



July 31, 2014

Via Email

Mr. Regis Gosselin, Chair
The Public Utilities Board
400 – 330 Portage Avenue
Winnipeg MB R3C 0C4

Dear Mr. Gosselin:

Re: 2015 GRA Round 1 Information Requests

Today we will be submitting the response to Round 1 of the Information Requests (IRs). I thought I would send you this letter because I don't want you to be taken by surprise when you see our responses.

As you are aware, a comprehensive filing was prepared for the 2015 GRA, which improved upon previous applications by providing significantly more information than contained previously. To accomplish this, the Corporation worked collaboratively with others to ensure its filing provided adequate information. The filing was structured and included information as requested by various sources including:

- Discussions between MPI witnesses and the PUB's accounting and actuarial advisors
- Two DCAT technical conferences
- A review of previous information requests and
- A review of previous undertakings at recent hearings.

As a result of this input, the filing contains an enormous amount of detailed information which MPI hopes is sufficient for the PUB to make its decision to approve the 2015/16 rates.

I was somewhat surprised when I reviewed the information requests. Out of the 784 questions (including parts) received for Round 1, 470 (60%) relate to rate making and rates, including actuarial modeling, and or financial forecasting.

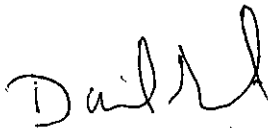
A decision was made to respond to all information requests that relate to ratemaking and rates for the 2015/16 rates. All other information requests received this standard response:

Basic insurance rates are set prospectively based on pro forma financial projections of expenses and revenues and actuarial modeling. This information request has no bearing on the reasonableness of the financial projections or actuarial modeling used to determine rates effective March 1, 2015. This is consistent with the Corporation's understanding of the PUB's mandate as stated in *The Crown Corporations Public Review and Accountability Act* and by the Court of Appeal. Considerable information of an operational nature was provided in the filing, though rate setting does not entail an operational review or audit of Manitoba Public Insurance. For these reasons, the Corporation declines to incur the additional staff effort and operating expenses associated with responding to this information request.

The Corporation has and continues to benefit greatly by having the rates for universal compulsory auto insurance approved by the PUB.

In conclusion, I am really concerned with the fact that Basic is very vulnerable from a financial perspective. I really want to work with you and the interveners on re-establishing rate predictability and stability for Manitobans. We need to work together and I hope that my desire to focus on questions relating to rate making and rates emphasizes the importance of establishing adequate rates to ensure the financial strength of the Basic program and ensure the continued success of public auto insurance.

Yours truly,



Dan Guimond
President and Chief Executive Officer

cc: Hollis Singh
Candace Grammond
Registered Intervenors (as attached)

**MANITOBA PUBLIC INSURANCE
2015 INSURANCE RATES
Commencing October 7, 2014**

**LIST OF REGISTERED INTERVENERS
as of July 16, 2014**

Automotive Recyclers of
Manitoba (ARM) Ltd.
c/o Mr. Irvin Frost
387 Broadway,
Winnipeg, MB R3C 0V5
ifrost@boothdennehy.com

Consumers' Association of
Canada, Manitoba Branch
c/o Mr. Byron Williams
Public Interest Law Centre
3rd floor - 287 Broadway
Winnipeg, MB R3C 0R9
Email: bywil@pilc.mb.ca
sukno@legalaid.mb.ca

Bike Winnipeg
c/o Mr. Jason Carter
2724 Assiniboine Avenue
Winnipeg, MB R3J 0B1
Email: cartbike@iCloud.com

Insurance Brokers' Association
of Manitoba Inc.
c/o Mr. David Schioler
600-1445 Portage Avenue
Winnipeg, MB R3G 3P4
Email: davidschioler@ibam.mb.ca

CAA Manitoba
c/o Ms. Angele Young
870 Empress Street
Winnipeg, MB R3C 2Z3
Email: angeley@caamanitoba.com

Digi-Tran Inc.
c/o Wendy Warnock
101 Royal Birch View N.W.
Calgary, AB T3G 5J9
Email: warnockw@tscript.com

Coalition of Manitoba
Motorcycle Groups
c/o Mr. Raymond P. Oakes
387 Broadway
Winnipeg, MB R3C 0V5
Email: roakes@boothdennehy.com