmark to see  
25 how we compare to our peer groups in terms of our IT



1 spend and our IT FTEs, or full-time equivalents.

2                   So this really allows us to gauge if  
3 we're on the right track, how we compare to the  
4 previous year, and to make sure that we take that  
5 feedback and improve the organization.

6                   The second component is the maturity  
7 assessment which takes a look at the key areas within  
8 IT. It helps us to understand, again, where we  
9 compare to our peer groups and allows Gartner to  
10 provide recommendations which MPI actions to provide  
11 continuous improvement within our IT area.

12                   MS. KATHLEEN MCCANDLESS: Thank you.  
13 Does MPI use any Crown benchmarking services for IT?

14                   MR. CHAD MUIR: Nothing specific with  
15 Crown. As mentioned previously, within Gartner, it's  
16 dependent on their clients, and they can only take a  
17 look at the data pool they've got collected.

18                   MS. KATHLEEN MCCANDLESS: Did MPI use  
19 Crown benchmarking in the past?

20                   MR. CHAD MUIR: Not that I'm aware of.

21                   MS. KATHLEEN MCCANDLESS: Now, if we  
22 could jump to page 8 of the Gartner report, and I am  
23 looking at the second bullet under the heading  
24 'Assumptions' just in the middle of the page.

25                   MR. CHAD MUIR: Yes.

1 MS. KATHLEEN MCCANDLESS: Here Gartner  
2 notes that, "The benchmark does not have visibility to  
3 Project NOVA -- "

4 MR. CHAD MUIR: M-hm.

5 MS. KATHLEEN MCCANDLESS: And so --  
6 "-- and it does not show comparisons  
7 to peers for Project NOVA beyond the  
8 project's impact on aggregate  
9 spending or staffing."

10 Are you able to explain what is meant  
11 by Gartner not having visibility to Project NOVA?

12 MR. CHAD MUIR: Yeah. So for Gartner,  
13 when we went to RFP five and a half (5 1/2), six (6)  
14 years ago, Project NOVA wasn't part of the IT  
15 benchmarking, and so it wasn't reflected in the scope.

16 But as part of what we currently do,  
17 they'll take a look at the high-level aggregate data.  
18 So what is the spend for Project NOVA broken into  
19 various areas of IT, and what are the FTE equivalents?  
20 And that's where we get that second set of data that  
21 we discussed earlier.

22 This is particularly saying that they  
23 don't have a very detailed level of involvement with  
24 Project NOVA like we would have in our third-party  
25 governance vendor that really understands in-depth the

1 scope, the project itself, the time lines, what the  
2 deliverables are.

3                   So without that level of knowledge,  
4 they cannot comment on how NOVA as a transformation  
5 project compares to other transformation projects from  
6 peers.

7                   MS. KATHLEEN MCCANDLESS:    So with that  
8 in mind, are the benchmarks representative of the  
9 current state of IT spending for MPI?

10                  MR. CHAD MUIR:        Yes, they are.

11                  MS. KATHLEEN MCCANDLESS:    And you had  
12 mentioned in your presentation that MPI is going to  
13 tender again for benchmarking --

14                  MR. CHAD MUIR:        Right.

15                  MS. KATHLEEN MCCANDLESS:    -- in IT  
16 services. And would that next benchmarking report,  
17 will that report have visibility into NOVA?

18                  MR. CHAD MUIR:        That hasn't -- I don't  
19 believe it will have the level of detail that you're  
20 looking for. It should be fairly similar to what  
21 we've got currently unless there's a change in the  
22 requirements.

23                  We've already had different vendors  
24 involved in NOVA governance. We have MNP currently  
25 involved in NOVA governance, and to get a second

1 vendor involved will cause complications.

2 MS. KATHLEEN MCCANDLESS: Jumping  
3 ahead to page 20 -- thank you, Kristen -- and I am  
4 looking at observations, the second bullet on the  
5 right-hand side of the screen, Gartner has indicated  
6 that a per -- that the IT spending as a percentage of  
7 operating expenses has increased to 10.3 percent?

8 MR. CHAD MUIR: That's correct.  
9 That's with the NOVA numbers included.

10 MS. KATHLEEN MCCANDLESS: And if we  
11 look down to the table on the bottom left of the  
12 screen, we see the peer average is 5.11 percent?

13 MR. CHAD MUIR: Yes, I see that.

14 MS. KATHLEEN MCCANDLESS: This is an  
15 increase in the IT spend as a percentage of operating  
16 cost from the previous Gartner report which was 7.44  
17 percent?

18 MR. CHAD MUIR: Yes. Including the  
19 NOVA number, that's correct.

20 MS. KATHLEEN MCCANDLESS: Then  
21 scrolling to the next page, please, Kristen -- thank  
22 you.

23 Here, Gartner has indicated that IT  
24 staffing levels have increased to 24.9 percent.  
25 That's the blue bullet sort of centre left of the

1 screen.

2 MR. CHAD MUIR: Correct. That  
3 includes NOVA, yeah.

4 MS. KATHLEEN MCCANDLESS: And that is  
5 7.7 percent above the peer average which is the red  
6 dot we see below the 24.9 percent.

7 MR. CHAD MUIR: Correct.

8 MS. KATHLEEN MCCANDLESS: Then looking  
9 to the bottom of the screen, we have the historical  
10 results for MPI.

11 So in the last -- the previous report,  
12 it was 22.8 percent?

13 MR. CHAD MUIR: Correct.

14 MS. KATHLEEN MCCANDLESS: And 18.4  
15 percent for the 2020 -- or 2019/'20?

16 MR. CHAD MUIR: Correct.

17 MS. KATHLEEN MCCANDLESS: What are the  
18 primary drivers for these increases?

19 MR. CHAD MUIR: The primary driver --  
20 driver is NOVA coming on board. So in 2020 and 2021,  
21 that was really in the beginning of NOVA as a project.  
22 So there was a ramping up of resources and costs being  
23 spent.

24 The '21/'22 data includes NOVA as a  
25 full project when the team was fully assembled and

1 project work was being completed.

2 MS. KATHLEEN MCCANDLESS: Are the  
3 indicated levels within acceptable parameters for MPI  
4 IT spending?

5 MR. CHAD MUIR: With Project NOVA  
6 included and contemplating the -- the level of change  
7 that's going on, and transformation, that this is a  
8 generational project. And with sight of the data  
9 without NOVA, I think the MPI IT spending is within  
10 tolerable limits.

11 MS. KATHLEEN MCCANDLESS: Thank you.  
12 And just as an aside, I -- I was remiss to not  
13 introduce Cenile Bridgelaw (phonetic) who's to my left  
14 who is an IT advisor to the Board. Apologies.

15 And so, again, in your presentation,  
16 Mr. Muir, you mentioned a couple of areas where IT  
17 maturity had decreased. One (1) was strategy and  
18 execution, which was 1.32.

19 MR. CHAD MUIR: Correct.

20 MS. KATHLEEN MCCANDLESS: And the  
21 other that you highlighted was program and portfolio  
22 management, which is now at 1?

23 MR. CHAD MUIR: Correct.

24 MS. KATHLEEN MCCANDLESS: And I  
25 understand that 1 is the lowest score possible on that

1 metric?

2 MR. CHAD MUIR: I would have to  
3 confirm that.

4 MS. KATHLEEN MCCANDLESS: Subject to  
5 check, would you accept that?

6 MR. CHAD MUIR: Subject to check,  
7 yeah.

8 MS. KATHLEEN MCCANDLESS: Thank you.  
9 A couple of other areas where we see that MPI's IT  
10 maturity has decreased would be at page 34 of  
11 Gartner's report. Thank you.

12 So here we can see that in  
13 applications, the maturity level at the -- on the very  
14 top of the page on the left, MPI's maturity level is  
15 2.57?

16 MR. CHAD MUIR: Correct.

17 MS. KATHLEEN MCCANDLESS: That's down  
18 from last year at 3.31?

19 MR. CHAD MUIR: Correct.

20 MS. KATHLEEN MCCANDLESS: But it's  
21 slightly about peers, who are 2.41?

22 MR. CHAD MUIR: That is correct.

23 MS. KATHLEEN MCCANDLESS: And then  
24 page 38. Thank you, Kristen. So here for security  
25 and risk management we see, again referencing the top

1 left of the page, MPI's maturity level has decreased  
2 to 3.22 from last year at 3.57?

3 MR. CHAD MUIR: Correct.

4 MS. KATHLEEN MCCANDLESS: Still  
5 slightly above peers at -- at 3.02?

6 MR. CHAD MUIR: Yes, it is.

7 MS. KATHLEEN MCCANDLESS: Can you  
8 explain the decrease in the key maturity areas given  
9 the continued increase in IT spend in staffing and the  
10 continuous process improvements that MPI has employed?

11 MR. CHAD MUIR: Yes. Thank you. So  
12 this really is reflective of -- again, of the security  
13 and risk management that needs to be done within a  
14 cloud environment.

15 So as we have data leaving our  
16 controlled data centre, which is a third-party data  
17 centre, and being allocated to different cloud  
18 environments for different softwares or service  
19 providers or infrastructure is -- or platforms of  
20 service, there is a change in what security is  
21 required to do. And taking into account those  
22 changes, there was a decrease in lack of maturity when  
23 we take a look at that new strategy.

24

25

(BRIEF PAUSE)



1 MS. KATHLEEN MCCANDLESS: Thank you.  
2 If we could go ahead to 43, please. Thank you,  
3 Kristen.

4 So on this schedule, Gartner indicates  
5 a number of areas for improvement through what's  
6 called an activity priority index chart.

7 MR. CHAD MUIR: Yeah, I can see that.

8 MS. KATHLEEN MCCANDLESS: And this  
9 includes new opportunities; for example, partnering  
10 with stakeholders, stewardship of investment  
11 portfolio.

12 And there are opportunities to improve  
13 existing areas such as drive transformation  
14 initiatives, just as some examples?

15 MR. CHAD MUIR: Yes. Correct.

16 MS. KATHLEEN MCCANDLESS: And then if  
17 we just scroll to the next page, 44, and we run those  
18 pages -- I'm not going to through them in detail --  
19 but through to 51, there is a detailed description and  
20 list of improve -- improvement opportunities that  
21 Gartner has highlighted for MPI?

22 MR. CHAD MUIR: Yes. Correct.

23 MS. KATHLEEN MCCANDLESS: What is  
24 MPI's intent in terms of making use of or reliance  
25 upon the Gartner areas of improvement chart?

1 MR. CHAD MUIR: Yeah. So MPI has  
2 reviewed all of the recommendations. So this list, in  
3 the final pages, is a more detailed description of the  
4 top five (5) priorities. So we've taken a look at all  
5 the priorities. We're actioning all of them.

6 Particularly these twenty-one (21)  
7 really do focus on HR as one (1) area that's -- or IT  
8 staffing, but a little bit outside of IT, and then  
9 three (3) areas within IT, which is our -- our program  
10 and project management which has been set up around  
11 the time that this data was -- is collected for. So  
12 we're already making improvements on that.

13 The data management and analytics is,  
14 again, another growing area within MPI. So the  
15 recommendations pertaining to data management have  
16 been reviewed and accepted, and there is action going  
17 on with those.

18 And then the final one around risk  
19 management for IT, which falls under strategic  
20 sourcing and better management; that also is being  
21 actioned. And we intend to be able to report back to  
22 Gartner and the Public Utility Board that all of these  
23 have been actioned and the improvements we -- have  
24 been made.

25 MS. KATHLEEN MCCANDLESS: When you say

1 you expect to be able to report back to the Public  
2 Utilities Board, is that by the next GRA?

3 MR. CHAD MUIR: Correct.

4 MS. KATHLEEN MCCANDLESS: Thank you.  
5 Then jumping ahead from pages 62 to 66. Here again,  
6 we can just sort of run through -- maybe it's 60 --  
7 yeah, this is 63.

8 So, yeah, there are five (5) key  
9 benchmark recommendations that Gartner makes to MPI?

10 MR. CHAD MUIR: Correct.

11 MS. KATHLEEN MCCANDLESS: Again, I'm  
12 not going to go through them in detail, but you can  
13 see them there on the screen.

14 MR. CHAD MUIR: I can.

15 MS. KATHLEEN MCCANDLESS: And what is  
16 MPI's position on reliance on or actioning these  
17 recommendations?

18 MR. CHAD MUIR: These recommendations  
19 closely parallel the work that MPI IT's been doing,  
20 so, again, they're all accepted. There's a great deal  
21 of respect for the information and the recommendation  
22 that Gartner has made, and we will action those to  
23 improve our -- our area of IT.

24 MS. KATHLEEN MCCANDLESS: Thank you.  
25 Now, if we could briefly go to the AON benchmarking

1 report. And I just have some questions with respect  
2 to IT benchmarking specifically.

3 And, Mr. Muir, are you familiar with  
4 this benchmarker -- benchmarking report?

5 MR. CHAD MUIR: At a high level, it's  
6 nothing that we've taken a look at from an IT  
7 perspective.

8 MS. KATHLEEN MCCANDLESS: And so are  
9 you able to provide an overall summary of the scope of  
10 AON benchmarking in IT?

11 MR. CHAD MUIR: No, I'm not.

12 MS. KATHLEEN MCCANDLESS: Do you know  
13 what comparator group AON uses for benchmarking?

14 MR. CHAD MUIR: I do not. That's  
15 probably better for finance. They were the ones that  
16 were responsible, I believe, for this benchmarking  
17 report.

18 MS. KATHLEEN MCCANDLESS: Does IT use  
19 any of the insights or findings from the AON report  
20 for --

21 MR. CHAD MUIR: No, we don't.

22 MS. KATHLEEN MCCANDLESS: -- its  
23 operations? Thank you. Now I'm moving on to some  
24 questions about the value management process, so, Ms.  
25 Edwards, that might be primary for you.

1                   So just -- just at the outset, there's  
2 some broad topics. In discussing value management  
3 and, again, it may be you, Ms. Edwards, it may be  
4 other members of the team, can you define the term  
5 'funding envelope'?

6                   MR. SHAWN CAMPBELL: This is Mr.  
7 Campbell speaking. The funding envelopes themselves  
8 represent a bucket of money that has been allocated  
9 for -- to bring about change. Those -- usage of the  
10 funding envelopes right now though is under review.  
11 And we want to take that as part of our lessons  
12 learned and improve that process.

13                   MS. KATHLEEN MCCANDLESS: Thank you.  
14 Just as an example, can we pull up IT Appendix 1, page  
15 11 of 28.

16                   So here's a portion of the IT filing,  
17 and it's an overview of the fiscal year '22/'23 focus  
18 areas/funding envelopes as of March 2023?

19                   MR. SHAWN CAMPBELL: Mr. Campbell  
20 speaking. Yes, that is correct.

21                   MS. KATHLEEN MCCANDLESS: And so,  
22 based on what we see here in the title or in the first  
23 blue bar there, it seems as though MPI's using focus  
24 areas and funding envelopes as -- as the same  
25 artifacts or overlapping concepts. Is that fair?

1 MR. SHAWN CAMPBELL: That is correct.

2 MS. KATHLEEN MCCANDLESS: MPI's  
3 management of funding envelopes uses lean portfolio  
4 management?

5 MR. SHAWN CAMPBELL: Yes, it does.

6 MS. KATHLEEN MCCANDLESS: And the  
7 scaled Agile framework sometimes referred to as SAF?

8 MR. SHAWN CAMPBELL: Yes, that is  
9 correct.

10 MS. KATHLEEN MCCANDLESS: Using fiscal  
11 year '23/'24 as an illustration, are you able to  
12 describe the process used to set funding envelopes,  
13 and then to assess and allocate funds to IT projects?

14 MR. SHAWN CAMPBELL: Yes. The process  
15 that we took in order to set these funding envelopes  
16 was to do a survey within the directors and executives  
17 with the Corporation to understand what type of change  
18 they are bringing about in the coming year so that we  
19 can set a base estimate of funding that will be needed  
20 to deliver on the initiatives that they have deemed as  
21 a priority to the organization.

22 We take those high level estimates. We  
23 aggregate them into these envelopes. And then we work  
24 with the finance group to ensure that it aligns to the  
25 overall corporate budget. And then we move forward

1 with that as setting the funding envelopes as you see  
2 them here.

3 MS. KATHLEEN MCCANDLESS: To set IT  
4 project funding levels, what are the key input  
5 artifacts that are used?

6 MR. SHAWN CAMPBELL: There are a  
7 number of factors that come about. So when it comes  
8 to actual IT, there are -- there are two (2) -- two  
9 (2) buckets of change that come about within the  
10 Corporation.

11 There are vitality programs, so  
12 addressing technical debt, whether it is outdated  
13 software, outdated servers, or infrastructure that's  
14 aged out. That is brought forward on a risk basis.

15 And we take a look at high-level  
16 estimates about how much will that cost in order to  
17 change that product; that includes indicative pricing  
18 on licences, estimated resource requirements or  
19 resource needs in order to bring about that change,  
20 and an understanding of whether or not those resources  
21 are going to be provided internally or externally.

22 The other side of that coin is around  
23 business change. There are business initiatives that  
24 need to be brought forward in order to ensure that the  
25 business needs are addressed and the Corporation can

1 move forward with delivering services for customers.

2                   It follows a similar pattern, but they  
3 bring forward a business case that's based off of  
4 business value that then, in turn, is -- has the same  
5 financial estimates underneath that.

6                   That -- both components of that are now  
7 being brought forward and being subjected into the  
8 value assurance model that Ms. Edwards talked about  
9 earlier. That is a new model that we are using to  
10 ensure that we are focussing on the right business  
11 cases and initiatives going forward.

12                   MS. KATHLEEN MCCANDLESS: Thank you.  
13 Was funding envelope usage and allocation the primary  
14 driver to set an IT project expense excluding NOVA for  
15 fiscal '22/'23?

16                   MR. SHAWN CAMPBELL: Sorry, can you  
17 repeat the question.

18                   MS. KATHLEEN MCCANDLESS: Does MPI use  
19 -- or did MPI use funding envelopes for all -- for  
20 allocation of all IT project funding for fiscal year  
21 '22/'23 with the exception of Project NOVA?

22                   MR. SHAWN CAMPBELL: Yes, we did.

23                   MS. KATHLEEN MCCANDLESS: Does  
24 approval of a funding envelope directly translate into  
25 budget -- budget utilization for the fiscal year?



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(BRIEF PAUSE)

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MR. SHAWN CAMPBELL: Mr. Campbell

responding. So within the -- the envelopes, what

happens is that is just as -- set as a marker for

overall funding that is set aside for projects. Each

project has a business case that is brought forward to

be approved.

That business case, once approved, gets

put in project accounting. All costs that come

against that project are then tracked per project in

the project accounting arm of our organization.

MS. KATHLEEN MCCANDLESS: Does MPI use

net present value and payback to assess Epic, so Epic

hypothesis statement, or projects?

(BRIEF PAUSE)

MR. SHAWN CAMPBELL: Yes. The answer

is, yes, we do use NPV as one (1) of the markers that

we use to evaluate the value out of the overall

business case.

MS. KATHLEEN MCCANDLESS: So then how

does this influence the review and approval process to

1 allocate funds from funding envelopes to Epics or  
2 projects?

3 MR. SHAWN CAMPBELL: What happens is,  
4 when a business case comes in, the NPV is part of the  
5 evaluation of that business case to see whether or not  
6 there is merit to proceed with that business case.

7 If there is not merit, such as we want  
8 to bring about a business change that has no intrinsic  
9 value to the organization, that business case would be  
10 rejected.

11 That does not hold true when it comes  
12 to a vitality project though. Because most vitality  
13 projects are replacing existing functionality in order  
14 to address risk. So most vitality projects have a  
15 negative NPV value.

16 MS. KATHLEEN MCCANDLESS: Thank you.  
17 For how many fiscal years has MPI used the funding  
18 envelope process to manage approval for allocations of  
19 budgets?

20 MR. SHAWN CAMPBELL: We started using  
21 that funding in the '21/'22 fiscal year.

22 MS. KATHLEEN MCCANDLESS: What is  
23 MPI's maturity level with creating and reviewing the  
24 funding envelopes or the process?

25 MR. SHAWN CAMPBELL: No formal

1 maturity assessment has been given or done on this.

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(BRIEF PAUSE)

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MS. KATHLEEN MCCANDLESS: Are you able to summarize any lessons learned with the funding envelope process from fiscal year '22/'23?

(BRIEF PAUSE)

MR. SHAWN CAMPBELL: So part of the lessons learned that we've come across is that the funding envelopes themselves, the way they sit right now, need to be re-aligned in order to support overall strategy and portfolio management. This will gear us towards more success and drive the value of the organization, as well as making sure that we have well evaluated and understood business cases to bring forward and drive out what those -- that funding looks like.

The use of the funding envelopes themselves, the way they stand today, is not fitting MPI's needs. However, it is the vehicle that we have today for running the '22/'23 fiscal year. We look to change that in the coming year as part of our

1 enterprise portfolio management maturity assessment  
2 and revitalization, as well as part of our strategy  
3 and value assurance changes.

4 MS. KATHLEEN MCCANDLESS: So does the  
5 Corporation have a time line for changes to the  
6 funding process?

7 MR. SHAYON MITRA: Shayon here. In  
8 our opening, our Interim CEO, Ms. Marnie Kacher, had  
9 mentioned that, with the labour interruption, we've  
10 got a couple of challenges ahead of us. Primarily  
11 focused on addressing our operations backlog.

12 So what we have done with the strategy  
13 team is we have re-assessed all our initiatives and  
14 that is contingent on having resources available post-  
15 labour interruption.

16 So at this stage, we don't have a  
17 definitive response on what initiatives will continue  
18 post-labour interruption. But moving forward, all the  
19 initiatives will be re-visited on merit with the focus  
20 on restoring services and then addressing any vitality  
21 concerns that pertain to security, continuity of  
22 service and, of course, continuing with Project NOVA.

23 MS. KATHLEEN MCCANDLESS: What impact  
24 will this have on setting the budgets that the Board  
25 will be reviewing in the next GRA?

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(BRIEF PAUSE)

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MR. SHAYON MITRA: My apologies.

5

Could you repeat that question, please?

6

MS. KATHLEEN MCCANDLESS: The -- the

7

intention to change the -- the funding structure or

8

model, what impact will that have on the budgets for

9

IT that are presented to the Board in the next GRA?

10

MR. SHAYON MITRA: So at this point,

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we have not got the approval on our next year's

12

budget. We are slated to go -- subject to check -- in

13

front of the Treasury Board in early November.

14

I think we have shared preliminary

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budgets with the Board. Again, subject to check. Our

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internal Board, that is. We have not shifted our

17

funding envelopes significantly based on the facts I

18

just stated.

19

With the labour interruption and not

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knowing when that will come to fruition, we don't have

21

enough information to re-prioritize yet. But that

22

work has started.

23

I think we'll be better prepared to

24

share the details in the forthcoming PUB IT Summit.

25

So by first quarter -- end of first quarter of next

1 year, we would have more definitive answers.

2 MS. KATHLEEN MCCANDLESS: Thank you.  
3 Now going to the current practice, is a contingency  
4 assessed when developing funding envelopes or  
5 allocating funds to Epics or projects?

6 MR. SHAWN CAMPBELL: The funding  
7 envelopes themselves do not have a contingency in  
8 them, but the projects themselves, when we do the  
9 financial analysis, does have a contingency side.

10 MS. KATHLEEN MCCANDLESS: Does MPI  
11 have a formal policy for determining those  
12 contingencies within the projects?

13 MR. SHAWN CAMPBELL: There's no  
14 policy, per se. But it is standard for us to use 15  
15 percent as the contingency on all projects.

16 MS. KATHLEEN MCCANDLESS: Thank you.  
17 Still on the issue of funding envelopes, what is the  
18 general process for re-allocating funds from one (1)  
19 funding envelope to another?

20 MR. SHAWN CAMPBELL: So the general  
21 process -- sorry, it's Mr. Campbell speaking. The  
22 general process works as follows.

23 The individuals or the project owners  
24 that identify that additional funding is needed within  
25 their funding envelope, they reach out and work with

1 the projects -- or the perceive project owners that  
2 would work in other funding envelopes to see whether  
3 or not that funding is still needed for their projects  
4 that they had forecasted the previous year.

5                   If they get agreement that that funding  
6 is not needed, then what happens is a formal request  
7 is sent into our lean portfolio management process.  
8 The Lean Portfolio Management Committee then votes on  
9 whether or not that approval -- or the funding change  
10 is approved, so that there is an audit record for when  
11 that happens.

12                   MS. KATHLEEN MCCANDLESS: Thank you.  
13 Kristen, can you please pull up VA Appendix 39, page  
14 5.

15                   And I'm looking at the fourth bullet  
16 under 2.1, 'Expectations for EVA Reporting for  
17 2023/'24'. And it's noted here that:

18                   "As an interim process, we will  
19 track and approve the re-allocation  
20 of funds between funding envelopes  
21 with signoff from the CFO and  
22 Executive Leadership Team. The  
23 future state in funding envelope  
24 reporting does not support the re-  
25 allocation of funding."

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(BRIEF PAUSE)

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MR. SHAYON MITRA: Shayon here.

5

So as I mentioned, we are reviewing our current list

6

of initiatives for fiscal '24/'25. And parallel to

7

that, we are re-visiting the funding envelopes.

8

I think what we are stating here is,

9

moving forward, we would not be moving funding between

10

the envelopes once decided on. And then, the process

11

that Ms. Edwards walked us through, which is really

12

centred around enterprise value assurance and the

13

Benefit Realization Methodology, would kick in once a

14

business case been approved.

15

MS. KATHLEEN MCCANDLESS: Is the re-

16

allocation of funds between funding envelopes a

17

typical occurrence based on the current practice?

18

MR. SHAWN CAMPBELL: It's hard to say

19

if it's a typical -- sorry. Shawn Campbell speaking.

20

It's hard to say it's a typical

21

approach because we've only been doing this for two

22

(2) years.

23

It is not an approach that we actually

24

endorse or want to have happen. We would rather get

25

the funding envelope estimates right upfront.



1 MS. KATHLEEN MCCANDLESS: Thank you.

2 If we could then go to IT Appendix 6, page 1.

3 And this is the lean portfolio  
4 management approvals for re-allocation across focus  
5 areas. Looking at cloud adoption, it looks as though  
6 there was a significant re-allocation of funds to that  
7 funding envelope in fiscal year '22/'23?

8 MR. SHAWN CAMPBELL: Yes, that is  
9 correct.

10 MS. KATHLEEN MCCANDLESS: In what  
11 month of '22/'23 did the re-allocation take place?

12

13 (BRIEF PAUSE)

14

15 MR. SHAWN CAMPBELL: That re-  
16 allocation occurred in September of that year.

17 MS. KATHLEEN MCCANDLESS: And can you  
18 explain the need for that re-allocation?

19 MR. SHAWN CAMPBELL: The re-allocation  
20 itself was taking a look at the funding needed to  
21 embrace the cloud migration to the Azure (phonetic)  
22 tenant or cloud tenant that we were looking to move  
23 towards. The estimates that we had for doing that  
24 funding did -- exceeded the overall budget that was  
25 originally put in place for that program.

1                   As such, the individual that was  
2 responsible -- the owner for that program -- made a  
3 request to other funding areas to collect funding.

4                   PANEL CHAIRPERSON:   Excuse me.  Mr.  
5 Campbell, would you mind moving your mike a little  
6 closer to your face?  Thank you.

7                   MS. KATHLEEN MCCANDLESS:   Did any  
8 unallocated funds remain in any funding envelope in  
9 fiscal year '22/'23?

10

11   (BRIEF PAUSE)

12

13                   MR. SHAWN CAMPBELL:   Yes, there were  
14 some unallocated funds remaining.

15                   MS. KATHLEEN MCCANDLESS:   Are you able  
16 to provide an approximate number?

17                   MR. SHAWN CAMPBELL:   Subject to check,  
18 it's 1.4 million.  Sorry, four-point-four (4.4).

19                   MS. KATHLEEN MCCANDLESS:   Thank you.  
20 As a practice, if funds are not allocated to projects  
21 from a funding envelope, what happens to the  
22 unallocated funds?

23                   MR. SHAWN CAMPBELL:   Those funds are  
24 lost.

25                   MS. KATHLEEN MCCANDLESS:   Can you

1 clarify what that means by 'lost'?

2 MR. SHAWN CAMPBELL: They are not --  
3 the -- the funds themselves, the reserved, are not  
4 carried over into the following fiscal year and  
5 they're not expensed on any project.

6 MS. KATHLEEN MCCANDLESS: Thank you.  
7 Now, Kristen, could we please go to VA Appendix 39.

8 And back to expectations for EVA  
9 reporting for 2023/24. Now I'm looking at the first  
10 bullet, which states:

11 "The threshold on reporting used to  
12 be 500K when MPI reported on  
13 projects. Since the SAF transition,  
14 MPI has moved to much smaller  
15 increments of work (Epic). Until  
16 funding envelope models have been  
17 defined, the EVA team would like to  
18 propose the reporting on Epics over  
19 fifty thousand dollars (\$50,000) as  
20 an interim solution."

21 And my question is just one of  
22 clarification. What is meant by "until funding  
23 envelope models have been defined"?

24 MR. SHAYON MITRA: Shayon here.  
25 That's what I was referring to earlier. So post-

1 labour interruption and re-prioritization. And as we  
2 look into next year, in light of the challenges we  
3 have ahead of us, I think (a) we need to revisit the  
4 funding envelopes, and (b) I think our ability to do  
5 all of it would be restricted.

6                   What this specific bullet point is  
7 speaking to, from a valuation lens, is as the lean  
8 business cases go through the -- the Lean Portfolio  
9 Management Committee for approval, we want to reduce  
10 the thresholds.

11                   And Epic is -- think of Epic as a  
12 functionality or an initiative that can be delivered  
13 through a project. So we want to reduce the threshold  
14 to fifty thousand (50,000) and over.

15                   MS. KATHLEEN MCCANDLESS: Just to  
16 clarify, this -- this was written before the labour  
17 interruption?

18                   MR. SHAYON MITRA: That is correct.

19                   MS. KATHLEEN MCCANDLESS: So can you  
20 just reconcile the comment you made with respect to  
21 the labour interruption and how that would be relevant  
22 to what was written here at the time?

23                   MR. SHAYON MITRA: It's delayed our  
24 work on defining our funding envelopes because of  
25 labour interruption, considering the number of

1 unknowns ahead of us.

2 MS. KATHLEEN MCCANDLESS: Thank you.  
3 Kristen, can we just go up two (2) pages in this  
4 section of the filing. Thank you.

5 So the heading here is 'Establish  
6 Enterprise Value Assurance Framework'. And right  
7 under that heading, MPI states that:

8 "The Enterprise Value Assurance  
9 Framework is currently being  
10 developed and will support an  
11 integrated portfolio management  
12 approach that is based on best  
13 practices outlined in management of  
14 portfolios."

15 MR. SHAYON MITRA: That is correct.

16 MS. KATHLEEN MCCANDLESS: Had the  
17 enterprise value assurance team been established by  
18 last year's GRA?

19 MR. SHAYON MITRA: So Ms. Edwards  
20 joined us in February of this year.

21 Previous to that, the value management  
22 team -- so maybe I'll take a step back. In fall of  
23 last year, under the leadership of Mr. Eric Herbelin,  
24 a number of organization changes were made in MPI.

25 The first one was with regards to

1 Project NOVA, where the overall delivery  
2 responsibility for Project NOVA was moved under our  
3 CITO, Chief Information and Technology Officer, Mr.  
4 Sid Parti. And the other two (2) executives assisting  
5 components of delivery of Project NOVA were the CTO,  
6 which is myself, and our COO.

7           At the same time, the two (2) other  
8 changes that the enterprise made were -- one was the  
9 establishment of the enterprise -- EPMO. So  
10 Enterprise Project Management Office, which is a new  
11 directorate that was stood up under, again, the CITO.

12           And value management, which previously  
13 resided with our CFO -- so back then it was Mr. Mark  
14 Giesbrecht -- was moved or transitioned to become  
15 enterprise value assurance.

16           Then we got into the selection process  
17 and Ms. Edwards joined us in -- in February of this  
18 year. The staffing complement for this directorate  
19 previously used to be at a count of five (5) FTEs. In  
20 February, it stood at three (3) FTEs.

21           Since then, we have had a retirement,  
22 and so we're down to two (2) FTEs, so, as you can  
23 imagine, that has slowed the work in -- in really  
24 addressing or -- or developing funding envelopes and  
25 moving further along with the Enterprise Value

1 Assurance framework and the Benefit Realization  
2 Methodology.

3 MS. KATHLEEN MCCANDLESS: Thank you.  
4 Just going back to the proposed reporting on Epics  
5 over fifty thousand dollars (\$50,000), what are the  
6 established guiding principles leading to proposing  
7 reporting on Epics over fifty thousand (50,000)?

8

9 (BRIEF PAUSE)

10

11 MS. LANI EDWARDS: So our current  
12 model of -- of reporting on -- on Epics and change  
13 initiatives is -- is quite granular since moving to  
14 the -- the new SAF model. So we -- we were reporting  
15 on change initiatives that were over thirty thousand  
16 dollars (\$30,000).

17 So this is a suggestion just to move up  
18 that threshold due to the -- the lack of resources as  
19 well as, if you actually look at -- at the -- the  
20 benefits of -- you know, of tracking that versus the  
21 effort it takes, we've -- we've just put this in as a  
22 suggestion.

23 MS. KATHLEEN MCCANDLESS: Thank you.  
24 For the next GRA, so for -- reflecting fiscal year  
25 '23/'24, will MPI include Epics over fifty thousand

1 dollars (\$50,000) in the capital master?

2

3

(BRIEF PAUSE)

4

5 MR. CHAD MUIR: Sorry, Ms. McCandless.

6 Can you repeat the question?

7

MS. KATHLEEN MCCANDLESS: Yes. In the  
8 2025 GRA, will MPI include Epics over fifty thousand  
9 dollars (\$50,000) in the capital master?

10

MR. CHAD MUIR: Yes, we will.

11

MS. KATHLEEN MCCANDLESS: Thank you.  
12 Kristen, going back down to page 5 in this section --  
13 thank you -- and now I am looking at the second bullet  
14 under 2.1 which states:

15

"Once MPI's portfolio (portfolio, I  
16 should say; it is plural defined),  
17 no operational or vitality work will  
18 be included in the strategic  
19 portfolio."

20

Yes?

21

22

(BRIEF PAUSE)

23

24 MS. LANI EDWARDS: That's correct.

25

MS. KATHLEEN MCCANDLESS: Okay. And



1 then just to confirm, the bullet below that states:

2 "The Project will pick up the first  
3 year's licensing costs, and all  
4 future licensing costs will be  
5 budgeted into MPI's operational  
6 budget."

7 MS. LANI EDWARDS: That's correct.

8 MS. KATHLEEN MCCANDLESS: So with  
9 respect to licensing costs then, as an illustration,  
10 if licensing costs are required for the current fiscal  
11 year and additional licence -- licences are estimated  
12 for the next fiscal year, the funding envelope for the  
13 current year only covers the current fiscal year  
14 needs?

15 MS. LANI EDWARDS: That's correct. On  
16 the investment appraisal, it will talk about the cost  
17 of ownership of that investment.

18 MS. KATHLEEN MCCANDLESS: Okay. Now,  
19 sticking with that example or illustration, does this  
20 mean that upon initial approval of the Epic or  
21 project, the licensing costs for all future fiscal  
22 years is also approved?

23 MS. LANI EDWARDS: Yes, that is the  
24 under -- or that is how we'll be setting up investment  
25 appraisals, yes.

1 MS. KATHLEEN MCCANDLESS: Thank you.  
2 Now, Mr. Muir, I'm just going to go back to a line of  
3 questioning that I had for you earlier regarding  
4 portfolio maturity and -- and the -- and the benchmark  
5 of one point zero (1.0).

6 So this is Enterprise?

7 MR. CHAD MUIR: Yes, correct.

8 MS. KATHLEEN MCCANDLESS: So it does  
9 not account for NOVA?

10 MR. CHAD MUIR: The one point o (1.0)  
11 was taken from the Enterprise view only. Again, it  
12 should have been IT. It does not include NOVA.

13 MS. KATHLEEN MCCANDLESS: And you  
14 stated that NOVA is more mature?

15 MR. CHAD MUIR: Correct.

16 MS. KATHLEEN MCCANDLESS: So how will  
17 MPI align the maturity levels between Enterprise and  
18 NOVA?

19 MR. SHAWN CAMPBELL: Mr. Campbell  
20 speaking. So the lessons learned out of NOVA are  
21 being brought into the EPMO's processes as they track  
22 to understand and set up best practices.

23 So we look to merge both from a program  
24 point of view and management point of view and use  
25 those lessons learned to ensure that we take the best

1 practices moving forward.

2 MS. KATHLEEN MCCANDLESS: So as NOVA  
3 continues to final rollout or rollout of the final  
4 release, there will continue to be lessons learned  
5 that MPI incorporates at the Enterprise level as well?

6 MR. SHAWN CAMPBELL: Yes, that is  
7 correct.

8 MS. KATHLEEN MCCANDLESS: Thank you.  
9 I have no further questions.

10 PANEL CHAIRPERSON: Thank you, Ms.  
11 McCandless.

12 Ms. Dilay, it's almost five (5) after  
13 4:00. We have a hard stop today at 4:30. Do you want  
14 to start now or start tomorrow morning?

15 MS. KATRINE DILAY: Really, it's  
16 whatever the Board thinks is appropriate. I will not  
17 be able to finish today, I don't think, so if it works  
18 better for the Board to -- for me to do all of it  
19 tomorrow, I'm fine with that, or I'm also happy to  
20 start and do a few topics.

21 PANEL CHAIRPERSON: Have you any idea  
22 how long you'll be in total?

23 MS. KATRINE DILAY: My estimate is  
24 about forty-five (45) minutes.

25 PANEL CHAIRPERSON: Yeah. I think

1 that what we'll do is we'll adjourn now and start with  
2 you tomorrow morning with your cross.

3 MS. KATRINE DILAY: Thank you.

4 PANEL CHAIRPERSON: So good afternoon,  
5 everyone. We'll see you tomorrow morning at nine  
6 o'clock.

7

8 (PANEL RETIRES)

9

10 --- Upon adjourning at 4:05 p.m.

11

12

13 Certificate of Transcript

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17 Wendy Woodworth, Ms.

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