

# **Setting Just and Reasonable Rates – the Regulatory Test – the Regulatory Context**

**Remembering Jerry Kruk**

**Introducing CAC Manitoba**

**Introducing CAC Manitoba Experts**

**The Legal Test**

- Are the forecasts of revenues, and costs, reasonably reliable?
- Are forecast costs prudent and necessarily incurred?
- Are the revenues and costs of the Corporation properly assigned or allocated between the Basic insurance monopoly and other lines of business?
- Taking into account risk, is the Basic line of business managing its revenues, reserves and retained earnings in a reasonable and prudent manner?
- Is each class of ratepayer, and each ratepayer within their respective class, bearing a fair and reasonable share of the costs they bring to the system?
- Are the proposed rates just and reasonable?