

CAC (MPI)

CAC (MPI) 1-1

Volume:	3, Actuarial Reports	Page No.:	22, Oct report 4, Feb report
Topic:	Actuarial Reports		
Sub Topic:			
Issue:	Ensuring the reasonableness of the Actuarial Reports		

Preamble: The October 31, 2014 Actuarial Report, page 22, states “Incremental loss development factors after 116 months were revised to reflect the recent experience if there were at least five observed factors.” The February 28, 2014 Actuarial Report, page 4, states “All comments, caveats, limitations and explanations contained in our October 31, 2014 report continue to apply”.

Question:

- a) Appendix E, page 6 of the February 28, 2014 report shows the 120-Ultimate factor as 1.0091, the same factor as the Tab Rsv 120-Ult factor. This implies that the loss development factors for 120-132, 132-144, 144-156, 156-168 and 168-180 are not considered, despite having at least five observed factors. The 216-Ultimate factor is simply chosen to ensure that the 120-Ultimate equals the 1.0091. Please explain this apparent contradiction.
- b) Please identify the steps, if any, the corporation has made to find an alternative source of information to calculate the tail factor for the Weekly Indemnity coverage instead of relying on a judgmental factor from 120 months to ultimate.
- c) Please explain whether an investigation into the mortality assumptions underlying the calculation of the tabular reserves has been undertaken. If not, why not, given how old the tables used are?
- d) Please confirm that reducing the Weekly Indemnity tail factor at 216-Ultimate by 2% for both Incurred and Paid, keeping all other assumptions including the choice of methodology the same, would bring the Selected IBNR shown on Exhibit 4, Page 5 of the February 28, 2014 Actuarial Report by \$12.7 million.

Rationale for Question:

To understand the degree to which judgment rather than data plays a role in the analysis and to test whether the mortality tables relied upon require updating. This goes to the reasonableness of the forecasts.

RESPONSE:

- a) Refer to the Actuarial Report as of October 31, 2014. In Appendix E, page 6, the selected Tabular Reserve 116-Ult factor of 1.0070 was selected based on the Latest 6 Volume Weighted factor of 1.0069. The derivation of the Latest 6 Volume Weighted factor used the Ultimate Discounted to 116 Months Adjusted as shown in Appendix E, page 20, which includes an adjustment for the selected loss development factors from 116 months and thereafter. So, while the 212-Ultimate factor was chosen to ensure that the 116-Ultimate factor is equal to 1.0070, the selected loss development factors were not excluded (i.e. these factors were considered) in doing so.
- b) The Corporation has not taken any steps to find an alternative source of information.

Note that the selection of the 116-Ultimate factor for Weekly Indemnity was not done by judgment, but based on actual observed factors derived based on the Corporation's experience. As noted in the response to (a) above, for reported losses, *"the selected Tabular Reserve 116-Ult factor of 1.0070 was selected based on the Latest 6 Volume Weighted factor of 1.0069"*. Further, for paid losses, per Appendix E, page 14, the selected Tabular Reserve 116-Ult factor of 1.7700 was selected based on the Simple Average of Middle 4 of Last 6 factor, taking into consideration the three most recent observed factors.

- c) The Corporation currently uses the mortality table from a research paper by the Canadian Institute of Actuaries dated July 1992. Some investigations have been made into other mortality tables; however, (as described below) the Corporation has decided that it was not necessary or desirable to replace the existing table.

The Corporation has tracked the actual termination rate of claims beyond 120 month (10 years) of development relative to the expected termination rate indicated by the current mortality table. To date, the actual termination rate has consistently tracked slightly higher (i.e. favourable development) than the expected termination rate. These results give the Corporation confidence that the tabular reserves produced by the mortality table are currently sufficient to cover the future payments required to lifetime claimants. However, the observed favourable development to date still needs to be addressed in the actuarial report in order to produce reasonable best estimate assumptions.

To address the favourable development issue, the Corporation has gradually adjusted its loss development tail factors based on actual PIPP experience. These adjustments have the effect of gradually adjusting the mortality-based reserve estimates towards experience-based reserve estimates (i.e. as the Corporation collects more actual PIPP development experience, this experience is used to replace the mortality-based reserve assumptions). The Corporation believes this is a very prudent approach to producing best estimates for PIPP loss development periods that have no observed experience (i.e. beyond 20 years of development). This approach also promotes on-going stability of the Basic claims liabilities.

Finally, the introduction of a new mortality table is extremely disruptive to the actuarial valuation process. A new table often requires a complete restatement of historical results. When restatement of prior results is not possible, the new table may render previous development experience unusable. Given the information provided above, the Corporation does not find any compelling reason to change the existing mortality table.

- d) Assuming the 216-Ultimate factors for reported and paid were reduced from 1.0326 and 1.3717 to 1.0126 and 1.3517 respectively, the impact on the Selected IBNR as shown on Exhibit 4, page 5 is a decrease of \$12.1M. However, per the responses to (a) and (b) above, the Corporation does not have, nor has it been presented with, any supporting rationale to make such a change.

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Volume:	3, Actuarial Reports	Page No.:	50
Topic:	Actuarial Reports		
Sub Topic:			
Issue:	Ensuring the reasonableness of the Actuarial Reports		

Preamble: As per the February 28, 2014 Actuarial Report a bulk IBNR of \$16.5 million was added to the valuation to reflect the delay in processing vehicle damage claims. There is no mention of this bulk IBNR in the October 31, 2014 or the February 28, 2015 Actuarial reports. The October 31, 2014 Actuarial report, page 21 states that the "loss development factors (both incurred and paid) were revised to reflect recent experience. The impact of these revisions is an increase in undiscounted IBNR of \$1.1 million." However, when comparing Exhibit 4, Sheet 3 of the February 28, 2015 to the February 28, 2014 exhibit it looks like Collision IBNR went down significantly.

Question:

Please provide an explanation for the transition of the bulk IBNR set up last year to the current state of Collision IBNR.

Rationale for Question:

To test the reliability of forecasts. To understand current trend relating to collision.

RESPONSE:

In the Actuarial Report as of February 28, 2014, bulk IBNR of \$13.0M and \$3.5M were added to Collision and Property Damage coverages respectively for accident year 2014/15. The addition of the bulk IBNR was to reflect a delay in claims processing, for accident year 2014/15, caused by a significantly higher number of accidents resulting from severe winter driving conditions. Since the backlog in claims processing is now resolved, the bulk IBNR is no longer required. Excluding the bulk IBNR, in comparing the Actuarial Report as of February 28, 2014 and as of February 28, 2015, Collision IBNR increased from \$8.8M to \$9.4M.

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Volume:	3, AI.9	Page No.:	4
Topic:	Profit Adjustment		
Sub Topic:			
Issue:	Potential Error in wording		

Preamble: Page 4 of Section AI.9 states that “After making the negative profit adjustment to achieve the Corporation’s fiscal year break-even net income objective, there are, in my opinion, material [emphasis added] differences in the indicated rates between accepted actuarial practice in Canada and the Corporation’s existing methodology.”

Question:

Please confirm that this was not intended to be immaterial rather than material.

Rationale for Question:

Clarification of whether [sic] the corporation's view is that there are material differences in indicated rates between its existing methodology and accepted actuarial practice.

RESPONSE:

The statement in Vol III Section AI.9 page 4 is correct. There are material differences in the indicated rates for the Commercial and Motorcycles major classes, which is explained in the subsequent paragraph of the referenced page.

CAC (MPI) 1-4

Volume:	3, AI.9	Page No.:	7
Topic:	Rate Indications Determined in Accordance with Accepted Actuarial Practice in Canada		
Sub Topic:			
Issue:	Investment Income Offset		

Preamble: As per the Canadian Actuarial Standards of Practice the claims costs and expense costs are discounted when calculating a required rate and therefore include the investment income on claims liabilities in a rate indication. For a monopoly, like MPI, the investment income missing from the rate indication is that on the assets in excess of those backing the claims liabilities. The required rate has to be offset by this amount.

Question:

The projected investment income for 2016/17 is projected to be 12,809,000 as per page 4, Proj Financials Section of Volume 1. With the projected 2016/17 units of 1,153,000 that is an offset of \$11.11 per vehicle.

- a) Please confirm this calculation. If it is not correct please give the correct calculation.
- b) Please calculate the required rate change shown on page 7 of AI.9 with this offset.

Rationale for Question:

MPI should be calculating their rate indication with accepted actuarial practice in Canada. This could be done very easily with the addition of an investment income offset for the investments in excess of those backing the claims liabilities. The investment income on the investments backing the claims liabilities is taken into account with the discounting of the claims for ratemaking.

RESPONSE:

Refer to PUB (MPI) 1-61.

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Volume:	3, AI.9	Page No.:	7
Topic:	Rate Indications Determined in Accordance with Accepted Actuarial Practice in Canada		
Sub Topic:			
Issue:	Forecasting Basis		

Preamble: The ultimate losses for prior accident years are projected and signed off by the Appointed Actuary in the February 28, 2015 Actuarial Report.

Question:

Please explain why the Corporation does not use these ultimate losses as a starting point and project them forward to the rating year in question. Trend could be determined on an ultimate basis in much the same manner as it is today by coverage.

Rationale for Question:

MPI should be calculating their rate indication with accepted actuarial practice in Canada. This could be done using the Actuarial Report's historical ultimate losses and projecting forward to the rating year in question.

RESPONSE:

The ultimate losses used in the derivation of the indicated rates per accepted actuarial practice were taken directly from the claims forecast as presented in Volume II Claims Incurred. The claims forecast was made taking into consideration various factors, including the historical ultimate losses per the Actuarial Report as at February 28, 2015 and future trend assumptions. The claims forecast was done in accordance with accepted actuarial practice.

CAC (MPI) 1-6

Volume:	2, Claims Incurred	Page No.:	11
Topic:	Weekly Indemnity Ultimate Losses		
Sub Topic:			
Issue:	Do not match to the Appointed Actuary's report		

Preamble: The ultimates should flow through from the AA report to the Claims Forecast and they do not seem to.

Question:

The first table on page 11 of the Claims Incurred section shows figures for Ultimate losses from 2005/06 to 2014/15. These figures do not match the ultimates shown on page 36 of the February 28, 2015 Actuarial report. Please explain why.

Rationale for Question:

To ensure the accuracy of the claims forecast.

RESPONSE:

Please refer to Vol III AI.7 Exhibit 2, Sheet 11 for Weekly Indemnity ultimates.

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Volume:	2, Claims Incurred	Page No.:	11
Topic:	Weekly Indemnity Frequency Forecast		
Subtopic:			
Issue:	Forecast seems high		

Preamble: There is an apparent inconsistency in verbiage to forecast.

Question:

On page 11 of the Claims Incurred section it states "Claim counts were forecasted based on the all year trend line as shown in the above table." The table shows the all year trend as 1705 but the 2015/16 forecast shows 1804. Since the trend line brings the 1705 to the next year which would be 2015/16 why is the forecast not equal to that?

Rationale for Question:

To ensure the accuracy of the claims forecast.

RESPONSE:

The 2015/16 forecast of 1,804 is based on the all year trend excluding the most recent year. The table shows the all year trend of 1,705 which includes the most recent year. In the future, the Corporation will be more specific in the wording to avoid this confusion.

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Volume:	2, Claims Incurred	Page No.:	13
Topic:	WII Fiscal Year Forecast		
Sub Topic:			
Issue:	Reconciling Exhibit 1 to the table on page 13		

Preamble: The Claim Incurred section should be easily reconcilable to the Exhibits in this section and they are not.

Question:

Please give the source in Exhibit 1 of the figures in the table on page 13 of the Claims Incurred section, page 13.

Rationale for Question:

Reviewers need to see the flow of data into the projections.

RESPONSE:

The table on page 13 (Vol II Claims Incurred) included some Pre-PIPP figures. Below is the table on page 13 with only Weekly Indemnity Claims Incurred. These figures will match to what is shown in Exhibit 1, Table 9 and Table 10. Going forward, this table will no longer include Pre-PIPP figures which can be found separately in Exhibit 1.

Weekly Indemnity Claims Incurred (\$000)

Fiscal Year	Reported	Change in IBNR			Claims Incurred	Last Year's Forecast	Variance to Forecast
		Interest Rate Impact	All Other Changes	Total Change in IBNR			
2010/11	51,792	n/a	n/a	-77,440	-25,648	-25,648	0
2011/12	44,949	n/a	n/a	14,038	58,988	58,988	0
2012/13	68,147	n/a	n/a	10,220	78,367	78,367	0
2013/14	105,991	-11,837	-744	-12,581	93,409	93,409	0
2014/15	67,106	56,900	1,261	58,162	125,267	38,836	86,431
Forecast/Projections							
2015/16	70,812	-42,753	-12,835	-55,589	15,223	46,379	-31,156
2016/17	66,243	-35,519	8,478	-27,041	39,202	55,605	-16,403
2017/18	65,157	-42,197	9,416	-32,781	32,375	51,789	-19,414
2018/19	64,264	-1,417	9,754	8,337	72,601	70,676	1,925
2019/20	63,122	-1,496	11,999	10,503	73,625	-	-

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Volume:	2, Claims Incurred	Page No.:	15
Topic:	ABO Indexed Frequency Forecast		
Sub Topic:			
Issue:	Forecast seems high		

Preamble: There is an apparent inconsistency in verbiage to forecast. On page 15 of the Claims Incurred section it states "Claim counts were forecasted based on the all year trend line as shown in the above table." The table shows the all year trend as 12018 but the 2015/16 forecast shows 12063.

Question:

Since the trend line brings the 1201810 to the next year which would be 2015/16 why is the forecast not equal to that?

Rationale for Question:

To ensure the accuracy of the claims forecast.

RESPONSE:

The 2015/16 forecast of 12,063 is based on the all year trend excluding the most recent year. The table shows the all year trend of 12,018 which includes the most recent year. In the future, the Corporation will be more specific in the wording to avoid this confusion.

CAC (MPI) 1-10

Volume:	2, Claims Incurred	Page No.:	15
Topic:	ABO Indexed Severity Forecast		
Sub Topic:			
Issue:	Forecast seems inconsistent with verbiage		

Preamble: There is an apparent inconsistency in verbiage to forecast. On page 15 of the Claims Incurred section it states “The 2015/16 severity is based on the five-year average of the ultimate severity with one year of severity growth applied.” The severity growth is shown on page 16 as 1.17%. The calculation should be $(4889+5684+5556+5611+5637)/5 \times 1.0117 = 5539$. The table shows the forecast for 2015/16 severity as 5505.

Question:

Please reconcile the calculation to the forecast.

Rationale for Question:

To ensure the accuracy of the claims forecast.

RESPONSE:

The Corporation uses 2009/10 though 2013/14 for the five-year average. 2014/15 is excluded because there hasn’t been enough time for claims to develop. This average is grown by two years of severity growth to account for the excluded year from the average.

The calculation is as follows:

$$(5,156+4,889+5,684+5,556+5,611)/5 \times 1.0117^2 = 5,505.$$

The document should read, “The 2015/16 severity uses the five-year average of ultimate severity from 2009/10 to 2013/14 with two years of severity growth applied.”

CAC (MPI) 1-11

Volume:	2, Claims Incurred	Page No.:	19
Topic:	ABO Non Indexed Frequency Forecast		
Sub Topic:			
Issue:	Inconsistency in Verbiage with the table values		

Preamble: On page 19 of the Claims Incurred section it states “Claim Counts are forecasted based on the 5-year average and remain at that level throughout the forecast period.” The average of the claim counts for years 2010/11 to 2014/15 is 1437.

Question:

Please give the derivation of the 2015/16 forecasted claim counts of 1474.

Rationale for Question:

To ensure the accuracy of the claims forecast.

RESPONSE:

The 2015/16 forecast of 1,474 is based on the five-year average from 2009/10 to 2013/14. In the future, the Corporation will be more specific in the wording to avoid this confusion.

CAC (MPI) 1-12

Volume:	2, Claims Incurred	Page No.:	19
Topic:	ABO Non Indexed Severity Forecast		
Sub Topic:			
Issue:	Forecast seems inconsistent with verbiage		

Preamble: There is an apparent inconsistency in verbiage to forecast. On page 19 of the Claims Incurred section it states “The 2015/16 severity is based on the five-year average of the ultimate severity with one year of severity growth applied.” The severity growth is shown on page 20 as 1.15%. The calculation should be $(21386+20130+20114+19171+20678)/5 \times 1.0115 = 20259$. The table shows the forecast for 2015/16 severity as 20849.

Question:

Please reconcile the calculation to the forecast.

Rationale for Question:

To ensure the accuracy of the claims forecast.

RESPONSE:

The Corporation uses 2009/10 though 2013/14 for the five-year average. 2014/15 is excluded because there hasn’t been enough time for claims to develop. This average is grown by two years of severity growth to account for the excluded year from the average.

The calculation is as follows:

$$(21,090+21,386+20,130+20,114+19,171)/5 \times 1.0115^2 = 20,849.$$

The document should read, “The 2015/16 severity uses the five-year average of ultimate severity from 2009/10 to 2013/14 with two years of severity growth applied.”

CAC (MPI) 1-13

Volume:	2 Ratemaking	Page No.:	20
Topic:	Reconciliation of Ratemaking Incurred Claims to those shown in the Claims Incurred Forecast		
Sub Topic:			
Issue:	Reconciliation of Ratemaking Incurred Claims to those shown in the Claims Incurred Forecast		

Question:

Please split the table shown on page 20 of the Ratemaking section into two tables showing the Incurred Losses and Internal Loss Adjustment Expenses ensuring that the Incurred Losses can reconcile to the table shown on page 39 of the Claims Incurred section.

Rationale for Question:

To ensure the accuracy of the rate indication calculation.

RESPONSE:

Refer to the table below.

Coverage	Fiscal Year (\$000)			
	16/17		17/18	
	Claims	ULAE [a]	Claims	ULAE [a]
Bodily Injury	3,861		3,894	
Property Damage	45,319		46,680	
Income Replacement Indemnity	39,276		32,009	
Accident Benefits – Other (Indexed)	51,314	31,588	45,239	33,372
Accident Benefits – Other (Non-Indexed)	31,843		31,782	
Collision	393,791	9,172	418,796	9,325
Comprehensive	75,995		78,467	
Total [b]	641,399	40,760	656,867	42,697
Total Rating Year [c]	682,159		699,564	
[a] ULAE – Unallocated Loss Adjustment Expense [b] Claims – Match to Claims Incurred, Page 50; ULAE – Match to Claims Incurred, Page 52 [c] Match to Ratemaking, Page 20				

CAC (MPI) 1-14

Volume:	2 Claims Incurred	Page No.:	37, 38
Topic:	Collision Forecast		
Sub Topic:			
Issue:	Reconciling the Calculations on the table on page 38		

Preamble: On page 37 of the Claims Forecast Section Collision Ultimate Severity Growth Forecasts are given for 2015/16 of 3.38% and for 2016/17 of 4.55%. On the table on page 38 the Severity is given as 3155 for 2014/15. When the 3.38% and 4.55% growth rates are applied this should give severity forecasts of 3261 for 2015/16 and 3410 for 2016/17.

Question:

Please reconcile these figures to the forecasts shown on page 38 of 3294 and 3444.

Rationale for Question:

To ensure the accuracy of the claims forecast.

RESPONSE:

The table on page 38 of Vol II Claims Incurred document has severity adjusted for the PST increase in 2013/14 and 2014/15. This was done to remove the effect of the PST increase from the severity growth calculation. To correctly calculate the 2015/16 forecasted severity, use the unadjusted severity and grow it by 3.38%.

That is, $3,155 \times 1.01 \times 1.0338 = 3,294$.

CAC (MPI) 1-15

Volume:	2 Claims Incurred	Page No.:	38
Topic:	Collision Forecast		
Sub Topic:			
Issue:	Understanding the Calculations on the table on page 38		

Question:

- a) Please confirm the figures in the table below are accurate with regards to the Collision forecast on page 38 of the Claims Incurred forecast.

Collision Ultimate Forecast				
Accident Year	Claim Frequency per HTA Unit (1)	Severity Adjusted for PST (2)	HTA (3)	Calculated Ultimate (1) x (2) x (3)
2005/06	0.121	2,358	713,135	203,470
2006/07	0.132	2,366	721,360	225,289
2007/08	0.132	2,400	735,225	232,919
2008/09	0.132	2,434	751,937	241,588
2009/10	0.127	2,511	763,251	243,398
2010/11	0.137	2,553	774,765	270,983
2011/12	0.128	2,702	791,384	273,705
2012/13	0.135	2,825	811,247	309,389
2013/14	0.138	3,002	822,677	340,815
2014/15	0.119	3,155	834,238	313,210
% Change 2015/16		3.38%	1.41%	
% Change 2016/17		4.55%	1.75%	
2015/16	0.132	3,262	846,001	364,234
2016/17	0.132	3,410	860,806	387,471

- b) Please give the calculation of the Ultimates shown on the table on page 38 noting why they are different from the calculation of the ultimates in the table given above.

Rationale for Question:

To ensure the accuracy of the claims forecast.

RESPONSE:

- a) The figures in the table are incorrect for 2015/16 and 2016/17. Please refer to CAC 1-14 for the 2015/16 and 2016/17 severity calculations. Also refer to REV.1.1 for the correct HTA unit forecast.
- b) Please see the table below for the correct calculations. Note that there will be some rounding differences as the claim frequency is not exactly 0.132.

Accident Year	Claim Frequency per HTA Unit (1)	Severity adjusted for PST (2)	HTA Units (3)	Ultimate (\$000) (1) x (2) x (3)
2005/06	0.121	\$2,358	713,135	203,087
2006/07	0.132	\$2,366	721,360	224,461
2007/08	0.132	\$2,400	735,225	233,125
2008/09	0.132	\$2,434	751,937	241,650
2009/10	0.127	\$2,511	763,251	242,278
2010/11	0.137	\$2,553	774,765	270,677
2011/12	0.128	\$2,702	791,384	272,363
2012/13	0.135	\$2,825	811,247	309,292
2013/14	0.138	\$3,002	822,677	346,295
2014/15	0.119	\$3,155	834,238	315,862
Forecast/Projections				
2015/16	0.132	\$3,294	848,837	370,013
2016/17	0.132	\$3,444	863,691	393,636
2017/18	0.132	\$3,601	878,806	418,742
2018/19	0.132	\$3,765	894,185	445,423
2019/20	0.132	\$3,935	909,833	473,774

CAC (MPI) 1-16

Volume:	III, Annual Reports, AI.6, Part 2	Page No.:	14
Topic:	Physical Damage Repairs		
Sub Topic:	Complex materials used to build vehicles		
Issue:	Increasing vehicle repair costs and/or repair costs avoidance		

Preamble: “The Inter-Industry Conference on Auto Collision Repair (I-CAR), an international non-profit organization dedicated to training the collision repair industry, estimates that by 2016 the industry will see over 240 redesigns and new models from vehicle manufacturers. In addition to the use of more complex materials, manufacturers are also responding to consumer demand for more collision-avoidance technologies and other electronics.”

The Manitoba repair industry is investing in re-tooling, training and new equipment to continue to repair these redesigned vehicles safely and reliably.

Question:

- a) In preparing the claims incurred forecasts for the 2016 GRA; can the Corporation provide an estimate of the number of vehicle units, included in the forecasts, that I-CAR is referring to as having been redesigned with more complex materials such as boron steel, aluminum and carbon fibre [*sic*]?
- b) Please provide an estimate of the additional claims incurred costs and/or claims incurred savings included in the claims incurred forecast for the forecasting period relating to the redesigned vehicles included in the claims incurred forecasts, if any?
- c) Please provided the estimated costs included in the claims incurred forecasts relating to MPI’s contribution/subsidy to the Manitoba repair industry for their investment in re-tooling, training and new equipment for repairing redesigned vehicles, if any?

Rationale for Question:

Cost and/or savings impact on claims incurred forecasts relating to new vehicle design and technology.

RESPONSE:

- a) The Corporation is unable to determine how many vehicles from the 240 redesigned or new model vehicles introduced between 2014 and 2016 include complex materials. The Corporation's 2016 rate model includes 47,413 passenger vehicles and light trucks with model years of 2014 to 2016. Of these vehicles it is unknown how many vehicles include complex materials.
- b) Please refer to CAC (MPI) 1-20 (a) response.
- c) The claims incurred forecast did not include an amount relating to Manitoba Public Insurance's (MPI) contribution/subsidy to the Manitoba repair trade.

CAC (MPI) 1-17

Volume:	III, Annual Reports, AI.6, Part 2	Page No.:	16
Topic:	Bodily Injury Claims		
Sub Topic:	Care residence		
Issue:	Impact on PIPP claims incurred forecasts		

Preamble: “In 2014, work began on a shared care residence in Brandon, slated to open in 2015, which will provide long-term permanent housing for traumatically brain- injured claimants.”

Question:

Please elaborate on the concept of shared care residence housing. Is MPI responsible for building and managing the building or is there a third party involved? Please provide the detailed cost/benefit business plan for greater clarity.

Rationale for Question:

Impact on PIPP claims incurred forecasts.

RESPONSE:

The shared care residence is shared by four catastrophically injured customers who have traumatic brain injuries and utilize wheelchairs. Manitoba Publish Insurance (MPI) will retain ownership of the home and a personal care company will provide the day-to-day operations of the home, including 24-hour care for the residents. The residents will pay for rent, utilities, food, and personal items from their Income Replacement Indemnity benefits. The residents will pay their personal care assistance from their maximum Personal Care Assistance benefits.

The cost of construction is offset by the release of reserves for the four residents for home modifications. Based on current reserving practices, this exceeds the capital outlay for the home.

The residence is a pilot to determine whether MPI can reduce bodily injury incurred amounts through economies of scale. The pilot will be evaluated at five years.

CAC (MPI) 1-18

Volume:	I, BI³	Page No.:	10
Topic:	BI³		
Sub Topic:	BI³ Performance		
Issue:	Success of BI³		

Preamble: In Board Order 135/14 pages 28 to 29 it states "CAC submitted that the BI³ Project has not led to any success in controlling claims costs, increased consistency in claims handling between case managers or reductions in claims leakage as promised by MPI, and that in fact there has been deterioration in the Corporation's performance compared to pre-BI³ benchmarks. CAC pointed to the following issues encountered relative to the BI³ Project, which issues it states affect PIPP reserving estimates and therefore cast doubt upon the credibility and reliability of some of the ultimate PIPP forecasts:

- Double reserving resulting in overstatement of certain reserves (addressed in November 2012);
- Lag in complying with case reserving guidelines gave rise to gaps in reserving that were more extensive than expected;
- Lag in complying with case reserving guidelines was identified by actuaries not claims managers through monthly reporting; and
- Deterioration in duration performance compared to pre-BI³ benchmarks.

CAC stated that there is still opportunity for improvement pursuant to the BI³ Project, but that in its view, MPI has not established that the BI³ Project has demonstrated its ability to control claims costs, or that there has been value received for the funds expended on the BI³ Project. CAC asked that MPI be directed to provide an update at the next GRA relative to the duration issue and management of PIPP claims that includes whether pre-BI³ benchmarks are being achieved, when

higher post-BI³ benchmarks will be implemented and what those benchmarks will be.”

Question:

- a) Please confirm that there are no PIPP data anomalies in the 2016 GRA PIPP claims incurred actuals and forecasts.
- b) MPI indicates that PIPP BI³ benchmarks cannot be set for another 2 years (7 years of BI³ data). Please explain how MPI is able to develop and forecast PIPP BI³ claims incurred for current and future years but is unable to develop benchmarks from the same data for the efficient management of post BI³ PIPP claims.
- c) Please discuss measurable dollar benefits MPI has achieved to-date (last 5 years) operating the BI³ system and processes.
- d) Please provide an estimate of the annual operating expenses relating to operating the BI³ system
- e) Please provide an update of the Corporations performance against pre BI³ benchmarks.

Rationale for Question:

To ensure that PIPP claims incurred forecasts are reasonable and BI³ operating costs are reasonable relative to the benefits achieved.

RESPONSE:

- a) There are no PIPP data anomalies in the 2016 GRA PIPP claims incurred actuals and forecasts.
- b) Manitoba Public Insurance (MPI) forecasts PIPP based on the observed historical trends and discussion with the business on future trends as outlined in the Claims Incurred section of the Rate Application. The implementation of BI³ has allowed

MPI to compile historical data since 2011/12. As MPI continues to collect additional information in BI³, there will be benchmarks established. These benchmarks may influence claims duration, and therefore, have some impact on the PIPP forecast. However, the extent of these impacts is not yet known.

Upon implementation of BI³, the Corporation's began using a disability duration predictive tool (MDGuidelines) to monitor MPI claim duration as compared to comparable injuries sustained worldwide. The predictive tool was not available prior to BI³ implementation and pre-BI³ results cannot be restated based on this guideline.

- c) MPI is committed to providing an evaluation of the BI³ cost benefit in 2019 once post implementation claims have fully developed.
- d) Direct operating expense cost data is not available. MPI is committed to providing an evaluation of the BI³ cost benefit in 2019 once post implementation claims have fully developed. In addition, MPI is obligated by contract to not disclose details of the licensing agreement with Fineos.
- e) MPI is in the process of developing a key performance indicator and benchmark model to evaluate the effectiveness of the BI³ system. Preliminary reporting is expected to be available for the 2018/19 fiscal year.

CAC (MPI) 1-19

Volume:	II	Page No.:	1 and 5
Topic:	Claims Incurred		
Sub Topic:	Claims Forecasting Committee		
Issue:	Are the claims incurred forecasts prepared by an interdisciplinary team of experts?		

Preamble: Historically MPI employed an interdisciplinary team of experts including staff from physical damage, public liability (PIPP), actuarial, economics, and finance to develop, from the ground up, the at 12-month number of claims (covers) and claims incurred, by peril, using historical data, field data and emerging trends in vehicle repairs, vehicle technology, medical breakthroughs, etc. These at 12-month values would then be extended to ultimate incurred losses by using the development assumptions from the Appointed Actuary's report.

Currently, as it states on page 5, "The Corporation starts by forecasting the accident year ultimate incurred losses and then uses the development assumptions to project 'backwards' the paid and incurred losses from ultimate to 12 months. It is assumed that the historical ultimate losses are the best predictor of future ultimate losses by accident year."

Question:

- a) Please explain whether the Corporation used an interdisciplinary team of experts to prepare the claims incurred forecasts as presented in the 2016 GRA. If yes, which disciplines were represented on the Committee?
- b) Does the Corporation believe that the Claims Incurred Forecasts are more accurate and provide a greater understanding of the drivers causing changes to claims incurred using its current method compared to the historical method of forecasting number of claims (covers) and claims incurred for rate setting purposes. Please provide a detailed evaluation and commentary of the pros and cons of two methods of forecasting claims incurred.

Rationale for Question:

To assess the robustness by which the claims incurred forecasts are prepared.

RESPONSE:

- a) The paragraph referenced in the preamble is simply a continuation of the first paragraph on page 5 of Vol II Claims Incurred section which describes the loss development technique used by actuaries.

As in previous years, the Corporation continues to use an interdisciplinary team of experts to develop the claims forecasting assumptions. The Corporation's forecasting processes were streamlined in recent years to centralize the forecasting function in the Finance division; however, the underlying forecast assumptions and analysis continue to be developed in collaboration with the applicable business units. The claims forecasting team is comprised of individuals from the following departments:

- Actuarial Services
- Risk Control and Financial Forecasting
- Service Centre Operations, Service Centre Operational Analytics, and Service Centre Operations Policy and Control (i.e. Physical Damage)
- Injury Claims Management
- Corporate Strategic Analytics

These individuals have extensive backgrounds in actuarial mathematics, accounting, physical damage claims management, injury claims management, business analytics, and other fields.

- b) As per part (a), there are not 'two methods of forecasting claims incurred', There have been many incremental improvements to the claims forecasting methodology over time that have resulted in improved accuracy and understanding of the forecasts (as outlined in the current and previous Claims Incurred sections of the Rate Application), but the overall methodology for forecasting claims is similar to that used in previous Rate Applications.

CAC (MPI) 1-20

Volume:	II	Page No.:	39
Topic:	Claims Incurred		
Sub Topic:	Collision Claims Incurred		
Issue:	Collision Claims incurred forecast for 2015/16 of \$371 million compared to actual for 2014/15 of \$315 million is increased by \$56 million or 17.8%.		

Preamble: Based on the chart on page 39, the claims incurred for 2013/14 seems to be an 'outlier' compared to the annual claims incurred for years 2010/11 to 2012/13 and 2014/15.

"In summary, the Corporation believes a higher growth rate is justified as a result of (i) import vehicles are making up an increasing percentage of passenger vehicles, (ii) these imported vehicles are more expensive to repair and their total loss severity is greater than the domestic vehicles, and (iii) increasing cost of repairs due to changes in vehicle technology, more complex vehicle manufacturing, and use of non-repairable components."

Question:

- a) Please provide information that supports the Corporation's believe that a significant portion of the \$56 million in annual additional collision claims incurred will result in 2015/16, and carried forward, from import vehicles, changes in vehicle technology and more complex vehicle manufacturing.
- b) Please provide supporting information that the Corporation has considered, in their forecasts as presented in the 2016 GRA, resulting in collision claims incurred savings as a result of new vehicle design and manufacturing and collision avoidance technology incorporated into the new vehicles.

Rationale for Question:

To assess the accuracy of the collision claims incurred forecasts.

RESPONSE:

- a) The Corporation uses the historical trends to determine growth rates and as these new technologies and manufacturing processes are introduced to the fleet they will be captured in the historical trends and forecasted as such.

- b) Please refer to Vol II Claims Incurred pages 34 and 35 for the Corporation's analysis of the change in distribution of passenger vehicles and the increased cost of imported vehicles.

- c) The Corporation forecasts five years and three years for rate setting purposes. As such, the Corporation has not forecasted a claims cost savings for collision avoidance technology. However, a reduction in claims frequency would be captured in the historical results and any trends forecasted as such.

CAC (MPI) 1-21

Volume:	II, Appendix A	Page No.:	1 and 2
Topic:	Claims Incurred		
Sub Topic:	Collision cover count and severity		
Issue:	The collision cover count for fiscal year 2014/15 and 2013/14 are essentially the same but the claims severity reduces from 2013/14 of \$3,015 to \$2,532 in 2014/15, a decrease of 16%.		

Preamble: The actual collision claims incurred for 2013/14 were \$374.1 million compared to \$314.9 million in 2014/15, a decrease of \$59.2 million or 15.8%. The decrease in claims incurred reported in 2014/15 compared to 2013/14 is mainly a result of a decrease in collision severity. The covers reported for 2013/14 were 124,066 compared to 2014/15 of 124,343, increase of 277 covers.

Question:

- a) Please explain in detail the reason for the significant decrease claims severity (based on covers) of 16% from 2013/14 to 2014/15.
- b) Please provide information as per the following table:

Collision Claims Incurred Range (\$)	2013/14 (# of Covers)	2014/15 (# of covers)
0 to 500		
501 to 1,000		
1,001 to 1,500		
1,501 to 2,000		
2,001 to 2,500		
2,501 to 3,000		
3,001 to 5,000		
5,001 to 7,500		
7,501 to 10,000		
10,001 to 15,000		
15,001 to 20,000		
20,001 and over		

Rationale for Question:

To assess the reason for the significant decrease in collision cover severity year over year and to determine the financial impact on claims forecasts.

RESPONSE:

a) The table in Appendix A reflect claims incurred on a fiscal year reported basis. The forecasting of claims is done on an accident year (i.e. insurance year) basis as described in the main Claims Incurred document. The accident year forecast is then converted into a fiscal year reported basis (accounting statement basis) using the expected claims development patterns from the actuarial report. Due to timing differences in when claims dollars and claims (or cover) counts are reported, it is often not appropriate to calculate or compare severities on a fiscal year basis.

In regards to the example cited in the question, the long winter in 2013/14 created a backlog in reporting of 2013/14 *accident year* claims. This backlog carried over into the 2014/15 *fiscal year*. The claims incurred in Appendix A includes both direct incurred and IBNR. However, the claims frequency table in Appendix A does not count a cover until it has been reported. Therefore, there will be dollars held in IBNR for many covers that have not yet been reported. The tables below show the cumulative development for 2013/14 and 2014/15 accident years.

Accident Insurance Year 2013/14	Months of Development	
	12	24
Incurred (\$000)	\$324,806	\$344,576
Total IBNR (\$000)	\$28,670	\$1,965
Covers	114,331	130,596
Severity	\$3,092	\$2,654

Accident Insurance Year 2014/15	Months of Development	
	12	24
Incurred (\$000)	\$306,292	-
Total IBNR (\$000)	\$13,958	-
Covers	107,491	-
Severity	\$2,979	-

b) This information is available below. These figures are based on accident year and incurred as of July 20, 2015.

Collision Claims Incurred Range (\$)	2013/14 (# of Claims)	2014/15 (# of Claims)
0 to 500	28,243	26,986
501 to 1,000	19,179	14,716
1,001 to 1,500	15,274	11,936
1,501 to 2,000	12,130	9,962
2,001 to 2,500	9,803	8,164
2,501 to 3,000	7,756	6,603
3,001 to 5,000	18,574	16,138
5,001 to 7,500	9,570	8,815
7,501 to 10,000	4,389	3,961
10,001 to 15,000	3,354	3,201
15,001 to 20,000	1,096	1,027
20,001 and over	712	777

CAC (MPI) 1-22

Volume:	II	Page No.:	38
Topic:	Claims Incurred		
Sub Topic:	Collision severity		
Issue:	The collision ultimate severity on page 38 compared to the severity (snap shot) per Appendix A page 2 seem to be moving in different directions for 2014/15.		

Preamble: Per page 7 of the claims incurred report, 96.97% of collision claims incurred, per the Ultimate analysis table, are reported in the first twelve month (ie. in the current fiscal year) and accordingly one would expect the Ultimate and Fiscal Year severities to move in the same direction and at the same pace. See following table:

Ultimate		Fiscal Year (Snap Shot)			
Accident Year	Severity (\$)	Fiscal Year	Severity (\$)	Difference (\$)	%
2009/10	2,511	2009/10	2,140	371	17.3%
2010/11	2,553	2010/11	2,385	168	7.0%
2011/12	2,702	2011/12	2,384	318	13.3%
2012/13	2,825	2012/13	2,643	182	6.9%
2013/14	3,002	2013/14	3,015	(13)	(0.4)%
2014/15	3,155	2014/15	2,532	623	24.6%

Question:

Please explain why the ultimate severity of \$3,155 is significantly higher than fiscal year severity on a percentage basis especially as compared to previous years.

Rationale for Question:

To assess the reason(s) for the significant increase in the ultimate collision severity impacting the collision claims incurred forecast for rate setting purposes.

RESPONSE:

Ultimate severity is calculated on an accident year basis excluding claims without dollars. Fiscal year severity includes prior years incurred as well as cover counts that include covers without any dollars, lowering the severity on a fiscal year basis. These two differences will create different severities depending on the timing at which the claim was reported. The Corporation recommends using the *accident year* severity forecasts, as detailed in the Claims Incurred section, as the basis for assessing severity trends.

In 2013/14 there was a backlog in reporting due to an abnormally high claims frequency in the winter months. This backlog created a low percentage reported incurred to ultimate. Although the selected development factor at 12 months is 96.97%, only 93.79% was reported for 2013/14 at the end of 12 months. Please refer to CAC 1-21 for more information on this backlog.

CAC (MPI) 1-23

Volume:	II, Exhibit 5 Table 2	Page No.:	2
Topic:	Claims Incurred		
Sub Topic:	Basic Collision Yearly Claims Paid		
Issue:	In 2014/15 \$101 million collision claims were paid for 2013/14 accident year compared to \$80 million the previous year and \$67 million forecasted for the next year for the respective accident years.		

Preamble: See issue above.

Question:

Please explain the significant anomaly for claims paid in excess of \$101 million in 2014/15 for accident year 2013/14.

Rationale for Question:

To gain an understanding of claims forecasting data patterns.

RESPONSE:

The large increase in claims paid for the prior year was due to a backlog of claims from the 2013/14 winter. Typically, collision claims paid are 75% to ultimate at the end of 12 months. However, in 2013/14 collision claims paid are only 70% to ultimate which is the lowest in at least 10 years. This difference caused a much larger increase to claims paid for prior years in 2014/15. The Corporation is not forecasting this to continue.

CAC (MPI) 1-24

Volume:	2015 GRA CAC (MPI) 1-7	Page No.:	a)
Topic:	Manitoba Collision Repair Industry Study		
Sub Topic:	Update of Study		
Issue:	Last year the Auto Body Business in Manitoba Health of the Industry Update – 2012 was filed as part of CAC (MPI) 1-7.		

Preamble: See issue.

Question:

Since last year, has there been an update prepared to the “Auto Body Business in Manitoba Health of the Industry Update – 2012” study. If yes, please file a copy. If no, please discuss the progress made with respect to the recommendations of the report filed last year.

Rationale for Question:

To assess the progress made with respect to the recommendations made in the collision repair industry study and the effect these activities may have on the claims forecasts.

RESPONSE:

No update to the study has been prepared.

A core Automotive Trades Association of Manitoba/Manitoba Motor Dealers Association group has been established to work with Manitoba Public Insurance to address the recommendations of the study, including working on the Physical Damage Re-engineering program. The PDR project will address all of the report recommendations.

CAC (MPI) 1-25

Volume:	III	Page No.:	Table 1, page 5
Topic:	Review Policy Liabilities		
Sub Topic:	Review Policy Liabilities – Analysis of Runoff		
Issue:	Unfavourable runoff for collision and comprehensive coverages		

Preamble: The collision coverage experienced unfavourable runoff for insurance years 2007 to 2012 and favourable runoff for insurance year 2013. Comprehensive coverage experienced unfavourable runoff for insurance years 2010 to 2012 and favourable runoff for 2013.

Question:

- a) Please elaborate on the causes of the unfavourable runoffs for collision and comprehensive for the years indicated in the preamble as well as the cause of the favourable runoff experienced in the 2013 insurance year for both collision and comprehensive.
- b) Please prepare and file a Net Runoff Table for fiscal year 2013/15 similar to Table 1 and elaborate on any significant differences.

Rationale for Question:

To assess and understand the causes of the unfavourable and favourable runoffs experienced in the collision and comprehensive coverages during the last number of years. Is this a normal pattern or an aberration?

RESPONSE:

- a) For Collision, the unfavourable runoffs for insurance years 2007 to 2012 are caused primarily by actual reported coming in higher than budgeted reported as shown in the table below. For insurance year 2013, the budgeted reported is understated. The bulk IBNR of \$13,000,000, included for insurance year 2013 per the Actuarial Report as at February 28, 2015, was assumed to be reported based on normal development. In retrospect, the entire amount of \$13,000,000 should

have been assumed to be reported in the 2014/15 fiscal year. With that change, budgeted reported would have been \$20,823,000, and the difference to actual reported would have been -\$1,051,000, which explains the favourable runoff.

Collision: Comparison of Budget to Actual			
Ins Year	Budget Reported	Actual Reported	Actual less Budget
2007	-117	-47	70
2008	-121	42	163
2009	-121	20	141
2010	-135	206	341
2011	-136	472	608
2012	2,158	2,724	566
2013	18,739	19,772	1,033

For Comprehensive, the runoffs observed for 2010 to 2013 are caused primarily by the difference between actual paid and budgeted paid as shown in the table below.

Comprehensive: Comparison of Budget to Actual			
Ins Year	Budget Paid	Actual Paid	Actual less Budget
2010	74	155	81
2011	222	499	277
2012	1,844	2,526	682
2013	18,496	17,326	-1,170

- b) The last review of policy liabilities for Collision and Comprehensive coverages was done as of February 28, 2015, with the next review scheduled in November (for the Actuarial Report as of October 31, 2015). As such, a net runoff table for fiscal year 2015/16 cannot be completed for these coverages.

CAC (MPI) 1-26

Volume:	III, AI.7	Page No.:	280
Topic:	Actuarial Report as of October 31, 2014		
Sub Topic:	Appendix H: Reconciliation of Paid and Outstanding Claim Amounts		
Issue:	Prior Years not in Database and Outstanding Claims difference between database and Financial Controls		

Preamble: There appears an amount of \$5,390,000 of paid claims incurred of prior years not in the database used to prepare the actuarial report (policy liability valuation report). As well there appears to be a difference of \$4,245,000 for outstanding claims between the O/S claims database and financial controls.

Question:

Please comment and, if possible, explain the differences as stated in the preamble.

Rationale for Question:

To understand the difference between the various sources of claims data as stated in the preamble.

RESPONSE:

The amount of \$5,390,000 reflects the total incremental paid in fiscal year 2014/15 for insurance years 1996 and prior. This amount, when added to the \$407,630,000, reflects the total incremental paid in fiscal year 2014/15 for all insurance years. The amount of \$407,630,000 is calculated as the difference between what is presented in Vol III AI.7 Actuary Report as of October 31, 2014, Exhibit 2 which only includes insurance years 1997 and after, and Exhibit 2 of the Actuary Report as of February 28, 2014 (2015 GRA).

In respect of the \$4.2 million, the bodily injury claims system (BI³) introduced new functionality that allows us to track and recover excess payments realized during the claims lifecycle process. We have taken advantage of this functionality and have captured \$4.2 million in gross overpayments since inception in fall of 2010.

The issue is that, while the \$4.2 million is added back into outstanding reserves, there is no corresponding offset in the traditional paid or incurred amounts. The concept introduced with this new feature was that the incurred and paid is not changed; rather the creation of the overpayment restores available room on the reserve. However, since the actuarial report uses paid and incurred amounts, and case reserves reflect the difference between these amounts, the calculated reserves (per Exhibit 2) are lower by the \$4.2 million.

The treatment of overpayments to facilitate actuarial reporting and data analysis has been identified for review in the next upgrade to BI³ (Fall 2015).

CAC (MPI) 1-27

Volume:	I	Page No.:	14
Topic:	Loss Prevention and Road Safety		
Sub Topic:	Salvage		
Issue:	Salvage sales—a reduction of claims incurred		

Preamble: “As part of the loss reduction program, total loss vehicles or vehicles stolen and recovered after a theft claim has been settled, are sold as salvage and may, depending on the nature of damage, qualify to be rebuilt to required provincial standards for road use, or may be harvested for undamaged vehicle parts.”

Question:

Please provide a detailed operating statement (including the number of vehicles sold, average salvage recovery per vehicle and the operating expenses relating to salvage operations) for salvage vehicle sales for the fiscal years 2013/14 and 2014/15.

Rationale for Question:

To gain an understanding of the impact of salvage sales recoveries on claims incurred.

RESPONSE:

	Actual 2013-14	Actual 2014-15
VEHICLE AUCTION SALES		
Vehicles –Winnipeg	\$ 26,658,778	\$ 29,403,585
Vehicles – Rural	1,091,495	0
Vehicles –Tender	5,926,080	7,369,855
Retained input tax credits	1,394,946	1,516,627
Total Vehicle Auction Sales	\$ 35,071,299	\$ 38,290,067
Expenses	2,730,419	2,769,511
Net Return on Operations	\$ 32,340,880	\$ 35,520,556
Number of vehicles handled	27,205	28,220
Average net return per unit	\$ 1,189	\$ 1,259

Note – in 2014/15 the Corporation moved all non-Winnipeg auction sales to online tender.

CAC (MPI) 1-28

Volume:	III, AI.6, Part 1	Page No.:	5 and 30
Topic:	Provision for employee future benefits		
Sub Topic:	Pension benefit plan – Remeasurement (gains) losses recognized in OCI increase substantially year over year.		
Issue:	Year over year increase of \$44.7 million from (\$12.8) million in 2014 to \$31.9 million in 2015.		

Preamble: See subtopic.

Question:

- a) Please provide a detailed explanation, including the economic assumptions, as to the rationale for the remeasurement of the pension benefit plan in 2015 resulting in a loss of \$31.9 million. Please confirm that there is no financial impact to the forecasted financial results.
- b) Please file a copy of the actuarial pension and Other benefit plans reports prepared as at December 31, 2014.

Rationale for Question:

To clarify and understand reported financial results and costs of operations impacting future financial forecasts.

RESPONSE:

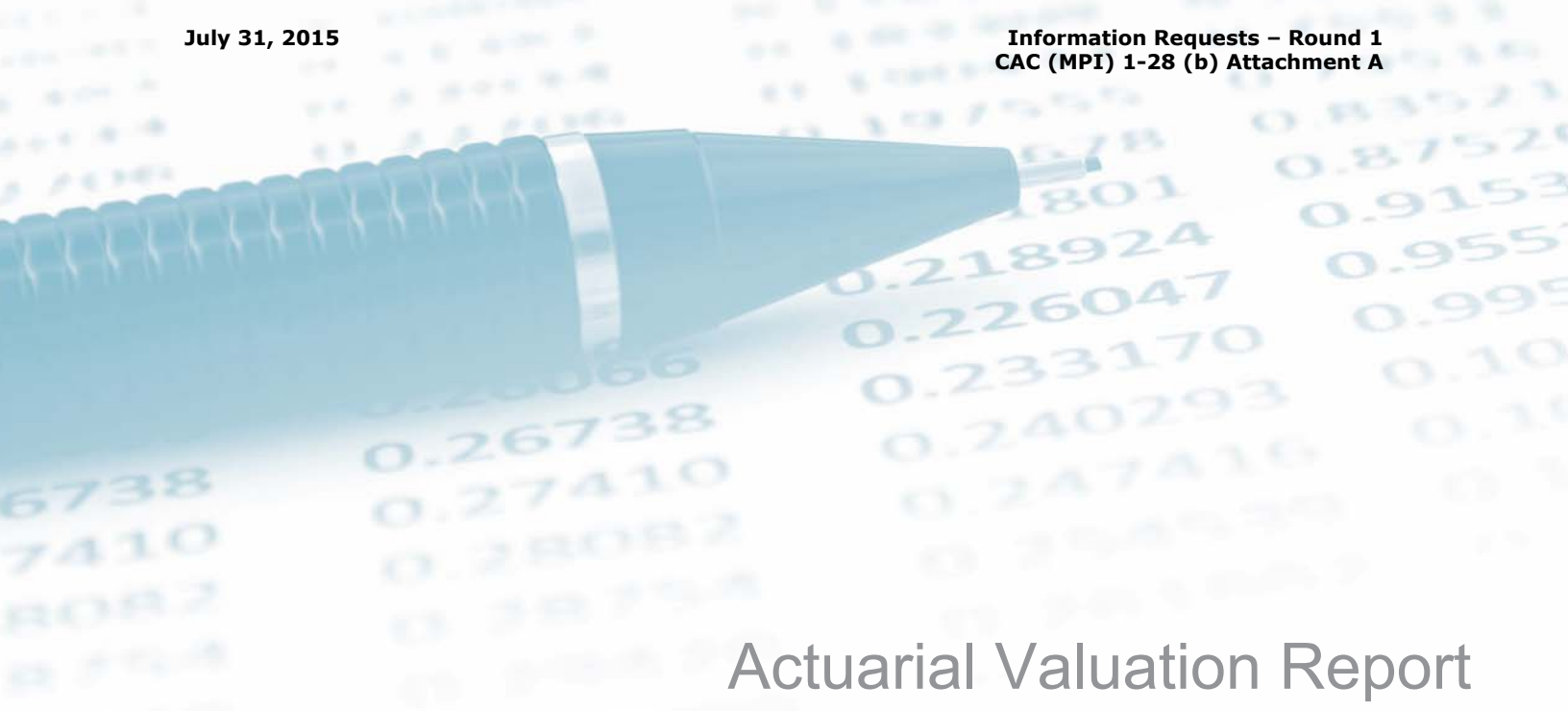
- a) In accordance to IAS 19, effective March 1, 2014 actuarial gains/losses are to be recognized in Other Comprehensive Income in the period in which they occur.

The economic assumptions used for the remeasurement are included in the following table:

Description	2014 Recommended Economic Assumptions
Rate of Return	3.6%
Inflation	2.00%
Wage growth*	2.75% for 1.75 years, 1.50% for 1.00 years, 2.00% for 2.00 years, 2.50% for 1.00 years, 2.00% thereafter
Health Cost Inflation	5.50%

There is no financial impact calculated for this remeasurement in the forecast period.

b) Please see attached.



Actuarial Valuation Report as at December 31, 2014

Pension Liabilities of Manitoba Public Insurance
(As a result of participation of its employees in
the Civil Service Superannuation Act)

Submitted: March, 2015

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APPENDICES

- I Summary of Data
- II Summary of Actuarial Assumptions
- III Projection of M.P.I. Pension Liabilities for 2014

I. PURPOSE

The purpose of this Actuarial Valuation Report (Report) is to:

- indicate the liabilities which the Manitoba Public Insurance (M.P.I.) has as at December 31, 2014 (Valuation Date), as a result of the participation of its employees in the Civil Service Superannuation Act (CSSA), and
- provide a formula which can be used to estimate the increase in these liabilities in the following 12 to 18 months after December 31, 2014.

These liabilities are an estimate of the present value of the future payments which M.P.I. is expected to make to the Civil Service Superannuation Fund (CSSF).

The liabilities have been computed on a going concern basis. This basis contemplates the continued existence of the pension plan and the funding arrangements for the benefits under the pension plan.

The guidance for the calculation of the liabilities and the preparation of this Report are the Practice-Specific Standards for Pension Plans of the Canadian Institute of Actuaries and IAS 19, Employee Benefits issued by the International Accounting Standards Committee.

2. DATA

It is anticipated no amendments will be made to the CSSA other than the contribution rate increase which is set up to increase by 2% from July 1, 2012 to January 1, 2015.

The data used in the calculations includes the portion of each pension, currently in payment or which is expected to be in payment, that M.P.I. is responsible for.

The data for all the pensions in payment and the accrued pensionable service of all employees participating in the CSSA was provided by the Civil Service Superannuation Board (Superannuation Board).

Information on the pensions and benefits paid by M.P.I. and the employee contributions for 2014 were obtained from M.P.I.

Due to time constraints, the data provided by the Superannuation Board was sent without performing their normal annual edit checks. However, the data was checked for missing information, illogical information and reconciled with the prior valuation data. A few minor changes to the data resulted from the checks made.

3. MEMBERSHIP

The data provided indicated that M.P.I. was the employer of record for the following participants:

	31-Dec-2014			31-Dec-2013		
	Males	Females	Total	Males	Females	Total
Contributors	819	1,137	1,956	827	1,157	1,984
Deferred Pensioners	74	103	177	69	92	161
Reciprocal Transfers	1	-	1	1	-	1
Pensioners & Survivors	398	390	788	380	360	740
Total	<u>1,292</u>	<u>1,630</u>	<u>2,922</u>	<u>1,277</u>	<u>1,609</u>	<u>2,886</u>

A reconciliation of the number of member records used in the calculations is shown in Appendix I.

The numbers shown for pensioners includes 63 beneficiary records as at December 31, 2014 and 64 as at December 31, 2013.

4. ASSUMPTIONS

The assumptions used in this Report and assumptions used in the last actuarial valuation report of the M.P.I. pension liabilities are shown in Appendix II.

The demographic assumptions have been developed from the accumulated experience of the CSSF. This experience is reflected in the demographic assumptions adopted for the actuarial valuations of the CSSF. Changes to these assumptions were made for the actuarial valuation of the CSSF as at December 31, 2013 (CSSF AVR 2013). In addition, the full CPM 2014 Public Scale B mortality table has been used in the calculations.

The economic assumptions have been chosen by management. The specific choices are made after a review with internal staff and the actuary. The existing economic assumptions were confirmed to us on February 9, 2015 by management after management's review of the assumptions.

The demographic assumptions overall represent a reasonable best estimate basis for these assumptions. The economic assumptions, overall, represent MPI's best estimate basis for those assumptions.

5. M.P.I. SHARE OF BENEFIT PAYMENTS

The benefits expected to be paid are based on the provisions of the CSSA.

M.P.I. is expected to make payments due to:

- pensions in payment as at December 31, 2014 where M.P.I. is the last employer of record,
- pensions expected to become payable to former employees who retained the right to a deferred paid-up pension, and
- pensions and other benefits expected to become payable to existing employees as a result of service completed up to the Valuation Date.

At present, M.P.I. is contributing to the CSSF based on the pay-as-you-go method of funding. Under this method, no advance funding payments for the employer share of the cost of pensions are made to the CSSF. M.P.I. has, however, established a reserve against general assets which is being increased to match the increase in its pension liabilities.

Each month, M.P.I. makes payments to the CSSF to reimburse it for:

- a portion (currently about 47%) of each pension payment to retired employees,
- a portion (currently about 47%) of each pension payment to a beneficiary of a deceased pensioner or the survivor of an employee who dies in service,
- a portion of any amounts transferred to other pension plans under reciprocal agreements,
- a portion of any commuted values paid out as a result of employees terminating service or as a result of marriage breakdowns, and
- a portion of the administrative costs of operating the CSSF in respect of M.P.I. records.

Pensions in payment are indexed to $\frac{2}{3}$ of the increases in the cost of living, provided sufficient funds exist to finance such increases. Former employees who retain a right to a deferred paid-up pension have their pensions indexed during both the deferral period and the payout period.

The employer share of each pension is based on when the pension starts. For pensions which commenced:

- (a) prior to March 31, 1961, the employer is responsible for a portion of each increase in that pension and
- (b) after March 31, 1961, the employer is responsible for a portion (currently about 47%) of the pension paid.

Pursuant to CSSA subsection 22(11), employer funding for employees who have service with more than one non-matching Agency shall be on a pro rata basis. This proration of the benefits assigned to an employer is based on the proration of service allocated to the employer. This proration assignment was made effective for events on or after January 1, 1998. This may decrease or increase the pension obligations in the absence of CSSA subsection 22(11). However, for enhanced benefits, it is the administrative practice to bill all of the enhanced benefits to the current employer.

6. VALUATION PROCEDURE

The projected unit credit actuarial cost method has been used to determine the accrued liabilities and the current service cost applicable to each year after the Valuation Date.

The liabilities are computed separately for each employee and each potential benefit in the future for that employee. For each benefit, we determine:

- the probability of that benefit becoming payable each year in the future based on the assumptions outlined in Appendix II,
- a discount factor which makes allowance for the interest expected to be earned between the valuation date and the date of payment to finance a portion of the future payment, and
- the amount of the future benefit. Pensions are based on service completed prior to the valuation date and projected salaries immediately prior to the event causing the pension to be paid.

The liability for each benefit for an employee is the sum of the product of these three factors for each year in the future. The sum of these liabilities obtained for all employees is the liability for that benefit in respect of employees.

The liabilities for pensioners and deferred pensioners is determined by a similar process except that the amount of payment is based on the pension in payment or the pension of record in the case of deferred pensioners.

For accounting purposes, the service-to-date pension obligations have been shown.

7. VALUATION RESULTS

The following table shows the liabilities which M.P.I. has as at December 31, 2014 and December 31, 2013 as a result of the participation of its employees and former employees in the CSSA:

	Pension Liabilities with Allowance Made for Indexing of Pensions		
	After Change in assumptions 31-Dec-2014	Before change in assumptions 31-Dec-2014	31-Dec-2013
Contributors	\$ 180,418,800	\$ 155,726,300	\$ 155,659,000
Deferred Pensioners	6,978,800	6,042,400	7,845,600
Pensioners & Survivors	149,744,300	135,127,000	119,142,900
Total	<u>\$ 337,141,900</u>	<u>\$ 296,895,700</u>	<u>\$ 282,647,500</u>

For this valuation, the liabilities were \$982,700 less than projected prior to reflecting changes in actuarial assumptions. The detailed breakdown of all experience is shown in Appendix III.

The liabilities were also affected by the change made to anticipated future experience. The decrease in the discount rate from 4.20% to 3.60% increased the liabilities by \$36.0 million.

The expected average remaining service life (EARSL) of employees is 14.0 years.

8. PROJECTION FORMULA FOR LIABILITIES

The application of the projection formula is shown in Appendix III.

The following formula can be used to project the estimated increase in liabilities in the 12 to 18 months after the Valuation Date:

- Add interest at the rate of 3.60% per year to the liabilities at the beginning of the period, the contributions for the period, and the benefit payments for the period. The interest addition for the contributions and the benefit payments should be prorated to recognize investment for half the period on average.
- Add employer contributions at the rate of 152.2% of the employee contributions required to be made for the period.
- Deduct the actual employer pension and benefit payments made to the CSSF for the period.

9. ACCOUNTING FOR PENSION OBLIGATIONS

A reserve against general assets has been established and is being increased to match the accrued pension liability. This reserve should eventually reflect the existence of assets in the Employer Trust Account held in the CSSF.

The pension expense for a period is equal to:

- (a) the change in the reserve, plus
- (b) the actual benefit payments, plus
- (c) the amounts for the amortization of previous gains and losses.

The above formula takes no credit for interest that may have been earned on assets supporting the liabilities.

10. ACTUARIAL OPINION

In our opinion, for the purposes of this Report:

- The membership data is sufficient and reliable.
- The assumptions, in aggregate which have been used, are appropriate for the purpose of determining the accounting requirements of the Plan on a going concern basis.
- The method which has been used is appropriate for the purpose of determining the accounting requirements of the Plan on a going concern basis.
- There is a risk that the liabilities may be exposed to adverse demographic experience in the future (e.g. retirement, mortality, etc.).
- This Report reflects the new Canadian Institute of Actuaries (CIA) commuted value standards effective February 1, 2011.
- We are not aware of any other matters or events occurring since the completion of this Report, which will materially affect the financial position of the liabilities as at December 31, 2014.


This Report has been prepared and this opinion has been given in accordance with accepted actuarial practice.

Dated at Winnipeg, this 17th day of March, 2015.

ELLEMENT



Dennis Ellement, F.S.A., F.C.I.A.



Brandon Ellement, F.S.A., A.C.I.A.

APPENDIX I**Summary of Data**

▪ Reconciliation of Membership

TOTAL	ACTIVES	DEFERREDS	RECIPROCAL	PENSIONERS	SURVIVORS
Opening 31-Dec-2013	1,984	161	1	676	64
New Entrants	127	-	-	-	-
Retirements	(63)	(6)	-	69	-
Terminations - Deferred	(25)	25	-	-	-
Terminations - Refunds	(67)	(3)	-	(8)	(4)
Terminations - Deaths	-	-	-	(9)	-
Death - Survivors	-	-	-	(3)	3
Closing 31-Dec-2014	1,956	177	1	725	63

MALES	ACTIVES	DEFERREDS	RECIPROCAL	PENSIONERS	SURVIVORS
Opening 31-Dec-2013	827	69	1	373	7
New Entrants	60	-	-	-	-
Retirements	(29)	(2)	-	31	-
Terminations - Deferred	(10)	10	-	-	-
Terminations - Refunds	(29)	(3)	-	(8)	1
Terminations - Deaths	-	-	-	(6)	-
Death - Survivors	-	-	-	-	-
Closing 31-Dec-2014	819	74	1	390	8

FEMALES	ACTIVES	DEFERREDS	RECIPROCAL	PENSIONERS	SURVIVORS
Opening 31-Dec-2013	1,157	92	-	303	57
New Entrants	67	-	-	-	-
Retirements	(34)	(4)	-	38	-
Terminations - Deferred	(15)	15	-	-	-
Terminations - Refunds	(38)	-	-	-	(5)
Terminations - Deaths	-	-	-	(3)	-
Death - Survivors	-	-	-	(3)	3
Closing 31-Dec-2014	1,137	103	-	335	55

Actuarial Valuation Report as at December 31, 2014
Pension Liabilities of Manitoba Public Insurance

Contributors

CONTRIBUTORS - MALES 31-Dec-2014

MALES		Average			Number of Members in Each Years of Service Cell									
Age	Count	Age	Service	Salary	00 - 04	05 - 09	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	
15 - 19	1	19.00	0.10	\$ 42,513.00	1	-	-	-	-	-	-	-	-	
20 - 24	9	22.89	1.97	46,045.89	8	1	-	-	-	-	-	-	-	
25 - 29	63	27.30	3.50	52,171.34	45	18	-	-	-	-	-	-	-	
30 - 34	117	32.65	4.94	59,370.81	59	48	10	-	-	-	-	-	-	
35 - 39	127	37.02	6.28	66,061.36	58	39	27	3	-	-	-	-	-	
40 - 44	106	41.92	9.05	69,168.06	32	24	28	20	2	-	-	-	-	
45 - 49	97	47.18	13.99	74,961.56	17	17	23	18	5	17	-	-	-	
50 - 54	149	52.51	17.95	77,408.66	21	21	30	13	6	35	22	1	-	
55 - 59	100	57.29	19.79	79,028.35	10	11	18	12	8	18	12	11	-	
60 - 64	41	61.66	19.25	70,198.54	1	7	10	5	6	4	2	5	1	
65 - 69	9	65.89	20.24	69,774.90	-	1	2	2	3	-	-	-	1	
70 - 74	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014 Total/Avg	819	44.15	11.67	\$ 69,140.20	252	187	148	73	30	74	36	17	2	
2013 Total/Avg	827	43.98	12.73	\$ 66,510.64	252	172	126	72	48	84	53	20	-	

CONTRIBUTORS - FEMALES 31-Dec-2014

MALES		Average			Number of Members in Each Years of Service Cell									
Age	Count	Age	Service	Salary	00 - 04	05 - 09	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	
15 - 19	-	-	-	\$ -	-	-	-	-	-	-	-	-	-	
20 - 24	27	23.11	1.65	39,773.59	27	-	-	-	-	-	-	-	-	
25 - 29	127	27.50	3.38	47,411.69	91	36	-	-	-	-	-	-	-	
30 - 34	170	32.02	4.78	52,032.52	91	72	7	-	-	-	-	-	-	
35 - 39	147	36.95	6.32	57,493.78	65	53	28	1	-	-	-	-	-	
40 - 44	130	41.96	7.91	60,342.24	48	37	32	9	4	-	-	-	-	
45 - 49	168	47.40	13.20	61,923.80	33	32	36	24	24	19	-	-	-	
50 - 54	228	53.32	16.78	66,290.22	21	40	63	23	14	35	28	4	-	
55 - 59	100	58.06	16.43	62,143.81	13	15	29	11	3	13	11	5	-	
60 - 64	37	61.59	17.99	54,368.75	2	8	10	3	2	3	3	5	1	
65 - 69	3	65.67	23.69	45,166.67	-	1	-	-	-	1	-	1	-	
70 - 74	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014 Total/Avg	1,137	42.96	10.26	\$ 58,149.23	391	294	205	71	47	71	42	15	1	
2013 Total/Avg	1,157	42.52	11.53	\$ 55,377.39	417	240	157	85	73	95	69	21	-	

Actuarial Valuation Report as at December 31, 2014
Pension Liabilities of Manitoba Public Insurance

Deferred Pensioners

DEFERREDS - MALES 31-Dec-2014

MALES Age	Count	Average Monthly Basic Pension	Count	Average Monthly Cola Pension
15 - 19	-	\$ -	-	\$ -
20 - 24	-	-	-	-
25 - 29	1	47.88	-	-
30 - 34	8	373.57	-	-
35 - 39	6	672.37	-	-
40 - 44	14	407.69	-	-
45 - 49	12	986.48	-	-
50 - 54	17	791.91	-	-
55 - 59	11	728.65	-	-
60 - 64	5	470.00	-	-
65 - 69	-	-	-	-
70 - 74	-	-	-	-
2014 Total/Avg	74	\$ 654.64	-	\$ -
2013 Total/Avg	69	\$ 447.56	-	\$ -

DEFERREDS - MALES 31-Dec-2013

MALES Age	Count	Average Monthly Basic Pension	Count	Average Monthly Cola Pension
15 - 19	-	\$ -	-	\$ -
20 - 24	-	-	-	-
25 - 29	1	161.43	-	-
30 - 34	4	845.81	-	-
35 - 39	6	405.41	-	-
40 - 44	12	795.05	-	-
45 - 49	13	218.01	-	-
50 - 54	19	466.50	-	-
55 - 59	10	269.78	-	-
60 - 64	4	242.09	-	-
65 - 69	-	-	-	-
70 - 74	-	-	-	-
2013 Total/Avg	69	\$ 447.56	-	\$ -
2012 Total/Avg	75	\$ 571.71	-	\$ -

DEFERREDS - FEMALES 31-Dec-2014

FEMALES Age	Count	Average Monthly Basic Pension	Count	Average Monthly Cola Pension
15 - 19	-	\$ -	-	\$ -
20 - 24	-	-	-	-
25 - 29	1	194.47	-	-
30 - 34	5	244.30	-	-
35 - 39	16	363.47	-	-
40 - 44	13	666.66	-	-
45 - 49	15	758.24	-	-
50 - 54	26	862.65	-	-
55 - 59	20	400.95	-	-
60 - 64	7	427.93	-	-
65 - 69	-	-	-	-
70 - 74	-	-	-	-
2014 Total/Avg	103	\$ 589.47	-	\$ -
2013 Total/Avg	92	\$ 679.39	-	\$ -

DEFERREDS - FEMALES 31-Dec-2013

FEMALES Age	Count	Average Monthly Basic Pension	Count	Average Monthly Cola Pension
15 - 19	-	\$ -	-	\$ -
20 - 24	-	-	-	-
25 - 29	2	1,420.24	-	-
30 - 34	5	1,315.03	-	-
35 - 39	14	765.96	-	-
40 - 44	8	853.61	-	-
45 - 49	20	438.93	-	-
50 - 54	20	782.56	-	-
55 - 59	20	507.25	-	-
60 - 64	3	320.36	-	-
65 - 69	-	-	-	-
70 - 74	-	-	-	-
2013 Total/Avg	92	\$ 679.39	-	\$ -
2012 Total/Avg	105	\$ 541.95	-	\$ -

Actuarial Valuation Report as at December 31, 2014
Pension Liabilities of Manitoba Public Insurance

■ Pensions in Payment

PENSIONERS & SURVIVORS - MALES 31-Dec-2014

MALES Age	Count	Average Monthly Basic Pension	Count	Average Monthly Cola Pension
40 - 44	-	\$ -	-	\$ -
45 - 49	-	-	-	-
50 - 54	1	925.71	1	65.80
55 - 59	67	2,239.91	48	31.61
60 - 64	111	2,365.73	103	115.85
65 - 69	97	2,199.89	95	196.11
70 - 74	60	1,730.48	58	256.18
75 - 79	32	1,499.91	32	392.09
80 - 84	16	863.77	16	342.32
85 - 89	11	942.17	11	330.52
90 - 94	1	804.03	1	279.05
95 - 99	2	531.87	2	327.01
2014 Total/Avg	398	\$ 2,022.27	367	\$ 189.64
2013 Total/Avg	380	\$ 1,984.06	353	\$ 184.89

PENSIONERS & SURVIVORS - MALES 31-Dec-2013

MALES Age	Count	Average Monthly Basic Pension	Count	Average Monthly Cola Pension
40 - 44	-	\$ -	-	\$ -
45 - 49	1	925.72	1	130.11
50 - 54	1	2,981.89	-	-
55 - 59	79	2,136.94	64	49.85
60 - 64	111	2,506.50	102	103.52
65 - 69	85	1,925.55	83	126.80
70 - 74	47	1,590.61	47	151.63
75 - 79	26	1,524.87	26	159.34
80 - 84	18	959.79	18	223.19
85 - 89	6	710.88	6	108.04
90 - 94	6	562.66	6	66.53
95 - 99	-	-	-	-
2013 Total/Avg	380	\$ 1,984.06	353	\$ 184.89
2012 Total/Avg	364	\$ 1,933.56	322	\$ 193.89

PENSIONERS & SURVIVORS - FEMALES 31-Dec-2014

FEMALES Age	Count	Average Monthly Basic Pension	Count	Average Monthly Cola Pension
40 - 44	-	\$ -	-	\$ -
45 - 49	1	162.59	1	6.86
50 - 54	3	436.10	2	108.51
55 - 59	75	1,874.93	51	32.32
60 - 64	121	1,516.62	108	62.39
65 - 69	93	934.95	91	91.71
70 - 74	37	856.01	37	132.59
75 - 79	24	719.60	24	184.01
80 - 84	17	809.50	17	344.30
85 - 89	11	546.64	11	199.13
90 - 94	5	372.89	5	206.26
95 - 99	3	683.15	3	425.71
2014 Total/Avg	390	\$ 1,244.06	350	\$ 104.66
2013 Total/Avg	360	\$ 1,129.01	322	\$ 101.34

PENSIONERS & SURVIVORS - FEMALES 31-Dec-2013

FEMALES Age	Count	Average Monthly Basic Pension	Count	Average Monthly Cola Pension
40 - 44	-	\$ -	-	\$ -
45 - 49	1	162.59	1	-
50 - 54	3	615.50	2	32.69
55 - 59	79	1,689.27	59	46.13
60 - 64	106	1,339.32	91	35.83
65 - 69	72	847.76	70	34.92
70 - 74	39	832.63	39	44.18
75 - 79	19	614.96	19	66.20
80 - 84	17	636.72	17	156.22
85 - 89	15	577.46	15	76.95
90 - 94	6	430.61	6	240.07
95 - 99	3	582.75	3	104.33
2013 Total/Avg	360	\$ 1,129.01	322	\$ 101.34
2012 Total/Avg	324	\$ 1,054.03	287	\$ 106.11

Notes:

- Both the pension amounts and cost-of-living (cola) amounts shown in the above table are the total amounts paid.
- Counts are based on the primary pensioner sex.
- The counts shown reflect employees who are with another employer but have service that is the responsibility of Manitoba Public Insurance.

APPENDIX II**Summary of Actuarial Assumptions**

	31-Dec-2014	31-Dec-2013
1. Annual Rate of Return on the Assets of the CSSF	3.60%	4.20%
Annual Rate of Inflation Included in Rate of Return	2.00%	same
2. General Salary Increases (service and merit is separate and age specific)	2.75% for 1.75 years, 1.50% for 1.00 years, 2.00% for 2.00 years, 2.50% for 1.00 years, 2.00% thereafter	0.00% for 0.75 years, 2.75% for 2.00 years, 2.50% thereafter
3. Annual Salary Merit Increases	increased 0.50% (2009) see TABLE	same
4. Indexing of Pensions (2/3 of the assumed rate of inflation)	1.33%	same
5. Annual Increase in Earnings under Canada Pension Plan	same as general salary increases	same
6. Annual Increase in Maximum Pension under Income Tax Act	2015: \$2,818.89 Indexed \geq same as 5. above	2014: \$2,770.00 Indexed \geq 2015: same as 5. above
7. Annual Rate of Interest Credited to Employee Contributions	1.60%	2.20%
8. Employer's Portion of Administrative Costs - % of Employee Contributions	0.00%	same
9. Annual Rates of Death	CPM 2014 Public Mortality Projected using Scale B (see TABLE)	UPI994 Generational Mortality using Scale AA (see TABLE)
10. Proportion of Employees with a Spouse	see TABLE	same
11. Annual Rates of Termination of Service	see TABLE	same
12. Annual Rates of Disability	see TABLE	same
13. Annual Rates of Retirement	see TABLE	same

Actuarial Valuation Report as at December 31, 2014
Pension Liabilities of Manitoba Public Insurance

Age	<u>Mortality*</u>		<u>Termination</u>		<u>Disability</u>		<u>Retirement</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
20	0.08%	0.02%	10.15%	12.60%	-	-	-	-
25	0.10	0.02	6.60	9.20	-	-	-	-
30	0.11	0.03	4.63	6.88	-	-	-	-
35	0.11	0.04	3.39	5.31	0.01%	0.01%	-	-
40	0.13	0.06	2.58	4.26	0.04	0.06	-	-
45	0.18	0.09	2.06	3.64	0.09	0.13	-	-
50	0.25	0.13	1.71	3.22	0.23	0.30	-	-
55	0.36	0.21	-	-	0.66	0.76	24.86%	24.49%
60	0.53	0.35	-	-	-	-	27.10	21.45
65	0.76	0.56	-	-	-	-	100.00	100.00
70	1.17	0.88	-	-	-	-	-	-
75	2.00	1.46	-	-	-	-	-	-
80	3.74	2.71	-	-	-	-	-	-
85	7.22	5.32	-	-	-	-	-	-
90	13.54	10.23	-	-	-	-	-	-
95	24.27	18.86	-	-	-	-	-	-
100	36.64	31.78	-	-	-	-	-	-

* CPM 2014 Public Mortality Projected using Scale B

Age	<u>Service and Merit</u>		<u>Married Proportions</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
20	3.41%	3.41%	33.00%	35.00%
25	2.90	2.90	69.00	55.00
30	2.40	2.40	90.00	68.40
35	1.89	1.89	92.70	70.50
40	1.37	1.37	93.30	70.00
45	0.94	0.94	93.50	67.80
50	0.70	0.70	90.00	71.00
55	-	-	90.00	71.00
60	-	-	90.00	71.00
65	-	-	90.00	71.00

Plus allowance for use of accrued vacation in calculation of average annual salary at date of retirement: 3.45%.

Actuarial Valuation Report as at December 31, 2014
Pension Liabilities Manitoba Public Insurance**APPENDIX III****Projection of M.P.I. Pension Liabilities for 2014**

1. Actuarial Liabilities as at 31-Dec-2013	\$ 282,647,500
2. Interest on liabilities and cash flow (4.20%)	11,940,300
3. Current Service Cost for Active Members	12,406,600
4. Employer Benefit Payments	(9,116,000)
5. Projected Liabilities as at 31-Dec-2014	<u>\$ 297,878,400</u>
6. ACTUAL LIABILITIES as at 31-Dec-2014 before change in economic assumptions	\$ 296,895,700
7. ACTUAL LIABILITIES as at 31-Dec-2014 after change in mortality and economic assumptions	\$ 337,141,900
GAIN/(LOSS) due to actual experience: [5] - [6]	\$ 982,700
GAIN/(LOSS) due to change in assumptions: [6] - [7]	<u>(40,246,200)</u>
NET GAIN/(LOSS)	<u>\$ (39,263,500)</u>

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Actuarial Valuation Report as at December 31, 2014

Liabilities for Post-Retirement Health Benefits for
In-Scope Employees of
Manitoba Public Insurance

Submitted: March, 2015





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APPENDICES

- I Summary of Benefits
- II Summary of Actuarial Assumptions
- III Projection of M.P.I. Post-Retirement Health Benefits Liabilities for 2014

I. PURPOSE

The purpose of this Actuarial Valuation Report (Report) is to:

- indicate the liabilities which the Manitoba Public Insurance (M.P.I.) has at December 31, 2014 (Valuation Date) as a result of the provision of Post-Retirement Health Benefits to in-scope employees, and
- provide a formula that can be used to estimate the increase in these liabilities in the following 12 to 18 months after December 31, 2014.

These liabilities are an estimate of the present value of the benefits that M.P.I. is expected to pay to provide Post-Retirement Health Benefits to in-scope employees after their retirement. The Post-Retirement Health Benefits include eligible health benefits.

A summary of the Post-Retirement Health Benefits is provided in Appendix I.

The liabilities have been computed on a going concern basis. This basis contemplates the continued existence of the Post-Retirement Health Benefits and the funding arrangements for the benefits.

The guidance for the calculation of the liabilities and the preparation of this Report are the Practice-Specific Standards for Post-Employment Benefit Plans of the Canadian Institute of Actuaries and IAS 19, Employee Benefits issued by the International Accounting Standards Committee.

2. DATA

It is anticipated no amendments will be made to the Post-Retirement Health Benefits, other than those described in Appendix I.

The data used in the calculations includes the benefits currently in payment or those that are expected to be in payment.

Information on each in-scope employee covered by the Post-Retirement Health Benefits was obtained from M.P.I. For current in-scope employees, this information included employee number, name, hire date, and birthdate.

For retired in-scope employees, similar information was provided and, as well, the date of retirement.

The data was checked for missing information and illogical information. As a result of these checks, the data was found to be sufficient and reliable.

Actuarial Valuation Report as at December 31, 2014
Liabilities for Post-Retirement Health Benefits for
In-Scope Employees of Manitoba Public Insurance

3. POST-RETIREMENT HEALTH BENEFITS PARTICIPATION

The data provided indicated that M.P.I. was the employer of record for the following participants:

	EMPLOYEES			PENSIONERS & SURVIVORS		
	Males	Females	Total	Males	Females	Total
Participants as at 31-Dec-2013	658	1,049	1,707	96	124	220
New employees	38	48	86	-	-	-
Retirements	(27)	(38)	(65)	27	38	65
Terminations	(72)	(162)	(234)	-	-	-
Deaths	-	-	-	(4)	(4)	(8)
Adjustments	-	-	-	-	-	-
Participants as at 31-Dec-2014	597	897	1,494	119	158	277

* Terminations includes the removal of temporary employees and others not covered under the program that we included last year which did not represent a material liability.

4. ASSUMPTIONS

The assumptions used in this valuation are shown in Appendix II.

The demographic assumptions are the same as those used for the actuarial valuation report on the pension liabilities that the Manitoba Public Insurance has as at December 31, 2014. In addition, the marital status at the date of retirement was assumed to be the same as the marital status at the valuation date.

The economic assumptions have been chosen by management. The specific choices are made after a review with internal staff and the actuary. The existing economic assumptions were confirmed on February 9, 2015 by management after management's review of the assumptions. The assumptions are the same as those adopted for the actuarial valuation report on the pension liabilities as at December 31, 2014.

For purposes of future increases in premium (benefit) rates, it was assumed that the benefits currently in force at the Valuation Date would increase at the assumed rate of inflation. The assumed rate of inflation is 2.00%. Based on information from various sources on the escalating cost of health benefits, it is anticipated that the current benefits will increase at 2.00% per year.

The demographic assumptions overall represent a reasonable best estimate basis for these assumptions. The economic assumptions, overall, represent MPI's best estimate basis for those assumptions.

5. M.P.I. SHARE OF PREMIUMS

It has been anticipated that M.P.I. will continue to pay 100% of the premiums (benefits) required to finance the Post-Retirement Health Benefits for in-scope employees.

6. VALUATION PROCEDURE

The projected benefit method prorated on service has been used to determine the accrued liabilities and the current service cost applicable to each year after the Valuation Date.

For each in-scope employee, the present value of the expected post-retirement premiums (benefits) was determined. The proportion of this amount held as the accrued liability is equal to the ratio of the completed service as at the Valuation Date divided by the total service expected to be completed at the date of retirement.

For each retired in-scope employee, the present value of the expected post-retirement premiums (benefits) was determined. This full amount is held as the accrued liability.

7. VALUATION RESULTS

The following table shows the liabilities that M.P.I. has as at December 31, 2014 and December 31, 2013 as a result of the provision of Post-Retirement Health Benefits to in-scope employees:

Category	Amount at 31-Dec-2014	Amount at 31-Dec-2013
Current Employees	\$ 2,843,600	\$ 2,401,300
Retired Employees	1,295,000	935,600
Total	\$ 4,138,600	\$ 3,336,900

For this valuation, the liabilities were \$51,400 less than projected prior to reflecting changes in actuarial assumptions. The detailed breakdown of the experience is shown in Appendix III.

8. PROJECTION FORMULA FOR LIABILITIES

The following formula can be used to project the estimated increase in liabilities in the 12 to 18 months after the Valuation Date:

- Add interest at the rate of 3.60% per year to the liabilities at the beginning of the period, the current service cost for the period, and the premium (benefit) payments for the period. The interest addition for the current service cost and the premium (benefit) payments should be prorated to recognize investment for half the period, on average.
- Add employer current service cost at the rate of \$157 per covered current in-scope employee per year for the period.

9. SENSITIVITY OF RESULTS TO DIFFERENT ASSUMPTIONS

The results obtained are based on the assumptions outlined in Appendix II.

The accrued liability would increase by approximately \$0.23 million or 5.6% for each $\frac{1}{4}$ of 1% increase in the health cost inflation rate. The current service cost would increase by a similar percentage.

The accrued liability would increase by approximately \$0.22 million or 5.2% for each $\frac{1}{4}$ of 1% decrease in the assumed rate of return. The current service cost would increase by a similar percentage.

10. ACCOUNTING FOR POST-RETIREMENT OBLIGATIONS

The cost for a period, including the assumed interest, is equal to:

- (a) the change in the reserve plus
- (b) the premium (benefit) payments plus
- (c) the amounts for the amortization of the previous unfunded liability.

The above formula takes no credit for interest that may have been earned on assets supporting the liabilities.

II. ACTUARIAL OPINION

In our opinion, for the purposes of this Report:

- The membership data is sufficient and reliable.
- The assumptions, in aggregate which have been used, are appropriate for the purpose of determining the accounting requirements of the Plan on a going concern basis.
- The method which has been used is appropriate for the purpose of determining the accounting requirements of the Plan on a going concern basis.
- We are not aware of any other matters or events occurring since the completion of this Report, which will materially affect the calculation of the liabilities as at December 31, 2014.
- This Report has been prepared and this opinion given in accordance with accepted actuarial practice in Canada.

Dated at Winnipeg, this 17th day of March, 2015.

Respectfully submitted,

ELLEMENT



Dennis Ellement, F.S.A., F.C.I.A.



Brandon Ellement, F.S.A., A.C.I.A.

APPENDIX I

SUMMARY OF BENEFITS

An annual post-retirement health benefits spending account is available, in the amount of \$200, for eligible in-scope employees who retired after September 27, 2008.

Effective January 1, 2015, all eligible in-scope retirees who retired after September 27, 2008 had their post-retirement health benefits spending account increase from \$200 to \$350.

APPENDIX II**SUMMARY OF ACTUARIAL ASSUMPTIONS**

	<u>31-Dec-2014</u>	<u>31-Dec-2013</u>
1. Annual Rate of Return on the Assets of the Fund:	3.60%	4.20%
2. Post-Retirement Benefit Rates (as at valuation date):		
- increase in post-retirement benefit rates	2.00%	same
- family rate (benefit) per year	350 on 01-Jan-2015	\$200 (\$350 on 01-Jan-2015)
- single rate (benefit) per year	\$350 on 01-Jan-2015	\$200 (\$350 on 01-Jan-2015)
3. Marital Status at Retirement:	same as at Valuation Date	same
4. Annual Rates of Death:	CPM 2014 Public Mortality Projected using Scale B (see TABLE)	UPI994 Generational Mortality using Scale AA
5. Annual Rates of Termination of Service:	(see TABLE)	same
6. Annual Rates of Disability:	(see TABLE)	same
7. Annual Rates of Retirement:	(see TABLE)	same
8. Portion of Health Spending Account Expected to be Utilized	65%	same

Actuarial Valuation Report as at December 31, 2014
Liabilities for Post-Retirement Health Benefits for
In-Scope Employees of Manitoba Public Insurance

The age specific rates for the demographic assumptions are shown in the following table:

<u>Age</u>	<u>Mortality*</u>		<u>Termination</u>		<u>Disability</u>		<u>Retirement</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
20	0.08%	0.02%	10.15%	12.60%	-	-	-	-
25	0.10	0.02	6.60	9.20	-	-	-	-
30	0.11	0.03	4.63	6.88	-	-	-	-
35	0.11	0.04	3.39	5.31	0.01%	0.01%	-	-
40	0.13	0.06	2.58	4.26	0.04	0.06	-	-
45	0.18	0.09	2.06	3.64	0.09	0.13	-	-
50	0.25	0.13	1.71	3.22	0.23	0.30	-	-
55	0.36	0.21	-	-	0.66	0.76	24.86%	24.49%
60	0.53	0.35	-	-	-	-	27.10	21.45
65	0.76	0.56	-	-	-	-	100.00	100.00
70	1.17	0.88	-	-	-	-	-	-
75	2.00	1.46	-	-	-	-	-	-
80	3.74	2.71	-	-	-	-	-	-
85	7.22	5.32	-	-	-	-	-	-
90	13.54	10.23	-	-	-	-	-	-
95	24.27	18.86	-	-	-	-	-	-
100	36.64	31.78	-	-	-	-	-	-

* CPM 2014 Public Mortality Projected using Scale B

Actuarial Valuation Report as at December 31, 2014
Liabilities for Post-Retirement Health Benefits for
In-Scope Employees of Manitoba Public Insurance

APPENDIX III

PROJECTION OF M.P.I. POST-RETIREMENT HEALTH BENEFITS LIABILITIES FOR 2014

1.	Actuarial Liabilities as at 31-Dec-2013	3,336,900
2.	Interest on liabilities and cash flow (4.20%)	142,300
3.	Current Service Cost for Active Members	201,700
4.	Premium Payments for Retired Members	(97,000)
5.	Adjustment for new entrants	-
6.	Adjustment for data	-
7.	Projected Liabilities as at 31-Dec-2014	<u>3,583,900</u>
8.	ACTUAL LIABILITIES as at 31-Dec-2014 before change in economic assumptions	3,532,500
9.	ACTUAL LIABILITIES as at 31-Dec-2014 after change in mortality and economic assumptions	4,138,600
	GAIN/(LOSS) due to actual experience: [7] - [8]	51,400
	GAIN/(LOSS) due to change in assumptions: [8] - [9]	(606,100)
	NET GAIN/(LOSS)	<u>(554,700)</u>



Benefit security at a reasonable cost

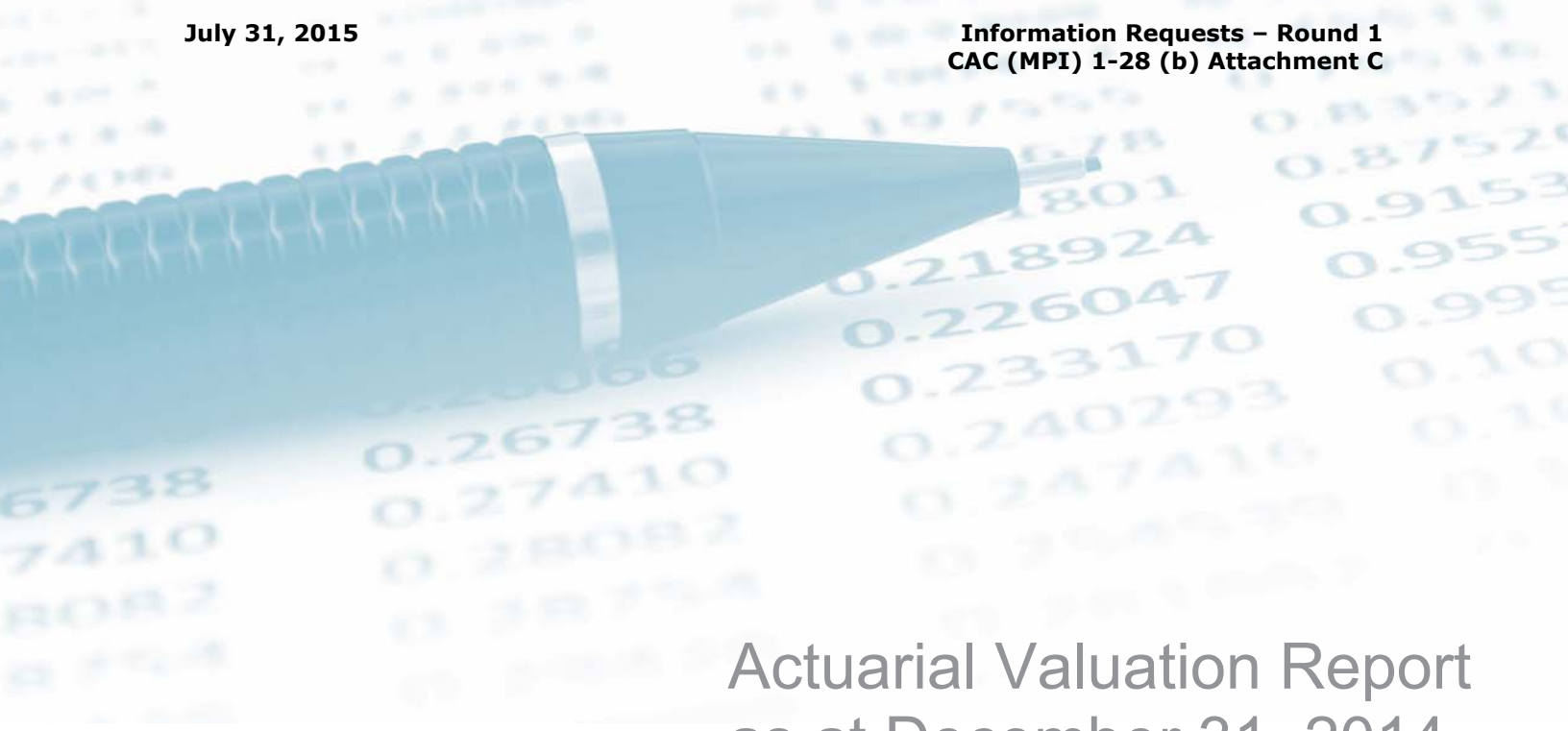


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Actuarial Valuation Report as at December 31, 2014

Liabilities for Post-Retirement Health Benefits for
Out-of-Scope Employees of
Manitoba Public Insurance

Submitted: March, 2015





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APPENDICES

- I Summary of Benefits
- II Summary of Actuarial Assumptions
- III Projection of M.P.I. Post-Retirement Health Benefits Liabilities for 2014

I. PURPOSE

The purpose of this Actuarial Valuation Report (Report) is to:

- indicate the liabilities which the Manitoba Public Insurance (M.P.I.) has at December 31, 2014 (Valuation Date) as a result of the provision of Post-Retirement Health Benefits to out-of-scope employees, and
- provide a formula that can be used to estimate the increase in these liabilities in the following 12 to 18 months after December 31, 2014.

These liabilities are an estimate of the present value of the future premiums that M.P.I. is expected to pay to provide Post-Retirement Health Benefits to out-of-scope employees after their retirement. The Post-Retirement Health Benefits include Ambulance/Hospital Benefits, Extended Health Benefits, Vision Care Benefits and Dental Benefits. M.P.I. pays premiums to Blue Cross to provide these benefits.

A summary of the Post-Retirement Health Benefits is provided in Appendix I.

The liabilities have been computed on a going concern basis. This basis contemplates the continued existence of the Post-Retirement Health Benefits and the funding arrangements for the benefits.

The guidance for the calculation of the liabilities and the preparation of this Report are the Practice-Specific Standards for Post-Employment Benefit Plans of the Canadian Institute of Actuaries and IAS 19, Employee Benefits issued by the International Accounting Standards Committee.

2. DATA

It is anticipated no amendments will be made to the Post-Retirement Health Benefits.

The data used in the calculations includes the premiums currently in payment or those that are expected to be in payment.

Information on each out-of-scope employee covered by the Post-Retirement Health Benefits was obtained from M.P.I. For current out-of-scope employees, this information included employee number, name, hire date, birthdate, and single or family coverage.

For retired out-of-scope employees, similar information was provided and, as well, the date of retirement and the amount of monthly premium for the coverage. The premium rates effective January 1, 2015 were \$167.63 per month for family coverage and \$84.90 per month for single coverage.

The data was checked for missing information and illogical information. As a result of these checks, the data was found to be sufficient and reliable.

Actuarial Valuation Report as at December 31, 2014
Liabilities for Post-Retirement Health Benefits for
Out-of-Scope Employees of Manitoba Public Insurance

3. POST-RETIREMENT HEALTH BENEFITS PARTICIPATION

The data provided indicated that M.P.I. was the employer of record for the following participants:

	EMPLOYEES			PENSIONERS & SURVIVORS		
	Males	Females	Total	Males	Females	Total
Participants as at 31-Dec-2013	178	111	289	119	29	148
New employees	24	22	46	-	-	-
Retirements	(8)	(14)	(22)	8	14	22
Terminations	(18)	(6)	(24)	-	-	-
Deaths	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
Participants as at 31-Dec-2014	176	113	289	127	43	170

4. ASSUMPTIONS

The assumptions used in this valuation are shown in Appendix II.

The demographic assumptions are the same as those used for the actuarial valuation report on the pension liabilities that the Manitoba Public Insurance has as at December 31, 2014. In addition, the marital status at the date of retirement was assumed to be the same as the marital status at the valuation date.

The economic assumptions have been chosen by management. The specific choices are made after a review with internal staff and the actuary. The existing economic assumptions were confirmed on February 9, 2015 by management after management's review of the assumptions. The assumptions are the same as those adopted for the actuarial valuation report on the pension liabilities as at December 31, 2014.

For purposes of future increases in premium rates, it was assumed that the premium rates currently in force at the Valuation Date would increase at the assumed rate of inflation. The assumed rate of inflation is 2.00%. However, based on information from various sources on the escalating cost of health benefits, it is anticipated that the current premiums will increase at 5.50% per year. For 2013, the rate of escalation of the cost of health benefits was 5.80%.

The demographic assumptions overall represent a reasonable best estimate basis for these assumptions. The economic assumptions, overall, represent MPI's best estimate basis for those assumptions.

5. M.P.I. SHARE OF PREMIUMS

It has been anticipated that M.P.I. will continue to pay 100% of the premiums required to finance the Post-Retirement Health Benefits for out-of-scope employees.

6. VALUATION PROCEDURE

The projected benefit method prorated on service has been used to determine the accrued liabilities and the current service cost applicable to each year after the Valuation Date.

For each out-of-scope employee, the present value of the expected post-retirement premiums was determined. The proportion of this amount held as the accrued liability is equal to the ratio of the completed service as at the Valuation Date divided by the total service expected to be completed at the date of retirement.

For each retired out-of-scope employee, the present value of the expected post-retirement premiums was determined. This full amount is held as the accrued liability.

7. VALUATION RESULTS

The following table shows the liabilities that M.P.I. has as at December 31, 2014 and December 31, 2013 as a result of the provision of Post-Retirement Health Benefits to out-of-scope employees:

Category	Amount at 31-Dec-2014	Amount at 31-Dec-2013
Current Employees	\$ 12,633,400	\$ 11,599,300
Retired Employees	8,475,800	7,634,100
Total	\$ 21,109,200	\$ 19,233,400

For this valuation, the liabilities were \$1,738,100 less than projected prior to reflecting changes in actuarial assumptions. The detailed breakdown of the experience is shown in Appendix III.

8. PROJECTION FORMULA FOR LIABILITIES

The following formula can be used to project the estimated increase in liabilities in the 12 to 18 months after the Valuation Date:

- Add interest at the rate of 3.60% per year to the liabilities at the beginning of the period, the current service cost for the period, and the premium payments for the period. The interest addition for the current service cost and the premium payments should be prorated to recognize investment for half the period, on average.
- Add employer current service cost at the rate of \$4,560 per covered current out-of-scope employee per year for the period.
- Deduct the actual premiums to Blue Cross for the period.

Actuarial Valuation Report as at December 31, 2014
Liabilities for Post-Retirement Health Benefits for
Out-of-Scope Employees of Manitoba Public Insurance

9. SENSITIVITY OF RESULTS TO DIFFERENT ASSUMPTIONS

The results obtained are based on the assumptions outlined in Appendix II.

The accrued liability would increase by approximately \$1.15 million or 5.5% for each ¼ of 1% increase in the health cost inflation rate. The current service cost would increase by a similar percentage.

The accrued liability would increase by approximately \$1.29 million or 6.1% for each ¼ of 1% decrease in the assumed rate of return. The current service cost would increase by a similar percentage.

10. ACCOUNTING FOR POST-RETIREMENT OBLIGATIONS

The cost for a period, including the assumed interest, is equal to:

- (a) the change in the reserve plus
- (b) the premium payments plus
- (c) the amounts for the amortization of the previous unfunded liability.

The above formula takes no credit for interest that may have been earned on assets supporting the liabilities.

II. ACTUARIAL OPINION

In our opinion, for the purposes of this Report:

- The membership data is sufficient and reliable.
- The assumptions, in aggregate which have been used, are appropriate for the purpose of determining the accounting requirements of the Plan on a going concern basis.
- The method which has been used is appropriate for the purpose of determining the accounting requirements of the Plan on a going concern basis.
- We are not aware of any other matters or events occurring since the completion of this Report, which will materially affect the calculation of the liabilities as at December 31, 2014.
- This Report has been prepared and this opinion given in accordance with accepted actuarial practice in Canada.

Dated at Winnipeg, this 17th day of March, 2015.

Respectfully submitted,

ELLEMENT



Dennis Ellement, F.S.A., F.C.I.A.



Brandon Ellement, F.S.A., A.C.I.A.

APPENDIX I

SUMMARY OF BENEFITS

AMBULANCE/HOSPITAL BENEFITS

The Plan provides for complete coverage for Ambulance and Hospital Semi-Private charges in Manitoba.

Full payment for reasonable and customary charges for ambulance services provided within the province, and payment of up to \$250 per trip, (based on provincial rates) for ambulance services provided elsewhere.

Full payment for the charge of a semi-private room in a Manitoba hospital if the hospital does not normally provide the semi-private room, without charge to any patient.

EXTENDED HEALTH CARE BENEFITS

Prescription drugs are reimbursed at 70%.

Other necessary health expenses are reimbursed at 80%. Various limits and benefit periods apply for these other health expenses.

An annual deductible of \$20 per person to a maximum of \$40 applies.

Other necessary health expenses include expenses incurred for: travel health care, dental treatment due to accident, athletic therapy, paramedical practitioner, physiotherapy, chiroprody, clinical psychology, nutritional counseling, private duty nursing, prosthetic appliances and miscellany, wigs, rental or purchase of medical equipment and cardiac rehabilitation.

VISION CARE BENEFITS

Eligible eye care expenses are reimbursed at 100% up to \$150 per person per 24-month benefit period.

Eligible eye care expenses include the cost of eyeglasses, replacement glasses, repairs to existing glasses and contact lenses which are prescribed as a result of an eye examination by a licensed medical doctor, ophthalmologist or optometrist. Various limits and exclusions apply.

DENTAL BENEFITS

Basic Dental Services are reimbursed at 80%.

Major Dental Services are reimbursed at 50%.

Reimbursement for dental services is subject to an annual maximum of \$800.

If the cost of the treatment is expected to exceed \$500, then pre-treatment authorization is required.

Benefit payments are based on the Dental Fee Guide established by the Manitoba Dental Association.

Various exclusions apply. The exclusions depend on the type of dental treatment or the conditions giving rise to the charges.

SURVIVOR BENEFITS

The surviving spouse of a retired member receives the benefits under the Plan for up to 24 months following the death of the member.

APPENDIX II**SUMMARY OF ACTUARIAL ASSUMPTIONS**

	<u>31-Dec-2014</u>	<u>31-Dec-2013</u>
1. Annual Rate of Return on the Assets of the Fund:	3.60%	4.20%
2. Post-Retirement Premium Rates (at valuation date):		
- increase in post-retirement premium rates	5.50%	5.80%
- family rate per month	\$167.63	\$195.58
- single rate per month	\$84.90	\$99.44
3. Marital Status at Retirement:	same as at Valuation Date	same
4. Annual Rates of Death:	CPM 2014 Public Mortality Projected using Scale B (see TABLE)	UPI994 Generational Mortality using Scale AA
5. Annual Rates of Termination of Service:	(see TABLE)	same
6. Annual Rates of Disability:	(see TABLE)	same
7. Annual Rates of Retirement:	(see TABLE)	same

Actuarial Valuation Report as at December 31, 2014
Liabilities for Post-Retirement Health Benefits for
Out-of-Scope Employees of Manitoba Public Insurance

The age specific rates for the demographic assumptions are shown in the following table:

<u>Age</u>	<u>Mortality*</u>		<u>Termination</u>		<u>Disability</u>		<u>Retirement</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
20	0.08%	0.02%	10.15%	12.60%	-	-	-	-
25	0.10	0.02	6.60	9.20	-	-	-	-
30	0.11	0.03	4.63	6.88	-	-	-	-
35	0.11	0.04	3.39	5.31	0.01%	0.01%	-	-
40	0.13	0.06	2.58	4.26	0.04	0.06	-	-
45	0.18	0.09	2.06	3.64	0.09	0.13	-	-
50	0.25	0.13	1.71	3.22	0.23	0.30	-	-
55	0.36	0.21	-	-	0.66	0.76	24.86%	24.49%
60	0.53	0.35	-	-	-	-	27.10	21.45
65	0.76	0.56	-	-	-	-	100.00	100.00
70	1.17	0.88	-	-	-	-	-	-
75	2.00	1.46	-	-	-	-	-	-
80	3.74	2.71	-	-	-	-	-	-
85	7.22	5.32	-	-	-	-	-	-
90	13.54	10.23	-	-	-	-	-	-
95	24.27	18.86	-	-	-	-	-	-
100	36.64	31.78	-	-	-	-	-	-

* CPM 2014 Public Mortality Projected using Scale B

Actuarial Valuation Report as at December 31, 2014
Liabilities for Post-Retirement Health Benefits for
Out-of-Scope Employees of Manitoba Public Insurance

APPENDIX III

PROJECTION OF M.P.I. POST-RETIREMENT HEALTH BENEFITS LIABILITIES FOR 2014

1. Actuarial Liabilities as at 31-Dec-2013	19,233,400
2. Interest on liabilities and cash flow (4.20%)	824,000
3. Current Service Cost for Active Members	1,086,100
4. Premium Payments for Retired Members	(315,200)
5. Adjustment for new entrants	-
6. Adjustment for data	-
7. Projected Liabilities as at 31-Dec-2014	<u>20,828,300</u>
8. ACTUAL LIABILITIES as at 31-Dec-2014 before change in economic assumptions	<u>19,090,200</u>
9. ACTUAL LIABILITIES as at 31-Dec-2014 after change in mortality and economic assumptions	21,109,200
GAIN/(LOSS) due to actual experience: [7] - [8]	1,738,100
GAIN/(LOSS) due to change in assumptions: [8] - [9]	<u>(2,019,000)</u>
NET GAIN/(LOSS)	(280,900)



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CAC (MPI) 1-29

Volume:	I, Overview	Page No.:	15
Topic:	Claims Service Centers		
Sub Topic:	Space Utilization		
Issue:	With the rapid introduction of IT into MPI's processes, the potential partnering with the repair industry to possibly perform the claims estimating function, brokers handling most of the policy and driver license issuance function—the question is: is the space at the various service centres utilized to the maximum?		

Preamble: “Manitoba Public Insurance customers receive exemplary service when and where they want it. While a private insurer would likely not provide a guarantee of a claims service centre within a one hour drive for 90% of their customers, Manitoba Public Insurance does.”

Question:

- a) Please discuss whether the rapid introduction of IT into MPI's processes will, in the coming years, reduce the space MPI will require at the various service centres? If yes, how will MPI handle the access space capacity?
- b) Please provide insight into the patter of consumer usage of the service centre, including how usage is measured, how usage has changed over the last five years and how staffing has adjusted to changing patterns of usage.

Rationale for Question:

To understand whether space usage is being financially optimized.

RESPONSE:

- a) Once fully deployed, our long-range plans for Physical Damage Re-engineering will reduce the space required at service centres. Customer usage patterns and location specific demand will be the primary driver in determining the long range service centre usage strategy.

- b) Over 90% of customer traffic to service centres is appointment based. Appointments are added or deleted from a particular service centre as needed based on customer demand and staff availability. Appointment availability is monitored closely to ensure customer service standards are met.

Over the past five years, total traffic to service centres has been rising, with, non-appointment based, front-counter transactions experiencing the greatest growth.

CAC (MPI) 1-30

Volume:	I, Overview	Page No.:	17
Topic:	Cost Containment		
Sub Topic:	Committee		
Issue:	Terms of Reference		

Preamble: “The Corporation, through the Innovation and Cost Containment Committee, is continuing its cost conscious culture.”

Question:

Please file a copy of the most recent Innovation and Cost Containment Committee’s Terms of Reference if different from the Committee Objectives as described on page 5 of Volume I, Cost Containment document.

Rationale for Question:

To better understand the current mandate of the Innovation and Cost Containment Committee and the actions to be taken to contain costs going forward [*sic*].

RESPONSE:

The Cost Containment Committee Terms of Reference have not changed from last year. The Committee’s objectives are not different than the Committee’s objectives as described in Vol I Cost Containment page 5.

CAC (MPI) 1-31

Volume:	I, Overview	Page No.:	21
Topic:	Benchmarking		
Sub Topic:	Ward Group (benchmarking) and Gartner Consulting (CIO Scorecard)—year-end data alignment		
Issue:	Was there an inconsistency of the year-end dates used in the past for the Ward Group benchmarking work and Gartner Consulting CIO Scorecard?		

Preamble: “This year, in order to align the benchmarking information of the two main providers of this information, Ward Group and Gartner Consulting, the Corporation realigned the receipt of the Gartner CIO scorecard to coincide with the annual benchmarks provided by the Ward Group, which also requires year end data.”

Question:

- a) Please provide the year-end dates for which data was used for the Ward Group benchmarking work and the Gartner Consulting CIO Scorecard work in the past.
- b) Please provide the year-end dates for which data will be used going forward in preparing the benchmarks and CIO scorecard.

Rationale for Question:

To better understand and clarify the impact in preparing the benchmarks and CIO Scorecard by using data from different year-end dates by the two consulting organizations.

RESPONSE:

- a) Both the Ward Group and Gartner Consulting results are based on the Corporation’s fiscal year. The inconsistency in prior years was the reporting of different fiscal year’s results. This was due to the difference in timing in the receipt of the benchmarking results from the two organizations.

In the 2015 Rate Application, the Ward Group's results are for the 2012/2013 year but Gartner Consulting's results are for the 2013/2014 year. In the current Rate Application, the Ward Group's results are for the 2013/2014 year and to align the benchmarking information, Gartner Consulting's results have remained unchanged from last year (i.e. the 2013/2014 year results have been included). In the 2017 Rate Application, the benchmarking results for the Ward Group and Gartner Consulting will be for the 2014/2015 year.

b) See above.

CAC (MPI) 1-32

Volume:	I	Page No.:	1 to 10
Topic:	Cost Containment		
Sub Topic:	Forecast fiscal years 2016/17 and 2017/18		
Issue:	Projected Cost Containment Reductions		

Preamble: In Attachment A and B the Innovation and Cost Containment Committee reported and documented, by detailed account category, the various operating expense reductions for 2015/16 budget.

Question:

Please advise whether the normal operating and claims expenses were reviewed, in the same manner as the 2015/16 budget, for the forecast years 2016/17 and 2017/18 (the rating years)? If yes, please provide an analysis, by year, similar to Attachment A and B referenced in the preamble comparing expenses reported in the 2015 GRA compared to the 2016 GRA.

Rationale for Question:

To ensure that operating and claims expenses are fair and reasonable.

RESPONSE:

During the 2015/16 budget process, the 2016/17 and 2017/18 forecast years were reviewed for significant items and adjustments were made where specific expense categories are not expected to increase by CPI. Normal Operation Expense categories adjusted to reflect non inflationary increases include the following:

EXPENSE CATEGORY	2016/17	2017/18
Data Processing	5.3%	4.1%
Building	1.8%	0.5%
Postage	-0.6%	2.0%
Advertising	7.6%	-4.0%
Special Services	-0.4%	1.8%

*CPI growth expected to be 1.8% and 2.0% in 2016/17 and 2017/18 respectively

CAC (MPI) 1-33

Volume:	I, Benchmarking	Page No.:	34 and 35
Topic:	Internal Operational Measures		
Sub Topic:	Annual Compound Growth		
Issue:	Measure cost containment impact on annual compound growth.		

Preamble: MPI has taken steps to stem the growth of operating expenses, especially for the 2015/16 budget.

Question:

Please re-file the internal operating measures as reported on pages 34 and 35 by adding one additional Annual Compound Growth column showing the annual compound growth for four years from 2014/15 to 2017/18.

Rationale for Question:

To assess and understand the impact of the recent cost containment measures on forecasted expenses.

RESPONSE:

The growth rates provided were agreed upon in consultation with the Board during discussions regarding Minimum filing requirements and represent the standard growth rates used for all analysis throughout the application.

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

The Annual Compound Growth rates included in the application provide information to allow for the assessment of the impact of the recent cost containment measures on forecasted expenses.

CAC (MPI) 1-34

Volume:	III, Benchmark	Page No.:	1 and 7
Topic:	Operational Efficiency and Claims Performance		
Sub Topic:	2014/15 values and Targets		
Issue:	Values for 2014/15 not reported and also can targets be established.		

Preamble: In its benchmarking reports MPI did not provide measures for fiscal year 2014/15 and establish targets for operations and claims performance. In the benchmarking report in Volume I it indicates in various sections (see page 12 for example) that, due to MPI's business model, some measures may not be directly comparable to the Canadian Personal Auto Group, Canadian Benchmark Group and the US Personal Auto Group. In these instances it may be appropriate and helpful to establish internal benchmark targets to assist in containing costs.

Question:

- a) Please advise if the Ward Group is in a position to provide the 2014/15 measures for MPI, if yes, please update and file the measures as reported in Appendix 1 of Volume III, Benchmark App.
- b) Please comment as to what would prevent MPI from establishing internal benchmark targets for at least those measures which are unique to MPI's business model.

Rationale for Question:

To assess the impact of more current MPI measures relative to previous years and internal benchmark targets may strengthen the current cost containment work.

RESPONSE:

- a) The Ward Group's 2014/2015 is not available at this time. The results will be provided in next year's General Rate Application.

- b) The selected metrics associated with each of the four major areas of corporate performance (Operational Efficiency, IT Service Delivery Capability, Serving Manitobans, and Community Impact) paint a comprehensive picture of overall corporate performance. They allow for consistent comparisons with other like organizations, and provide a basis for ongoing trend analysis. The benchmarking results, the comparative analysis against like organizations and the trend analysis, will be used to identify any potential issues and opportunities for improvement.

There is no pre-defined target that would trigger action. Rather each metric and its result is reviewed by management when variances are found. Based on the review and explanation for the variance, action may or may not be initiated.

CAC (MPI) 1-35

Volume:	III, Benchmark	Page No.:	
Topic:	Appendix 1 – Corporate Measures		
Sub Topic:	Corporate vs. Basic Insurance		
Issue:	Basic Insurance sub-set		

Preamble: Appendix 1 report benchmark measures on a corporate level and not for basic insurance.

Question:

Please advise if the Ward Group can provide the measures in Appendix 1 for Basic Insurance only. If yes, please file a copy. If not, please explain the issues preventing a basic insurance set of benchmarks.

Rationale for Question:

To assess a basic insurance set of benchmark measures for operational and claims performance.

RESPONSE:

The Ward Group is unable to provide the measures for Basic Insurance only. Ward's proprietary benchmarking process involves obtaining information from each organization and normalizing the data to ensure an apples-to-apples comparison. The data is provided at a corporate level and Ward's benchmarking process does not normalize the data based on Basic/non-Basic since this categorization is not applicable to all organizations.

CAC (MPI) 1-36

Volume:	III Benchmark	Page No.:	4
Topic:	Operational Efficiency		
Sub Topic:	Ratio of staff to management		
Issue:	MPI's ratio is somewhat lower compared to the benchmark group.		

Preamble: "To achieve a span of control of 6.00 and be comparable with the benchmark group, the Corporation would have to increase staff by 14 FTEs and decrease management by 14 FTEs."

Question:

Please elaborate as to why MPI is suggesting to increase staff and decrease management by the same FTE's to achieve a comparable measure to the benchmark group. Please comment if MPI sees an opportunity to rationalize management FTEs without increasing staff FTEs and achieve benchmark group comparability.

Rationale for Question:

To assess an opportunity for further cost containment.

RESPONSE:

The Corporation is not suggesting to increase staff and decrease management by 14 FTEs in order to reach a span of control of 6.00. The Corporation's span of control in 2013/14 was 5.57. Although the result indicates the Corporation has a more narrow span of control than the benchmark groups, the difference is minimal.

The reference to the 14 FTEs, which represents less than 1% of total FTEs, was merely to show how a slight change in the FTE totals for management and staff can affect the span of control ratio. If total FTEs remained the same but total staff FTEs increased by 14 FTEs and total management FTEs decreased by 14 FTEs, the Corporation's span of control would be 6.00 instead of 5.57.

CAC (MPI) 1-37

Volume:	II	Page No.:	17
Topic:	Expenses -- Compensation		
Sub Topic:	Health and Well Being Flexible Spending Account		
Issue:	Financial impact of the Health and Well Being Flexible Spending Account		

Preamble: “Other Salary Adjustments. This category also contains the Health and Well Being Flexible Spending Account and an allowance for staff who work in downtown Winnipeg.”

Question:

- a) Please explain the purpose of the Health and Well Being Flexible Spending Account.
- b) Please quantify the cost/benefits achieved to date and forecasted for 2015/16 and 2016/17 as a result of the Health and Well Being initiative.

Rationale for Question:

To assess the cost/benefits of the Health and Well Being Flexible Spending Account on forecasted operating costs.

RESPONSE:

- a) Please refer to page 112 of Board Order No 98/14 dated August 29, 2014.
- b) Please refer to page 112 of Board Order No 98/14 dated August 29, 2014.

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

The information request was asked by CAC last year, and the Board in Order 98/14 found:

“As drafted, this request does not appear to assist the Board relative to implications for Basic rates, to enable the Board to

consider whether costs are necessary and prudent, or to consider whether operations are being conducted with a view to obtaining savings for Basic, the Board does not require that a response to the Information Request be provided.”

CAC (MPI) 1-38

Volume:	II	Page No.:	11
Topic:	Expenses		
Sub Topic:	Special Services		
Issue:	Special services expenses are increasing by 26% from 2014/15 to 2015/16 and 20% from 2015/16 to 2016/17.		

Preamble: Corporate special service expenses are increasing substantially from \$6.9 million in 2014/15 to \$8.7 million in 2015/16 to \$10.4 million in 2016/17. On pages 19 (Appendix 6), 21 (Appendix 6) and 24 (Appendix 6) it indicates special services expenses include provisions for PIPP mediation, PDR projects and provisional projects expenses for Data Processing.

Question:

Please prepare and file an analysis, by project, of the Special Services account comparing fiscal years 2014/15 (actual), 2015/16 (projected) and 2016/17 (projected). Please also elaborate on the purpose and reason of projects being financially provided for in the Special Services Account as opposed to in the Deferred Development Cost account.

Rationale for Question:

To assess the reason(s) for the increase in special services expenses as it relates to rate setting.

RESPONSE:

The Special Services amounts referred to in the above question relate to normal operations plus improvement initiative implementation and ongoing expenses associated to projects. This is shown below:

	2014/15	2015/16	2016/17
Normal Operations	6,503	6,248	6,226
Improvement Initiative	423	2,438	4,196
TOTAL	6,926	8,686	10,422

As illustrated above, the reason for the increase in Special Services expenses is attributable solely to improvement initiatives. Normal Operations Special Services is, in fact, expected to decrease from 2014/15 onward. Please see Vol II Expenses page 14 and table 3.2.3.1. page 24 for a review and explanation of the variance in Normal Operations.

Improvement Initiative expenses (one time in nature) related to Special Services however are expected to increase which is primarily due to the following:

- The increase in 2015/16 is due to the PIPP Mediation Project and the PDR Project as mentioned in Vol II Expenses Appendix 6 page 19. PIPP Mediation was a pilot project and budgeted year to year. This is now a forecasted longer term improvement initiative and therefore in the 2015 GRA, there was no forecast for 2015/16 relating to this project which changed in 2016 GRA. Due to the long-term nature of the PDR Project, the timing and nature of expenditures is reassessed annually, resulting in an increase in the 2015/16 expense related expenditures due to timing. The overall PDR budget has not changed.
- The increase in 2016/17 is not only attributable to the PIPP Mediation Project and PDR Project mentioned above, but also due to the reclassification of the Improvement Initiative provisional project expenses being classified as a

Special Service Expense in this year's GRA as compared to a Data Processing Expense in the 2015 GRA.

- These types of expenses, as they relate to improvement initiatives, are one-time project costs that fluctuate based on the projects being undertaken and the timing of their completion. As such, year-over-year changes in amounts are not indicative of increasing or decreasing rates.

CAC (MPI) 1-39

Volume:	II, Appendix 12	Page No.:	35
Topic:	Expenses		
Sub Topic:	Capital Expenditures		
Issue:	Delay of PDR project		

Preamble: “Specifically of note is the differences related to the PDR project. In last year’s GRA, it was expected that over \$16M would be spent on deferred development as it relates to Basic in 2014/15, when the actual spend was only \$7.4M. A similar variance is seen in 2015/16. The reason for this is the project completion date has been delayed and thus, those under budget costs are now anticipated to be spent in 2018/19 and 2019/20.”

Question:

Please elaborate on the reasons for the delay in moving forward with the PDR project.

Rationale for Question:

To understand the causes for the delay in moving forward with the PDR project as it relates to basic insurance.

RESPONSE:

Please refer to PUB (MPI) 1-28 (a).

CAC (MPI) 1-40

Volume:	II and 2015 GRA CAC (MPI) 1-46	Page No.:	11
Topic:	Expenses		
Sub Topic:	Budgeting		
Issue:	Comparisons of budget to actual expenses and compliance to budget guidelines		

Preamble: See issue above.

Question:

- a) Please provide the approved corporate budget for ongoing operations and for new projects and initiatives for the 2014/15 fiscal year for Basic Insurance and the Corporation.
- b) Please show variances between the approved budget and actual results and explain any significant variances.
- c) Please provide the budgetary guideline for ongoing operations in 2014/15 and indicate whether this guideline was met.
- d) Please provide the approved budget for ongoing operations and for new projects and initiatives for the 2015/16 fiscal year for Basic Insurance and the Corporation.
- e) Please provide the budgetary guideline for ongoing operations in 2015/16 and indicate whether this guideline was met.

Rationale for Question:

To gain an understanding of the budget process, guidelines and procedures adhered to by the corporation and how this process impacts future operations.

RESPONSE:

- a) Please refer to Vol II Expenses Appendix 6 page 15. The 2015 GRA column represents the budget for 2014/15.
- b) Please refer to Vol II Expenses Appendix 6 pages 15 to 17.
- c) Please refer to 2015 GRA CAC (MPI) 1-46 (g) which stated “The 2014/15 corporate budget guideline for normal operations was \$258.7M. The 2014/15 approved normal operations budget was \$254.2M. The approved budget was \$4.5M lower than guideline.” Note the normal operations budget for 2014/15 on Vol II Expenses Appendix 6, page 14. The difference from that stated in the 2015 GRA CAC (MPI) 1-46 (g) is due to reclassifying ongoing improvement initiative expenses completed in 2014/15 to normal operations. The total approved budget for 2014/15 did not change.
- d) Please refer to Vol II Expenses Appendix 6 page 18. The 2016 GRA column is the budget for 2015/16.
- e) Please refer to Vol II Expenses Appendix 6 page 18. The 2015/16 corporate budget guideline for normal operations was \$262.7M. The 2015/16 approved normal operations budget was \$258.8M. The approved budget was \$3.9M lower than guideline.

CAC (MPI) 1-41

Volume:	2015 GRA CAC (MPI) 1-53	Page No.:	
Topic:	Expenses		
Sub Topic:	2014 Compensation Report		
Issue:	2014 Compensation Report		

Preamble: Per the Public Sector Compensation Disclosure Act the corporation prepares a compensation report.

Question:

Please file a copy of the public compensation report as of December 31, 2014 prepared in accordance with the Compensation Disclosure Act together with the Auditor's report.

Rationale for Question:

To assess and understand compensation costs at MPI.

RESPONSE:

Please see attached.



**Manitoba
Public Insurance**

**SCHEDULE OF COMPENSATION
IN ACCORDANCE WITH
THE PUBLIC SECTOR
COMPENSATION DISCLOSURE ACT
TOGETHER WITH AUDITOR'S REPORT**

**FOR THE CALENDAR YEAR ENDED
DECEMBER 31, 2014**

COMPENSATION DISCLOSURE FOR 2014

The Public Sector Compensation Disclosure Act requires Crown Corporations to disclose to the public the total compensation of the Chairperson of the Board, officers and employees who earned \$50,000 or more in a year as well as the aggregate compensation received by the Board of Directors. In compliance with the Act, Manitoba Public Insurance has prepared this disclosure schedule for the year ended December 31, 2014.

For the 2014 income tax year, Manitoba Public Insurance issued 2,215 T4 slips to full-time, part-time and temporary employees and officers. Manitoba Public Insurance had a monthly average of 1,887 employees during 2014. This schedule lists the compensation paid to 1,275 officers and employees in managerial, technical and professional support positions.

The schedule lists the employees and officers in alphabetical order, along with their position and total compensation. In each case, the most recent position that the employee or officer held during 2014 is given. Total compensation includes the officer's and employee's regular salary, taxable benefits, retiring allowances, retroactive pay, vacation pay and severance pay.

This schedule is available to the public upon request. For additional information, contact our Human Resources Department at 204-985-8770 ext. 7653.



May 15, 2015

Independent Auditor's Report

To the Board of Directors of Manitoba Public Insurance

We have audited Manitoba Public Insurance's (MPI) compliance as at December 31, 2014 with the criteria established by C.C.S.M c. P265 and described in Sections 1 to 11 inclusive of The Public Sector Disclosure Act dated September 1, 2011 with respect to all public sector bodies operating in Manitoba as defined in the act. Compliance with the criteria established by the provisions of the agreement is the responsibility of the management of MPI. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether MPI complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with these criteria and, where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, as at December 31, 2014 MPI is in compliance, in all material respects, with the criteria established by The Public Sector Disclosure Act described in Sections 1 to 11 of this agreement.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP
One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6
T: +1 204 926 2400, F: +1 204 944 1020, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Abbott, D	Broker Services Administrator	56,585.22
Abrey, W	Business Relationship Manager	95,269.92
Abs, L	Adjuster	55,311.54
Adair, C	Claims Processor	51,728.09
Adams, B	Reviewing Officer	60,013.11
Adams, S	Sr Case Manager	68,295.02
Addison, I	Adjuster	68,720.49
Addison, K	Manager, Special Accounts & Subrogation	122,769.72
Adolphe, L	Sr Collection Officer	53,334.48
Adviento, L	Associate Adjuster	54,162.08
Agland-O'Connor, B	Fleets Administrator	61,919.44
Agnew, R	Manager, Service Centre	103,566.11
Aguilar-Manalo, A	Accountant 1	59,948.65
Ahlbaum, C	Project Manager	101,327.98
Ahmad, A	Sr Analyst	92,848.23
Alarie, M	Business Analyst	72,986.28
Alarie, R	Adjuster	56,921.04
Alexander, R	Sr Case Manager	67,312.52
Ali, H	Sr IT Support Analyst	69,390.45
Alkana, J	Communications Officer 2	53,320.49
Allard, L	Sr Adjuster	60,512.95
Allardyce, D	Service Centre Representative	54,615.06
Allarie, G	Estimator-City	67,967.31
Allen, R	Driver Testing Quality Assurance Coordinator	72,035.37
Amante, C	Customer Care Lead	56,033.06
Andersen, G	Manager, Rehabilitation Management	118,963.94
Anderson, L	Analyst	73,441.37
Anderson, L	Associate Case Manager	51,967.99
Anderson, M	Research & Training Technician - Mech/Auto	72,257.28
Anderson, M	Broker Services Administrator	63,994.76
Andres, R	Supervisor, Rural Service Centre	81,354.55
Angus, C	Special Investigator	79,786.37
Antle, J	Adjuster	61,765.02
Apostolopoulos, K	Sr Instructional Designer	73,209.51
Appelt, B	Reviewing Officer	58,490.66
Apperley, K	Buyer	53,343.32
Arabsky, H	Manager, Service Centre	96,154.07
Arendt, E	Sr Analyst	96,581.19
Armour, T	Driver Examiner Lead	65,555.32
Armstrong, J	Sr Case Manager	78,514.63
Arnason, D	Manager, Fair Practices & Customer Relations	151,724.44
Arnold, J	Customer Relations Officer	64,559.76
Arvidson, B	Supervisor, Rural Service Centre	67,884.05

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<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Ashley, M	Special Investigator	91,935.55	**
Asselstine, C	Supervisor, Salvage Yard	71,790.72	
Au, R	Community Relations Specialist	68,751.42	
Audette, M	Payroll Administrator	53,012.70	
Avila, G	IT Security Administrator	51,386.21	
Babiuk, D	Special Investigator	82,208.13	
Backstrom, J	Estimating Coordinator	81,942.90	
Bailer, K	HR Advisor	74,572.48	
Bailey, S	Executive Director, Corporate Strategic Planning & Analytics	164,967.45	
Bailey, S	Manager, Service Centre	139,953.62	**
Bailey, W	Driver Examiner	55,595.52	
Baker, I	Business Analyst	73,133.04	
Baker, L	Subrogation Specialist	60,441.27	
Banwait, P	Analyst	70,995.74	
Baran, T	Driver Examiner Lead	70,370.14	
Barbour, G	Sr Case Manager	77,200.30	
Barbour, M	Accountant 1	56,743.94	
Barchyn, J	Claims Supervisor	79,339.62	
Barker, D	Manager, Contact Centre Operations	92,169.87	
Barnett, P	Manager, Product Support Insurance, Licensing & Identity	103,744.97	
Barr, B	Estimator-Rural	68,674.69	
Barrault, S	Accountant 2	72,873.51	
Barron, M	Adjuster	55,837.19	
Barske, B	Driver Training Administrator	59,076.93	
Beare, R	Sr Case Manager	76,535.55	
Beaudoin, G	Sr Case Manager	71,458.83	
Beaulieu, G	Legal Processor 2	71,236.62	
Beaulieu, R	Customer Care Lead	56,464.20	
Beaumont, R	Business Analyst	74,212.75	
Beck, C	On Leave - OOS	96,644.22	
Bell, R	Fair Practices Analyst	73,152.95	
Beltran, L	Supervisor, Customer Accounts Receivable	54,682.58	
Bender, D	Adjuster	59,221.49	
Bergagnini, V	Customer Care Agent 1	52,159.46	
Bernardin, M	Adjuster/Driver Examiner	66,824.80	
Bernier, M	Research & Training Technician - Mech/Auto	81,323.36	
Berriault, L	Estimator-City	66,510.75	
Berry, D	Adjuster	51,929.13	
Berthelette, T	Payroll Coordinator	78,031.00	**
Best, C	Estimator-City	67,424.14	
Betker, A	Case Manager 2	51,084.90	
Betker, C	Analyst	51,877.46	
Betker, J	Analyst	60,918.96	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Betker, L	Tech Communications Officer 1	51,003.88	
Bettencourt, C	Sr Adjuster	56,164.96	
Beyer, A	Solicitor 2	89,028.72	
Bielinski, J	Quality Control Inspector	75,236.31	
Bigelow, R	Adjuster	52,070.47	
Bileski, J	Staff Development Consultant	74,632.34	
Billard, D	Systems User Analyst	57,899.31	
Bilonozhko, A	Adjuster	50,866.77	
Birch, G	Manager, Service Centre	100,075.33	
Birss, S	Facilities/Premises Administrator	82,704.12	
Bittner, S	Service Centre Representative	51,948.69	
Bjore, L	Sr Case Manager	78,766.20	
Bjornson, V	Premises Coordinator	57,962.69	
Black, C	Vehicle Standards Officer	68,200.58	
Blackman, B	Reviewing Officer	60,379.89	
Blackmon, W	Administrative Officer	53,350.42	
Blain, S	Contact Centre Supervisor	58,323.47	
Blerot, G	Case Manager 2	65,205.64	
Blue, B	Commercial Registrations Representative	52,602.53	
Bobbie, J	Sr. IT Analyst	86,522.38	**
Boblinski, T	KM Service Delivery Manager	103,843.58	
Bodanski, M	Payroll Administrator	55,288.06	
Bodnarchuk, G	Estimator-City	59,943.48	
Bodz, V	Injury Management Coordinator	83,781.54	
Bohemier, C	Community Relations Specialist	58,221.83	
Bohm, K	Associate Adjuster/Driver Examiner 2	52,461.74	
Bohonos, M	Supervisor, Customer Service Centre	66,910.45	
Boisjoli, J	Sr IT Analyst	88,841.65	
Boiteau, R	Sr Security Advisor	81,060.59	
Bonan, S	Executive Assistant	65,631.47	
Bonazew, K	Manager, Estimating Services	110,654.09	
Borowski, P	IT Support Analyst	59,047.78	
Bouchard, J	Instructional Designer	58,112.44	
Bouchard, K	Adjuster	62,188.58	
Bouchard, R	Estimator-Rural	78,591.65	
Bouchard, R	Case Manager 2	69,355.23	
Bourgeois, S	Estimator-City	66,022.38	
Bourgouin, C	Sr IT Analyst	80,813.99	
Bourrier, M	Subrogation Adjuster	52,650.55	
Bouvier, S	Underwriter 1	55,486.30	
Bowering, J	Project Manager	77,779.59	
Boyd, G	Business Analyst	73,315.47	
Bozek, R	Internal Review Officer	79,044.06	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Bradford, K	Assistant Manager, Administrative Services	76,220.71
Brannan, S	Tech Communications Lead	61,549.09
Breedon, E	Supervisor, Rural Service Centre	77,875.78
Breland, L	Adjuster	57,942.58
Brennan, T	Injury Management Coordinator	84,219.81
Brezden, W	Vehicle Standards Officer	71,536.86
Brin, W	Adjuster	55,380.57
Briscoe, A	Case Manager 2	68,202.88
Broder, M	Sr Business Analyst	83,581.51
Brodeur, L	Service Centre Representative	54,151.96
Brooker, D	Research & Training Technician - Mech/Auto	93,463.24
Brown, A	Claims Supervisor	77,806.40
Brown, A	Sr Case Manager	74,798.37
Brown, D	Service Centre Representative	52,166.59
Brown, J	Accountant 1	57,283.77
Brown, T	Solicitor 2	109,423.35
Brownlee, A	Manager, IT Service Management	108,375.30
Bruce, G	Adjuster/Driver Examiner	66,351.89
Brugger, B	Driver Examiner	56,690.62
Bruzell, B	Driver Examiner	56,755.22
Bryden, S	Sr IT Analyst	86,956.05
Buchan, L	Senior Business Analyst	69,294.41
Buchanan, M	Sr Staff Development Consultant	80,833.19
Buchberger, K	Sr Case Manager	76,947.21
Buchko, A	Commercial Registrations Supervisor	50,601.62
Budgell, D	Customer Relations Officer	68,149.34
Bueckert, K	Customer Care Lead	51,706.19
Buendia, M	Legal Processor	60,195.70
Buie, C	Identity Interview Coordinator	58,074.07
Buisson, J	Case Manager 2	59,748.45
Buizer, K	Special Investigator	83,509.58
Buller, E	Sr Analyst	97,725.26
Bunko, B	Vice President, IT, Business Transformation & CIO	177,167.13
Bunston, G	Manager, Investments	109,272.70
Burbella, D	Assistant Manager, Claims Services	85,781.75
Burdz, M	Sr Business Analyst	71,924.82
Burke, J	Corporate Application Architect	88,941.99
Burns, D	Manager, Licensing Services	99,372.43
Burns, K	IRI Analyst	71,577.45
Burt, J	Manager, Special Risk Extension	103,200.51
Burtniak, S	Fleets Administrator	55,875.06
Cabral, L	Case Manager 2	66,259.74
Cairns, B	Special Investigator	85,039.24

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<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Calas, P	Auditor 1	56,210.09
Caligiuri, C	Business Analyst	61,335.31
Cameron, E	Premises Coordinator	65,559.45
Cameron, K	Manager, Vehicle Standards & Inspections	85,260.26
Campbell, C	Executive Director, Finance & Corporate Controller	157,567.51
Campbell, P	Customer Service Representative	53,806.92
Campbell, T	Driver Examiner	57,335.21
Carbotte, C	Customer Care Lead	56,299.09
Cardillo, M	Sr Investment Analyst	72,427.01
Carias, H	Payroll Coordinator	56,064.03
Carter, T	Customer Care Agent 2	50,045.12
Carton, V	Underwriting Supervisor	83,748.10
Casar, J	Adjuster/Driver Examiner	54,537.03
Castles-Shinnimin, M	Sr Case Manager	76,118.68
Celones, E	Adjuster	55,314.83
Chalmers, C	Sr Adjuster	65,360.00
Chalmers, J	Service Centre Representative	51,817.20
Chamberlain, C	Quality Control Inspector	75,803.33
Champagne, S	Service Centre Representative	51,816.93
Chandonnet, L	Service Centre Representative	50,985.30
Charles, D	Commercial Specialist	75,405.39
Chartier, N	Service Centre Representative	52,166.74
Chartrand, B	Estimator-Rural	71,080.35
Chartrand, M	Case Manager 2	67,553.96
Chastko, D	KM Portfolio Manager	86,550.66
Chaudhuri, A	Business Analyst	67,475.85
Cheadle, A	Business Analyst	72,652.06
Chestley, D	Sr Case Manager	78,174.58
Chicoine, C	Sr IT Analyst	95,920.84
Chimuk, D	Manager, PDC Claims Operations	112,978.17
Cholod, D	Injury Management Coordinator	84,429.47
Chomski, A	Sr Investment Analyst	79,509.05
Chorney, J	Service Centre Representative	54,168.34
Chuatoco, B	Functional Support Analyst - Payroll	73,968.60
Chubaty, D	Case Manager 2	68,328.77
Chudyk, J	Customer Account Representative	50,456.90
Cielen, B	Adjuster	55,313.86
Cielen, K	Service Centre Representative	50,660.91
Claridge, D	Service Centre Representative	51,779.21
Clark, C	Business Relationship Manager	96,708.58
Clearwater, T	Actuarial Analyst	72,172.55
Clemens, D	IT Analyst	84,749.05
Cole, K	Supervisor, Rural Service Centre	75,185.14

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Coleman, C	Adjuster	60,990.20	
Collins, D	Case Manager 2	65,649.32	
Cordova, E	Service Centre Representative	53,713.50	
Corley, J	Commercial Specialist	59,933.79	
Cormier, C	Manager, Special Investigation Unit	104,472.40	
Correia, K	Service Centre Representative	55,836.38	
Costa, M	Claims Processor	50,331.92	
Cosyns, P	Analyst	74,564.23	
Coulson, C	Quality Control Inspector	77,558.37	
Courchene, S	Accountant 1	60,398.97	
Court, T	Special Investigator	78,795.38	
Craig, C	Driver Examiner	59,861.54	
Crittenden, R	Manager, IT Support & Operations	103,666.17	
Crocker, W	Estimating Coordinator	75,863.89	
Crowston, E	Assistant Manager, Customer Service	90,477.06	
Cudden, F	IRI Analyst	66,610.92	
Cullen, C	Manager, Service Centre	86,275.31	
Cumming, L	Director, Special Risk Extension	119,643.69	
Cupples, J	Case Manager 2	68,370.85	
Curtaz, J	Business Analyst	76,069.20	
Cyrenne, R	Reviewing Officer	59,517.55	
Daley, D	Reviewing Officer	59,410.77	
Dalman, J	Community Relations Specialist Lead	69,695.06	
Danais, A	Sr Analyst	96,260.08	
D'Andrea, C	Medical Fitness Administrator	74,502.95	
Darragh, E	Adjuster	52,772.35	**
Dattero, G	Sr Adjuster	59,660.98	
Dattero, L	Service Centre Representative	51,452.00	
Davey, P	Fleet Vehicle Administrator	66,829.16	
Davidson, K	Assistant Manager, Rehabilitation Management	96,776.14	
Dayman, C	Adjuster	56,520.85	
Dayman, R	Vehicle Standards Supervisor	75,698.83	
Dayne, J	Adjuster	54,517.52	
De Cruyenaere, A	Driver Testing Policy Analyst	60,199.28	
de Jesus, E	IT Analyst	94,976.85	
Debeuckelaere, T	Sr Case Manager	78,932.65	
Decock, T	Adjuster	61,085.58	
DeFolter, A	Manager, Salvage & Holding Compound	122,421.55	
Delamater, N	Quality Control Inspector	73,636.83	
Deluca, C	Systems User Analyst	58,496.38	
Deogun, A	Analyst	76,960.52	
Desautels, A	Driver Examiner	54,344.52	
Deveau, Y	HR Services Coordinator	62,124.19	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Devlin, S	Claims Controller - Injury	90,364.35
Devodder, J	Sr IT Analyst	104,892.18
Diduch, C	Sr Case Manager	72,701.49
Dion, D	Estimator-City	66,874.26
Dirks, P	Manager, Service Operations Policy & Control	94,673.44
Dittmar, W	Injury Management Coordinator	85,651.48
Dixon, N	Autopac Program Coordinator	62,577.06
Doherty, V	Sr Case Manager	78,024.58
Dohler, M	Medical Assessment Supervisor	74,120.32
Dola, J	Sr Adjuster	65,177.91
Dolski, D	Customer Care Agent 2	52,936.29
Domish, C	Sr Case Manager	79,155.70
Donaldson, D	Buyer	54,119.14
Donay, M	Contact Centre Supervisor	56,475.14
Doskoch, M	Accountant 1	52,884.58
Douglas, M	HRMS Coordinator	84,333.16
Douglas, S	Estimator-City	71,462.89
Douglass, T	Sr Instructional Designer	74,291.08
Downey, C	Manager, Organizational & Leadership Development	78,899.97
Downie, K	Sr Adjuster	60,619.78
Drosdoski, J	Adjuster	51,823.99
Drummond, R	Sr IT Support Analyst	69,038.17
Druwe, A	Case Manager 2	58,006.13
Dubowits, J	Estimator-City	76,826.11
Duckett, K	Special Investigator	82,068.25
Duda, R	Customer Account Representative	59,872.66
Dufault, J	Driver Ed Liaison Officer	61,105.09
Dufault, L	Case Manager 2	54,775.50
Dundas, I	Corporate Application Architect	53,160.85
Dunlop, D	Vehicle Registrations Coordinator	66,598.48
Dunstone, D	Assistant Manager, Risk Control & Financial Forecasting	93,819.89
Dunstone, D	KM Portfolio Manager	82,671.75
Durand, B	Associate Adjuster	50,673.76
Dutchyszen, P	Systems User Analyst	60,497.33
Dutka, C	Sr Policy Analyst	65,040.27
Duval, J	Supervisor, Salvage Administration	63,598.60
Dvorak, J	Manager, Product Support BI, PD & Supporting Applications	103,543.67
Dyck, J	Investigator	80,366.42
Dyer, G	Analyst - COTS Applications	74,022.37
Earl, L	Claims Processor	53,085.35
Eckberg, B	Commercial Registrations Representative	56,918.65
Eden, C	Project Manager	90,517.98
Edginton, G	Corporate Application Architect	94,425.55

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Edwards, A	Estimator-City	72,790.46	
Edwards, E	Estimator-City	69,741.15	
Egan, D	Sr Case Manager	78,599.22	
Eger, R	Estimator-City	65,987.93	
Eisener, D	PIPP Benefits Administrator	53,643.58	
Eisner, R	Sr Case Manager	75,029.89	
Ekdahl, S	Sr Business Analyst	78,427.98	
Embury, M	HR Diversity Coordinator	51,636.95	
Emes-Macklin, B	Deputy Registrar	96,992.81	
Empey, G	Service Centre Representative	54,175.11	
Engbrecht, A	Sr Instructional Designer	72,537.53	
Enns, C	KM Portfolio Manager	96,945.34	
Enns, L	Medical Fitness Administrator	72,066.34	
Esak, M	Customer Care Lead	51,163.26	
Esau, G	Driver Examiner	56,920.13	
Estares, J	Sr Business Analyst	74,685.57	
Evanchow, D	Claims Processor	50,204.50	
Fahrenschon, T	Adjuster	57,273.01	
Faria, P	Information Architect	69,529.55	
Farnsworth, P	Special Investigator	79,832.67	
Fast, C	Underwriter 1	55,915.96	
Fast, K	Sr Adjuster	69,907.95	
Fender, J	Service Centre Representative	52,043.71	
Feng, Y	IT Support Analyst	56,377.50	
Fenske, K	Manager, Advertising	81,107.10	
Fernando, S	Analyst	73,998.57	
Ferreira, R	Estimating Coordinator	80,053.53	
Fiks, M	Manager, Basic Autopac Special Services	97,597.03	
Fillion, K	Sr Case Manager	78,069.58	
Findlay, D	Manager, Glass Audit and Specialty Valuations	90,306.06	
Firman, S	Service Centre Representative	51,821.08	
Fish, D	Broker Services Administrator	61,754.77	
Fisher, D	Analyst	84,067.17	
Fisher, L	Supervisor, Customer Service Centre	61,957.40	
Fitzmaurice, T	Sr Test Administrator	59,681.67	
Fleming, D	Tow Truck Operator	53,780.19	
Flikweert, K	Sr Adjuster	86,336.67	**
Fomgbami, Z	Adjuster	60,457.45	
Fontaine, D	Driver Examiner Lead	67,500.11	
Forrest, J	Supervisor, Customer Service Centre	69,140.33	**
Forson, K	Adjuster	50,699.97	
Fosty, B	Manager, Driver Testing Policy & Evaluation	89,907.14	
Fosty, P	Driver Training Permit Officer	60,521.36	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Fotheringham, B	Identity Verification Supervisor	53,924.05	
Foulkes, G	Case Manager 2	61,242.12	
Fox, K	Accounting Clerk 1	77,688.22	**
Fraiter, T	Programmer	50,726.91	
Frechette, F	Reviewing Officer	54,111.20	
Frederickson, F	Sr Instructional Designer	74,903.06	
Friesen, J	Sr Case Manager	66,516.47	
Friesen, K	Sr Business Continuity Coordinator	77,672.94	
Froelich, S	Analyst	54,437.93	
Froese, G	Quality Control Coordinator	81,944.37	
Froese, W	Injury Management Coordinator	83,731.43	
Fujiwara, T	Estimator-City	68,440.58	
Funk, K	Employee & Labour Relations Specialist	56,717.24	
Fuz, J	Assistant Manager, Commercial Claims	99,901.50	
Gagne, J	Director, Corporate Services	127,092.22	
Gagne, P	Analyst	123,275.21	**
Gagnon, C	Adjuster	61,117.22	
Galezowski, L	Driver Examiner Lead	66,919.03	
Galka, R	Purchasing Agent	60,026.83	
Gallant, N	Claims Supervisor	72,850.88	
Garn, P	Corporate Application Architect	101,630.89	
Garofoli, D	Project Manager	66,005.99	
Garwood, M	Sr Case Manager	80,232.24	
Gaskin, H	Sr Case Manager	80,151.58	
Gatherum, J	Claims Supervisor	84,799.23	
Gaucher, M	KM Portfolio Manager	71,711.86	
Gaudry, G	Assistant Manager, Financial Reporting	91,306.03	
Geiger, C	Service Centre Representative	54,911.58	
Gendreau, L	Respectful Workplace Advisor	76,573.68	
Germain, D	Manager, Service Centre	103,390.84	
German, M	Quality Control Coordinator	81,942.90	
Gerullis, G	Community Program Coordinator	58,263.93	
Getty, J	Service Centre Representative	51,860.49	**
Giannico, M	Customer Relations Officer	68,319.69	
Giasson, C	Yardman	54,506.10	
Gibbs, N	Service Centre Representative	50,702.27	
Gibson, K	Underwriter 1	55,479.70	
Giesbrecht, B	Claims Cost Controller	91,427.31	
Giesbrecht, W	Adjuster	59,940.55	
Gilmore, C	Driver Examiner	55,050.16	
Gingras, M	Adjuster	63,678.97	
Glenday, C	Contact Centre Supervisor	60,297.50	
Glowa, R	Subrogation Specialist 2	66,328.83	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Gobeil, L	Customer Care Agent 2	53,082.93	
Goddard, S	Sr Case Manager	78,919.27	
Goertzen, C	Internal Review Officer	55,194.75	
Goertzen, I	Claims Cost Controller	89,053.56	
Golinski, B	Records Management Supervisor	56,854.37	
Gompf, V	Subrogation Adjuster	54,430.11	
Goos, A	Strategic Communications Coordinator	50,856.38	
Gospodyn, L	Systems User Analyst	59,608.03	
Gowen, T	Estimating Supervisor	65,776.08	
Graham, C	Case Manager 2	66,681.69	
Graham, S	Test Administrator	90,979.95	**
Graham, T	Service Centre Representative	51,633.39	
Granger, B	Sr Case Manager	72,967.74	
Grantham, D	Analyst	63,071.66	
Gray, B	Assistant Manager, Driver Improvement & Control	118,274.86	**
Greasley, G	Director, Corporate Strategic Analytics	121,953.04	
Greco, F	Heavy Vehicle Service Representative	55,265.41	
Green, B	Driver Examiner	60,022.14	
Greenberg, N	Claims Controller - Injury	108,675.65	**
Greig, R	Vehicle Standards Officer	70,847.69	
Grenier, R	Sr Adjuster	62,998.90	
Griffith-Parker, B	Sr Graphic Designer	63,633.22	
Griffith-Parker, J	Sr IT Analyst	59,856.49	
Grose, T	Driver Examiner	55,312.41	
Grossman, P	Assistant Manager, Special Accounts & Subrogation	86,376.96	
Gudz, T	Systems User Analyst	57,337.66	
Guick, A	Estimator-Rural	80,483.57	**
Guimond, D	President & CEO	298,018.82	
Gunn, C	Employee & Labour Relations Specialist	90,462.43	
Haaksma, J	Manager, IT Service Management	77,637.16	
Hagan, B	Manager, Risk Control & Financial Forecasting	90,512.19	
Haire, S	Tech Communications Lead	67,571.35	
Haithwaite, R	Executive Director, Injury Claims Management	163,438.77	
Halabiski, J	Sr IT Support Analyst	69,862.03	
Hall, L	Systems User Analyst	59,404.63	
Halliday, E	Underwriter 1	52,226.39	
Hallock, J	Purchasing Agent	60,055.39	
Hallonquist, J	Executive Director, Service Centre Operations	142,274.04	
Hanlan, E	Estimator-City	65,126.78	
Hannah, H	Sr Injury Claims Adjuster	75,256.81	
Hansell, C	Case Manager 2	64,031.79	
Harasym, C	Adjuster	57,368.32	
Harkness, K	Manager, Change Management	64,227.97	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Harmacy, S	Estimating Supervisor	71,392.56
Harron, P	Sr Underwriter	73,002.95
Hartwich, S	Medical Fitness Administrator	72,963.22
Harvey, L	Director, Insurance & Licensing Operations	114,495.96
Harvey, M	Underwriting Supervisor	83,100.34
Harvey-Rundle, J	Fleets Administrator	52,381.57
Hassa, M	Functional Support Analyst - Payroll	67,127.53
Hastings, M	Supervisor, Customer Service Centre	62,697.53
Hauser, T	Sr Case Manager	73,621.41
Hazelwood, B	Systems User Analyst	58,263.93
Heinrichs, C	Supervisor, IT Services	99,236.98
Heintz, D	Estimating Supervisor	84,380.70
Henderson, J	Adjuster	59,013.26
Henderson, K	Sr Case Manager	73,224.36
Hendricks, C	Sr Business Analyst	79,915.55
Hermary, M	Vehicle Standards Officer	66,043.19
Higgins, D	Systems User Analyst	56,465.46
Higgs, D	Assistant Manager, Service Centre	77,782.66
Higham, R	Sr Case Manager	78,712.64
Hildawa, R	Sr Business Analyst	76,389.30
Hildebrand, K	Estimating Supervisor	73,573.82
Hindmarsh, C	Supervisor, Customer Service Centre	64,588.98
Hlatkey, R	Adjuster	59,610.01
Hnatiuk, C	Adjuster	60,299.62
Hoadley, C	Sr Business Analyst	72,111.15
Hoban, J	HR Benefits Administrator	53,501.55
Hobson, K	Claims Supervisor	73,376.07
Hocken, C	Director, Knowledge Management Services	137,726.20
Hoffman, M	Sr Solicitor	122,522.57
Hoggan, B	Salvage Supervisor	63,626.11
Hogue, I	Estimating Systems Administrator	75,903.45
Holgate, R	Accountant 1	57,802.13
Holmes, K	Driver Examiner	63,426.24
Holowick, D	Sr Payroll Administrator	61,411.28
Hook, C	Accounting Clerk 2	51,986.79
Hooper, S	Estimating Supervisor	64,550.37
Hopkins, D	Manager, Financial Reporting & Budgeting	111,606.97
Hoppe, D	Estimator-Rural	69,717.11
Hora, C	Director, Urban Service Centre Operations	114,269.81
Howdle, H	Manager, Health Care Services	101,235.42
Howe, D	Sr Adjuster	64,153.46
Howell, A	Estimator-City	55,359.25
Howlett, J	Premises Coordinator	54,492.58

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Hoy, K	Business Analyst	74,345.73
Hrabliuk, C	Sr Case Manager	78,341.25
Huang, L	Actuarial Analyst	53,057.33
Huber, R	Adjuster	52,567.83
Hudey, J	Supervisor, PIPP Benefits Administration	60,497.48
Hudey, S	Research & Training Coordinator	98,994.89 **
Hudson, J	Commercial Specialist	68,485.48
Humble, J	Sr Business Analyst	78,630.76
Humphries, E	Special Investigator	80,682.22
Hunt, T	Advertising Services Lead	60,337.96
Huppe, G	Assistant Manager, Customer Relations	70,809.92
Hussey, M	Programmer/Analyst	56,478.43
Hutchinson, V	Case Manager 1	51,909.11
Hutsal, F	Customer Care Agent 2	52,652.17
Huzel, J	Business Analyst	73,273.65
Hykawy, R	Vehicle Standards Officer	68,004.03
Ingram, J	Emergency Preparedness & Safety Coordinator	63,290.08
Insch, K	Contact Centre Supervisor	53,903.42
Irie, I	Adjuster	54,698.22
Irving, C	Systems User Analyst	59,591.85
Irwin, C	Service Centre Representative	53,814.22
Isaak, J	Service Centre Representative	52,030.08
Isaak, N	Analyst	70,579.02
Isfjord, S	HRMS Information Analyst	65,518.64
Isfjord, T	Sr Business Analyst	97,134.02
Isidro, M	Organizational Change Management Consultant	51,201.08
Islam, Z	Service Centre Representative	50,766.81
Ismail, M	Assistant Manager, Financial Operations	88,093.48
Izzard, R	Accountant 2	76,850.28
Jackson, W	Commercial Specialist	67,787.58
Jagger, H	Sr Case Manager	81,140.79
Jajam, J	Sr Adjuster	63,538.05
Jajetovic, A	Organizational Change Management Consultant	74,090.26
Jamieson, S	Systems User Analyst	59,404.63
Jansen, S	Commercial Registrations Representative	54,710.27
Jantz, F	Driver Examiner	55,729.59
Jassal, G	Accountant 2	64,392.27
Jay, R	Programmer/Analyst	59,404.63
Jeanes, G	Driver Examiner	58,654.31
Jeanson, R	Commercial Adjuster	60,632.19
Jeffrey, K	Assistant Manager, Customer Service	90,548.26
Jenkyns, M	Adjuster	56,745.88
Jia, H	Sr IT Analyst	93,454.63

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Johns, R	Sr Systems User Analyst	66,126.41	
Johnson, D	Staff Development Consultant	78,090.15	
Johnson, D	IT Support Analyst	56,450.66	
Johnson, K	Sr Systems User Analyst	70,667.49	
Johnson, K	Commercial Estimator	64,427.19	
Johnston, G	Executive Director, Business Transformation Office	149,047.87	
Johnston, L	Executive Director, Pricing & Economics and Chief Actuary	163,429.66	
Jones, D	Adjuster	50,668.98	
Jones, G	Adjuster	58,709.34	
Jones, L	Special Activities Services Officer	57,116.73	
Jovanovic, M	Assistant Manager, Budgeting	94,685.39	
Jubenville, D	Sr IT Administrator - Operations	58,459.21	
Juhnke, M	Case Manager 2	55,815.24	
Jurkowski, L	Sr Business Analyst	66,417.02	
Jurkowski, R	Driver Improvement Supervisor	63,600.73	
Kacher, M	Director, Service Operations Control & Compliance	127,724.92	
Kalinowsky, K	General Counsel & Corporate Secretary	209,209.58	
Kalomiris, H	Analyst - COTS Applications	75,444.66	
Karpenko, S	Assistant Manager, Special Investigation Unit	90,652.60	
Kashuba, L	Assistant Manager, Special Investigations Unit	85,194.26	
Kasian, T	Manager, Broker Support Services	84,139.03	
Kaspersion, D	Accountant 2	58,962.76	
Kaspick, J	Estimating Supervisor	71,998.44	
Kaushal, M	HR Advisor & Supervisor, HR Support	84,022.64	
Kaushal, R	Driver Examiner	51,230.74	
Kazubek, S	Customer Service Representative	53,196.80	
Keating, D	Adjuster	56,013.03	
Kee, A	Adjuster	61,885.41	
Kehler, R	Supervisor, Rural Service Centre	85,978.62	
Keith, M	Supervisor, PIPP Benefits Administration	60,844.45	
Keith, W	Exec Dir, Driver Safety, DVA Admin & Registrar Motor Vehicle	173,979.58	
Keller, D	Estimator-Rural	73,520.87	
Kemash, A	Facial Recognition Analyst	50,847.90	
Kempe, M	Vice President, Business Development, Communications & CPO	261,214.80	
Kernaghan, B	Business Analyst	60,502.44	
Keszi, M	Multimedia App Developer	59,404.63	
Ketola, D	Estimator-Rural	69,467.61	
Khan, S	Analyst	52,828.03	
Kibsey, G	Manager, Organizational & Leadership Development	52,479.20	**
Kindrat, D	Adjuster	56,647.75	
King, B	Assistant Manager, Contact Centre Operations	81,730.64	
Kintop, K	Business Analyst	67,281.12	
Kirby, K	Solicitor 2	126,979.74	**

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Kirkwood, M	Adjuster	57,793.72
Kjartanson, M	Systems User Analyst	60,314.12
Klassen, C	Analyst	73,097.07
Klassen, D	Systems User Analyst	90,273.79 **
Klassen, K	Team Leader, Broker Services Administration	65,505.58
Klingbell, S	Sr Analyst	77,819.82
Klohn, K	Contact Centre Operations Resource Coordinator	58,565.70
Kluner, R	Administrative Officer 2	64,467.52
Kneeshaw, B	Supervisor, Customer Service Centre	66,678.27
Kobylinski, M	Assistant Manager, Licencing Services	70,350.65
Kocis, M	Estimator-City	70,306.54
Koehl, H	Sr Analyst	80,860.10
Kokan, D	Analyst	89,252.18
Kolly, L	Director, Enterprise Project Management Office	117,488.20
Komadowski, S	Executive Assistant	66,888.12
Kominowski, P	Adjuster	57,176.84
Koolage, L	Sr Case Manager	77,414.62
Koots, K	Project Manager	90,306.06
Kopec, C	Supervisor, Customer Service Centre	63,943.37
Koroscil, D	Manager, PIPP Support Services	104,124.26
Korozsi, B	Estimator-City	72,440.45
Koscielny, K	Underwriter 2	63,641.36
Kosowan, R	Supervisor, Commercial Claims	84,704.19
Kowalchuk, M	Case Manager 2	74,190.80
Krahn, M	Injury Claims Adjuster	59,392.67
Kramer, L	Estimator-City	64,316.82
Kramer, O	Special Advisor	87,428.34
Krasnowski, G	Sr Analyst	96,205.88
Krawchuk, M	IT CMDB Specialist	82,840.48
Kroeger, W	Special Investigator	78,793.51
Kroeker, C	Adjuster	56,217.83
Krueger, K	Director, Compulsory & Extension Insurance	124,645.70
Krueger, K	Adjuster/Driver Examiner	65,737.84
Krupinski, J	Director, Enterprise Portfolio Management Services	120,095.64
Ksiazek, K	PIPP Benefits Administrator	59,537.39
Kufley, G	Sr Injury Claims Adjuster	78,174.58
Kumka, J	Occupational Therapist	79,938.82
Kumka, T	Solicitor 2	113,679.38
Kushnier, E	Adjuster	62,149.50
Kushnir, A	Analyst	66,947.68
Kusiak, J	Tech Communications Officer 1	52,708.88
Kusie, T	Customer Care Agent 2	52,731.63
Kwiatkowski, B	Corporate Application Architect	87,613.15

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Kyliuk, T	Analyst	88,200.97	
La Page, J	Broker Services Administrator	58,017.41	
Lachance, K	Subrogation Specialist 2	69,884.56	
Lacroix, P	Privacy & Information Officer	82,092.90	
Laferriere, M	Sr Analyst	100,502.65	
Lafortune, C	Supervisor, Customer Service Centre	63,365.19	
LaFreniere, R	Sr Adjuster	62,547.71	
Lagace, C	Supervisor, Claims Processing	64,974.95	
Laidlaw, D	Project Coordinator	91,932.67	
Lakhno, A	Claims Supervisor	67,996.06	
Lamb, D	Driver Records Processing Supervisor	54,969.87	
Lambert, J	Project Manager	69,402.90	
Lambert, R	Estimator-City	72,976.63	**
Lambo, A	Claims Supervisor	139,742.93	**
Lambrecht, K	Analyst	76,565.06	
Lamont, B	Facilities Service Technician	70,788.56	
Lansard, S	Supervisor, Rural Service Centre	82,400.84	
Lapointe, G	Injury Management Coordinator	83,737.44	
Lapointe, J	IT Managed Services Analyst	73,240.08	
Lapratte, P	Estimator-Rural	57,304.61	
Larson, C	Supervisor, Mail and Warehouse	63,675.47	
Lashewicz, L	Customer Care Agent 2	53,207.53	
Lasuik, B	Claims Supervisor	68,128.83	
Lau, C	Solicitor 2	120,312.85	**
Lau, R	Information Systems Auditor	83,637.58	
Lavallee, C	Contact Centre Supervisor	53,645.65	**
Lawrence, M	Sr IT Support Analyst	76,690.40	
Lawrence, M	Business Analyst	73,616.35	
Lawrence, S	Administrative Officer 2	67,038.12	
Laxdal, G	Business Analyst	73,713.72	
Lazarko, L	Executive Director, Information Technology	127,275.95	
Lea, M	Supervisor, IT Services	109,371.74	
Leach, K	Collection Supervisor	73,172.85	
Lebedeff, T	Clerk 4	53,853.90	
Leblanc, N	Supervisor, Rural Service Centre	67,157.16	
Lee, R	Business Analyst	74,414.83	
Lee, S	Disaster Recovery Coordinator	68,512.76	
Lee-Ward, B	Sr IT Analyst	66,305.00	
Leganchuk, D	Service Centre Representative	52,498.92	
Lehmann, S	Manager, IT Security, Compliance & Risk	110,782.92	
Lemoine, C	Sr Graphic Designer	57,358.51	
Lemoine, P	Sr MultiMedia Application Developer	61,030.29	
Lennartz, M	Estimator-Rural	68,295.74	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Lepki, G	Estimating Supervisor	74,846.43
Leppky, S	Executive Director, Human Resources & Staff Development	130,101.07
LeSage, J	Adjuster	56,878.74
Letkemann, J	Associate Adjuster	51,168.96
Letkemann, T	Manager, PDC Claims Operations	108,814.72 **
Levy, J	Service Centre Representative	52,817.20
Lewis, C	Sr IT Administrator - Operations	60,630.07
Lewis, J	Special Investigator	80,363.26
Lewis, R	Customer Account Representative	51,804.59
Leys, E	Commercial Estimator	63,474.69
Leys, T	Estimator-Rural	63,146.37
Light, D	Special Investigator	77,213.64
Lindenberg, L	Analyst	67,564.64
Link, C	Assistant Manager, Rehabilitation Management	88,683.03
Litke, D	Accountant 2	73,840.07
Lobban, E	Sr Case Manager	73,032.51
Locke, C	Adjuster	57,130.35
Loeb, C	Customer Care Agent 2	50,456.06
Loechner, M	Assistant Manager, Service Centre	86,120.38
Loeppky, G	Injury Management Coordinator	83,901.78
Loewen, D	Research & Training Technician - Mech/Auto	83,501.77
Lofto, D	Assistant Manager, Special Investigation Unit	85,094.26
Lokke, A	Business Analyst	69,540.57
Long, R	Adjuster	59,088.09
Lopushniuk, S	Accounting Clerk 2	52,205.95
Lorteau, G	Driver Examiner	58,034.92
Loster, J	Sr. IT Analyst	90,976.16
Lovallo, L	Associate Adjuster	51,266.30
Love, D	Driver Examiner Lead	63,616.36
Lovering, A	Medical Fitness Administrator	73,547.63
Lucko, T	Manager, SRE Fleet Safety	82,874.01
Lucyk, T	Driver Examiner	57,448.78
Luky, C	Glass Audit Supervisor	56,814.32
Lundy, R	Estimator-City	64,681.86
Lupky, S	Manager, Serious & Long Term Case Management	101,800.71
Lyburn, L	Commercial Specialist	68,489.14
Lyle, K	Claims Supervisor	78,062.48
Lyons, J	Senior Communications Specialist	76,632.02
Lysy, C	Analyst	86,490.61
Lysyk, N	Collection Officer	51,986.79
MacBeth, R	Analyst	68,592.71
MacCutcheon, S	Internal Review Officer	81,057.42
MacDonald, K	Vehicle Standards Officer	67,990.60

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
MacDonald, T	Adjuster	63,772.62
Macdonald, V	Assistant Manager, Medical Compliance & Assessments	80,928.94
MacFadyen, R	Identity Verification Supervisor	50,205.66
MacFarlane, E	Underwriter 2	60,233.79
Machado, N	Contact Centre Quality Analyst	55,664.94
MacKay, A	Analyst	53,146.20
Mackay, G	Business Analyst	72,986.28
MacKeen, M	Fair Practices Analyst	73,661.21
Mackeen, T	Sr IT Administrator	52,240.46
MacKenzie, A	Customer Care Agent 2	52,846.35
Macsymach, B	Service Centre Representative	51,633.39
Madhosingh, T	Business Analyst	65,759.29
Maeren, D	Driver Records Coordinator	79,325.50
Maes, D	Estimator-City	65,916.02
Maharajh, M	Business Analyst	72,986.28
Malanchuk, K	Quality Control Coordinator	71,961.42
Mankewich, A	Commercial Estimator	64,083.50
Mann, S	Business Analyst	66,814.12
Manthei, H	Medical Fitness Administrator	72,953.86
Manzano, B	Contact Centre Supervisor	52,360.15
Marchant, J	Premises Coordinator	64,694.69
Marlatt, V	Adjuster	60,410.71
Marsch, T	Service Centre Representative	53,216.20
Martens, L	Adjuster	51,788.69
Martin, C	Vice President, Customer Service & COO	218,081.34
Martin, H	Driver Examiner	55,452.35
Martinez, J	Estimator-City	56,234.32
Maslanka, M	Solicitor 2	101,393.96
Masnyk, C	Subrogation Adjuster	53,941.59
Mason, K	Customer Care Agent 2	52,673.36
Mather, J	Dealer Inspector	59,259.38
Matkowski, R	Associate Adjuster/Driver Examiner 2	66,197.32
Matlashewski, L	Senior Compensation & Benefits Analyst	66,534.83
Matson, G	Manager, Driver Fitness	101,380.92
Matthes, B	Driver Examiner	50,400.91
Matthes, B	Driver Examiner	50,143.79
Matthewson, C	Community Relations Specialist	68,140.60
Mazzei, C	Policy Research Analyst	77,292.20
McCaffrey, D	Data Architect	83,826.39
McComb, L	Sr Subrogation Specialist	73,679.72
McDivitt, M	Sr Accounts Receivable Representative	61,871.34
McDonald, J	Estimator-Rural	67,521.49
McDonald, W	Sr MultiMedia Application Developer	62,714.56

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
McFadyen, K	Manager, Quality Control & Metrics	102,448.61	
McGill, C	Instructional Designer	64,156.20	
McGonigal, K	HR Generalist	51,397.70	
McIntyre, H	Sr Analyst	84,253.30	
McKay, G	Analyst - Rate Groups	52,044.34	
McKay, J	Adjuster	58,535.40	
McKee, J	Business Analyst	78,674.66	
McKee, W	Estimator-Rural	70,987.81	
McKinnon, M	Sr Case Manager	59,819.86	
McKinnon, S	Executive Assistant	69,898.14	
McLaren, M	President & CEO	490,286.72	**
McLaughlin, C	Subrogation Adjuster	56,397.82	
McLennan, K	Manager, Financial Operations	111,393.46	
McLeod, T	Reinspection Estimator	68,217.76	
McNabb, D	Adjuster	55,665.15	
McRae, J	Sr IRI Calculator	52,498.43	
Meakin, K	Adjuster	58,289.38	
Meakin, L	Vehicle Standards Officer	68,884.13	
Meakin, S	Commercial Adjuster	62,266.03	
Melizza, F	Sr Collection Officer	55,383.83	
Melnick, C	Accountant 1	56,193.16	
Melnyk, C	Business Analyst	78,524.62	
Melnyk, R	Business Analyst	72,836.28	
Melo, L	Injury Management Coordinator	82,122.41	
Merchant-Foster, P	Clerical Supervisor	59,608.03	
Merke, V	Sr Case Manager	92,396.37	
Mestdagh, L	Manager, Service Centre	103,565.47	
Meyer, A	Technical Communicatons Lead	77,917.50	
Meyer, D	Driver Licensing Liaison Officer	59,756.78	
Michie, S	Business Analyst	71,584.13	
Middlestead, W	Sr Analyst	105,779.95	
Middleton, M	Service Centre Representative	52,256.64	
Mikawos, J	Claims Supervisor	89,228.97	
Milette, C	Case Manager 2	65,927.44	
Miller, J	Manager, Service Centre	105,965.08	
Miller, T	Commercial Registrations Representative	54,068.13	
Millman, T	Customer Care Agent 1	50,380.30	
Milner, D	Clerk 3	68,438.61	**
Minenna, M	Manager, Driver Education & Training	98,437.80	
Mireault, A	Assistant Manager, Internal Audit	90,322.12	
Mislan, M	Research & Training Technician - Mech/Auto	81,177.60	
Mitchell, B	Sr Functional Support Analyst - Finance	71,891.96	
Mitra, S	Director, Physical Damage	123,135.17	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Moe, C	Analyst	71,634.39	
Mohr, A	Manager, Accounting Services	66,112.99	
Mohr, T	Sr Analyst	98,373.30	
Moins, M	Estimating Supervisor	73,503.96	
Molinski, D	Estimating Supervisor	80,920.69	
Molinski, T	Estimator-City	70,213.09	
Monchamp, M	Commercial Registrations Representative	53,104.31	
Monteith, L	Sr Instructional Designer	80,672.56	
Montroy, L	Assistant Manager, Claims Services	90,472.73	
Moore, D	Internal Review Officer	79,991.15	
Moore, J	Facilities/Premises Administrator	70,850.40	
Moore, R	Sr Injury Claims Adjuster	78,174.58	
Moorehead, D	Sr Adjuster	58,732.89	
Morcos, G	Accountant 1	59,439.63	
Morgan, M	Project Coordinator	105,869.57	
Morin, L	Paralegal	52,470.91	
Morka, R	Manager, Purchasing	85,338.45	
Moroz, B	Driver Examiner Lead	65,505.84	
Morris, R	Estimator-Rural	65,708.93	
Morrish, A	Clerk 3 Receiver	52,008.88	
Morrison, T	Vehicle Standards Supervisor	73,673.69	
Morton, S	Adjuster	56,010.58	
Moshenko, S	Case Manager 2	54,290.13	
Mosiuk, B	Business Analyst	72,422.46	
Moski, J	Sr Case Manager	78,963.79	
Mowat, B	Sr Analyst	96,650.04	
Mucska, A	Case Manager 2	54,258.03	
Muirhead, S	Clerical Supervisor	50,110.13	
Mulcahy, S	Accountant 1	59,419.32	
Mulholland, J	Contact Centre Supervisor	58,806.00	
Murphy, C	Facilities/Premises Administrator	102,245.00	**
Murphy, T	Underwriter 1	55,012.36	
Murray, G	Special Investigator	75,800.89	
Murray, P	Workplace Safety Advisor	72,901.87	
Mutter, J	Accountant 2	73,184.75	
Mwanza, O	Manager, Customer Research	104,150.11	
Myshkowsky, S	Executive Assistant	66,888.12	
Naldrett, L	Assistant Manager, HR Services	81,468.85	
Naldrett, T	Subrogation Controller	70,666.56	
Napier, B	Special Investigator	77,474.46	
Natt, G	IT Support Analyst	61,020.35	
Nault, J	Estimator-City	74,105.38	**
Nault, L	Supervisor, Customer Service Centre	67,657.34	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Navid, H	Service Centre Representative	50,953.26	
Neiser, S	Sr Case Manager	78,024.58	
Neskar, P	Adjuster Driver Examiner	74,633.74	
Neufeld, C	Estimator-City	61,186.60	
Neufeld, J	Adjuster	58,758.88	
Neufeld, K	Estimator-Rural	68,551.15	
Neufeld, P	Sr Systems User Analyst	69,427.42	
Neufeld, R	Commercial Estimator	64,365.78	
Neufeld, S	Clerk Typist 4	56,051.65	**
Newman, D	Manager, Premises	112,020.45	
Newton, K	Injury Management Coordinator	83,752.39	
Newton, T	Underwriting Supervisor	77,283.58	
Nickel, D	Sr Business Analyst	75,558.47	
Nimmagadda, C	Assistant Manager, Contact Centre Operations	78,619.64	
Nitchie, T	Clerk Typist 2	74,741.34	**
Nixon, B	Disability Management Specialist	86,123.94	
Nixon, L	Special Investigator	124,882.74	**
Nizio, L	Service Centre Representative	50,840.38	
Nordstrom, D	Sr Case Manager	80,538.51	
Norris, C	Customer Account Representative	52,412.79	
Novak, D	Sr Case Manager	80,593.23	
Nuevo, M	Programmer/Analyst	53,569.84	
Oberholtzer, J	Claims Supervisor	61,348.98	
Odlum, J	Estimator-City	62,535.45	
Oertel, E	Facilities Service Technician	70,280.38	
Okun, J	Estimating Supervisor	86,328.27	
Olijnek, J	Sr Graphic Designer	63,015.35	
Olsen, C	KM Portfolio Manager	88,715.19	
Olson, A	Adjuster	53,402.96	
Olson, D	Service Centre Representative	51,156.50	
Onofreychuk, L	Business Analyst	76,929.09	
Opinga, R	Estimator-City	58,232.70	
Oravec, D	Project Manager	90,306.06	
Orlukiewicz, P	Sr IT Administrator	54,322.39	
Orlukiewicz, T	Security Advisor	83,493.13	
Osborne, B	Claims Controller - Injury	89,359.56	
Overwater, D	Executive Director, Insurance & Underwriting	54,977.30	
Owen, R	Injury Management Coordinator	80,951.59	
Owen, S	Legal Processor	60,254.87	
Ozouf, R	Sr IT Support Analyst	69,979.67	
Pacheco Valente, L	Service Centre Representative	51,714.98	
Packer, M	Estimator-City	57,305.07	
Palatino, R	Auditor 2	73,500.56	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Palsson, S	Accountant 2	72,415.12
Pankratz Wieler, S	Sr Business Analyst	65,504.32
Pantel, S	Adjuster	55,261.62
Pariyasamy, K	Manager, Application Services	111,466.58
Park, P	Programmer/Analyst	57,231.41
Partaker, T	Programmer/Analyst	54,249.62
Paton, B	Claims Supervisor	85,559.52
Patton, S	Sr Business Analyst	78,149.93
Paul, B	Case Manager 2	64,608.44
Paul, G	Claims System Analyst	55,664.94
Paulic, J	System Support Clerk	50,025.66
Pauls, J	Claims Processor	51,926.40
Pauls, T	Systems User Analyst	58,451.15
Paulus, J	Adjuster	59,058.20
Pavluk, T	Adjuster	61,313.81
Pawella, C	Executive Assistant	66,900.03
Pellegrino, D	Adjuster	55,311.68
Peloquin, L	Service Centre Representative	50,764.76
Pemkowski, D	Manager, Fair Practices & Customer Relations	111,553.88
Peniuk, K	Commercial Adjuster	57,294.94
Penner, H	Vehicle Control Supervisor	72,221.04
Pereira, D	Sr Case Manager	79,618.85
Perez, G	Driver Ed Liaison Officer	59,779.07
Perkins, D	Supervisor, Rural Service Centre	83,581.43
Perreault, S	Service Centre Representative	55,901.82
Peterson, B	Facilities/Premises Administrator	73,340.02
Peterson, D	Sr Case Manager	82,027.40
Peterson, R	Supervisor, Broker Services Audit	57,178.92
Philippot, C	Facilities Service Technician	75,065.17
Phoa, T	Actuarial Analyst	72,352.60
Picard, M	Analyst	77,585.74
Picard, P	Estimator-City	97,703.23
Piec, D	Sr Adjuster	55,721.17
Piec, M	Assistant Manager, Service Centre	73,851.71
Pierce, J	Service Centre Representative	51,497.84
Pilawski, C	Premises Coordinator	63,647.69
Pinette, D	Manager, Physical Damage Technical Services	103,731.02
Pitt, A	Estimator-City	80,127.86
Pitura, L	Manager, Communications	91,119.79
Pitzel, S	Solicitor 2	102,214.75
Place, D	Systems User Analyst	59,608.03
Plante, J	Customer Care Lead	53,732.26
Plenert, H	Estimator-City	64,063.49

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Pogorzelec, E	Senior Project Manager 2	110,894.84
Poitras, K	Driver Examiner	50,061.12
Polenski, B	Clerk 4	51,851.87
Pollock, D	Analyst	71,178.66
Pollock, N	Underwriter 2	97,205.65 **
Poloway, C	Adjuster	58,393.17
Porco, K	Assistant Manager, B I Out of Province	96,776.14
Porter, D	Manager, Regulatory Affairs	98,068.21
Prasek, W	IT Managed Services Analyst	84,847.10
Prendergast, C	Contact Centre Supervisor	58,933.25
Preteau, R	Estimator-City	58,495.09
Price, R	Manager, Service Centre	108,972.39
Proctor, T	Road Safety Issues Specialist	68,296.75
Prozyk, C	Accountant 2	70,639.36
Prysizney, G	Sr Graphic Designer	63,633.30
Puchailo, D	Vehicle Standards Officer	73,587.63
Pudlo, K	Injury Management Coordinator	75,885.87
Pura, J	Assistant Manager, Internal Audit	91,846.85
Pura, S	Contact Centre Supervisor	59,788.92
Pursaga, J	Sr Program Delivery Coordinator	76,547.09
Pye, T	Estimator-Rural	73,078.43
Quan, T	Customer Care Lead	55,126.75
Quenelle, G	Estimator-City	68,628.27
Quenelle, R	Fleet Safety Service Representative	54,682.17
Radi, J	Systems User Analyst	61,068.94
Radtke, D	Manager, Application Services	103,776.04
Radwanski, S	Estimating Supervisor	95,196.59 **
Ragasa, C	Accounting Clerk 2	59,397.38
Rahman, R	Adjuster	51,609.90
Raimo, G	Systems User Analyst	60,160.65
Rak, A	Sr IT Administrator	51,921.11
Rak, T	Business Analyst	68,986.64
Ramberran, R	Estimator-City	66,186.82
Ramirez, A	IT Managed Services Controller	84,733.50
Randell, R	Programmer/Analyst	62,373.94
Rapinchuk, B	Manager, Vehicle Standards & Inspections	84,291.93 **
Raven, K	Communications Officer 2	53,724.25
Redfern, D	Payroll Administrator	69,181.84
Reesor, E	Customer Care Lead	50,575.54
Reeves, B	Manager, Service Centre	87,120.54
Reeves, S	Adjuster	58,620.38
Reichert, H	Vice President, Finance & CFO	214,611.11
Reid, L	Sr Analyst	102,198.60

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Reilly, C	Corporate Application Architect	83,569.09	
Reis, D	Sr Case Manager	79,005.50	
Rekrut, J	Business Relationship Manager	57,676.89	
Remillard, C	Commercial Adjuster	55,705.40	
Remillard, J	Executive Director, Corporate Initiatives Sponsor	141,904.61	
Rempel, E	Estimator-Rural	70,607.51	
Rempel, S	Clerk Typist 4	52,571.04	
Renaud, J	Collection Officer	50,769.29	
Revet, G	Underwriter 1	55,311.54	
Reznik, L	Associate Adjuster/Driver Examiner 2	56,699.91	
Rhodes, A	Commercial Registrations Representative	52,122.60	
Rhodes, T	Sr Business Analyst	78,358.67	
Richard, W	Service Centre Representative	52,898.06	
Richards, E	Special Investigator	112,650.41	**
Riel, J	Manager, Internal Audit	117,005.43	
Rieu, D	Sr Systems User Analyst	69,793.86	
Riffel, T	Supervisor, PIPP Benefits Administration	63,065.43	
Ring, M	Assistant Manager, Service Centre	81,047.30	
Ripak, D	Analyst	85,391.02	
Ritchot, G	Claims Supervisor	113,289.34	**
Riva, M	Facilities Design Administrator	65,166.54	
Robert, R	Clerk 4	53,818.91	
Robertson, A	Solicitor 1	83,548.89	
Robertson, D	Customer Account Representative	51,938.16	
Robertson, R	Project Coordinator	93,594.61	
Robidoux, B	Service Centre Representative	53,699.83	
Robins, C	Estimator-Rural	70,088.61	
Robins, D	Vehicle Standards Officer	68,514.58	
Robinson, D	Solicitor 2	113,675.59	
Robinson, P	Risk Management Specialist	91,658.68	
Rocan, G	Supervisor, Commercial Claims	74,468.74	**
Rogers, A	Sr Adjuster	59,822.98	
Romaniuk, S	Commercial Registrations Representative	69,173.36	**
Rosche, R	IT Analyst	80,954.39	
Roschuk, K	Accounts Receivable Representative	52,364.10	
Ross, K	Analyst	82,435.13	
Royal, M	Manager, Safety and Employee & Labour Relations	110,156.40	
Ruffeski, D	Manager, Business Services	90,434.23	
Russo, M	Accountant 2	70,142.76	
Rutter, C	Business Analyst	68,983.27	
Rybachuk, K	Strategic Communications Coordinator	63,788.63	
Ryz, C	Injury Management Coordinator	85,521.29	
Saffie, D	Quality Control Inspector	79,586.39	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Safiniuk, B	Information Systems Auditor	85,916.56	
Sahar, N	Executive Director, PDR Project	161,629.37	
Sajdak, M	Business Analyst	61,526.80	
Salsman, K	Clerk 4	51,986.79	
Saluk, G	Sr Analyst	107,885.35	
Sam, S	Sr Organizational Change Management Consultant	85,765.36	
Samatte, W	Reviewing Officer	53,041.62	
Samphir, A	Staff Development Consultant	73,139.53	
Sanan, S	Vehicle Standards Officer	68,413.45	
Sarginson, P	Senior Legislation Analyst	72,440.12	
Sass, J	Manager, Service Centre	110,798.75	
Savard, G	Sr Case Manager	78,174.58	
Savoie, A	Sr Adjuster	68,271.98	
Sawatzky, D	Special Advisor	118,343.34	**
Sawatzky, F	Driver Training Administrator	60,310.39	
Sawatzky, J	Strategic Communications Coordinator	68,050.00	
Sawatzky, L	Research & Training Technician - Mech/Auto	77,200.47	
Sawatzky, N	Business Analyst	62,334.83	
Sawatzky, P	Specialist, Strategic Research	110,852.35	
Scaletta, D	Director, Information & Litigation	139,310.69	
Scarff, N	Claims Supervisor	63,406.34	
Scarfone, S	Solicitor 2	104,096.71	
Schacter, B	Sr Case Manager	66,718.28	
Schesnuk, D	Sr IT Support Analyst	68,214.58	
Schlag, J	Associate Adjuster	54,234.02	
Schmidt, D	Instructional Designer	67,035.36	
Schmidt, R	Claims Controller - Injury	90,609.93	
Schneiderat, T	Sr Case Manager	77,210.56	
Schroeder, T	Adjuster	58,324.09	
Schulz, G	Assistant Manager, Injury Claims Management	92,752.04	**
Schulz, L	Systems User Analyst	60,614.68	**
Schwab, D	Sr Business Analyst	82,618.26	
Scott, D	Driver Licensing Liaison Officer	59,410.80	
Scott, J	Commercial Specialist	55,531.66	
Seddon, K	Injury Management Coordinator	83,916.89	
Seddon, T	Case Manager 2	63,907.41	
Sekhon, P	Manager, KM Governance and Architecture	105,680.38	
Selch, J	Research & Training Technician - Mech/Auto	78,925.85	
Senden, N	Systems User Analyst	59,474.83	
Seniuk, M	Estimator-City	71,580.91	
Senkowsky, M	Manager, Compulsory Insurance	96,626.14	
Sentner, C	Sr Designer - Online Media	66,593.72	
Senyk, D	Collection Officer	52,708.34	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Serbyniuk, M	Estimator-City	67,433.18
Serceau, M	Estimator-Rural	68,097.20
Serceau, R	Estimator-City	66,160.86
Sernowsky, J	Clerk 2	53,605.38 **
Sesay, A	Accountant 1	62,304.77
Shea, L	Business Analyst	72,994.50
Shemeliuk, T	Associate Adjuster/Driver Examiner 2	61,546.42
Shemeluk, G	Estimator-City	69,145.68
Sheppard, J	Sr Systems User Analyst	68,765.40
Shibata, S	Adjuster	55,747.11
Shimoda-Loechner, L	IRI Calculator	56,450.35
Shokpeka, E	Assistant Manager, Customer Service	80,425.28
Shostak, M	Instructional Designer	59,469.99
Shum, E	Case Manager 2	60,530.55
Shur, P	Organizational Change Management Consultant	71,777.22
Shyiak, J	Staff Development Consultant	71,383.13
Siepmann, K	Research & Training Technician - Mech/Auto	77,093.07
Sigurdson, D	Sr Case Manager	68,289.11
Sim, S	Tow Truck Operator	52,709.37
Simard, T	Injury Claims Adjuster	68,344.00
Simmons, A	Sr Case Manager	78,764.14
Single, C	Special Investigator	79,102.58
Skarpas, S	Sr Case Manager	77,067.76
Skelton, C	Sr Case Manager	73,337.03
Skiba, K	IT Analyst	76,928.67
Skibo, W	Commercial Specialist	68,345.19
Skitcko, L	Sr Case Manager	61,010.63
Skovgaard, P	KM Portfolio Manager	86,634.41
Skrupski, D	Clerk 4	51,198.41
Sladek, J	Estimator-City	73,548.58
Sloggett, P	Medical Fitness Administrator	73,783.21
Smale, P	Customer Account Representative	52,254.30
Smart, S	Vehicle Standards Officer	64,879.25
Smiley, B	Media Relations Coordinator	99,407.06
Smit, R	Sr Underwriter	73,530.89
Smith, B	Supervisor, Commercial Claims	83,748.10
Smith, C	Claims Supervisor	80,610.27
Smith, R	Supervisor, Customer Service Centre	61,014.69
Snider, D	Out of Province Claims Supervisor	87,481.50
Soares, A	Sr Adjuster	62,439.63
Solinger, R	Reinspection Estimator	68,622.16
Soucy, M	Claims Supervisor	85,430.13
Sparrow, M	Adjuster	52,198.73

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Spence, C	Premises Assistant	51,986.79
Spence, D	Identity Verification Administrator	50,789.41
Sprenger, W	Senior Investment Forecasting Specialist	90,701.59
Sproule, R	Facilities/Premises Administrator	78,571.03
Spyracopoulos, T	Assistant Manager, Claims Services	113,419.73
St. Germain, P	Data Architect	91,385.77
St. Godard, C	Injury Management Coordinator	84,307.23
St. Godard, D	Commercial Adjuster	55,471.57
St. Vincent, K	Case Manager 2	67,990.60
Stacey, K	Service Centre Representative	50,684.36
Stade, R	Analyst	85,417.38
Stade, S	Sr Case Manager	71,457.93
Stallard, T	Estimator-Rural	74,783.77
Stanke, B	Analyst - Rate Groups	51,118.16
Steeds, K	Internal Review Officer	79,285.24
Stelma, K	Service Centre Representative	55,492.82
Stephens, A	Business Analyst	66,467.67
Sterzer, C	Estimator-City	60,866.82
Stevenson, J	Special Investigator	74,126.87
Stewart, D	Manager, Bodily Injury Centre	110,642.72
Stewart, R	KM Service Delivery Manager	103,173.02
Stock, N	Adjuster	55,311.54
Stokes, A	Service Centre Representative	51,316.23
Stoneham, C	Supervisor, Customer Service Centre	58,526.07
Stonyk, R	Solicitor 2	116,374.70
Stow, L	Adjuster	61,927.34
Stoyka, E	IRI Analyst	63,293.44
Strand, C	Clerk 3 Receiver	60,234.88
Strecker, M	Service Centre Representative	50,594.43
Streib, C	Driver Examiner	57,313.98
Striefler, D	Lead IT Security Administrator	82,703.30
Stuart, D	Estimator-City	65,606.94
Stubbe, K	Ignition Interlock Program Administrator	52,497.03
Su, Y	Sr Actuarial Analyst	88,598.88
Subramaniam, T	Sr Business Analyst	86,986.74
Surgeoner, S	Purchasing Agent	60,169.78
Swanston, S	Supervisor, Rural Service Centre	87,391.82
Swayze, C	Service Centre Representative	53,062.87
Sych, J	Adjuster	59,646.60
Sykes, R	Estimator-City	66,988.79
Sylvestre, P	Service Centre Representative	55,596.32
Syrenne, G	Sr Adjuster	69,109.47
Sysa, M	Systems User Analyst	60,349.70

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Tabin, T	Assistant Manager, Customer Service	81,266.55
Tackaberry, W	Injury Management Coordinator	82,584.56
Tackie Anderson, N	Sr Business Analyst	75,399.37
Tagliaferri, M	Estimator-City	66,856.86
Talbot, J	Business Relationship Manager	90,991.40
Tan, K	Business Analyst	64,513.08
Tanchak, P	Sr Analyst, Web Development	84,055.44
Tapia, R	Driver Examiner	60,225.71
Tarr, D	Analyst	68,680.96
Tarrosa, A	Adjuster	53,473.38
Tavares, A	Customer Care Lead	55,762.04
Taylor, B	Assistant Manager, Claims Services	90,742.80
Taylor, B	Sr Case Manager	78,684.53
Taylor, C	Assistant Manager, Premises	86,548.44
Taylor, C	Yardman	51,468.32
Taylor, J	Broker Services Administrator	63,310.69
Taylor, M	Injury Management Coordinator	84,242.86
Taylor, M	Adjuster	60,141.16
Taylor, S	Assistant Manager, Driver Improvement & Control	69,569.35
Tazin, C	Adjuster	56,084.98
Telfer, D	Business Analyst	73,039.68
Thiessen, A	Service Centre Representative	51,633.39
Thomassen, R	Internal Review Officer	81,093.76
Thompson, J	Adjuster	55,436.89
Thompson, P	Supervisor, Rural Service Centre	85,772.87
Thompson, R	Vehicle Standards Officer	64,736.57
Thompson, T	Adjuster	56,486.59
Thomson Lisa, E	Clerk 4	70,482.23 **
Thomson, J	Director, Rural Service Centre Operations	121,432.13
Thorsteinson, D	KM Service Delivery Manager	100,675.85
Thorsteinson, S	Adjuster	56,223.20
Thurston, J	Injury Claims Adjuster	61,617.22
Tibbs, L	Adjuster	55,970.76
Tiltman, R	Adjuster	62,362.11
Timcoe, W	Sr IT Support Analyst	65,828.38
To, C	IRI Supervisor	88,729.94
Toker, R	Clerical Supervisor	50,788.17
Toms, A	Estimator-City	60,607.15
Topolnitska, O	Service Centre Representative	52,326.93
Travica, D	Case Manager 2	51,483.13
Trefiak, J	Clerical Supervisor	61,255.82
Triggs, M	Director, Legal Services	165,499.93
Tripp, S	Contact Centre Supervisor	60,455.03

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Trivett, D	Sr Underwriter	72,159.83	
Trudeau, J	Sr Case Manager	79,146.15	
Trudeau, M	Estimator-City	63,679.81	
Trudel, P	Application Services Advisor	94,436.05	
Trupp, N	Customer Care Agent 2	50,079.40	
Tubman, T	Contact Centre Quality Analyst	55,447.96	
Turcan, L	Adjuster	59,386.78	
Turnley, C	Facilities/Premises Administrator	66,233.66	
Ulicki, K	Corporate Training Facilitator	67,502.46	
Unger, B	Injury Management Coordinator	85,447.08	
Usman Abdi, S	Customer Relations Officer	58,114.34	
Vaccaro, A	Supervisor, Claims Processing	71,730.91	
Van Dam, J	Special Investigator	77,422.14	
Van Den Bosch, B	Manager, Business Analytics	101,386.98	
Van Landeghem, D	Case Manager 2	62,512.31	
Van Oeveren, S	Quality Control Coordinator	79,575.44	
Van Ryckeghem, D	Claims Supervisor	81,797.85	
Vandall, A	HR Advisor	63,176.02	
VandeMosselaer, D	Assistant Manager, IV&DI	70,329.76	
Vandermeulen, K	Corporate Directives Coordinator	52,161.87	
Vandurme, B	Business Analyst	68,172.86	
Varey, A	Estimator-Rural	64,972.04	
Vassart, M	Analyst	70,655.66	
Vaughan, D	Estimator-City	70,575.30	
Veitch, T	Adjuster	59,031.35	
Veldkamp, S	Supervisor, Driver Fitness Administration	53,783.48	
Venton, B	Business Analyst	71,764.67	
Verghetti, A	IT Security Administrator	57,534.67	
Verghetti, T	Sr Subrogation Specialist	71,467.56	
Vermette, C	Adjuster	58,786.23	
Vermette, D	IT Support Analyst	61,911.46	
Vermette, R	Sr IT Analyst	98,334.85	
Vermette, R	Systems User Analyst	61,910.56	
Viallet, D	Adjuster	55,311.54	
Vince, K	Driver Ed Liaison Officer	52,088.39	
Vital, A	Business Analyst	66,014.14	
Vnuk, J	Service Centre Representative	51,701.19	
Vogel, S	Executive Director, Communications & Community Relations	149,294.52	
Von Dohren, R	Accountant 2	74,360.27	
Wachal, K	Manager, Compensation & Benefits	115,997.46	**
Waddington, R	IT Analyst	71,369.28	
Wagner, B	Assistant Manager, Total Loss & Estimating	83,161.10	
Wahl, M	Tech Communications Officer 1	54,593.22	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>	
Wai, E	Analyst	78,302.60	
Walczak, M	Assistant Manager, Financial Operations	94,497.64	
Walder, E	Sr IT Administrator - Operations	59,253.66	
Waldner, E	Sr IT Analyst	100,136.79	
Wall, J	Adjuster	56,643.29	
Wang, F	Analyst	70,872.61	
Wang, H	Business Analyst	65,874.80	
Wannamaker, M	Underwriter 1	50,366.85	
Warkentin, L	Service Centre Representative	51,633.39	
Warren, L	Executive Assistant To The President	69,763.28	
Warren, M	Estimator-City	67,431.38	
Waterfield, P	Associate Underwriter	100,746.44	**
Watson, D	Community Program Coordinator	59,532.62	
Watson, D	Tech Communications Officer 1	54,724.72	
Way, C	Project Manager	77,751.94	
Webb, H	Identity Verification Administrator	50,925.01	
Weger, J	Estimator-Rural	80,042.85	
Weighell, C	Adjuster	51,115.00	
Wells, H	Case Manager 2	57,891.82	
Welsh, O	Adjuster	56,647.90	
Werbicki, K	Supervisor, IT Services	89,274.52	**
Weselake, S	Manager, Community Relations	91,853.77	
Whalen, G	Assistant Manager, Injury Claims Management	96,946.14	
Wheeler, J	Customer Account Supervisor	54,458.88	
Whettell, C	Customer Care Agent 2	53,139.88	
White, C	Injury Claims Adjuster	68,493.72	
White, T	Estimator-Rural	69,038.61	
Wiebe, B	Manager, Service Centre	104,823.69	
Wiebe, N	Subrogation Adjuster	55,876.17	
Wiebe, R	Injury Claims Adjuster	62,742.96	
Wiedmer, R	Supervisor, Customer Service Centre	60,364.49	
Wieler, D	Sr IT Support Analyst	65,861.97	
Williams, A	Sr Analyst	80,450.97	
Williamson, M	Associate Underwriter	84,842.76	**
Winter, J	Driver Ed Curr Dev and Trng Support Spec	67,046.91	
Wityshyn, W	Analyst	80,562.42	
Wojcik, J	Wellness Program Coordinator	69,612.17	
Wojtowicz, M	IT Analyst	73,556.25	
Wolch, M	Supervisor, IT Services	91,093.20	
Woloshyn, C	Service Centre Representative	53,401.55	
Woodhurst, D	Driver Ed Liaison Officer	55,008.59	
Worboys, C	Analyst	73,020.73	
Wu, R	Estimating Supervisor	62,415.60	

<u>Name</u>	<u>Position Title</u>	<u>Total Compensation</u>
Wurtak, C	Estimator-Rural	68,090.20
Wycislak, F	Sr Case Manager	71,477.84
Wylde, J	Service Centre Representative	50,280.20
Wyrzykowski, C	Programmer/Analyst	62,701.79
Yakel, J	Director, Enterprise System Support	104,433.88
Yanisiw, D	Technical Communications Editor	64,432.42
Yee, Y	Estimator-City	71,550.78
Yewdall, H	Sr Injury Claims Adjuster	77,033.19
Youell, D	Sr Business Analyst	73,772.01
Young, S	Sr Business Analyst - Workforce Management Coordinator	71,895.54
Yu, E	Sr Project Manager	96,626.14
Zacharias, J	Estimator-Rural	66,179.95
Zacharias, L	Ignition Interlock Program Administrator	56,744.48
Zadnepreannii, L	IT Analyst	85,919.43
Zajac, B	Adjuster	55,345.21
Zales-Fiolek, L	Supervisor, Rural Service Centre	89,656.98
Zarrillo, D	Business Relationship Manager	87,730.65
Zeaton, G	Manager, Service Centre	94,153.37
Zheng, J	Clerk 2	76,075.52 **
Aggregate Total Board of Directors		93,219.78

** Denotes inclusion of severance pay/retiring allowance

NOTE TO SCHEDULE

Basis of presentation

The schedule lists employees or individuals affiliated with Manitoba Public Insurance Corporation who received compensation and benefits in excess of \$50,000 for the year ended December 31, 2014. The amounts reported were calculated in accordance with the definition of compensation provided in Section 1 of The Public Sector Compensation Disclosure Act.

**MANITOBA PUBLIC INSURANCE CORPORATION
NOTE TO SCHEDULE OF COMPENSATION IN ACCORDANCE WITH
THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT
FOR THE YEAR ENDED DECEMBER 31, 2014**

The Public Sector Compensation Disclosure Act requires public sector bodies to disclose:

- the compensation paid to the Chairperson of its Board of Directors, if the Chairperson's compensation is \$50,000 or more;
- the aggregate of the benefits paid to the members of the Board of Directors;
- the individual compensation paid to its officers and employees whose compensation is \$50,000 or more.

The compensation amount is calculated in accordance with the requirements of The Public Sector Compensation Disclosure Act.

Compensation includes but is not limited to:

- regular salary;
- all payments for overtime, acting pay, statutory holiday pay, retirement/severance payments, lump sum payments and vacation pay-outs; and
- value of the taxable benefits to board members, officers and employees.

CAC (MPI) 1-42

Volume:	I, IT Strategy	Page No.:	30
Topic:	Product and service innovation		
Sub Topic:	Insurance industry innovation		
Issue:	Six principles will drive insurance industry innovation over the next decade.		

Preamble: “In order to meet consumer demand and maximize the potential returns on technology investments, insurers must make innovation a way of life.”

Question:

a) Please explain and elaborate on the six principles, including an order of magnitude impact on MPI’s financial forecasts, which will drive the insurance industry innovation:

- Change the user interface,
- Capture contextual data,
- Use technology from adjacent industries,
- Collaborate with users,
- Make infrastructure agile,
- Manage risk dynamically.

b) Please discuss whether SGI and ICBC are pursuing technology integration and solutions at the same pace as MPI.

Rationale for Question:

To understand the impact on projected financial results, potential costs and cost savings impacting MPI’s operations by technological innovations listed in the question.

RESPONSE:

- a) The principles are used to guide Manitoba Public Insurance's (MPI) effort in a common way across many initiatives. These principles are applied to key Corporate initiatives as identified in Vol I IT Strategy ITS.3 page 39.

- b) SGI and ICBC do not publish sufficient information, on their levels of technology integration and solutions, to allow for a direct comparison.

CAC (MPI) 1-43

Volume:	I, IT Strategy	Page No.:	34
Topic:	Internal change		
Sub Topic:	Legacy platforms		
Issue:	20-year old technology platforms: AOL and CARS		

Preamble: “MPI’s situation is further exacerbated by the fact that our two most strategic Tier 1 business applications, Autopac On-Line (AOL) and CARS are based on these 20-year old technology platforms.”

Question:

- a) Please confirm that CARS (Claims Administration and Reporting System) is being replaced by BI³ and PDR, if not please elaborate.
- b) Please elaborate on MPI’s plans to modernize the AOL system.

Rationale for Question:

To understand the technological impact on projected financial results and potential cost containment undertakings.

RESPONSE:

- a) CARS (Claims Administration and Reporting System) is not being replaced by BI³ or as part of PDR. We are currently planning to replace the Physical Damage claims application with the Fineos product. However, the timeline has not yet been established.
- b) Modernization of the Autopac On-Line system will be required in the future. Further analysis will be conducted. This analysis will establish the foundation for the Autopac On-Line system modernization projects, ensuring these projects deliver capabilities required for current and future product/service delivery.

CAC (MPI) 1-44

Volume:	I, IT Strategy	Page No.:	40
Topic:	I, IT Strategy		
Sub Topic:	Physical Damage Re-engineering		
Issue:	2016 GRA total project cost \$59,509,000; 2015 GRA Vol III, AI.10 page 8 \$65,485,774		

Preamble: Please see issue above.

Question:

In the current GRA the total projected PDR costs are reported to be \$59.5 million compared to the 2015 GRA projected costs of \$65.5 million. Please explain the difference of \$6.0 million

Rationale for Question:

To clarify the correct projected PDR costs.

RESPONSE:

The \$6.0 million difference represents the non-Basic portion of the project budget.

CAC (MPI) 1-45

Volume:	I, IT Strategy	Page No.:	40
Topic:	Project Summaries		
Sub Topic:	Other - miscellaneous		
Issue:	The LTD cost is reported at \$56,997,000		

Preamble: There are no details provided in the IT Strategy document related to Other – miscellaneous.

Question:

Please provide a listing of the detailed projects and the related LTD costs and projected costs (by project).

Rationale for Question:

To clarify the projects contained in Other – miscellaneous line on the project summary statement.

RESPONSE:

Breakdown of Other Miscellaneous and LTD Amounts

Manitoba Public Insurance						
Multi-year Capital						
(in thousands of dollars)						
BASIC	LTD ACTUALS	2016P	2017P	2018P	2019P	2020P
Project:						
IT Optimization	12,213	-	-	-	-	-
HRMS - Phase 1 & 2	10,509	-	-	-	-	-
HRMS - Infor Lawson Upgrade	139	854	-	-	-	-
BI3 / Fineos Upgrade	1,959	447	-	1,163	1,163	-
EDMS Kofax Capture	808	-	-	-	-	-
CARS - Non Accredited LOU	29	-	144	-	-	-
PCI-DSS Compliance to CC Handling	154	-	-	-	1,223	-
PIPP Mediation	2,255	731	785	808	831	848
PD - Centre of Excellence	-	2,738	2,738	-	-	-
AOL PUB Release	791	450	350	350	350	350
Vacancy Provision	-	(244)	-	-	-	-
Completed Projects (prior years) *	28,140	-	-	-	-	-
Total BTO / BPR Project Costs	56,997	4,976	4,017	2,321	3,567	1,198
* The Completed Projects (prior years) amount of \$28,140 includes the following major initiatives; Disaster Recovery, Call Centre Reengineering, Vehicle Description Cleanup, Project Management Architecture						

CAC (MPI) 1-46

Volume:	I, IT Strategy	Page No.:	40 and 57
Topic:	HRMS – Phase 3 & 4		
Sub Topic:	HRMS – Phase 3 & 4		
Issue:	Benefits achieved to date as a result of implementing HRMS Phase 1 & 2		

Preamble: See Issue above.

Question:

- a) Please provide the actual implementation costs of HRMS to-date compared to forecast by phase.
- b) Please provide a description of the actual benefits achieved to-date along with dollar value of these benefits.
- c) Should the HRMS system prove to be overly costly to retain and maintain going forward, from a cost benefit perspective, has MPI considered alternative HRMS processes or systems?

Rationale for Question:

To gain an understanding of possible costs of operation containment opportunities going forward.

RESPONSE:

a)

BASIC	LTD Actuals	Forecast
HRMS - Phase 1&2 (Complete)	10,509,053	10,509,053
HRMS - Phase 3&4	194,215	1,544,578

- b) There is no financial payback through reduced costs for this initiative. The existing Manitoba Public Insurance human resource management system was at its end of life with many manual processes and no longer satisfied the business needs of the Corporation.

- c) The Corporation continuously reviews existing systems and processes to determine the ongoing business and financial effectiveness. At this time, the HRMS system platform is meeting the needs of the business and is deemed to be a cost-effective solution. Therefore, no alternative solutions or processes are being investigated or considered at this time.

CAC (MPI) 1-47

Volume:	I, IT Strategy	Page No.:	71 to 73
Topic:	High School Driver Education		
Sub Topic:	Roadmap and Business Case		
Issue:	Business Case report		

Preamble: “A high-level project roadmap and business case is targeted to be completed by the summer of 2015”.

Question:

Please file a copy of the High School Driver Education project roadmap and business case once it is completed in the summer of 2015.

Rationale for Question:

To learn the cost impact on future operating costs and claims incurred savings.

RESPONSE:

The Corporation acknowledges receipt of the request.

CAC (MPI) 1-48

Volume:	I, PUB Orders	Page No.:	6
Topic:	PDR Update		
Sub Topic:	Electronic Estimating		
Issue:	Cost of software provided to the repair trade		

Preamble: “Manitoba Public Insurance has made available to the trade a robust electronic estimating tool from Mitchell International.” “Manitoba Public Insurance has made available to the trade, mechanisms to access the latest repair processes as promoted by manufacturers through the Mitchell software tools;”

Question:

- a) Please provide a detailed breakdown of the implementation costs as well as the annual operating costs relating to the Mitchell estimating tool provided to the repair trade.
- b) Please comment on how the repair trade is compensated for preparing claims estimates, if at all.
- c) Please describe the mechanisms to access the latest repair processes enabled by Mitchell software and also provide the implementation and ongoing annual operating costs, if any.

Rationale for Question:

To obtain, an order of magnitude understanding, of the costs associated with new estimating processes being developed as part of the PDR project.

RESPONSE:

- a) Manitoba Public Insurance (MPI) is obligated by contract, not to disclose this commercially sensitive information.

- b) The repair trade is not compensated for preparing claims estimates.

- c) The repair shop must sign a licensing agreement to gain access to the Mitchell suite of software. The implementation costs incurred by the repair shop are to provide the necessary computer equipment. The ongoing expenses incurred by the shop are associated with providing high-speed internet service. Regarding the Mitchell implementation and ongoing operational costs, MPI is obligated by contract to not disclose this commercially sensitive information.

CAC (MPI) 1-49

Volume:	2015 GRA CAC (MPI) 1-56	Page No.:	
Topic:	Expenses		
Sub Topic:	External Audit and Actuary Fees		
Issue:	Fees and work performed by the external auditor and external actuary.		

Preamble: An external auditor and actuary are appointed to provide professional services with respect to the annual attest audit and policy liability valuation to provide assurance that both the public financial statements and policy liability values are reasonable.

Question:

Please complete the following table by fiscal year:

	2014/15 Actual	2015/16 Budget
External Auditor:		
a) Audit fees		
b) Consulting/other fees		
Appointed Actuary:		
a) Valuation fees		
b) Consulting/other fees		

- a) For both the external auditor and the appointed actuary please explain the purpose and reports produced and fees paid for consulting and other services, if any.
- b) Please file a copy of the engagement letter (service contract) for both the external auditor and actuary as it relates to their services for 2014/15.

Rationale for Question:

To assess and understand the services provided, in addition to the attest audit and policy liability valuation professional services, in the form of professional consulting services.

RESPONSE:

a)

	2014/15 Actual	2015/16 Budget
External Auditor:		
c) Audit fees	193,728	200,000
d) Consulting/other fees		
Appointed Actuary:		
c) Valuation fees	83,441	92,900
d) Consulting/other fees		

External auditor reports or opinions were rendered for the following reasons:

- Audit of the Corporation's annual financial statements.
- Audit of the Corporation's Universal Compulsory Automobile Insurance line of business.
- Audit of the schedule of compensation equal to or in excess of \$50,000 for individuals employed by or affiliated with Manitoba Public Insurance Corporation in accordance with the Public Sector Compensation Disclosure Act.

Appointed Actuary reports or opinions were rendered for the following reasons:

- Conduct policy liability valuations as at October and February of each fiscal year for Basic, Extension, Special Risk Extension, and General Insurance (February valuation only) lines of business.

- Conduct an external review of the Corporation’s Basic, Extension, and Special Risk Extension Dynamic Capital Adequacy Testing reports.
- b) Please refer to page 113 of Board Order No. 98/14 dated August 29, 2014. The same information request was asked by CAC last year, and the Board in Order 98/14 found:

“The Board does not require that a response to CAC (MPI) 1-56(c) be provided at this time.”

CAC (MPI) 1-50

Volume:	2015 GRA CAC (MPI) 1-60	Page No.:	
Topic:	Expenses		
Sub Topic:	Donations and Sponsorships		
Issue:	Donations and sponsorships expenses for 2014/15		

Preamble: On an annual basis MPI makes donations and provides sponsorships to various organizations and events.

Question:

Please provide a detailed schedule of donations and sponsorships made by MPI during fiscal year 2014/15.

Rationale for Question:

To assess and understand the financial impact of donations and sponsorships, a discretionary expense, on basic insurance operations.

RESPONSE:

For a detailed schedule of donations and sponsorships made by Manitoba Public Insurance for the year 2014/15, please see Attachment A.

2014-2015 Sponsorship

CORPORATE SPONSORSHIPS/GRANTS/DONATIONS

Recipient Company	Details	Actuals \$
Anola, Dugald, Hazelridge, Oakbank & Cooks Creek Entertainment	Chickendaze Fair (Anola, Dugald, Hazelridge, Oakbank & Cooks Creek)	1,000.00
Aboriginal Chamber of Commerce	Gala Dinner	1,000.00
Aboriginal Music Manitoba	Aboriginal Music Week sponsor	4,500.00
Apprenticeship Manitoba	Apprenticeship Awards of Distinction	3,000.00
Arborg Agricultural Society	Fair and rodeo 2014	500.00
Association of Manitoba Municipalities	2014 Annual Convention; Annual Minicipal Officials Seminar	1,000.00
Automotive Trades Association	Golf Tournament	900.00
Brandon Chamber of Commerce	Annual Dinner sponsor	1,500.00
Brandon National Aboriginal Day	Sponsor	1,000.00
Brandon Police Service	Golf Tournament	460.00
Brush Up Winnipeg	Refreshments	96.10
Canada's National Ukrainian Festival	Sponsor 2014	500.00
Canadian Paraplegic Association	Rick Hansen Foundation	100,000.00
Cancer Care Manitoba	Techapalooza Sponsorship 2015	1,750.00
Certified General Accountants of Manitoba	Public Sector Award 2014	500.00
Children's Rehabilitation Centre	Night of Miracles, Cruisin down the crescent, car seats	21,200.00
Citizen Equity Committee	Youth Role Model Awards 2014	1,000.00
City of Brandon	Lt. Governors' Winter Festival	3,000.00
City of Selkirk	Canada Day Celebration sponsor 2014	1,000.00
City of Winkler	Winkler Harvest Festival	1,000.00
Certified Management Accountants of Manitoba	Manitoba Business Summit 2014	1,250.00
Canadian National Institute of the Blind	Dine in the Dark; Eye on the Arts Benefit Auction	2,500.00
Citizens On Patrol Program/Royal Canadian Mounted Police Golf Tournament (Portage La Prairie)	Golf Tournament	315.00
Creative Communications	Sponsorship - Media Awards	1,500.00
Crohn's and Colitis Foundation	All That Glitters Gala	1,750.00
Daniel McIntyre/St Matthews Community Association	Winter Carnival 2015	500.00
Direct Action in Support of Community Housing Foundation Inc.	Annual Awards Recognition Luncheon - Sponsorship	800.00
Dauphin & District Chamber	Awards/AGM Luncheon	500.00
Dauphin Agricultural Society	Summer Fair 2014	750.00
Double B Rodeo & Country Fair	Beausejour/Brokenhead sponsor 2014	500.00
Disaster Recovery Information Exchange Central Inc.	Sponsor 2014	1,000.00
Dufferin Agricultural Society	Carman Country Fair 2014	500.00
Economic Development Winnipeg	SHE (Share Hear Empower) Day 2015	1,000.00
Festival du Voyageur	2015 Festival Sponsor	10,000.00
Flin Flon Arts Council	"Les Miserables" production sponsorship	1,000.00
Fort Dauphin Museum	Dauphin Public Service Week BBQ	200.00

Recipient Company	Details	Actuals \$
Free the Children	Sponsor 2014	25,000.00
Frog Follies Inc.	Agricultural Fair sponsor-St Pierre Jolys	500.00
Green Action Centre	Commuter Challenge 2014	2,500.00
Happy Days on Henderson	Festival sponsor 2014	500.00
Health Sciences Centre	Health Science Centre/Winnipeg Regional Health Authority Sponsorship	500,000.00
Health Sciences Centre	Celebrity Human Race event sponsor	3,000.00
Heart and Stroke Foundation	Golf Tournament	2,000.00
Hospice & Palliative Care Manitoba	19th Annual Celebration of Life Fundraising Dinner	650.00
Human Resource Management	2014 Sponsorship; Human Resource Management Association Manitoba Connect Conference; Excellence Awards 2015	7,415.00
Icelandic Festival of Manitoba	Icelandic Festival 2014	1,250.00
Information & Communication Technologies Association of Manitoba	Innovators Event/Dinner	2,500.00
Indspire	Indspire Awards/Soaring Conference	25,000.00
Insurance Women's Association	19th Annual Golf Tournament	280.00
International Association of Women Police	Conference sponsor 2014	5,000.00
Junior Achievement Manitoba	School program; Gala sponsor	9,000.00
Ka Ni Kanichihk Inc	13th annual Keep the Fires Burning	2,000.00
Klinik Community	Manitoba Forum on Trauma	5,000.00
La Lupa di Roma Lodge	International Women's Day Luncheon	280.00
La Maison de Artistes	First annual Nuit de Art sponsor	1,000.00
Le Cercle Moliere Inc.	Festival sponsor 2014	5,000.00
Legal Education & Action Fund Manitoba	Sponsor 2014	500.00
Legal Help Centre	Sponsorship 2014-2015	25,000.00
Lorette Family Fun Group	Family Fun Days	500.00
Ma Mawi Wi Chi Itata Centre	Holiday hamper	500.00
MacDonald Youth Services	Capital campaign sponsor 2014	25,000.00
Mothers Against Drunk Driving - Winnipeg Chapter	2014 Dinner Theatre Event	500.00
Mamawechetotan Centre	University College of the North Traditional pow wow	1,500.00
Manito Ahbee Festival	2014 Sponsorship	25,000.00
Manitoba Aboriginal Youth Achievement Award	Award sponsorships to two individuals	2,000.00
Manitoba Association of Auto Clubs	Collector Car Appreciation Day 2014	2,500.00
Manitoba Chamber Orchestra	Youth Outreach Educational Program	1,750.00
Manitoba Chambers of Commerce	2014 Annual General Meeting Sponsorship	1,500.00
Manitoba Community Newspapers	Best Historical Story	500.00
Manitoba Customer Contact	Manitoba Excellence in Contact Centre Association 2014	3,195.00
Manitoba Metis Federation	46th Annual General Assembly	2,000.00
Manitoba Motor Dealers Association	Annual Convention Sponsor 2014; Luncheon & Reception	14,550.00
Manitoba Opera Association	Education & Outreach Programs	3,300.00
Manitoba Theatre Centre	Sponsor 2014 -15	5,000.00
Morris School (Red River Valley School Division)	Donation of chassis	150.00
Motor Vehicle Industry of Manitoba	Scholarship awards presentation	1,400.00
MPI United Way Fund	Sponsorship 2014-2015	15,000.00

Recipient Company	Details	Actuals \$
Neepawa and Area Collegiate Institute Student Council	Manitoba Student Leadership Conference 2014	500.00
Neepawa and Area Lily Festival	2014 Sponsorship	600.00
North End Community	Picnic in the Park 2014	5,000.00
Pan Am Clinic Foundation	Fire & Ice Gala dinner	2,500.00
Physio Fit Run	Sponsor	1,000.00
Pink Ribbon Ladies Golf	Tournament hole sponsor	1,000.00
Planners Plus Inc.	31st Volunteer Awards Dinner; National Aboriginal Human Resources Conference	3,700.00
Portage & District Arts Centre	Arts & Culture Educational Programming	1,000.00
Portage Industrial Exhibition	Sponsor 2014	750.00
Portage Plains United Way	2014 Campaign Brochure Sponsor	500.00
Portage Potato Festival	Sponsor 2014	1,000.00
Prairie Theatre Exchange	Sponsor 2014	7,000.00
Provincial Exhibition of Brandon	Winter Fair 2015	10,800.00
QNET Manitoba (Manitoba Quality Network)	QNET Excellence Conference sponsor	1,000.00
Rainbow Resource Centre	Spring Fling 2014 Gala Fundraising event	2,500.00
Rainbow Stage	60th Anniversary Season	1,500.00
Reaching E-Quality	Reaching E-Quality Employment Services Awards 2014	4,500.00
Red River College	Alumni Event sponsor 2014; Directions Conference 2015	2,500.00
Reh-Fit Foundation	Cocktails & Comedy	1,600.00
River City Rumble	Festival sponsor 2014	500.00
Riverview Health Centre	2014 Cycle on Life	14,000.00
Royal Manitoba Theatre Centre	Gala Performance tickets; Sponsorship-Manitoba Bar Association production	1,700.00
Royal Winnipeg Ballet	Sponsor 2014 -15	10,000.00
Share Our Strength Taste of the Nation	Bronze Sponsor; Chef's Dinner	3,900.00
SCE LifeWorks	Annual Golden Plate Gala	1,080.00
Shakespeare in the Ruins	2014 Sponsorship	2,500.00
Skills Canada Manitoba	2014 Sponsorship	15,000.00
Southeastern Manitoba Festival	Music Festival	400.00
Special Olympics Manitoba	Safe Ride Home Program	15,000.00
Steinbach Chamber of Commerce	Annual Spring Banquet sponsor	700.00
Stony Mountain Community Association	Family Festival	500.00
Take Pride Winnipeg	Clean Up & Brush Up Winnipeg	15,500.00
The Forks North Portage	Winter Programming at the Forks 2014-15 Sponsorship	10,000.00
The Laurel Centre	30th Annual Breakfast Celebration	300.00
The Motorcycle Ride for Dad	Sponsor 2014	1,000.00
The Movement Centre	Winnstock 2014	3,500.00
Town of Gretna	Gretna Hot Spot Festival	500.00
Transcona Collegiate	Safe Grad 2014	800.00
United Way of Winnipeg	United Way Corporate matching	180,000.00
United Way of Winnipeg	Susan Lewis retirement reception	1,000.00

Recipient Company	Details	Actuals \$
United Way of Winnipeg	2014 Report Session III Sponsor	7,500.00
University of Manitoba	Mitacs Research Program 2014-16	108,000.00
University of Manitoba	Ex cellence in Aboriginal Business Leadership Awards Dinner	2,200.00
University of Manitoba	Homecoming Dinner and Concert	600.00
University of Winnipeg	University of Winnipeg Adventure Kids Summer Camp 2014	10,000.00
University of Winnipeg	Open House 2015	1,250.00
Valley Agricultural Society/Manitoba		
Stampede & Ex hibition	Sponsor 2014	10,000.00
Villa Rosa Inc.	Celebration of Motherhood Dinner	2,500.00
West Broadway Development	Snoball 2015 Winter Festival	500.00
West End Biz	22nd Annual Sweep-Off 2014; Christmas Eve Feast 2014 sponsor	1,000.00
White's Drug Store Curling Classic	Curling Classic 2014	150.00
Winnipeg Art Gallery	"Olympus" exhibit educational tours	3,360.00
Winnipeg Boys and Girls Club	2014 100 Mile Dinner	1,250.00
Winnipeg Chamber of Commerce	Annual State of the Province address; Global Perspectives dinner	3,556.50
Winnipeg Folk Festival	Sponsor 2014	15,500.00
Winnipeg Habitat for Humanity	Sponsor 2014	7,000.00
Winnipeg Harvest Inc.	Empty Bowls Celebrity Auction 2014; Operation Donation	5,054.00
Winnipeg Intemational Institute of Business Analysis	2014 Sponsor	1,500.00
Winnipeg Jets True North	Gala dinner sponsor	4,000.00
Winnipeg Military Family Resource Centre	Yellow Ribbon Gala 2015	900.00
Winnipeg Parent	Family Fun Fair Exhibit	175.00
Winnipeg Police Association	Annual Charity Ball	1,450.00
Winnipeg Police Service	Spring Feast	500.00
Winnipeg Santa Claus Parade	2014 Sponsor; Ex penses	8,537.80
Winnipeg Symphony Orchestra	Sponsor 2014 -15	15,000.00
World Trade Centre Winnipeg	Centralia Manitoba Conference sponsor	2,500.00
YMCA of Thompson	Women of Distinction Awards	480.00
YMCA YWCA Winnipeg	Women of Distinction Awards	7,000.00
Total		1,446,484.40

Road Safety Sponsorships

Recipient Company	Details	Actuals \$
Active Living Coalition	Manitoba 55 Plus Games - Transportation sponsor	3,000.00
Bike to School Winnipeg	Sponsor 2014	5,000.00
Bike Week Winnipeg	Sponsor 2014	5,000.00
Canadian Red Cross	Smart Start Program (Yr 1 of 3 - injury prevention)	15,000.00
Children's Hospital Foundation	Teddy Bears Picnic & Ice Crystal Gala	11,000.00
Coalition of Manitoba Motorcycle Groups	Motorcycle Safety Awareness Rally	750.00
Commerce Students' Association	Commerce Graduation Dinner - transportation sponsor	2,000.00
Dauphin RIDE	2014 Sponsorship	3,700.00
Downtown Winnipeg Biz	CEO Sleepout 2014; Manyfest 2014 Sponsor	8,000.00
Lockport Community Marketing	Lockport Dam Family Festival 2014	500.00
Manitoba Brain Injury Association	Sponsor 2014-Prevent Alcohol and Risk Related Trauma in Youth program & other initiatives	46,500.00
Manitoba Crime Stoppers	2014 Annual Support grant	3,500.00
Manitoba School Boards Association	Safe Grad & Teens Against Drunk Driving Programming	19,100.00
Manitoba Theatre for Young People	Play Tour Sponsor 2015	2,500.00
Mothers Against Drunk Driving	School assembly program 2014-15	121,000.00
Pride Winnipeg Festival	Winnipeg Pride Festival	1,500.00
RCAF 1 Canadian Air Division	1 CAD Comd Gala Saferide sponsor 2014	500.00
Recreational Vehicle Show	Refund - 2014 Show	(145.00)
Safety Services Manitoba	Operation Red Nose 2014; Golf Tournament	105,875.00
School Patrol Award prize	Ex penses; Award engraving; Plaques' engraving	276.71
Sport Medicine & Science Council	Helmet Safety program	1,500.00
The Manitoba Museum	Spring Break 2015 - Road Safety booth	2,500.00
West Broadway Youth Outreach	5ish Run	1,000.00
Winnipeg Free Press	CEO Sleepout 2014 promo	625.00
Winnipeg Police Community Challenge	Golf Tournament	500.00
Total Safety Grants/Donations/Sponsorships		360,681.71

Road Safety Advertising

Recipient Company	Details	Actuals \$
Alzheimer Society of Manitoba	Care4U Conference-delivered information and messaging about medical conditions that affect the ability to safely operate a motor vehicle	500.00
Brandon Wheat Kings	2014 Sponsorship	16,500.00
Cancer Care Manitoba Breast Cancer Pledge Ride	Pledge Ride sponsor	1,000.00
City of Brandon	New Year's Eve Transit sponsorship	3,000.00
College Beliveau	Safe Grad event-support of the safe ride home program and advertising at the event in support of anti-drinking and driving messages	600.00
Curl Manitoba	Safeway Championship and Tournament of Hearts sponsor	4,500.00
Dauphin Countryfest	Festival & Shuttlebus Program sponsor	6,500.00
Flin Flon Junior Bombers	2014 Sponsorship	3,900.00
Good Neighbours Active Living Centre (MB Assoc. of Srs Centres)	Seniors & Elders Day tradeshow-targeted towards Manitoba seniors driver licensing issues	400.00
Manitoba Junior Hockey	2014 Sponsorship	30,000.00
Manitoba Sports Hall	Whisky Festival 2014	958.45
Riverview Health Centre	Replacement of missing Jets Raffle tickets' revenue	3.00
Roblin & District	Rumble in Roblin Car Show & Festival - introduced the roll over simulator and provided advertising messages specifically targeted at seat belt use	500.00
Snoman Inc.	2014 Congress sponsor	2,000.00
Transportation Options Network	Driving Safely Education Program 2015 (Seniors)	15,000.00
Western Canada Cup 2014	Junior A Hockey Sponsor	3,500.00
Winnipeg Blue Bombers	Sponsor 2014 (various programs)	160,000.00
Winnipeg Goldeyes	2014 Sponsorship; Skysuite box	37,636.34
Winnipeg Jets Hockey	Sponsor 2014-2015; Ex penses	194,650.84
Winnipeg Transit	New Year's Eve Transit sponsorship	17,000.00
Total Safety Advertising Sponsorships		498,148.63

Auto Theft Grants

Recipient Company	Details	Actuals \$
Autotheft ex penses	Various auto theft ex penditures	119,911.44
Total Auto Theft Grants		\$ 119,911.44

Total Road Safety and Corporate Sponsorships	\$ 2,425,226.18
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Basic Portion	\$ 1,479,195.74
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CAC (MPI) 1-51

Volume:	2015 GRA CAC (MPI) 1-62	Page No.:	
Topic:	Expenses		
Sub Topic:	Claims and Operating Expenses statistics		
Issue:	To assess operating and claims expenses as a measure of basic earned vehicle units.		

Preamble: See issue above.

Question:

- a) Please update and file Tables 1 to 4 as per CAC (MPI) 1-62 from the 2015 GRA with 2016 GRA “actual” and “forecasted” information.
- b) Please elaborate on any significant differences from last year’s values.

Rationale for Question:

To assess and understand the improvement in increasing operating and claims expenses over time as a measure of basic earned vehicle units.

RESPONSE:

- a) Tables 1 to 5 are provided below and are consistent with the Manitoba Public Insurance (MPI) Exhibit 46 from the 2015 GRA Hearings reflecting normal operations.

Table 1: Average Claims Expenses per Earned Vehicle Unit – Basic Normal Operations

Year	Expense (C\$000s)	Inc / (Dec) %	Earned Vehicle Units (#)	Inc / (Dec) (%)	Avg Exp per Unit (\$)	Inc / (Dec) (%)
2010/11(a)	94,938		974,707	2.43%	97.40	
2011/12(a)	102,512	7.98%	1,006,627	3.27%	101.84	4.55%
2012/13(a)	103,392	0.86%	1,041,448	3.46%	99.28	-2.51%
2013/14(a)	107,955	4.41%	1,064,070	2.17%	101.45	2.19%
2014/15(a)	112,472	4.18%	1,083,485	1.82%	103.81	2.33%
2015/16(b)	113,821	1.20%	1,110,572	2.50%	102.49	-1.27%
2016/17(f)	114,583	0.67%	1,138,336	2.50%	100.66	-1.79%
2017/18(f)	117,585	2.62%	1,166,795	2.50%	100.78	0.12%
2018/19(f)	119,820	1.90%	1,195,964	2.50%	100.19	-0.59%
2019/20(f)	119,124	-0.58%	1,225,864	2.50%	97.18	-3.00%

Table 2: Average Operating Expenses per Earned Vehicle Unit – Basic Normal Operations

Year	Expense (C\$000s)	Inc / (Dec) (%)	Earned Vehicle Units (#)	Inc / (Dec) (%)	Avg Exp per Unit (\$)	Inc / (Dec) (%)
2010/11(a)	50,806		974,707	2.43%	52.12	
2011/12(a)	59,600	17.31%	1,006,627	3.27%	59.21	13.59%
2012/13(a)	60,713	1.87%	1,041,448	3.46%	58.30	-1.54%
2013/14(a)	64,683	6.54%	1,064,070	2.17%	60.79	4.27%
2014/15(a)	71,865	11.10%	1,083,485	1.82%	66.33	9.11%
2015/16(b)	69,463	-3.34%	1,110,572	2.50%	62.55	-5.70%
2016/17(f)	71,177	2.47%	1,138,336	2.50%	62.53	-0.03%
2017/18(f)	73,052	2.63%	1,166,795	2.50%	62.61	0.13%
2018/19(f)	74,707	2.27%	1,195,964	2.50%	62.47	-0.22%
2019/20(f)	74,883	0.24%	1,225,864	2.50%	61.09	-2.21%

Table 3: Manitoba CPI adjusted vs Actual/Forecasted Claims Expenses – Basic Normal Operations

Year	Manitoba CPI %	Average Expenses per Unit (\$)	Earned Vehicle Units	CPI Expenses (\$)	MPI Expenses (\$)	Inc (Dec) (\$)
1	2	3	4=(col.4 Table 1)	5=(3 x 4)	6=(col.2 Table 1)	7=(6 - 5)
2010/11(a)	0.8%	97.40	974,707	94,936	94,938	2
2011/12(a)	3.0%	100.32	1,006,627	100,985	102,512	1,527
2012/13(a)	1.6%	101.93	1,041,448	106,155	103,392	(2,763)
2013/14(a)	1.6%	103.56	1,064,070	110,195	107,955	(2,240)
2014/15(a)	1.8%	105.42	1,083,485	114,221	112,472	(1,749)
2015/16(b)	2.0%	107.53	1,110,572	119,420	113,821	(5,599)
2016/17(f)	2.0%	109.68	1,138,336	124,853	114,583	(10,270)
2017/18(f)	2.0%	111.87	1,166,795	130,529	117,585	(12,944)
2018/19(f)	2.0%	114.11	1,195,964	136,471	119,820	(16,651)
2019/20(f)	2.0%	116.39	1,225,864	142,678	119,124	(23,554)

Table 4: Manitoba CPI adjusted vs Actual/Forecasted Operating Expenses – Basic Normal Operations

Year	Manitoba CPI %	Average Expenses per Unit (\$)	Earned Vehicle Units	CPI Expenses (\$)	MPI Expenses (\$)	Inc (Dec) (\$)
1	2	3	4=(col.4 Table 2)	5=(3 x 4)	6=(col.2 Table 2)	7=(6 - 5)
2010/11(a)	0.8%	52.12	974,707	50,802	50,806	4
2011/12(a)	3.0%	53.68	1,006,627	54,036	59,600	5,564
2012/13(a)	1.6%	54.54	1,041,448	56,801	60,713	3,912
2013/14(a)	1.6%	55.41	1,064,070	58,960	64,683	5,723
2014/15(a)	1.8%	56.41	1,083,485	61,119	71,865	10,746
2015/16(b)	2.0%	57.54	1,110,572	63,902	69,463	5,561
2016/17(f)	2.0%	58.69	1,138,336	66,809	71,177	4,368
2017/18(f)	2.0%	59.86	1,166,795	69,844	73,052	3,208
2018/19(f)	2.0%	61.06	1,195,964	73,026	74,707	1,681
2019/20(f)	2.0%	62.28	1,225,864	76,347	74,883	(1,464)

Table 5: Manitoba CPI adjusted vs Actual/Forecasted Claims and Operating Expenses – Basic Normal Operations

Year	Manitoba CPI %	Average Expenses per Unit (\$)	Earned Vehicle Units	CPI Expenses (\$)	MPI Expenses (\$)	Inc (Dec) (\$)
1	2	3	4	5=(3 x 4)	6=(col.2 Table 1 + 2)	7=(6 - 5)
2010/11(a)	0.8%	149.52	974,707	145,738	145,744	6
2011/12(a)	3.0%	154.00	1,006,627	155,021	162,112	7,091
2012/13(a)	1.6%	156.47	1,041,448	162,956	164,105	1,149
2013/14(a)	1.6%	158.97	1,064,070	169,155	172,638	3,483
2014/15(a)	1.8%	161.83	1,083,485	175,340	184,337	8,997
2015/16(b)	2.0%	165.07	1,110,572	183,322	183,284	(38)
2016/17(f)	2.0%	168.37	1,138,336	191,662	185,760	(5,902)
2017/18(f)	2.0%	171.73	1,166,795	200,374	190,637	(9,737)
2018/19(f)	2.0%	175.17	1,195,964	209,497	194,527	(14,970)
2019/20(f)	2.0%	178.67	1,225,864	219,025	194,007	(25,018)

The higher than CPI increases related to the years 2011/12 and 2014/15 are attributable to the increase in overall corporate expenses that occurred during those years. In 2011/12 corporate normal operating expenses increased approximately \$15.2 million primarily due to pension expense, amortization/depreciation expense and salaries. In 2014/15 an increase of \$10.7 million was due primarily to the start of amortization for the HRMS phase 1 and 2, Disaster Recovery, and ITO Main projects

The forecast years reflect a more positive outlook due to the projection of corporate operating expenses growing at a much slower rate when compared to the growth of the earned vehicle units.

- b) Overall, there are no significant differences as compared to last year. Total expenses are forecasted to be lower in this year's GRA primarily due to the Corporation's commitment to cost containment. Please refer to Vol II Expenses Appendix 6 for a 2015 GRA vs 2016 GRA comparative of forecasts. In addition, please refer to Vol II Revenues REV.1.1 which compares HTA volume factors and Vol II Investments INV.13.4, Manitoba CPI forecast assumptions.

CAC (MPI) 1-52

Volume:	I	Page No.:	28
Topic:	Loss Prevention and Road Safety		
Sub Topic:	Fatal Collision Statistical Table		
Issue:	Clarification		

Preamble: The table on page 28 reports statistics for Fatal/10,000 Drivers and Killed/10,000 Drivers.

Question:

For greater clarity please explain the difference between fatal and killed per 10,000 drivers.

Rationale for Question:

To clarify the difference between the two statistics reported in the table.

RESPONSE:

“Fatal” in this instance refers to collisions involving at least one fatality. “Killed” refers to the number of fatally injured victims.

CAC (MPI) 1-53

Volume:	III, Appendix 1	Page No.:	
Topic:	Loss Prevention and Road Safety		
Sub Topic:	Loss Prevention Strategy & Framework for Manitoba Public Insurance prepared by IBM		
Issue:	Additional information and clarification		

Preamble: MPI engaged the professional services of IBM to develop the Loss Prevention Governance Framework.

Question:

Please provide the following documentation and information:

- a) A copy of the IBM engagement letter, including costs;
- b) A copy or description of "MPI Value Management Business Case" process;
- c) A copy of the designed "portfolio evaluation framework";
- d) A copy of a draft "loss prevention portfolio scorecard";
- e) A copy of the Terms of Reference for the "Loss Prevention Internal Working Committee".

Rationale for Question:

To assist in the evaluation of IBM's work as it relates loss prevention undertaken at MPI. To better understand the prudence and reasonableness of the process.

RESPONSE:

- a) As per Board Order 98/14, page 112, a response to this question is not required. The Corporation is not required to produce operational information relating to the engagement of consultants and the related engagement letters [2015 GRA CAC (MPI) 1-55 (c)].
- b) The Value Management Business Case process refers to the creation, review and approval of business cases. There is no formal description of the process to file.
- c) The framework is being developed and will follow a five-step approach that begins with an understanding of the program's objectives, the outcome indicators and the related measurements and data points and concludes with a benefit time and measurement frequency.
- d) The framework is being developed and will collect outcomes from each loss prevention program, which will then be rolled up for the loss prevention scorecard. Given the nature of the programs (loss prevention or loss payment reduction), the portfolio scorecard will report on the following measures:
- Return on Loss Prevention Program Investment (ROI):
 - Actual and Projected reduction in number of claims
 - Actual and Projected reduction in total claim cost payments
 - Reduction of Loss Costs:
 - Actual recovered loss payments through fraud detection, subrogation and salvage
 - Projected loss payments prevented through fraud detection

When working with services and programs that are required for legislated compliance, it is not always possible to calculate the financial ROI for loss prevention initiatives. These activities can be evaluated for their contribution to the overall good of the ratepayer.

- e) A separate Terms of Reference document for the Loss Prevention Internal Working Committee has not been produced. However this committee will own the Corporate Loss Prevention portfolio – setting the direction, evaluating the submissions from each Business unit, recommending approval/rejection to proceed with new ideas, and providing direction on program delivery.

CAC (MPI) 1-54

Volume:	III, AI.13, Appendix 6	Page No.:	PDF 25
Topic:	Loss Prevention and Road Safety		
Sub Topic:	Road Safety Programming Principles		
Issue:	Measuring success		

Preamble: “Road safety programming efforts are continuously monitored and evaluated in a consistent manner to measure their effectiveness against established performance indicators and outcomes.”

Question:

Please provide a copy of the 2014/15 fiscal year monitored and evaluated road safety programming status reports measuring their effectiveness against established performance indicators and outcomes, in addition to the Graduated Driver Licensing Program (Appendix 3) and Driver Education Program (Appendix 4), if any.

Rationale for Question:

To review the effectiveness of various road safety programs in 2014/15.

RESPONSE:

Please refer to the following:

- Attachment A: Road Watch 2014 Program Summary
- Attachment B: Enhanced Enforcement 2014 Distracted Driving Campaign Program Summary
- Attachment C: Enhanced Enforcement Summary (School Zone Program)
- Attachment D: Road Safety Programming Department, 2014 Friends for Life Evaluation Report



**Manitoba
Public Insurance**

RoadWatch 2014 Program Summary

Prepared by Road Safety Programming

May 2015

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Executive Summary

Drinking and driving continues to be a significant road safety risk in Manitoba and remains one of Manitoba Public Insurance Corporation's top road safety priorities.

The RoadWatch program is intended to supplement existing impaired driving countermeasures of law enforcement agencies outside the traditional Christmas period by providing increased visibility that may not be otherwise available. Doing so raises awareness of the risks and consequences of impaired driving, and for those who may choose to drink and drive, increases the perceived risk of apprehension. Police enforcement efforts involve a combination of visible roadside deterrence enforcement (check stops) and targeted offender detection (saturation patrols).

Each year, the RoadWatch initiative provides 32 weeks of police enforcement coverage from May 1st to November 30th. Funding is also provided to allow the RCMP to conduct RoadWatch events on winter and ice roads leading to more remote communities in northern Manitoba between January and February.

In 2014, nine police services from Winnipeg, Brandon, Dakota Ojibway, Rivers, Morden, Ste. Anne, Altona, Winkler, and the RCMP participated in the RoadWatch Program with total funding of \$665,721.51 provided towards enhanced police enforcement activities.

Collectively, these agencies administered 327 enforcement events on 130 dates. Police agencies screened approximately 72,671 vehicles; provided 1,063.5 visibility hours; and issued 286 drinking and driving related offence notices.

In addition, police agencies issued 1,509 *Highway Traffic Act* offence notices and 267 other offence notices for non-impaired *Criminal Code* violations and violations under the *Drivers and Vehicles Act*, *Liquor Control Act*, *Controlled Drug and Substances Act*, *Off-Road Vehicles Act* and *Other*.

Public polling in January 2015 also revealed that slightly less than half of those surveyed (46%) thought it was likely for a drunk driver to be stopped by police, which supports the premise that the program contributes to the perceived risk of apprehension for those who choose to drink and drive.

Section One: Introduction

Drinking and driving continues to be a significant road safety risk in Manitoba and remains one of Manitoba Public Insurance Corporation's top road safety priorities.

Data from the 2013 Traffic Collisions Statistics Report indicates that 21.7% of fatal collisions in that year involved impairment as a contributing factor^[1]. In terms of collision victims, 22.4% of fatalities in 2013 and 10.4% of serious injuries involved impairment as a contributing factor.

Canadian attitudes towards impaired driving

The *TIRF Road Safety Monitor 2014* on drinking and driving is an annual public opinion survey conducted by the TIRF under sponsorship from the Beer Canada, Toyota Canada Foundation and Aviva Canada. The survey is intended to take the pulse of the nation on key road safety issues by means of a telephone and on-line survey of a random, representative sample of Canadian drivers. The survey results indicate that:

- Out of the 1,031 individuals surveyed, 17.4% of respondents admitted to driving after consuming any amount of alcohol in the past 30 days^[2].
- 6.6% Canadians admitted to driving when they thought they were over the legal limit in the past 12 months, which is an increase from 3.6% in 2012^[3].
- Almost seven in ten (68.2%) respondents indicated that drinking drivers were a very or extremely serious problem. This number has decreased slightly from 2012 (71.6%)^[4].
- Nearly seven in ten (69.2%) respondents indicated the issue of young drivers impaired by alcohol was a very or extremely serious problem in 2014, significantly lower (82.2%) of respondents concerned in 2010.^[5]

Manitoban's attitudes towards impaired driving

As a part of attempts to gain a better understanding and context about the attitudes and perceptions Manitobans have about drinking and driving, Manitoba Public Insurance conducts topical Polling. The most recent of these was conducted in January 2015. Key highlights of this poll are listed below providing something of a window into the mood of Manitoban's related to their use of alcohol, their driving behaviours after drinking and their perceptions about being stopped by police for drinking and driving.

^[1] Manitoba Public Insurance. (2014). Traffic Collisions Statistics Report 2013

^[2] TIRF. (December 2014). The Road Safety Monitor 2014: Drinking and Driving in Canada.

^[3] TIRF. (December 2014). The Road Safety Monitor 2014: Drinking and Driving in Canada.

^[4] TIRF. (December 2014). The Road Safety Monitor 2014: Drinking and Driving in Canada..

^[5] TIRF. (December 2014). The Road Safety Monitor 2014: Drinking and Driving in Canada..

- One in three **drivers who drink** (32%) say they have driven within two hours of consuming alcohol at least once in the past two months.
- Over half **drivers who drink** (55%) report having made alternate arrangements to driving after drinking at least once in the past two months.
- Seven percent of **drivers who drink** report driving when they thought they might be at or near the legal limit at least once in the past two months.
- Five percent of **drivers who drink** report driving when they thought they might be over the legal limit at least once in the past two months.
- Nearly one in four **drivers** (25%) report seeing a roadside check in the past two months.
- Less than half of **drivers** (46%) think it is likely for a drunk driver to be stopped by police while one in three (32% of **drivers**) think the chances of a drunk driver being stopped by police have increased in the past two months.
- One-third of Manitobans (34%) correctly identify at least one legal consequence of being caught driving with a Blood Alcohol Concentration (BAC) between 0.05 and 0.08.
- Three in four Manitobans (73%) correctly identify at least one legal consequence of being caught driving with a BAC of 0.08 or more.

Ways to deter drinking and driving

In January 2015, as in past surveys, many of the suggestions regarding the most effective way of stopping people from drinking and driving offered by Manitobans involve either enforcement or public awareness and education campaigns.

The most common enforcement suggestions include:

- Stiffer penalties/fines/suspensions (28%);
- More roadside checks (7%); and,
- More police/enforcement/a higher visibility of the enforcement (2%).

Section Two: The RoadWatch Program

The primary objective of the Corporation's RoadWatch program is to reduce alcohol-related collisions in Manitoba by raising awareness of the risks and consequences of impaired driving and for those who may choose to drink and drive, by raising the perceived risk of apprehension. This is achieved through a combination of visible roadside deterrence enforcement (check stops) and offender detection (saturation patrols).

Studies have shown that significant, visible enforcement is necessary to increase a motorist's perceived risk of apprehension and reduce the number of alcohol-related crashes. An evaluation of ICBC's CounterAttack program in 1997, which operates very similar to RoadWatch, observed that "no reductions in alcohol-related crashes were observed for months where the number of motorists encountering road checks fell below 20% of the resident population, irrespective of the number of DWI Criminal Code charges laid (Mercer et. al., 1996)". In other words, for roadside checks to be effective as a deterrent, at least 20% of motorists must encounter them.

Most jurisdictions do traditional Christmas check stops, and it is typical for at least 20% of motorists to report having encountered roadside enforcement. However, outside of the December/January holiday period, visible enforcement typically decreases and the percentage of motorists reporting having encountered roadside enforcement drops below the 20% threshold.

For this reason, MPI's RoadWatch program specifically funds increased roadside enforcement outside of the normal Christmas period (May to November, and January/February for RCMP to monitor winter ice roads), as a way to increase a driver's perceived risk of apprehension during these periods.

Manitobans think that enforcement, such as roadside checks, is effective in discouraging drinking and driving. In January 2015, eight in ten drivers (79%) and drivers who drink (81%) say enforcement is effective. Consistent with past results, twice as many drivers and drivers who drink say enforcement is effective compared to those who say it is very effective at discouraging drinking and driving.

The proportion of drivers who drink (81%) who say enforcement is effective in January 2015 is similar to previous survey results (September 2013 – 76%; June 2012 – 77%; January 2012 – 81%; January 2011 – 80%; January 2010 – 83%).

In order to ensure our RoadWatch program is adhering to Best Practices for enforcement a review was done to assess different approaches being used.

Review of Best Practices in Identification and Apprehension of Impaired Drivers

Education and Awareness campaigns are generally aimed at encouraging members of the public to make good decisions – and avoid drinking when driving. When these campaigns are also combined with visible enforcement there appears to be more success. Following is a comparison of two enforcement methods currently in use in Canada and comments on their effectiveness.

Sobriety (High Visibility) Check Stops

Sobriety (high visibility) check stop programs are procedures in which law enforcement officers restrict traffic flow in a designated, specific location so they can check drivers for signs of alcohol impairment.

Purpose:

- To increase the public's perceived probability of arrest if drinking and driving,
- To remove drinking drivers from the road.

Effectiveness:

- Typically, sobriety (high visibility) checkpoints do not yield a large volume of DUI arrests.
- They do, however, offer an education and awareness tool to serve as a deterrent.
- The most effective programs appear to involve intensive enforcement combined with an extensive media campaign.¹
- To be truly effective in discouraging impaired driving these check stops need to occur frequently and be combined with intensive media.

Issues:

- Such programs require a tremendous commitment of personnel and resources
- Typically sobriety (high visibility) checks report stopping high number of vehicles to check drivers for alcohol use but result in the arrest of only a handful of drivers.
- The deterrent effect on high BAC drivers may be minimal.

¹ Health Canada, DWI Repeat Offenders: A Review and Synthesis of the Literature, Prepared by Douglas J Beirness, Daniel R. Mayhew and Herb M. Simpson Traffic Injury Research Foundation, 1997, p.59

- Roadside surveys conducted downstream from police sobriety (high visibility) checkstops have found that half of all legally intoxicated drivers escape detection by police. These people have either developed tolerance to the obvious signs and symptoms of intoxication or have otherwise learned to avoid raising the suspicions of police.²

Saturation Patrols

Saturation patrols involve an increased enforcement effort targeting a specific geographic area to identify and arrest impaired drivers. The saturation patrol area is much larger than the location chosen for a sobriety (high visibility) checkpoint as it includes several enforcement vehicles saturating a target area.

Purpose

- Saturation patrols constitute a vigorous tactic employed by law enforcement agencies to significantly impact an area known for a high concentration of alcohol-impaired drivers.

Effectiveness

- A dedicated saturation patrol is the most effective method of apprehending offenders. Such concerted efforts also may serve as a general deterrent if their activities are publicized and become widely known.
- Saturation patrols are more likely to apprehend repeat offenders.

Issues

- These patrols provide very little public awareness and education benefit as they are usually conducted later in the evening and around areas with potential for high concentration of impaired drivers. These would generally be lower traffic volume times and areas.
- Focusing on arrests may be a misleading way to consider the value of checkpoints. The purpose of frequent checkpoints is to increase public awareness and deter potential offenders, resulting in the ideal situation where very few offenders are left to apprehend³.

² Ferguson, S.A., Wells, J.K., and Lund, A.K. (1995) The role of passive alcohol sensors in detecting alcohol-impaired drivers and sobriety checkpoints. *Alcohol, Drugs and Driving* 11 (1): 23-30. As referenced in Health Canada DWI Repeat Offenders. p. 60

³ Greene, J. (2003). Battling DUI: A Comparative Analysis of Checkpoints and Saturation Patrols. *FBI Law Enforcement Bulletin* 72(1): 1-6. [[Full text](#)]

Both sobriety (high visibility) checkpoints and saturation patrols serve a significant purpose and used together can be effective in reducing the number of impaired drivers.

A number of components are required to make any program designed to remove impaired drivers successful:

- Exposing the public to the enforcement efforts and likelihood of being arrested
- Improving officers' skills in detecting impaired drivers;
- Implementing an aggressive, continuous, and committed media effort;
- Continuing effort by legislatures and courts to consistently punish violators and deter impaired driver
- Identifying problem areas
- Evidence is clear that infrequent use of checkpoints is not effective.

Some agencies may find that only one of these methods works for them – often dependent on their resources. Others may feel both are required. The method or combination of methods, chosen needs to be based on the goals of the program. If the goal is to reduce the number of impaired drivers over time then both sobriety (high visibility) checkpoints and saturation patrols should be utilized.

Section Three: 2014 Program Details

Each year, the RoadWatch initiative provides 32 weeks of police enforcement coverage from May 1st to November 30th. Funding is also provided to allow the RCMP to conduct RoadWatch events on winter and ice roads leading to more remote communities in northern Manitoba between January and February. The holiday season is not included in the MPI funded RoadWatch enforcement program as enforcement agencies provide their own check stop program during the month of December.

Recognizing significant enforcement activity has an impact on the perceived risk of being apprehended for those who choose to drive while impaired, the RoadWatch program is intended to supplement existing impaired driving countermeasures of law enforcement agencies outside the traditional Christmas period by providing increased visibility than may not be otherwise available.

The following table outlines actual program expenditures by participating police agency from 2010/11 to 2014/15.

Table 3.1 RoadWatch Program budget from 2010/11 to 2014/15

Agency	RoadWatch 2010/2011	RoadWatch 2011/2012	RoadWatch 2012/2013	RoadWatch 2013/2014	RoadWatch 2014/2015
RCMP	134,387.00	310,754.27	277,240.79	284,953.95	289,049.27
Brandon	94,813.41	99,013.85	102,942.45	104,778.88	103,759.02
Winnipeg	76,586.11	161,443.99	157,516.38	175,000.00	230,000.00
Dakota	4,068.27	6,848.74	5,217.57	4,589.06	5,646.71
Morden	5,563.74	4,827.52	8,369.97	9,977.40	10,363.81
Rivers	4,423.48	6,149.23	6,054.37	5,416.13	7,357.81
Winkler	5,997.10	4,673.49	4,965.99	7,930.20	11,559.95
Altona	3,009.52	854.21	-	-	1,868.84
Ste. Anne	-	-	-	4,784.00	6,116.10
East St Paul	-	-	-	-	-
Total	328,848.63	594,565.30	562,307.52	597,429.62	665,721.51

The below table outlines the number of deployment dates, Road Watch locations, Road Watch hours, and approximate number of vehicle contacts.

Table 3.2 Number of Deployment Dates in 2014/15

Agency	Dates	Check Stop Locations	Check Stop Hours	Manpower Hours	Vehicles Screened (Approx.)
RCMP	41	139	526.79	2,845.5	22,307
Brandon	32	62	106.41	636.0	12,415
Winnipeg	29	79	214.07	3,432.0	32,563
Dakota	5	5	20.0	103.0	396
Morden	7	12	53.5	197.25	1,116
Rivers	5	8	40.5	111.5	746
Winkler	4	10	36.0	156.75	1,888
Altona	2	2	16	24.0	N/A
Ste. Anne	5	10	50.23	160.0	1,240
Total	130	327	1,063.50	7,666.0	72,671

The deployment results show that participating provincial police agencies utilized 7,666.0 manpower hours, and screened approximately 72,671 vehicles at 327 locations during 130 event dates. In doing so, they provided 1,063.50 hours of check stop visibility during the program period.

The Winnipeg Police achieved the highest number of motorists' contacts with 32,563 vehicles screened. The RCMP accomplished the second highest total with 22,307 motorist contacts. Brandon Police followed with 12,415; Winkler Police with 1,888; Ste. Anne Police with 1,240 and Morden Police with 1,116, respectively. Altona Police did not capture the number of vehicles screened during the campaign.

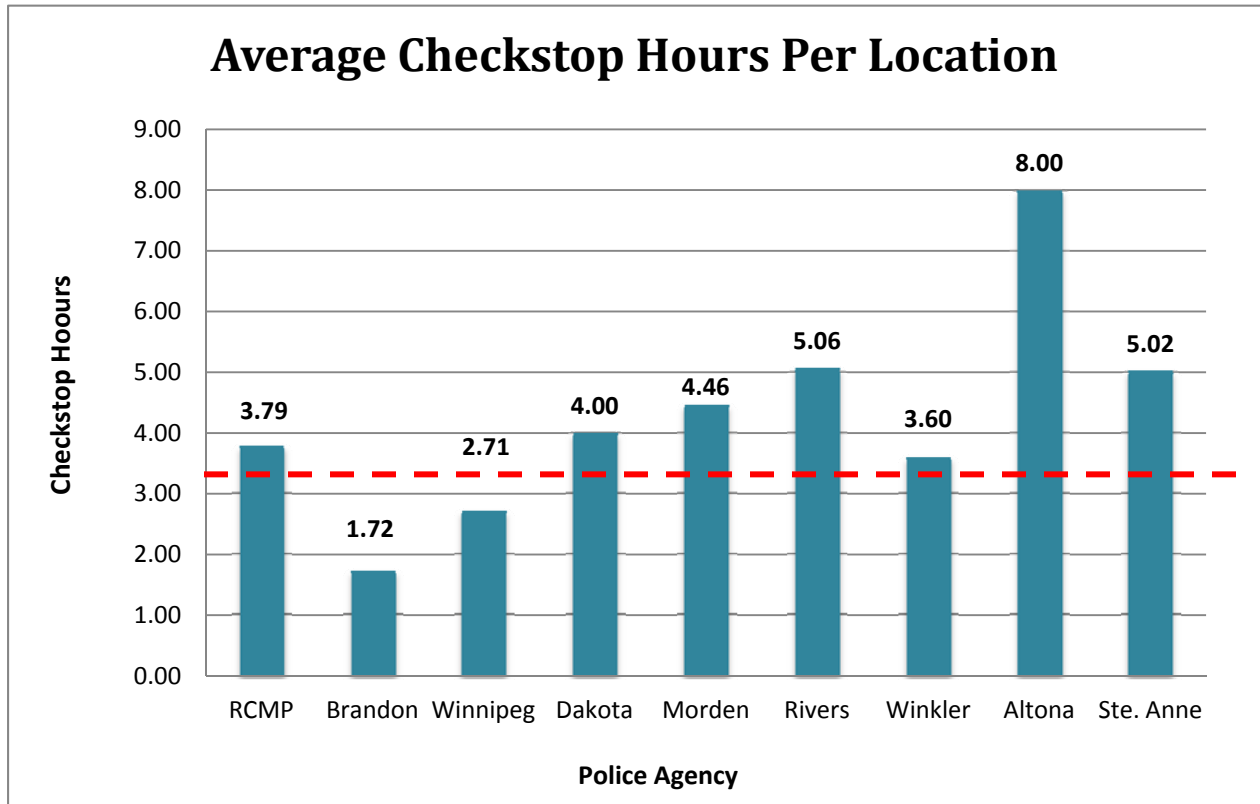
Table 3.3 provides enforcement effort averages based on per check stop location and per hour basis.

Table 3.3 Check Stop Average

Agency	Visibility Hours/Location	Average Vehicles Screened/Location	Average Manpower Hours/Location	Vehicles Checked/Check Stop Hour
RCMP	3.79	160.43	20.47	42.35
Brandon	1.72	200.24	10.26	116.67
Winnipeg	2.71	412.19	43.44	152.11
Dakota	4.00	79.20	20.60	19.80
Morden	4.46	93.00	16.44	20.86
Rivers	5.06	93.25	13.94	18.42
Winkler	3.60	188.8	15.68	52.44
Altona	8.0	N/A	12.00	N/A
Ste. Anne	5.02	124.0	16.00	24.69
Averages	3.25	222.24	23.44	68.33

Participating police agencies achieved an average of 68.33 vehicles screened per hour during the program period. On average, the police agencies applied 23.44 manpower hours, screened 222.24 vehicles, and were visible 3.25 hours per location. The diversity between each agency's visibility hours per check stop location is due to each agency having events of varying lengths and at various locations per event.

Chart 3.4 Check Stop Duration by police agency assigned to each check stop location

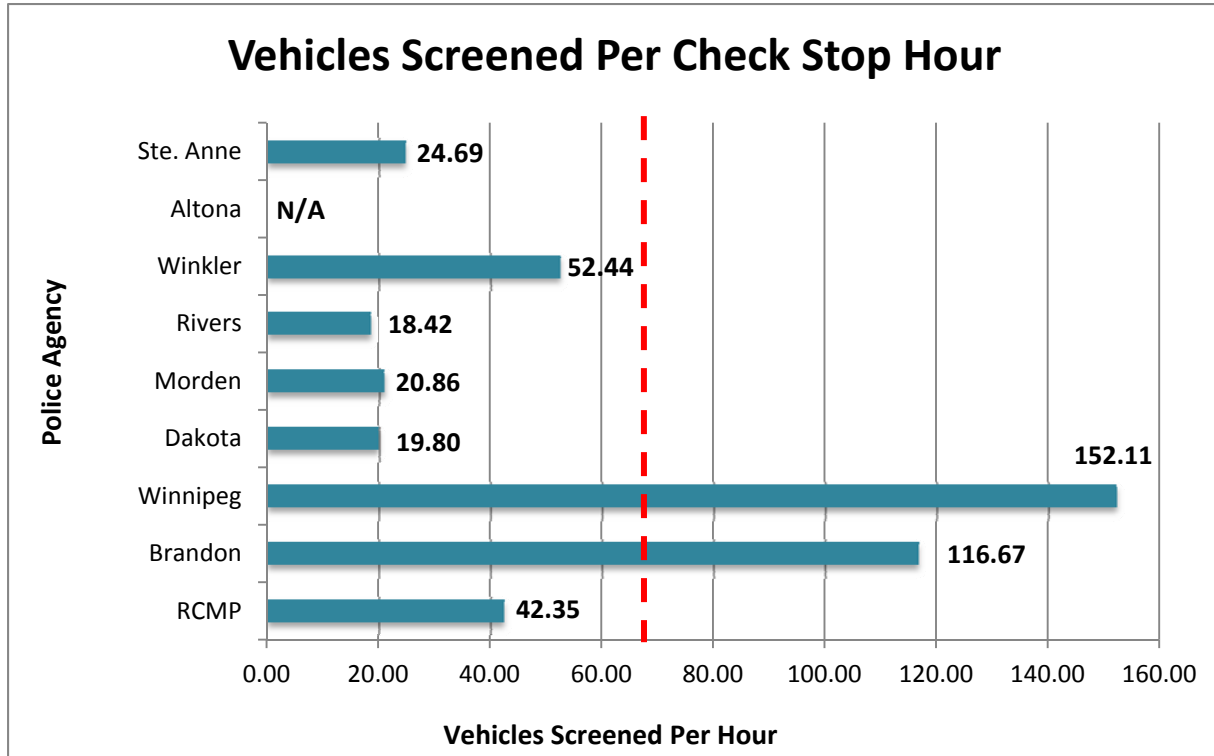


The average length of time that a police agency remained at a check stop location was 3.25 hours (red dashed line).

Altona Police Service had the highest check stop hours per location at 8.00 hours. Rivers Police had 5.06, followed closely by Ste. Anne Police and Morden Police Service at 5.02 and 4.46, respectively. Dakota had 4.00, RCMP had 3.79, and Winkler at 3.60, were all above the average of 3.25. Winnipeg and Brandon, at 2.71 and 1.72 respectively, were below the program average.

Chart 3.5 illustrates the average traffic flow rates per hour screened during the program.

Chart 3.5 Vehicles Screened per Hour



In terms of the number of vehicles screened per hour, the program average was 68.33 vehicles screened per check stop hour (red dashed line). Winnipeg Police had the highest traffic volume of 152.11 vehicles screened per check stop hour, while Brandon Police had the second highest traffic volume of 116.67 vehicles per hour. The remaining agencies: Winkler, RCMP, Ste. Anne, Morden, Dakota, Rivers and Winkler experienced lower traffic volumes than average, at 52.44, 42.35, 24.69, 20.86, and 19.80 vehicles per hour respectively. Altona did not provide the number of vehicles they screened.

It should be noted, that the average number of vehicles screened is dependent on numerous factors including:

- Weather conditions;
- Time of day;
- Day of week;
- Location;
- Traffic flow;
- The duration of the check stop and;

- Whether the enforcement is high visibility or saturation based

Table 3.6 RoadWatch check stops during the week

Agency	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Total
RCMP	2	2	1	3	11	15	7	41
Brandon	1	1	1	3	12	13	1	32
Winnipeg	1	1	0	1	8	16	2	29
Dakota	0	0	0	0	3	2	0	5
Morden	0	0	0	0	2	5	0	7
Rivers	1	1	1	2	0	0	0	5
Winkler	0	0	0	0	2	1	1	4
Altona	0	0	0	0	0	2	0	2
Ste. Anne	0	0	1	0	1	2	1	5
Total	5	5	4	9	39	56	12	130

As noted above, police agencies concentrated the majority of their check stops during periods of the week where higher numbers of impaired drivers would be anticipated. Of the 130 check stop dates during the program period, 116 dates (89.2%) were conducted when the incidence of drinking and driving are considered the highest; 9 check stops on Thursday, 39 on Friday, 56 on Saturday and 12 dates on Sunday. Manitoba Public Insurance also specifically requests RoadWatch events for each of the long weekends from May to October – again, when the incidence of drinking and driving is likely to be higher.

The remaining 14 check stop dates provided additional police visibility during lower risk periods from Monday to Wednesday comprising of (10.8%) of check stops.

Section Four: 2014 Enforcement Results

The following sections highlight the check stop results arising from the police enforcement efforts during the 2014 program. Table 4.1 specifically illustrates the number of drinking and driving offences dealt with during the program period:

Table 4.1 Drinking and Driving Check Stop Results

Agency	ASD Pass	Low BAC Tiered Suspension	Criminal Code
RCMP	68	31	21
Brandon	3	5	23
Winnipeg	492	102	93
Dakota	0	0	1
Morden	3	1	7
Rivers	0	0	0
Winkler	8	0	2
Altona	0	0	0
Ste. Anne	6	0	0
Total	580	139	147

In 2014, participating police agencies removed 286 drinking drivers (147 criminal code offences for impaired driving (BAC over 0.08) and 139 tiered roadside suspensions) from Manitoba roadways.

In addition to directly addressing the problem of drinking and driving by Manitoba drivers, the effect of police enforcement through the RoadWatch program includes other offence notices issued for illegal driving and non-driving related activities.

Table 4.2 identifies the non-impaired driving offence notices issued by law enforcement during the roadside check stops.

Tables 4.2 2014 Program Results

Agency	HTA	CDSA	DVA	LCA	NCC	ORVA	Total
RCMP	910	13	1	30	4	0	958
Brandon	186	2	3	6	4	0	201
Winnipeg	323	0	4	3	0	0	330
Dakota	21	0	0	0	1	0	22
Morden	11	5	1	5	5	0	27
Rivers	9	0	0	0	0	0	9
Winkler	17	3	0	5	0	0	25
Altona	5	0	0	0	0	0	5
Ste. Anne	27	3	0	5	0	0	35
Total	1,509	26	9	54	14	0	1,612

HTA- Highway Traffic Act (all)

CDSA – Control Drug Substance Act

DVA – Drivers and Vehicles Act

LCA – Liquor Control Act

NCC – Non-Impaired Criminal Code (i.e. Possession of goods obtained by crime, outstanding warrants, breach of recognizance, driving while disqualified or suspended)

ORVA – Off Road Vehicle Act

The RoadWatch program is intended to decrease impaired driving but also captures offences that are not related to impaired driving. The benefits of this program therefore extend beyond the risk and consequences of impaired driving and serve to provide additional safety on Manitoba roadways.

Table 4.3 identifies the breakdown of HTA offence notices issued as a result of RoadWatch program activities.

Table 4.3 2014 Program Results for HTA offences

Agency	HTA Other	HTA Seatbelt	HTA Speeding	HTA Cellphone	Total
RCMP	333	81	472	24	910
Brandon	134	11	28	13	186
Winnipeg	263	27	11	22	323
Dakota	21	0	0	0	21
Morden	8	1	1	1	11
Rivers	6	1	1	1	9
Winkler	15	1	1	0	17
Altona	0	0	4	1	5
Ste. Anne	3	0	24	0	27
Total	783	122	542	62	1,509

There were 1,509 *Highway Traffic Act* (HTA) violations recorded in 2014. Of these 122 were seatbelt violations, 542 were speeding offences, and 783 were other HTA offences such as driving without insurance (226-1/226-2), careless driving (188/188-2), driving an unregistered vehicle (225-2/225-3) and violating learner licence restrictions (26.4-1a/1b1/1b2), to name some examples.

Similarly, table 4.4 details the 14 non-impaired *Criminal Code* HTA offences issued by law enforcement agencies.

Table 4.4 Non-Impaired Criminal Code Offences

Agency	Date	Gender	Age	Offence Code	Details
RCMP	5/8/2014	M	30	354	Stolen auto over \$5000
RCMP	5/18/2014	M	23	145	Fail to comply - Recog
RCMP	5/24/2014	M	18	91(1)	Unauthorized possession firearm
Morden Police Service	5/31/2014	M	49	145(5)(1)	Breach undertaking
Brandon Police Service	6/13/2014	M	16	249.1(2)	Operation of Motor Vehicle while being pursued by police
Brandon Police Service	6/13/2014	M	16	354(1)(a)	Possession of property obtained by crime over \$5000
RCMP	6/29/2014	M	28	259(4)	Drive While Disqualified
Brandon Police Service	8/8/2014	M	39	259(4)	Drive While Disqualified
Dakota-Ojibway Police Service	8/30/2014	N/A	N/A		Court Order
Morden Police Service	9/12/2014	F	N/A	249(1)(a)	Flight
Morden Police Service	9/12/2014	N/A	N/A	259(4)(a)	Drive Disqualified
Morden Police Service	9/12/2014	N/A	N/A	129(a)	Resist Arrest
Morden Police Service	9/12/2014	N/A	N/A	733(1)	Breach of probation
Brandon Police Service	9/27/2014	M	25	733.1(1)	Breach of probation

One important measure tracked each year under the RoadWatch program is the relative number of motorist contacts for each Driving While Impaired (DWI) Action. Table 4.5 identifies the results for 2014 using this particular measure.

Table 4.5 Vehicles Screened and Driving While Impaired (DWI) Actions

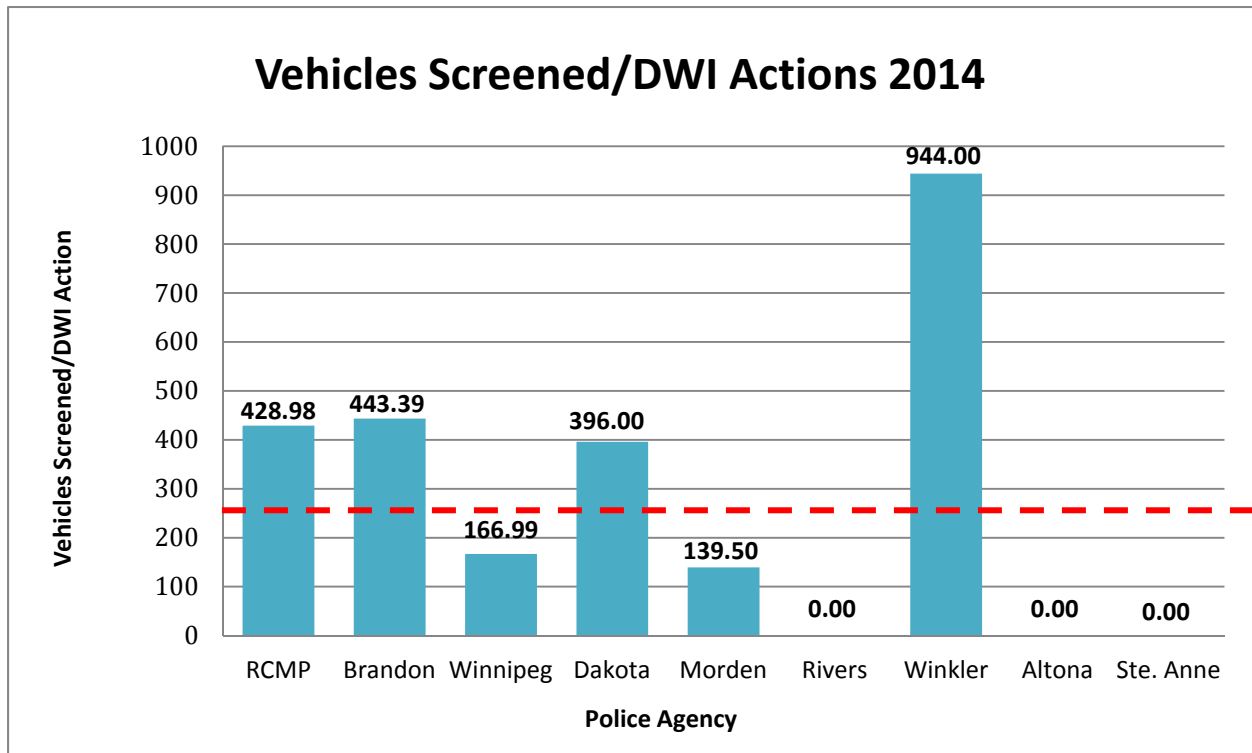
Agency	Vehicles Screened	DWI Actions*	Vehicles Screened/DWI Actions
RCMP	22,307	52	428.98
Brandon	12,415	28	443.39
Winnipeg	32,563	195	166.99
Dakota	396	1	396.00
Morden	1,116	8	139.50
Rivers	746	0	N/A
Winkler	1,888	2	944.00
Altona	N/A	0	N/A
Ste. Anne	1,240	0	N/A
Total	72,671	286	254.09

Note: * DWI Actions includes Criminal Code offences and tiered roadside suspensions.

Of the 72,671 vehicles screened during the program period, 286 DWI actions (*Criminal Code* and tiered roadside suspensions) were made. In 2014, on average, one drinking driver was apprehended for every 254.09 vehicles screened.

Chart 4.6 illustrates the number of motorist contacts or vehicles screened for each police agency for every DWI action is initiated, on average.

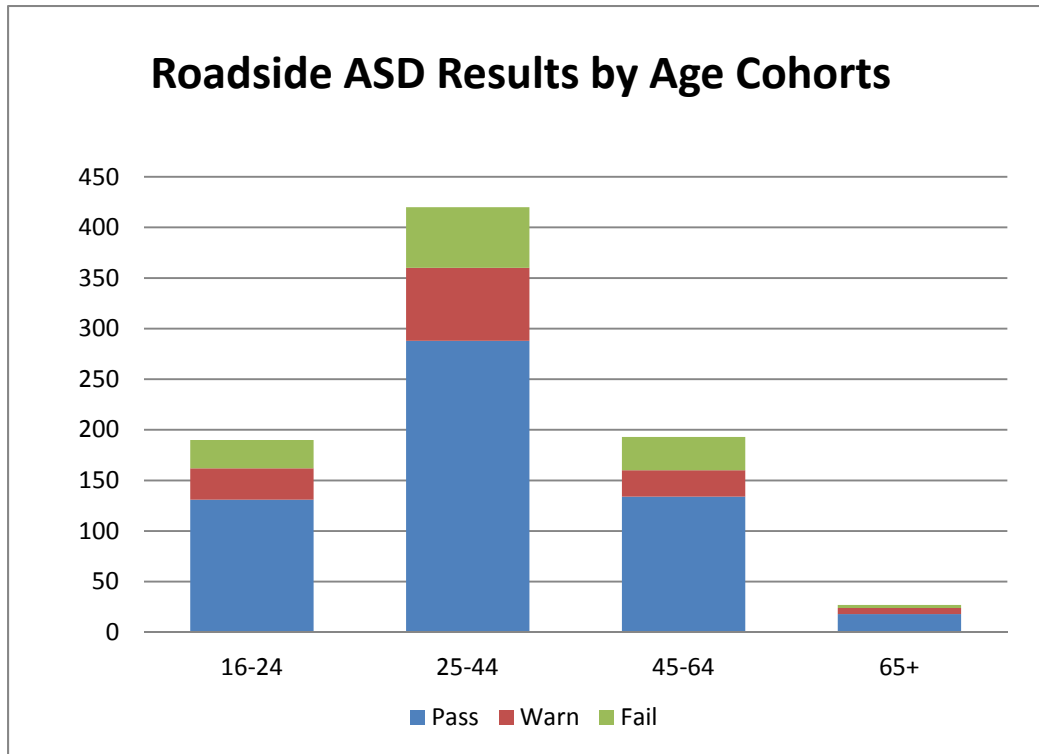
Chart 4.6 Individual Police Agency Vehicles per DWI Actions Results



During the 2014 program period, for those forces which initiated a DWI action, Winkler had the highest number of motorist contacts (944) for each DWI action. The number of vehicles screened by Brandon Police, RCMP and Dakota is well above the program average of 254 motorist contacts for each DWI action, at 442.29, 428.98 and 396, respectively. This is because these programs are primarily focused on high visibility placement of check stops while larger agencies, such as Winnipeg, carry out more a mix of high visibility and saturation enforcement. Results from smaller agencies are affected by lower traffic volumes overall.

Chart 4.7 illustrates the alcohol screening device (ADS) test results by age recorded at roadside for the 2014 program period. This information is useful in better understanding the demographic of the drinking driver.

Chart 4.7 Roadside ASD Results by Age Cohort



During the 2014 program:

- Male drivers accounted for 78.8% of the 830 ASD tests given.
- Drivers in the 16 to 24 and 25 to 44 year old age groups accounted for almost three quarters (73.5%) of the road side tests that were administered during the program.
- Slightly less than one third (31.7%) drivers failed the ASD test with a “warn” or “fail” reading.
- Almost one in six (15.3%) drivers had a blood alcohol reading over the legal limit.
- Over one in six (16.4%) drivers was issued a tiered roadside suspension for providing a “Warn” reading on the ASD.
- Drivers in the 25 – 44 year old age group were tested the most frequently (50.6%), with nearly one in three (31.4%) failing the test.

In total, 147 drivers received a *Criminal Code (CC)* Charge and another 139 motorists were issued tiered roadside suspension. DWI actions (include CC and tiered roadside suspension) use an ASD most of the time; however, there are exceptions when charges are laid without an ASD test either because another method of testing for impairment was used or an officer felt that there was enough evidence to lay DWI action.

The ASD tests also provide some profile of the circumstances that resulted in an individual receiving a DWI action:

Highest blood alcohol reading for male driver:

The highest impaired reading for a male driver was 290 milligrams per 100 milliliters of blood. The driver was 39 years old and stopped by RCMP (Roblin Boulevard @ Granger Rd) on May 8, 2014 at 10:20 PM.

Highest blood alcohol reading for female driver:

The highest impaired reading for a female driver was 180 milligrams per 100 milliliters of blood. The driver was 43 years old stopped by Winnipeg Police (Redwood Ave @ Main St) on May 17, 2014 at 9:42 PM.

Youngest driver charged for impaired driving:

Three 17 year old males were the youngest drivers to be charged for impaired driving. Offences occurred on June 14, 2014 at 12:08 AM at Owen St @ Regent Winnipeg, on October 18, 2014 at 10:00 PM at Regent Ave and on October 31, 2014 at 1:06 AM at Disraeli (southbound). The driver on October 31st had a BAC reading of 90 milligrams of alcohol/100 milliliters of blood. Readings for the other two charges were not provided.

Oldest driver charged for impaired driving:

A 70 year old male was the oldest driver to be charged for impaired driving. The offence occurred on September 13, 2014 at 2:25 AM at Pembina Hwy @ University Crescent Winnipeg. His BAC reading was 160 milligrams of alcohol/100 milliliters of blood.

Chart 4.7 illustrates the Alcohol Screening Device (ASD) test results by age recorded at roadside for the 2014 program period.

Section Five: RoadWatch Program Trends

RoadWatch Program Totals (2003 – 2014)

The RoadWatch program was designed to supplement existing police enforcement with high visibility check stops intended to deter impaired driving activities coupled with the detection and removal of problem drivers. The visibility component serves to complement other existing police countermeasures such as saturation enforcement patrols.

Table 5.1 illustrates the twelve year program results of participating police agencies from 2003 to 2014.

Table 5.1 RoadWatch Twelve Year Program Results

Program Year	# Check Stops	Visibility Hours	Vehicles Checked	Criminal Codes	Tiered Suspensions	HTA	DWI*	Contacts/ DWI Actions
2003	196	484.3	42,501	52	35	1,306	87	489.0
2004	250	725	38,794	42	42	1,681	84	461.8
2005	183	798	34,471	37	23	1,244	60	574.5
2006	191	450	37,628	48	27	966	75	501.7
2007	239	603.2	33,096	89	54	1,387	143	231.4
2008	210	492.3	34,417	49	44	1,495	93	382.4
2009	240	559.3	34,963	44	102	1,627	146	239.5
2010	282	815.7	37,190	74	108	1,754	182	204.3
2011	337	1,012.18	58,830	131	101	2,627	232	253.6
2012	338	1,225.43	63,278	90	120	2,138	210	301.3
2013	401	1,254.76	78,637	151	160	2,435	311	252.9
2014	327	1,063.5	72,671	147	139	1,509	286	254.1
Total	3,194	9,483.7	566,476	954	955	20,169	1,909	296.74

Note:

*DWI Enforcement Actions include impaired driving charges and low BAC tiered suspensions.

From 2003 to 2014, the Corporation’s partnership with participating police has resulted in a total of 3,194 check stops, 9,484 hours of additional police enforcement and 566,476 vehicles screened during these operations.

Over this twelve year period, participating police agencies have removed 1,909 drinking drivers from the road and issued 20,169 *Highway Traffic Act* offence notices.

Table 5.2 illustrates the 2014 results compared to results from the 2014 program, and the 2009-2013 (5 year) program averages.

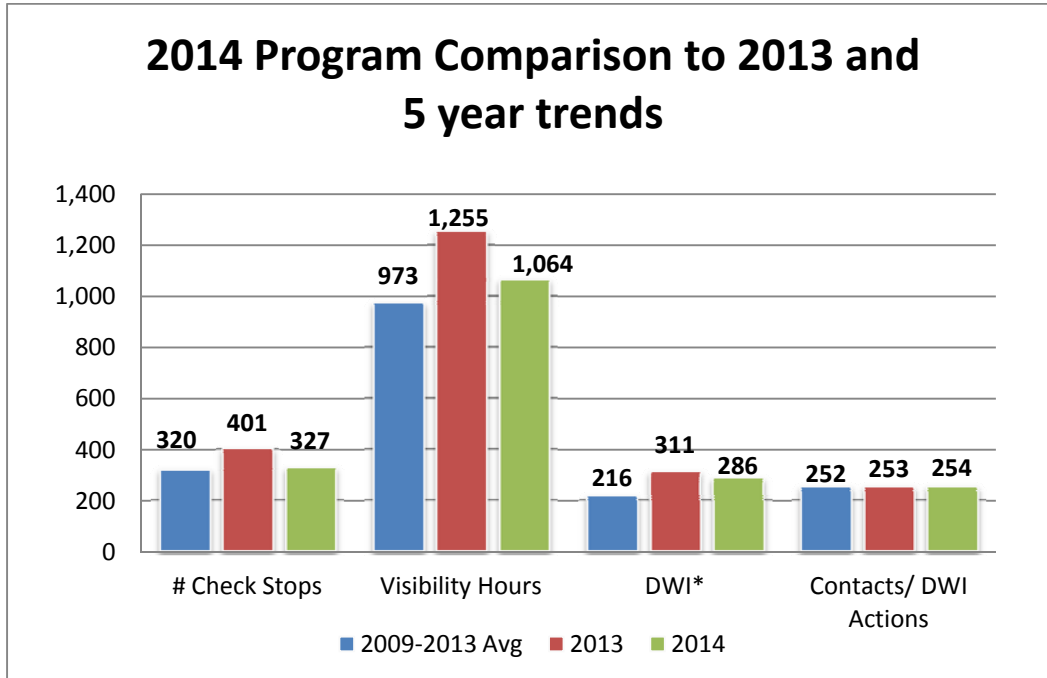
Table 5.2 Program Comparison

Program Year	# Check Stops	Visibility Hours	Vehicles Checked	Criminal Codes	Tiered Suspensions	HTA	DWI*	Contacts/ DWI Actions
2009-2013 average	319.4	973.5	54,579.6	98.0	118.2	2,116.2	216.2	252.4
2013	401	1,254.76	78,637	151	160	2,435	311	252.9
2014	327	1,063.50	72,671	147	139	1,509	286	254.1

The 2014 enforcement efforts and results have produced slightly lower totals to the 2013 program year in terms of number of check stop events, visibility hours, vehicles checked, criminal code offences, tiered suspensions, *Highway Traffic Act* offences and DWI actions. However, visibility hours, vehicles checked, criminal code offences, tiered suspensions and DWI actions were all significantly higher than the five year trend averages.

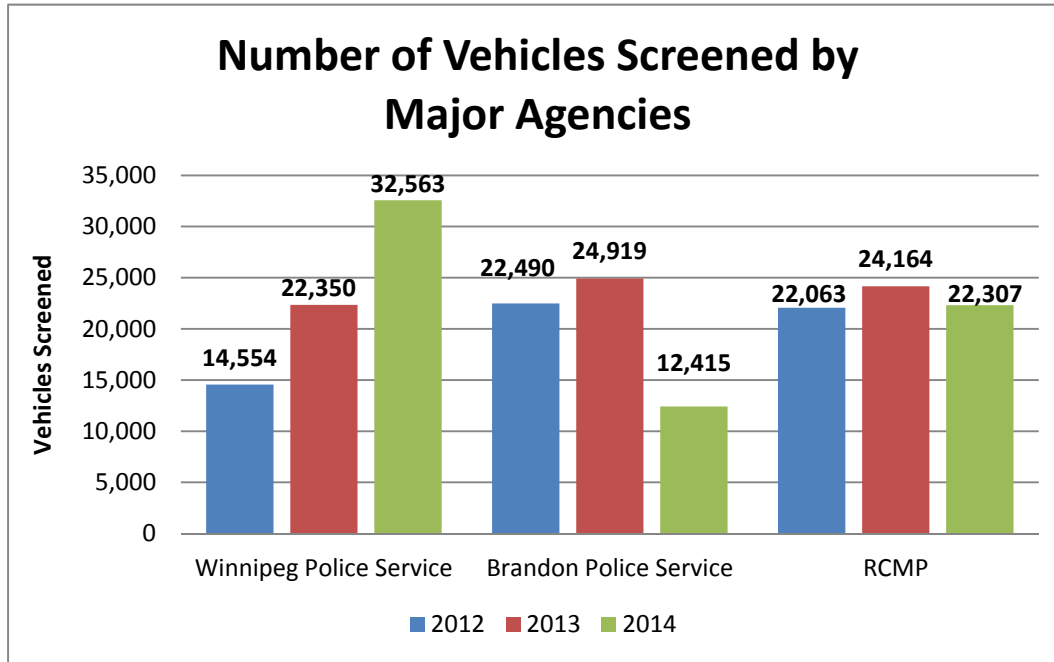
Chart 5.3 provides a comparison of key indicators that reflect police check stop enforcement efforts and the resulting impaired driving offences issued.

Chart 5.3 Program Year Comparisons



RoadWatch Motorist Contacts

Chart 5.4 Number of Vehicles Screen by Major Agencies

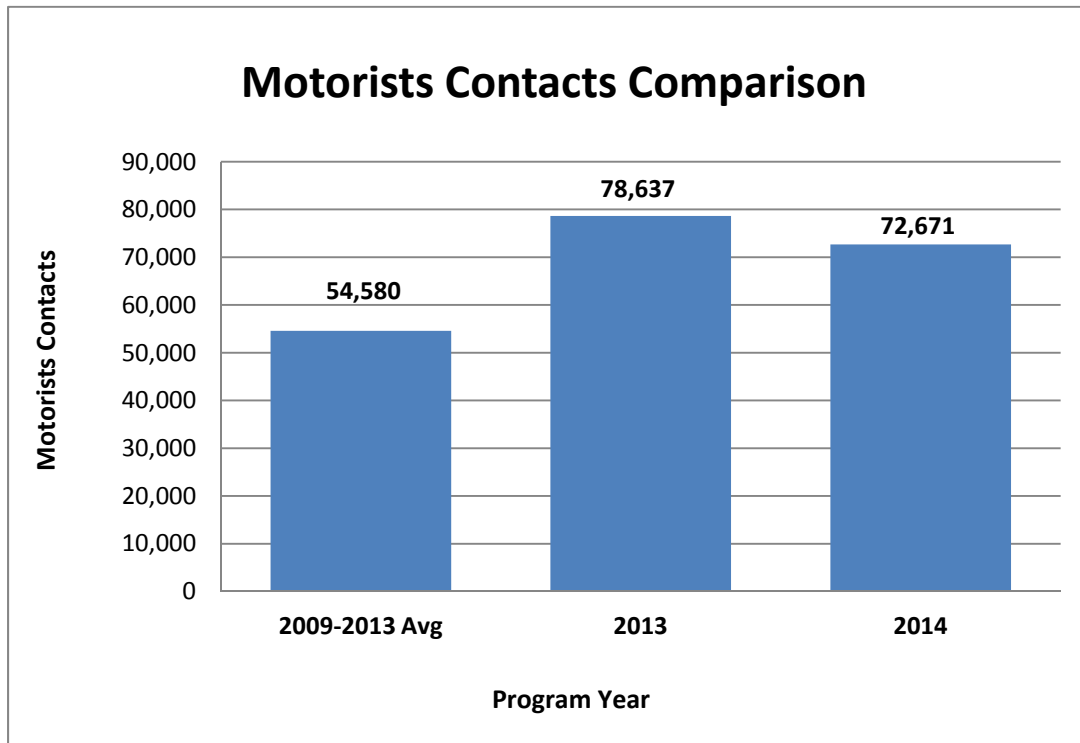


The chart above identifies the number of vehicles screened at a high visibility check stop locations by the three major police agencies (Winnipeg, Brandon and RCMP).

Winnipeg Police Service had the most significant increase in the number of vehicles screened in 2014, compared to 2013. The RCMP had slightly less vehicles screened in 2014 compared to 2013, but similar to 2012 levels. Brandon Police Service had a significant decrease in the number of vehicles screened in 2014, when compared to 2013 and 2012.

Chart 5.5 compares the visibility rates between the 2014 program with 2013 and a five year program averages from 2008 to 2012

Chart 5.5 Motorist Contacts Comparison by Campaign Year



The table demonstrates a decrease of 5,966 vehicles screened in 2014 (72,671 vehicles) when compared to 2013 program results (78,637 vehicles). Vehicles screened in 2014 were also significantly higher compared to the preceding five year average.

Section Six: 2013 Program Summary

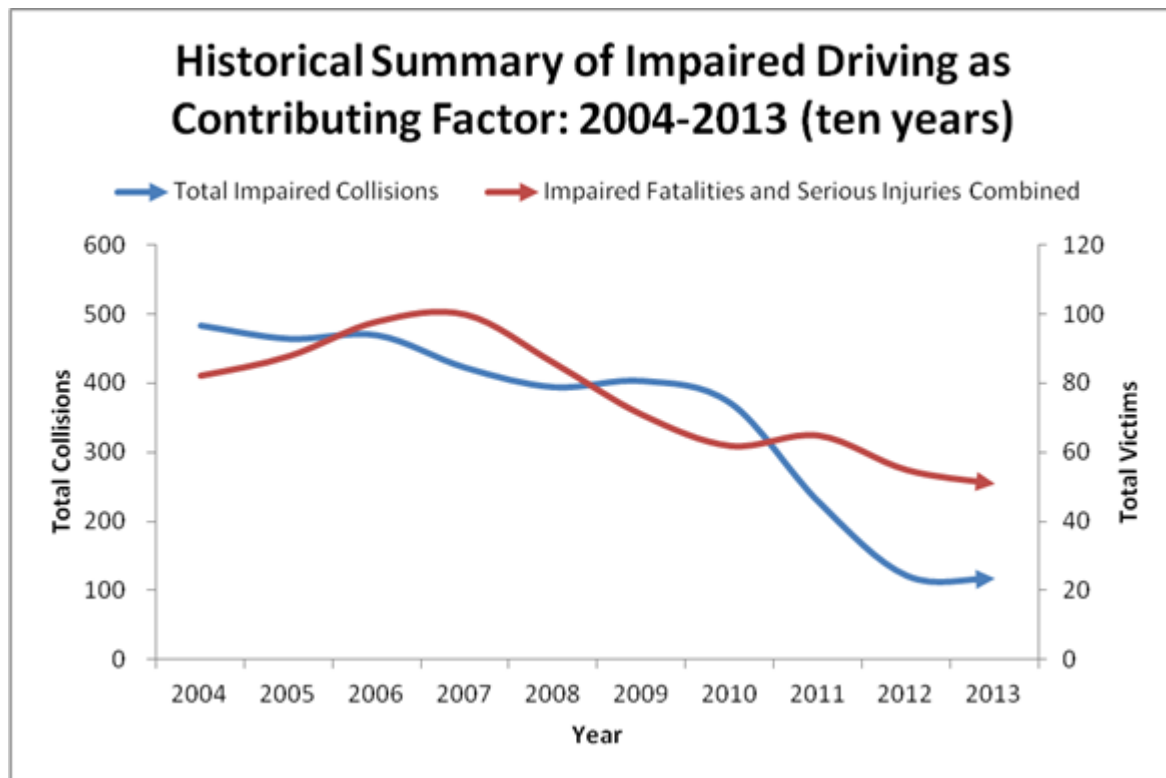
In 2014, police services from the RCMP, Winnipeg, Brandon, Dakota Ojibway, Rivers, Morden, Ste. Anne, Altona and Winkler participated in the Corporation’s RoadWatch Program.

Collectively, these agencies administered 327 enforcement events on 130 dates. Police agencies screened approximately 72,671 vehicles; provided 1,063.5 visibility hours; and issued 286 drinking and driving related offence notices.

In addition, police agencies issued 1,509 *Highway Traffic Act* offence notices and 267 other offence notices for non-impaired *Criminal Code* violations and violations under the *Drivers and Vehicles Act*, *Liquor Control Act*, *Controlled Drug and Substances Act*, *Off-Road Vehicles Act* and *Other*.

These results overlap with a general downward trend regarding collisions in Manitoba where impaired driving has been linked as a contributing factor⁴.

Chart 6.1 Historical Summary of Impaired Driving as a Contributing Factor



⁴ Manitoba Public Insurance. (2014). Traffic Collisions Statistics Report 2013

In terms of perceived risk of apprehension, Manitoba Public Insurance's topical poll results from January 2015 reveal nearly one in four **drivers** (25%) report seeing a roadside check in the past two months. These results are slightly higher than the 20% target identified as best practice for measuring program effectiveness. The same poll also revealed less than half of **drivers** (46%) thought it is likely for a drunk driver to be stopped by police, while one in three (32% of **drivers**) think the chances of a drunk driver being stopped by police have increased in the past two months.

Thus the perceived risk of being apprehended remains high in the eyes of the public, and when combined with enforcement results, continues to demonstrate the positive effect of the Road Watch program in addressing the issue of impaired driving in Manitoba.

Section Seven: Historical RoadWatch Program Review

Impaired driving continues to be a major concern for Canadians, with over 73% of respondents in the TIRF Road Safety Monitor 2014 – Drinking and Driving in Canada rating the issue as a very or extremely serious problem when comparing to other road safety issues.⁵ This is in addition to the 2011 TIRF survey results revealing that more than half of Canadians (65.0%) recognize the need for more visible police enforcement to address impaired driving, and in Manitoba, 79% of drivers support roadside checks as an effective way to discouraging drinking and driving in our province.

The Corporation's support of the RoadWatch program over the last twelve years has resulted in the following outcomes:

- 3,194 impaired driving check stops;
- 9,484 hours of high-visibility enforcement activity at roadside;
- 566,476 motorist contacts;
- 1,909 DWI actions;
- 20,169 Highway Traffic Act offences notices issued

On average, each year during this period, RoadWatch has resulted in 266 check stops, 47,206 vehicles screened, 1,681 HTA offences notices issued, and 159 DWI actions.

⁵ TIRF, The Road Safety Monitor 2014 – Drinking and Driving in Canada, December 2014, pg 8



**Manitoba
Public Insurance**

Enhanced Enforcement 2014 Distracted Driving Campaign Program Summary

Prepared by Road Safety Programming

May, 2015

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Executive Summary

Background

In April 2014, Manitoba Public Insurance partnered with law enforcement agencies across the province by providing funding to carry out an enhanced enforcement campaign focused on distracted driving.

Law enforcement agencies who were involved in this initiative, either through conducting enhanced enforcement, providing offence data or both included:

- RCMP
- Winnipeg Police Service
- Brandon Police Service
- Winkler Police Service
- Morden Police Service
- Rivers Police Service
- Altona Police Service
- Ste. Anne Police Service
- Dakota Ojibway Police Service

Enforcement activities were carried out through a variety of means by the various agencies involved with both on-duty and off-duty police officers. Enforcement methods included the use of:

- Check-stops
- Targeted enforcement through the use of “spotters” to observing oncoming traffic violations combined with “interceptors” ahead to stop offenders and take enforcement action
- Choke-points (targeting of key traffic areas with enforcement)
- Targeted location, roaming and general patrols

Key Highlights

- Manitoba Public Insurance provided a total of \$180,021.89 to six police agencies to conduct enhanced enforcement in April, 2014. This is the Corporation’s largest contribution to enhanced distracted driving enforcement to date reflecting the seriousness of distracted driving and demonstrates the Corporation’s commitment to working with its partners to address this issue.
- A total of 1,965 offence notices were issued for distracted driving during the campaign, up 7% compared to the 2013 (1,845) campaign. To date, a total of 5,486 distracted driving offence notices have been issued by law enforcement since the start of these collaborative campaigns in 2012.
- Distracted driving offences accounted for 72% of all traffic offences issued by law enforcement during the campaign.

- A total of 781 were issued for offences other than distracted driving (speeding, non-use of seatbelt, failure to stop est.), up 54% compared to the 2013 (506) campaign. To date, a total of 2,175 offence notices for offences other than distracted driving have been issued by law enforcement since the start of these collaborative campaigns in 2012.
- The April 2014 campaign saw a sum total (distracted + other) of 2,746 offence notices issued by law enforcement partners. This is a 17% increase compared to 2013 (2,351) and is the highest number of total offences issued since the start of these campaigns in 2012.

Introduction

Purpose of this Report

This report provides an overall summary of the activities and results associated with the April, 2014 distracted driving campaign in which Manitoba Public Insurance partnered with nine law enforcement agencies across the province to conduct targeted enforcement of legislation prohibiting the use of hand-operated electronic devices while driving.

Background

Research and public opinion have established distracted driving as one of Manitoba’s most important road safety challenges moving forward. On average, 28 people are killed in distracted driving collisions every year in Manitoba accounting for nearly one in every three crash victims (29.7%) killed on the road¹. Cellphone use while driving, the most common behaviour associated with distracted driving, is viewed as the most serious driving safety problem by almost nine out of ten (88%) Manitobans².

Manitoba’s Highway Traffic Act (HTA), was amended in July 2010 to prohibit drivers from using hand-operated electronic devices (including cell phones) while driving as a way to help address this issue. Drivers caught doing so by police receive a ticket of \$200 in addition to two demerits³.

As part of its unwavering commitment to road safety, Manitoba Public Insurance provided funding to police agencies to conduct a strategic traffic enforcement initiatives (Enhanced Enforcement) focused on distracted driving (specifically, use of hand-held devices while driving). Campaigns began in February 2012 and were continued in November 2013 and April 2014. The Corporation provided funding for special duty officers to carry out enforcement of cell phone/texting offences. The use of special-duty officers supplemented police-funded enforcement using on-duty officers over the same period. Overall the campaigns have been very successful in raising awareness of the dangers of distracted driving and increasing the perceived risk of apprehension.

In order to coordinate road safety efforts, MPI partners with the Manitoba Association of Chiefs of Police (MACP) to develop an Integrated Road Safety Awareness and Enforcement Calendar (see appendix for the full calendar). The purpose of this calendar is to ensure that, to the extent possible, the Corporation’s existing public awareness initiatives are aligned with enforcement initiatives to achieve maximum effectiveness in deterring unacceptable driving behavior. All Enhanced Enforcement efforts focused on distracted driving occur in alignment with the education and enforcement objectives identified by the calendar.

APRIL
Distracted Driving

Education & Awareness:

- **Ad Campaign:** TV, radio, outdoor, ad mirrors, online, media event (4 wks), MPI
- **High School Driver Education**
- **Community outreach by law enforcement**

Enforcement:

- **Enhanced distracted driving enforcement initiatives**

Figure 1: Distracted driving established as a priority for April 2014 in the Awareness and Enforcement Calendar.

¹ 2008-2012 averages obtained from the 2013 Manitoba Public Insurance Traffic Collision Statistics Report (2014). Manitoba Public Insurance. Winnipeg, MB.

² **Manitoba Public Insurance.** Hand-Held Cellphone Use While Driving: Topical Poll - Summary of Results for November 2013. Strategic Research. Winnipeg, MB : Manitoba Public Insurance, 2013.

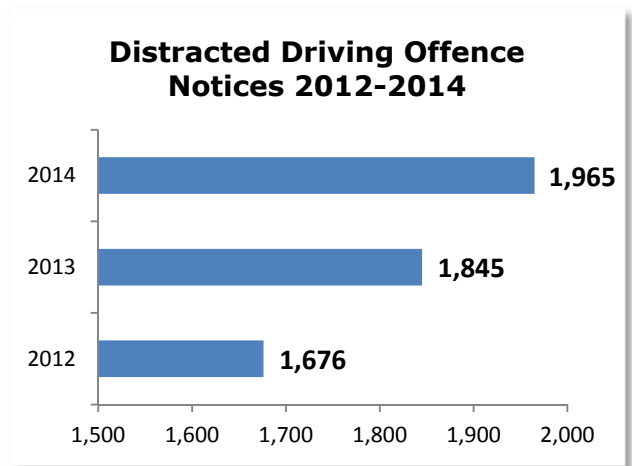
³ The loss of two demerits was introduced on August 1, 2013 by the government as a way to enhance existing distracted driving penalties.

Campaign Summary

Generally speaking, the result of the 2014 distracted driving campaign partnership with law enforcement partners was successful. The willingness of the nine different police services across the province to again carry out dedicated enforcement as a part of an overall effort to discourage distracted driving was encouraging.

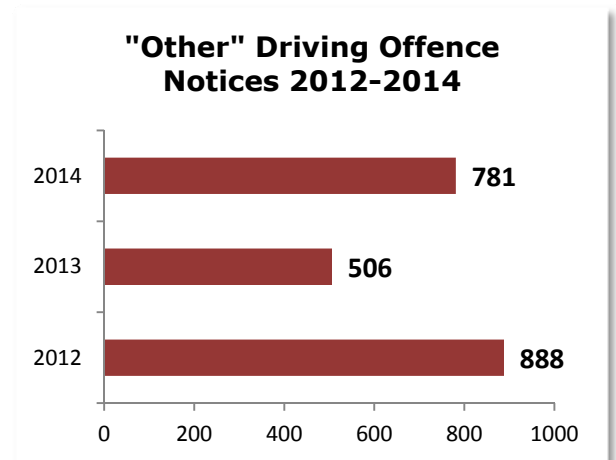
Distracted Driving Offences⁴

- The campaign saw 1,965 offence notices issued for distracted driving making up 72% of all offence notices issued for the duration of the campaign.
- The number of distracted driving offence notices in 2014:
 - Increased 7% compared to 2013 (1,845); and
 - Increased 17% compared to 2012 (1,676).
- There has been a combined total of 5,486 distracted driving offence notices issued by law enforcement partners since the start of these collaborative campaigns in 2012 (three years).



“Other” Offence Notices

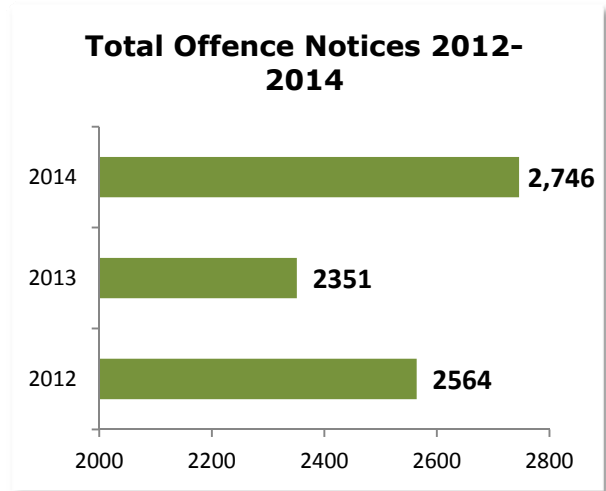
- There was a total of 781 offence notices issued by law enforcement during the 2014 campaign for offences other than distracted driving (speeding, non-use of seatbelt, failure to stop est.), making up 28% of the total offences issued.
- The number of offence notices issued for offences other than distracted driving in 2014:
 - Increased 54% compared to 2013 (506); and
 - Deceased 12% compared to 2012 (888).
- There has been a total of 2,175 offence notices issued for offences other than distracted driving by law enforcement partners since the start of these collaborative campaigns in 2012 (three years).



⁴ It is important to note that the 1,965 offence notices represents charges as opposed to convictions.

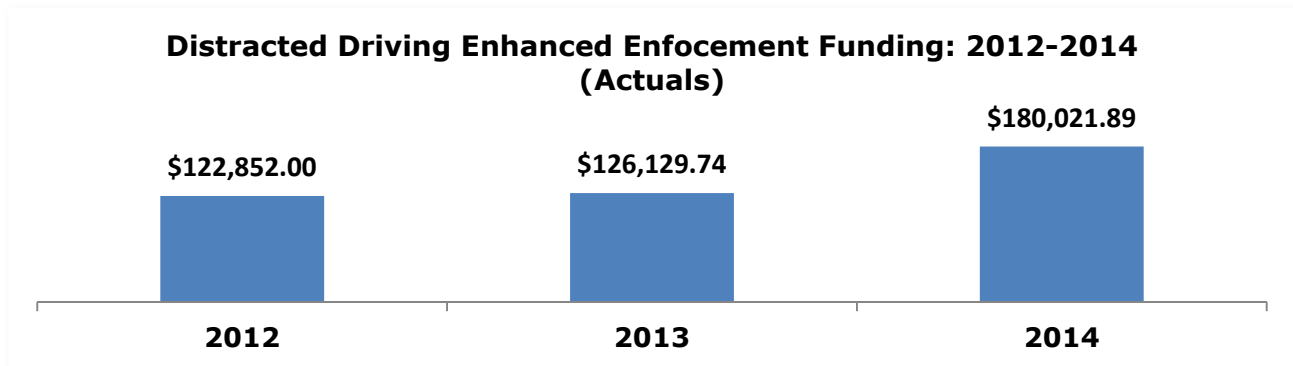
Total Offence Notices

- The 2014 campaign saw a sum total (distracted + other) of 2,746 offence notices issued by law enforcement partners. This represents the highest number of offence notices to date since the start of these campaigns in 2012.
- The total number of offence notices issued by law enforcement in 2014:
 - Increased 17% compared to 2013 (2,351); and
 - Increased 7% compared to 2012 (2,564).
- There has been a sum total of 7,661 offence notices issued by law enforcement partners since the start of these campaigns in 2012 (three years).



Campaign Funding

- Manitoba Public Insurance provided \$180,021.89 towards enhanced traffic enforcement targeting distracted driving in 2014. This funding was provided to law enforcement partners to cover the costs of their distracted driving enforcement efforts.
- The total funding for the 2014 campaign represents:
 - An increase of 43% compared to 2013; and
 - An increase of 47% compared to 2012.
- To date, Manitoba Public Insurance has provided \$429,003.63 in funding to law enforcement partners for enhanced enforcement campaigns targeting distracted driving. This represents a significant financial contribution on the part of the Corporation and reflects its continuing commitment to addressing this serious road safety issue.



Law Enforcement Agency Activities

RCMP

Manitoba Public Insurance and the RCMP entered into an Agreement to facilitate enhanced distracted driving enforcement from April 1, 2014 to May 31, 2014. Manitoba Public Insurance agreed to fund \$77, 168.10 for officers to conduct enforcement through the use of check-stops and roaming patrols in marked and unmarked vehicles throughout the province of Manitoba, in particular around Manitoba cities, towns and villages.

RCMP Offence/Budget Summary

Offence Category	Year			Total	Distracted Driving Offences as a % of Total Offences in 2014
	2012	2013	2014		
Distracted Driving Offences	121	50	182	353	50.3%
Other Offences	550	84	180	814	
Total Offences	671	134	362	1,167	

Distracted Driving - Contracted Budget	Distracted Driving - Actual	Difference (Budget to Actual)
\$77,168.10	\$72,280.72	-\$4,887.38

Winnipeg Police Service (WPS)

Manitoba Public Insurance and the WPS entered into an Agreement to facilitate enhanced distracted driving enforcement from April 1, 2014 to May 31, 2014. Manitoba Public Insurance agreed to fund \$75,000 for officers to conduct enforcement through the use of check-stops and roaming patrols in marked and unmarked vehicles and the use of “choke point” locations throughout the city of Winnipeg.

Winnipeg Police Service Offence/Budget Summary

Offence Category	Year			Total	Distracted Driving Offences as a % of Total Offences in 2014
	2012	2013	2014		
Distracted Driving Offences	1,343	1,652	1,660	4,655	80.3%
Other Offences	244	283	408	935	
Total Offences	1587	1935	2,068	5,590	

Distracted Driving - Contracted Budget	Distracted Driving - Actual	Difference (Budget to Actual)
\$75,000	\$71,389.07	-\$3,610.93

Brandon Police Service (BPS)

Manitoba Public Insurance and BPS entered into an Agreement to facilitate enhanced distracted driving enforcement from April 1, 2014 to May 31, 2014. Manitoba Public Insurance agreed to fund \$16,195.64 for officers to conduct enforcement through the use of check-stops and roaming patrols in marked and unmarked vehicles at locations throughout the city of Brandon. This work was carried out by off-duty police officers on various dates between April 1, 2014 and May 31, 2014.

Brandon Police Service Offence/Budget Summary

Offence Category	Year			Total	Distracted Driving Offences as a % of Total Offences in 2014
	2012	2013	2014		
Distracted Driving Offences	187	79	67	333	34.4%
Other Offences	91	71	128	290	
Total Offences	278	150	195	623	

Distracted Driving - Contracted Budget	Distracted Driving - Actual	Difference (Budget to Actual)
\$16,195.64	\$16,195.64	\$0.00

Winkler Police Service

Manitoba Public Insurance and the Winkler Police Service entered into an Agreement to facilitate enhanced distracted driving enforcement from April 1, 2014 to May 31, 2014. Manitoba Public Insurance agreed to fund \$8,000.00 for officers to conduct enforcement through the use of “spotters” to observing oncoming traffic violations combined with “interceptors” ahead to stop offenders and take enforcement action. In addition, targeted location, roaming and general patrols were scheduled throughout the city of Winkler.

Winkler Police Service Offence/Budget Summary

Offence Category	Year			Total	Distracted Driving Offences as a % of Total Offences in 2014
	2012	2013	2014		
Distracted Driving Offences	25	35	27	87	77.1%
Other Offences	3	12	8	23	
Total Offences	28	47	35	110	

Distracted Driving - Contracted Budget	Distracted Driving - Actual	Difference (Budget to Actual)
\$8,000.00	\$7,547.68	\$-452.32

Morden Police Service

Manitoba Public Insurance and the Morden Police Service entered into an Agreement to facilitate enhanced distracted driving enforcement from April 1, 2014 to May 31, 2014. Manitoba Public Insurance agreed to fund \$6,000.00 for officers to conduct enforcement through the use of “spotters” to observing oncoming traffic violations combined with “interceptors” ahead to stop offenders and take enforcement action in locations throughout the Town of Morden.

Morden Police Service Offence/Budget Summary

Offence Category	Year			Total	Distracted Driving Offences as a % of Total Offences in 2014
	2012	2013	2014		
Distracted Driving Offences	NA	22	26	48	57.8%
Other Offences	NA	14	19	33	
Total Offences	NA	36	45	81	

Distracted Driving - Contracted Budget	Distracted Driving - Actual	Difference (Budget to Actual)
\$6,000.00	\$5,886.18	-\$113.82

Rivers Police Service

Manitoba Public Insurance and the Rivers Police Service entered into an Agreement to facilitate enhanced distracted driving enforcement from April 1, 2014 to May 31, 2014. Manitoba Public Insurance agreed to fund \$6,722.60 for officers to conduct enforcement through the use of “spotters” to observing oncoming traffic violations combined with “interceptors” ahead to stop offenders and take enforcement action. In addition, targeted location, roaming and general patrols were scheduled throughout the Town of Rivers and the RM of Daly.

Rivers Police Service Offence/Budget Summary

Offence Category	Year			Total	Distracted Driving Offences as a % of Total Offences in 2014
	2012	2013	2014		
Distracted Driving Offences	NA	1	3	4	7.3%
Other Offences	NA	18	38	56	
Total Offences	NA	19	41	60	

Distracted Driving - Contracted Budget	Distracted Driving - Actual	Difference (Budget to Actual)
\$6,722.60	\$6,722.60	\$0.00

Non-Funded Agencies – Altona Police Service, Ste. Anne Police Service, Dakota Ojibway Police Service

Though Manitoba Public Insurance did not fund distracted driving enhanced enforcement with Altona, Ste. Anne and Dakota Ojibway Police Services, they did provide enforcement statistics for their distracted driving and “other” types of enforcement. The summary of their activities is below:

Altona Police Service Offence Summary

Offence Category	Year			Total
	2012	2013	2014	
Distracted Driving Offences	NA	3	NA	3
Other Offences	NA	24	NA	24
Total Offences	NA	27	NA	27

Ste. Anne Police Service Offence Summary

Offence Category	Year			Total
	2012	2013	2014	
Distracted Driving Offences	NA	3	0	3
Other Offences	NA	NA	NA	NA
Total Offences	NA	3	NA	3

Dakota Ojibway Police Service Offence Summary

Offence Category	Year			Total
	2012	2013	2014	
Distracted Driving Offences	NA	NA	NA	NA
Other Offences	NA	NA	NA	NA
Total Offences	NA	NA	NA	NA

Appendix 1: Distracted Driving Offence Notices by Police Agency: Three-Year Comparison (2012-2014)

Police Service	2012 Distracted Driving Offences	2013 Distracted Driving offences	2014 Distracted Driving offences	Total Distracted Driving Offences over 3 years
RCMP	121	50	182	353
WPS	1,343	1,652	1,660	4,655
BDN	187	79	67	333
Winkler	25	35	27	87
Morden	N/A	22	26	48
Altona	N/A	3	N/A	3
Rivers	N/A	1	3	4
Ste. Anne	N/A	3	0	3
Dakota Ojibway	N/A	N/A	N/A	N/A
Total	1,676	1,845	1,965	5,486
Police Service	2012 "Other" offence notices issued	2013 "Other" offence notices issued	2014 "Other" offence notices issued	Total "Other" offence notices issued
RCMP	550	84	180	814
WPS	244	283	408	935
BDN	91	71	128	290
Winkler	3	12	8	23
Morden	N/A	14	19	33
Altona	N/A	24	N/A	24
Rivers	N/A	18	38	56
Ste. Anne	N/A	N/A	N/A	N/A
Dakota Ojibway	N/A	N/A	N/A	N/A
Total	888	506	781	2,175
Police Service	2012 Total offence notices	2013 Total offence notices	2014 Total offence notices	Total offence notices issued
RCMP	671	134	362	1167
WPS	1587	1935	2,068	5,590
BDN	278	150	195	623
Winkler	28	47	35	110
Morden	N/A	36	45	81
Altona	N/A	27	N/A	27
Rivers	N/A	19	41	60
Ste. Anne	N/A	3	N/A	3
Dakota Ojibway	N/A	N/A	N/A	N/A
Total	2564	2351	2,746	7,661

Appendix 2: Distracted Driving Funding by Police Agency: Three Year Comparison (2012-2014)

Police Service	2012 MPI funding	2013 MPI funding	2014 Funding	MPI Total Funding
RCMP	\$20,000.00	\$19,774.12	\$72,280.72	\$112,054.84
WPS	\$78,400.00	\$75,000.00	\$71,389.07	\$224,789.07
BDN	\$21,945.00	\$16,912.00	\$16,195.64	\$55,052.64
Winkler	\$2,507.00	\$5,320.80	\$7,547.68	\$15,375.48
Morden	0	\$3,024.84	\$5,886.18	\$8,911.02
Altona	0	\$4,683.06	0	\$4,683.06
Rivers	0	\$1,414.92	\$6,722.60	\$8,137.52
Ste. Anne	0	0	0	\$0.00
Dakota Ojibway	0	0	0	\$0.00
Total	\$122,852.00	\$126,129.74	\$180,021.89	\$429,003.63



Enhanced Enforcement Summary (School Zone Program)



October 29, 2014

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Executive Summary

In September 2014, Manitoba Public Insurance (MPI) partnered with law enforcement agencies across the Province to conduct a Strategic Traffic Enforcement Program (STEP) focused on safety in school zones.

For this STEP initiative, MPI partnered with the Winnipeg Police Service (WPS), Brandon Police Service (BPS), Royal Canadian Mounted Police (RCMP), Morden Police Service and Winkler Police Service to conduct targeted traffic enforcement in school zones. MPI funding covered overtime wages of off-duty officers focused on school zone safety. The enforcement activities took place in school zones identified by the respective enforcement agencies and focused on infractions related to school zone safety (i.e. speeding, imprudent driving, distracted driving, disobey traffic control device, passing stopped school bus, etc.). In all cases, funded enforcement was supplemented by on-duty enforcement by participating agencies.

Rivers Police Service and Altona Police Service were not funded for this campaign, as they were not able to provide additional off-duty officers for enhanced enforcement, but they did commit to providing enhanced on-duty enforcement in school zones in their communities. They also agreed to share their results, which are included in this report.

Beginning in September 2014, municipalities were allowed to reduce speed limits in school zones. This STEP initiative also supported enhanced enforcement of these lower speed limits.

In total, MPI contributed slightly over \$57,000 between the five participating agencies. These agencies conducted 265 patrols, in 144 separate school zones throughout the Province, and issued 1,213 offence notices and 57 speed warnings. Of the offences and warnings issued, 995 or 78%, related to offences of particular importance to school zone safety (i.e. speeding, using a handheld device, disobey traffic signal, and passing a stopped school bus).

Introduction

In September 2014, MPI partnered with police agencies throughout the Province to conduct enhanced enforcement with respect to school zone safety. The goal of the enhanced enforcement program was to induce motorists to drive safely in school zones by combining intensive enforcement of a specific traffic safety law(s) with extensive communication, education, and outreach informing the public about the enforcement activity.

In most communities, the first two weeks of September featured increased awareness and communication around the topic of school zone safety, followed by targeted enforcement during the last half of September. Some agencies conducted enforcement activities during the entire month if they felt it was necessary in their communities, and if resources allowed. This enforcement activity aligned with the 2014 Manitoba Awareness and Enforcement Integrated Calendar, which will be discussed later in this paper.

This report will provide an overall summary of the activities undertaken by MPI and the participating law enforcement agencies.

Participating agencies – funded and non-funded:

MPI partnered with five law enforcement agencies - Winnipeg Police Service (WPS), Brandon Police Service (BPS), Royal Canadian Mounted Police (RCMP), Morden Police Service and Winkler Police Service - and provided funding for dedicated overtime enforcement hours to supplement increased on-duty enforcement activities focused on school zone safety. The enforcement activities took place in school zones identified by the respective enforcement agency and focused on infractions related to school zone safety. In all cases, funded enforcement was supplemented by on-duty enforcement by participating agencies.

Rivers Police Service and Altona Police Service were not funded for this campaign, as they were not able to provide additional off-duty officers for enhanced enforcement, but they did commit to providing enhanced on-duty enforcement in school zones in their communities.

Reduced speed limits in school zones:

Beginning with the 2014 school year, municipalities were allowed to reduce speed limits in school zones. In September 2013, the province proclaimed a law to allow municipalities to reduce the speed limits in school zones; to as low as 30 km/h where the speed limit is 80 (or less) km/h, and to as low as 50 km/h in 80 (or above) km/h zones. Municipalities can apply those limits, if, when and where they see fit, subject to meeting regulatory requirements including signage requirements.

Many municipalities, including the City of Winnipeg, modified speed limits in schools zones, effective September 2014. This initiative supported enhanced enforcement of these lower speed limits.

Integrated Awareness and Enforcement

In order to coordinate road safety efforts, each year MPI partners with the Manitoba Association of Chiefs of Police (MACP) to develop an integrated road safety awareness and enforcement calendar.

2014 Manitoba Awareness and Enforcement Integrated Calendar

The purpose of the integrated awareness and enforcement calendar is to ensure that, to the greatest extent possible, the Corporation’s existing public awareness initiatives are aligned with enforcement initiatives to achieve maximum effectiveness in deterring unacceptable driving behavior.

One of the main focus areas for September 2014 was Back to School safety. The calendar (below) identifies specific road safety issues and topics which are the focus of education, awareness, and enforcement activities for any particular month.

2014 Manitoba Awareness and Enforcement Integrated Calendar — Key Programs					
<p>JANUARY Speed</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: TV, radio, outdoor, online (Jan. 2 to Feb. 2), MPI High School Driver Education Community outreach by law enforcement <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted speed enforcement <p>Snowmobile Safety</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Radio – NCI (Nov. 18/13 to Mar. 16/14), MPI Snowmobile safety presentations — Safety Services Manitoba <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted trail enforcement 	<p>FEBRUARY Intersections</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: TV (Feb. 7 to 23), WPS Community outreach by MPI (Manitoba Driver) <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted red light and rural Intersection enforcement <p>Ongoing: Snowmobile Safety</p>	<p>MARCH Occupant Restraints</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Rural radio and targeted billboards (4 wks), MPI Child Car Seat Inspection clinics <p>Enforcement:</p> <ul style="list-style-type: none"> Semi-annual seatbelt observation survey and targeted enforcement <p>Ongoing: Snowmobile Safety</p>	<p>APRIL Distracted Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: TV, radio, outdoor, ad mirrors, online, media event (4 wks), MPI High School Driver Education Community outreach by law enforcement <p>Enforcement:</p> <ul style="list-style-type: none"> Enhanced distracted driving enforcement initiatives 	<p>MAY Impaired Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: TV (4 wks), radio (long weekends), outdoor (16 wks), ad mirrors (May to Sept.), MPI High School Driver Education MADD school assembly program Community outreach by law enforcement <p>Enforcement:</p> <ul style="list-style-type: none"> Enhanced (RoadWatch) Targeted (Canada Road Safety Week) <p>Cycling, Pedestrians</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Radio, transit, online (4 wks), MPI Cycling Champion workshops 	<p>JUNE Motorcycle Safety</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Radio, outdoor (4 wks), MPI Motorcycle training programs — Safety Services Manitoba <p>Speed</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: (TBD), WPS SpeedWatch Program <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted school zone enforcement Enhanced (RoadWatch) <p>Ongoing: Impaired Driving</p>
<p>JULY Impaired Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Radio (long weekends), outdoor, ad mirrors (May to Sept.), MPI <p>Enforcement:</p> <ul style="list-style-type: none"> Enhanced (RoadWatch) Targeted RCMP impaired driving enforcement (national) <p>ATV Safety</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Media event, MPI ATV and UTV safety presentations — Safety Services Manitoba <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted trail enforcement 	<p>AUGUST Distracted Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: TV, radio, outdoor, ad mirrors, online, media event (6 wks – mid Aug. to end Sept.), MPI High School Driver Education (Sept.) Community outreach by law enforcement <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted distracted driving enforcement <p>Impaired Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Radio (long weekends), outdoor, ad mirrors (May to Sept.), MPI <p>Enforcement:</p> <ul style="list-style-type: none"> Enhanced (RoadWatch) 	<p>SEPTEMBER Back to School</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Radio (2 wks, early to mid Sept.), MPI SpeedWatch in school zones <p>Enforcement:</p> <ul style="list-style-type: none"> Enhanced school zone enforcement initiatives <p>Impaired Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Radio (long weekends), outdoor, ad mirrors, MPI Mock Vehicle Collisions U of M SAID orientation week <p>Enforcement:</p> <ul style="list-style-type: none"> Enhanced (RoadWatch) <p>Ongoing: Distracted Driving</p>	<p>OCTOBER Occupant Restraints</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Rural radio and targeted billboards (4 wks), MPI Child Car Seat Inspection clinics <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted (Operation Impact) Semi-annual seatbelt observation survey and targeted enforcement <p>Impaired Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Ad mirrors (cont. from May), MPI TADD regional workshops <p>Enforcement:</p> <ul style="list-style-type: none"> Enhanced (RoadWatch) Targeted (Operation Impact) 	<p>NOVEMBER Wildlife</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Radio (3 wks, late Oct. to early Nov.), MPI Speed reader boards in high risk wildlife areas <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted speed enforcement in high-risk wildlife areas <p>Impaired Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Friends for Life Speaker Series National Day of Remembrance for Road Crash Victims <p>Enforcement:</p> <ul style="list-style-type: none"> Enhanced (RoadWatch) 	<p>DECEMBER Impaired Driving</p> <p>Education & Awareness:</p> <ul style="list-style-type: none"> Ad Campaign: Operation Red Nose (late Nov. to Dec.), MPI/Safety Services High School Driver Education Operation Red Nose <p>Enforcement:</p> <ul style="list-style-type: none"> Targeted (Holiday Checkstop Program) <p>Additional Support</p> <p>All key programs listed are supported by CTV 60-Second Drive, Q108 Traffic Tips and/or Winnipeg Free Press Driving Tips. Opportunities to raise awareness of these programs will also be included in advertising with the Winnipeg Jets, Winnipeg Blue Bombers and sponsorship activities as appropriate.</p> <p>Note: Targeted Enforcement — funded by Manitoba Police Agencies Enhanced Enforcement — funded in whole or in part by Manitoba Public Insurance</p>

MPI's Efforts

The Corporation ran a two-week radio campaign, aired two 60-Second Driver segments, published driving tips in the Winnipeg Free Press, and aired traffic tips on CJOB radio which all focused on back to school safety, including safety within school zones. Public website materials and driver education curriculum were also updated to reflect the presence of reduced speed limits in some municipalities.

In an effort to reinforce these education and awareness activities and bolster enforcement initiatives, the Corporation provided funding to the participating enforcement agencies to conduct additional enhanced enforcement in school zones.

Law Enforcement Efforts

As part of the enforcement strategy related to back to school safety - and the introduction of reduced speeds in school zones - law enforcement agencies focused their attention on infractions related to speeding and school zone safety (including using a handheld device, disobeying a traffic control device, and passing a stopped school bus).

In all cases, participating agencies agreed to supplement this enhanced enforcement funding of off-duty officers with their regular on-duty officers for greater coverage and impact within their communities.

Agency Agreements and Activity

Winnipeg Police Service

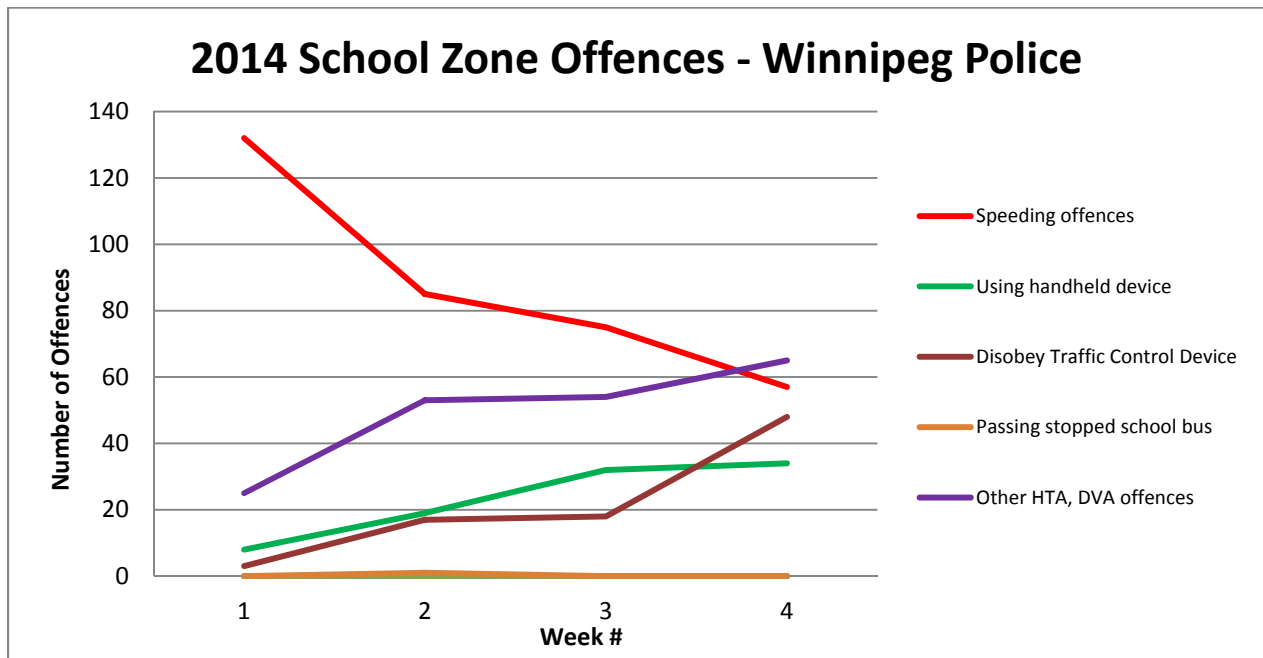
MPI and WPS entered into an Agreement to facilitate enhanced school zone enforcement for 20 weekdays, from September 3 to September 30th, 2014 inclusive. MPI agreed to fund up to \$18,000 for off-duty police officers to conduct targeted traffic enforcement.

On September 3rd, 12th, 17th and 26th, WPS would assign four on-duty police officers to perform enforcement work for the duration of their shift from 7:00 am to 5:00 pm. For the remaining sixteen (16) weekdays, WPS would assign two (2) off-duty police officers to perform the enforcement work from 8:00 a.m. to 2:00 p.m., Monday to Friday; and two (2) on-duty police officers to perform enforcement work for the duration of their shift from 7:00 am to 5:00 pm. This dedicated enforcement supplemented regular duty officers who also patrolled school zones as their duties permitted.

During the campaign, WPS ran 158 different events and covered 89 different school zones. Approximately 36 schools were patrolled more than once during the campaign. During this enhanced enforcement period the WPS issued 785 provincial offence notices, of which 566 related to offences of particular importance to school zone safety (speeding, using a handheld device, disobey a traffic control device, passing a stopped school bus). Of the offence notices issued - speeding (375), using a handheld device (101) and disobeying a traffic control device (89) were by far the most common offences, representing 47%, 13% and 11% of the offences respectively.

Of note, Winnipeg Police Service was one of the few agencies that conducted enforcement during each week in September. Initially, speeding offences were very frequent; however, as the campaign progressed, speed offences declined significantly, while other HTA offences increased.

These results may show a positive impact communication and awareness efforts, coupled with enhanced enforcement in school zones, resulting in drivers altering their behavior and reducing their speed. Then, while attending a check stop, officers were able to look for other HTA violations and offences related to school zone safety. Other offences, such as using a handheld device or disobeying a traffic control device, continued to increase as the weeks progressed.



Brandon Police Service

MPI and BPS entered into an Agreement to facilitate enhanced school zone enforcement for 7 days from September 22nd to September 30th, 2014 inclusive. MPI agreed to fund approximately \$12,000.00 for four off-duty police officers to patrol for 4 hours each day, during the 7 day campaign. BPS also agreed to assign three on-duty police officers to perform school zone enforcement for fourteen 4-hour shifts on school days in the month of September.

During the 7-day campaign the BPS accumulated 35 check stops and patrolled 18 different school zones. As a result of the enhanced enforcement, 140 provincial offence notices were issued, 127 (90%) of which related to offences of particular importance to school zone safety. Speeding offences (121) were once again the most common offence during this campaign representing 86% of all offence notices issued.

RCMP

MPI and the RCMP entered into an Agreement to facilitate enhanced school zone enforcement from September 15th to September 30th, 2014 inclusive. MPI agreed to fund up to approximately \$20,900 for off-duty police officers to patrol school zones in Selkirk, Carmen, Gimli, East St. Paul, East District Traffic, West District Traffic, Thompson and Portage La Prairie.

During this campaign the RCMP accumulated 45 check stops and patrolled 26 different school zones. As a result of their enhanced enforcement, 242 provincial offence notices were issued, 215 (89%) of which related to offences of particular importance to school zone safety. Speeding offences (165) were once again the most common offence during this campaign representing 68% of all offence notices issued, while speed warnings followed at 14%.

Morden

MPI and the Morden Police Service entered into an Agreement to facilitate enhanced school zone enforcement from September 5th to September 25th, 2014 inclusive. MPI agreed to fund up to \$4,960 for off-duty police officers to conduct targeted enforcement on September 5th, 11th, 12th, 15th, 18th, 19th, 23rd and 25th. One officer would patrol between the hours of 8:00 am – 5:00pm. In addition, one regular on-duty police officer would patrol school zones during the same shift.

During the campaign the Morden Police Service issued 42 offence notices, 29 of which related to offences of particular importance to school zone safety. Speeding offences were once again the most common offence during this campaign representing 29% of all offence notices issued, while using a handheld device and disobey a traffic control device followed at 12% respectively.

Winkler

MPI and the Winkler Police Service entered into an Agreement to facilitate enhanced school zone enforcement over ten (10) school days between September 8th and September 30th, 2014. MPI agreed to fund up to \$5,000 for off-duty police officers to conduct targeted enforcement on school days during the campaign. One officer would patrol between the hours of 8:30am – 4:00pm. In addition, the Agreement called for one regular duty police officer to supplement the initiative by conducting school zone enforcement over the same days and shift times.

During the campaign the Winkler Police Service issued 42 offence notices, 40 (95%) of which related to offences of particular importance to school zone safety. Speeding offences (36) were overwhelmingly the most frequent offence during this campaign representing 86% of all offence notices issued.

Non-Funded Agencies – Altona Police Service and Rivers Police Service

Though MPI did not fund enhanced enforcement school zone with Rivers Police Service and Altona Police Service, they did provide enforcement statistics for their school zone enforcement. In Altona, they issued 15 speed warnings, 1 using a handheld device ticket, and one seat belt infraction. In Rivers, they only issued 2 speed warnings.


Results Summary

The results of the school zone enhanced enforcement program are summarized in the following tables. Altona Police Service and Rivers Police Service, also conducted enforcement in school zones in their communities, and although their offence numbers are included, the number of check stops and schools monitored, were not tracked.

The initial budget for the program was \$61,505, based on initial proposals from all participating agencies. Other than Winnipeg Police Service, each agency stayed within a few hundred dollars of their initial proposal. Of note, WPS was unable to conduct as many check stop locations as they had planned as police resources were required elsewhere, namely the opening of the Canadian Museum for Human Rights (CMHR) in Winnipeg.

School Zone - Budget vs Actual:

Agency	Budget	Actual	Difference (Actual vs Budget)
RCMP	\$20,910.00	\$20,034.48	-\$875.52
Winnipeg	\$18,000.00	\$13,386.56	-\$4,613.44
Brandon	\$12,635.00	\$12,648.31	\$13.31
Morden	\$4,960.00	\$5,748.97	\$788.97
Winkler	\$5,000.00	\$5,387.74	\$387.74
Altona			
Rivers			
Total	\$61,505.00	\$57,206.06	-\$4,298.94

 Stats Only, no funding requested

This enhanced enforcement funding in school zones resulted in 265 check stops occurring in 144 different school zones across the province. Winnipeg Police conducted the most check stops (158), and covered the majority of schools that were patrolled (89), of which 36 schools were patrolled more than once. In rural Manitoba, the majority of schools were patrolled more than once, during the campaign.

School Zone – Number of check stops and school zones patrolled:

Agency	# of Check Stops	# of School Zones
RCMP	45	26
Winnipeg	158	89
Brandon	35	18
Morden	10	5
Winkler	17	6
Altona	N/A	N/A
Rivers	N/A	N/A
Total	265	144

Offences Summary:

Agency	Speeding offences	Speed Warnings	Imprudent Driving	Using handheld device	Disobey Traffic Control Device	Passing stopped school bus	Other HTA, DVA offences	Total Offences
RCMP	165	34	1	12	3	0	27	242
Winnipeg	375	0	0	101	89	1	219	785
Brandon	121	0	3	2	0	1	13	140
Morden	12	6	1	5	5	0	13	42
Winkler	36	0	1	1	2	0	2	42
Altona		15		1			1	17
Rivers		2						2
Total	709	57	6	122	99	2	274	1,270
	55.8%	4.5%	0.5%	9.6%	7.8%	0.2%	21.7%	100.0%

In summary, MPI and its police partners raised awareness about school zone safety by supplementing regular traffic enforcement with dedicated and targeted enforcement. In total MPI partnered with seven law enforcement agencies across the Province and contributed \$57,206.06 towards the overtime costs associated with two enhanced enforcement initiatives.

In turn, the enforcement agencies provided dedicated traffic enforcement in school zones within their communities resulting in 1,213 offence notices and 57 warnings being issued, with 995 or 78% which were directly related to school zone safety.



Road Safety Programming Department

2014 Friends for Life Evaluation Report

May, 2015

Introduction

Manitoba Public Insurance (MPI), in partnership with the Manitoba School Boards Association (MSBA), developed the “Friends for Life” speaker series in 2011 to target high school students with presentations from speakers who had been deeply impacted by impaired driving.

For the November 2014 Speaker Series a total of 37 presentations were delivered over a four-week period from November 3rd to 25th, 2014. Building on the success of the prior speaker series, the November 2014 series focused on schools in Winnipeg and southern Manitoba. Once again, First Nations schools in the area were identified and offered a speaker presentation.

The series featured two professional speakers and one local amateur speaker. The local amateur speaker, Brent Thibert, visited schools in smaller communities outside Winnipeg during the first week of the program (November 3rd to 7th). The two professional speakers, Kevin Brooks and Greg Drew, presented during the final three weeks of the program and visited larger schools in Winnipeg and surrounding areas.

A formal media event was conducted with Drew as the Keynote speaker on November 12th, at Miles MacDonnell Collegiate. Dignitaries from Miles Macdonnell School, the local School Board, Winnipeg Police Service, Royal Canadian Mounted Police, Mothers Against Drunk Driving (MADD) Manitoba and MPI were in attendance.

Speaker	Dates	# of Presentations	Est. Audience
Brent Thibert	November 3-7	7	1420
Kevin Brooks	November 12-21	15	8800
Greg Drew	November 12-25	15	6395
Total		37	16,615

The Friends for Life series debuted in February 2011, with subsequent offerings in November 2011, May 2012, November 2012, November 2013 and this year, November 2014.

This speaker series attempts to impact this hard to reach target demographic with compelling, personal, and peer-to-peer stories about the risks and consequences of impaired driving and other illegal or dangerous driving behaviours. Consistently, the professional and local amateur speakers retained for these series have been well received by students and educators, and evaluation survey results indicate that the presentations contribute to helping students understand the need to make responsible decisions related to impaired driving.

The series also provides an opportunity for MPI to provide visible support to “Teens Against Drunk Driving” and “Teens Against Destructive Decisions” (TADD) programs throughout Manitoba. The Corporation has worked collaboratively with the MSBA, whose Risk Management department is responsible for TADD and SafeGrad initiatives, to identify and

target participation of schools with active TADD groups and schools that could benefit from one. To help raise the profile of TADD, each presentation includes a pre-presentation introduction from TADD members or other student leaders, and a TADD pop-up display banner. Schools are also given a pledge banner with TADD messaging on it, which gets signed by students after the presentation and hung in the school, and pledge cards which students can give each other, committing to not drink and drive.

The table below provides a summary of all the Friends for Life tours that have been conducted since its inception. The first few were tried at different times of year, with November emerging as the best choice as it aligns with the National Day of Remembrance for Road Crash Victims (third Wednesday of each November), and it does not interfere with any busy times of year for schools (exams, holidays, end of year, etc.).

Date	Number of schools	Number of presentations	Estimated total audience	Cost
February 2011	29	41	8,300	\$32,299.90
November 2011	43	46	15,270	\$47,557.68
May 2012	8	8	3,300	\$8,443.52
November 2012	45	49	22,495	\$41,806.08
November 2013	41	49	16,820	\$37,648.37
November 2014	35	37	16,615	\$35,434.15
Total	201*	230	82,800*	\$203,189.70

*Visiting the same schools in different tours results in some overlap in both schools and audience members

The 201 schools visited includes 108 unique schools, 59 of which have been visited just once, 32 have received two presentations, 18 schools have received three presentations, six have received four presentations, and two have been visited five times.

Many of the schools that have only been visited once are in rural or northern areas of the province that are more difficult to visit and represent a higher cost-per-student to visit. However, these areas may be even more important to visit than the easily accessible schools in Winnipeg with large student populations, as speeds in rural areas are higher and collisions tend to lead to more serious consequences.

Visiting schools and areas of the province that have not recently had presentations should remain a consideration in planning future Friends for Life programming.

Evaluation

Until the 2014 Friends for Life tour, the faculty contact at each school was given an envelope containing 30 feedback questionnaires, and was asked to have one classroom fill out the survey and mail it back to the Road Safety department for tabulation. This method limited the number

of students who could provide feedback, and still generated considerable data entry requirements within the Road Safety department.

For the 2014 tour, after consultation with resource teachers, a decision was made to switch to electronic surveys via Fluid Surveys in order to generate instant data and potentially increase the number of student who submitted feedback. A mobile-friendly survey was created using similar questions to the previous paper-based surveys, but the scale was changed to a ten-point scale. A shortened, custom link to the survey was distributed to the speakers, who were asked to display it at the end of their presentation and encourage the students to visit the site and provide feedback.

The move to online surveying did not increase the volume of feedback received. In the case of Thibert, who spoke at seven schools, only five feedback surveys were completed, and all were from the same school where the resource teacher was sent the link directly and asked to encourage students to fill it out. This leads us to believe that there may have been some error displaying the link. Because MPI staff did not attend his presentations, it is difficult to pinpoint the exact cause of the low response rate.

Response rates for Brooks and Drew were better, although not as high as originally expected. Response volumes were below those from the previous paper surveys, even though there were many more potential respondents. Despite the lower responses, a reasonable sample was collected for each of them. The results of these surveys are in the table below.

Question	Kevin Brooks (n=50)	Greg Drew (n=108)
Overall, this presentation was: (1 = poor, 10 = excellent)	9.32	9.1
This Speaker...		
Was clear and easy to understand	9.18	9.29
Held my attention	9.06	9.43
Knew what he was talking about	9.6	9.41
Described situations I could relate to	7.18	7.48
BEFORE seeing this presentation, how likely would you have been to drink and drive, or ride with a driver who had been drinking? (1 = very likely, 10 = very unlikely)	8.44	7.51
AFTER seeing this presentation, how likely would you have been to drink and drive, or ride with a driver who had been drinking? (1 = very likely, 10 = very unlikely)	9.34	9.08
Today's presentation makes me want to be a safer driver and passenger (1 = strongly agree, 10 = strongly disagree)	9.3	9.36

The results show that respondents had favourable impressions of both presenters. Feedback survey results have been similar for most of the Friends for Life speakers over past few years. Although the scale is different and the questions changed slightly, the overall ratings for the speakers from November 2013 in the tables below are similar:

Speaker	Average Rating (1-4):					
	1. Overall quality of presentation	Today's Speaker:				
		2. Was clear and easy to understand	3. Held my attention	4. Knew what they were talking about	5. Described situations the audience could relate to	6. Properly answered questions
Kevin Brooks	3.71	3.59	3.62	3.68	3.60	3.53
Joan Parsons	3.47	3.49	3.35	3.63	3.46	3.40
Brent Thibert	3.43	3.60	3.34	3.67	3.32	3.46
Kristyne Phillips	3.43	3.38	3.38	3.47	3.30	3.34

Written feedback on the surveys has also been very positive in the past, with few criticisms or suggestions for improvement. Appendix One contains the feedback comments for both Brooks and Drew from the November 2014 surveys. The feedback was mostly positive, but there were some people who took exception to Drew's presentation style.

Drew is a retired firefighter whose son died from injuries sustained in a crash caused by excessive speeding. He shares many stories from his time as a first-responder, but also brings a lot of emotion (both grief and frustration) to his presentation because of his personal connection to the issues. He is also blunt at times when discussing what young drivers need to do to be safer in general, which can translate as telling the audience what to do.

Many respondents appreciated his presentation style because it was blunt and honest and they felt that was what students needed to hear, but some felt that it was too abrasive. About nine percent of all respondents made comments with concerns about his presentation style.

Focus Groups

Purpose

No Friends for Life no presenter has ever been rated at less than 83.5 percent (3.34 out of four) for the overall quality of their presentation, with the average closer to 3.6 out of four, or 90 percent.

Vast differences in perceived quality of presentations (through the perception of MPI staff) was not found in survey responses, with only a few percentage points of difference in satisfaction

on follow-up surveys. The tendency for students to rate any presentation they see very highly in surveys, together a desire to determine if presentations have a longer term impact on people who participate, led the Road Safety department to conduct follow-up focus groups with students who had seen the presentations.

Method

The focus groups took place in early April 2015; five months after the students had seen the presentations. This was done in order to gauge students' long-term retention of the presentation content. One school per presenter was selected to participate, and arrangements were made with either the principal or resource teacher who had been the main contact when scheduling the Friends for Life tour.

The focus groups targeted schools in rural areas because transportation options are limited to student who choose to not drink in drive (ie: taxi services and public transit) and because collisions in rural areas are commonly more severe due to higher speeds and road conditions. Focus groups containing six to 12 students and were required to have been present for the presentation. Meetings lasted one hour.

Focus groups took place at Sanford Collegiate where Brooks had presented (six females, one male), at Landmark Collegiate, where Thibert had presented (three males, three females), and at Niverville Collegiate, where Drew had presented (three males, two females).

Results

Students were questioned about three general categories: recall of the speakers and their presentations, affect on the attitude and behaviour of the participants and their peers, and other attitudes and opinions towards driving behaviours.

Recall of the speakers and their presentations

Students who saw Brooks' presentation had by far the greatest recall of both the speaker and his presentation. He uses videos of himself skateboarding as a teenager to begin his presentation, which gives him an instant and memorable connection with his audience. His tattoos, interest in metal and punk music, and social media savvy (Instagram, Twitter, Facebook, and his website/blog) make him interesting and accessible to teens.

(Brooks) Participant 1: "I like I connected with him because on his like wheelchair were all these band like stickers"

Participant 2: "Yeah. He liked metal so I was jacked about that"

(Brooks) Participant 3: "And he also has like social media too, so you can like connect with him too with that. Like Instagram and Twitter"

(Brooks) Participant 1: "He's not that much older than us, like, he looks young and stuff so it was easier..."

They also appreciated his presentation style and its applicability to youthful audiences.

(Brooks) Participant 2: “And he had a sense of humour, you know. He had a sense of humour and he told jokes that weren't like catering to the teachers. And he wasn't like tiptoeing around them, you know.”

(Brooks) Participant 3: “Like when you make a presentation to high school students specifically you need to talk to them in a certain way. You cannot talk to them like you're going to present -- pitch an idea in front of a business. Like it's completely different. And so he was good about that I found.”

Even though the students had trouble recalling some of the specific details of Brooks' story, the main message was very clear: he had been drinking and driving and crashed, killing his friend and leaving him permanently disabled.

The remaining two speakers were less memorable personalities with students in Niverville, who were unable to remember the name of the speaker, and students in Landmark needing to think for a few moments before one of them recalled Thibert's name. Students not have any trouble recalling the actual presentations. They also appreciated a live, in-person presentation.

(Drew) Participant 1: I really thought that one was like -- like there's always those MADD ones that come, like mom's against drunk driving and stuff. But I thought this one spoke to us more. I thought it was more serious and like how he had like personally been affected too.”

(Drew) Participant 2:” Yeah. I agree with what he said how I think this presentation affected us more because he didn't hold back when he was talking to us. He didn't like make the words all nice and soft sounding. He just kind of told his story. And because it was his story and you could see the emotion on his face that it touched everybody else.”

(Thibert) Participant 1: “Well, the guy was presenting, he said -- I remember that through drinking and driving he ended up in an accident and killed his best friend. Now he has a criminal record. And with that it's hard to get a job, or cross the border, go to other countries. Just has a very negative effect on your life. And it's very eye-opening.”

(Thibert) Participant 2: “I was amazed at how such -- like just one small mistake turned into like the death of his best friend.”

(Thibert) Participant 3: “I think it was really impacting that may of people do drink and drive but they don't realize the consequences when they're doing it. And then this is just kind of more encouraging not to drink and drive.”

(Thibert) Participant 4: “I think he was very straight up and I liked that about it because there's so much sugar-coating of situations. And he kind of just said exactly what happened. And there was no like I don't know, making it more positive, 'cause it's not. Like he just kind of said it's -- I don't know, he was just very straight up about it and that was good.

It had been five months since they saw the presentations, but students had reasonably good recall of the topics covered in the presentations, the lessons of the stories, and even who the presenters were (even if they had trouble recalling Drew's name).

Because of the comments on feedback surveys taking issue with Drew's presentation style, students were also asked how they felt about it:

(Drew) Participant 1: "I think it was really good because there are always those kids in those presentations that think they're too cool for life. And just -- like they don't listen to anything. And they're like, "Oh, I'm not going to pay any attention." But when he was more aggressive I think everybody had a little more respect for him 'cause he's like, "Okay. This is real and you guys need to listen to this. It's not just another presentation. Like this happens and you guys need to be careful about it."

(Drew) Participant 2: "I liked it because he didn't like sugarcoat anything. Like he didn't make us feel good 'cause it's not a nice subject that he lost his son. And I think it was more impacting on it."

Impact of presentations on participants and their peers

There was unanimous agreement amongst participants that the presentations were worthwhile to bring to their schools. Participants were also in general agreement that awareness about impaired driving is high and there is a negative stigma attached to it, but Friends for Life presentations are effective tools to remind students that it is still a problem, and that serious road safety consequences continue because of it.

Students who saw Thibert's presentation:

(Thibert) Participant 1: "Honestly, if we weren't educated about the like drinking and driving, like we wouldn't think it was a bad thing, right? So like it's good that you're educating people. However I do think that most people go into the presentation knowing that drinking and driving is bad, and that might just be from previous presentations. Like I know that we had a presentation the year before also. I think it's good to keep educating people."

(Thibert) Participant 2: "And every time you hear another story it's kind of just like hits home another time that it happens so often still. And we kind of think nowadays that like most of us know not to drink and drive. And can just -- like there's so much encouragement into not drinking and driving so that you are all like, "No, you're not going to drink and drive." But every time you hear a story it's like it's still happening. And you still need to make sure it doesn't happen."

(Thibert) Participant 1: "Yeah. It kind of reinforces that."

(Thibert) Participant 3: "Whenever I hear about like stories, it's just like it brings the emotional. So once you bring someone's emotions into it it like really impacts you and like encourages you again not to drink and drive."

(Thibert) Participant 4: "I already have strong feelings for it, but story after story my feelings for it get stronger and stronger."

Students who saw Drew's presentation had similar reactions:

(Drew) Participant 1: "Well, like she said, it was really when you walked away. It was like a slap in the face. Like not in a bad way, but reality just kind of hit. And I definitely thought about like family members that I know that don't necessarily always drive super safely. And I wish that they had been at

the presentation so that they could kind of get what I got out of it. And maybe, you know, change their habits.”

(Drew) Participant 2: “Well, some of my friends, we definitely talked about how we drive. ‘Cause like sometimes we -- we all don't drive in the safest manner. But after that we saw like what can happen. And like kind of became more real to us that our driving, like speeding for example, could like end one of our lives or our friend's lives. So I think it really hit us.”

(Drew) Participant 3: “Yeah, I think it's affected some of my friends. Especially the fact that when they do let's say start to speed and then they realize that if they were to be in an accident then the impact it would have on their family and friends would be a devastation that they didn't want to cause. So I think that really affected them.”

Students who saw Brooks' presentation gained a new perspective by seeing him using his wheelchair in person:

(Brooks) Participant 1: “But I think it was an eye opener to see someone who was affected by that because I've never actually -- I've known a lot of people to drink and drive, but I've -- they haven't been in any accidents with it. But to see someone who was in one...”

(Brooks) Participant 2: “I think more for me was that changed my view on how like when you see like people who are like, “Oh, they just can't get walk.” It's like oh. But then there's this whole -- mention the whole hospital thing and all the other stuff he had to go through. That was probably my like how much worse it actually is.”

(Brooks) Participant 3: “Kind of shows how easy it is to lose like everything, right? Like he was able to skateboard before and stuff and he just lost it in the blink of a second.”

While all the students who participated were in agreement that these types of presentations were helpful because they continued to keep impaired driving in the front of people's minds, they agreed that there are some people who do not seem to accept the message, and will likely continue with dangerous behaviours until it impacts themselves or someone close to them. They operate with an “it's not going to happen to me” mentality and do not adjust their behaviour regardless of how many times they hear the message. Students did not have any suggestions for how to reach these types of drivers.

Other thoughts and opinions related to driving

After hearing their feedback about the presentations and how they had affected them and their peers, the students were asked if there were any other driving-related issues they had concerns about or saw as problems.

At two of the schools, distracted driving was cited as a major issue, with some students saying it is a bigger problem than impaired driving, which echoes some the findings of MPI's opinion surveys of Manitobans,

(Brooks) Participant 1: “I see texting -- regardless of this law being made, it happens. I work in a business where we use our GPS. And the girls are always on their phone. I'm not driving, but they're always on their phone. They're on their Instagram when they're driving and it's just like it's -- honestly texting, I think for high school, has been more of a problem than drinking and driving lately.”

(Brooks) Participant 2: "Mm-hmm. And it seems like it's such a misdemeanour to."

(Brooks) Participant 3: "Yeah. I'm on the highway, there's no police around, it's okay to go on my Twitter. Like I can't even have my phone near me when I drive. Like I think texting is a bigger deal now than just drinking to be honest."

(Drew) Participant 1: "I think distracted driving is one. I think a lot of people don't listen to the whole don't look at your cell phone while you're driving thing. Like a lot of people are like, "Oh, I got a text." And then they just pick up their phone while they're driving and like answer it. Or do something on their phone."

(Drew) Participant 2: "Well, he said like how you should like you shouldn't even be able to see your phone or hear it. You should just like hide it away. Like other than like the glove box and like the passenger's seat. Or way in the back somewhere where you can't get a hold of it."

Interviewer: "Does that seem like a practical message? Or do kids just want to have their phone in reach all the time?"

(Drew) Participant 2: "I think kids always want to have their phone within their reach. As much as you probably shouldn't, but I feel like everybody just wants to be like in the know I guess. They want to know what's going on all the time and stuff, so..."

Drug-impaired driving was not cited as a topic of concern at two of the schools, but students who saw Brooks's presentation were quite willing to share their thoughts on it. They all realized that impaired driving also included illegal and prescription drugs, but said some of their peers did not.

(Brooks) Participant 1: "Yeah. I know a lot of people think it's okay to drive all high because -- like they feel like they have that thrill almost."

(Brooks) Participant 2: "Like I dated a guy who smoked a lot of pot and he thought it was okay to drive high. And I thought he was so stupid 'cause he said, "Well, it just makes me really calm. It's not driving impaired."

There was also discussion with two of the groups about what a person should do when they see or suspect someone of driving impaired. There was agreement that a program encouraging people to call 911 to report them would be a good idea, as long as it was not abused. Two participants who worked in a gas station especially liked the idea because they see people they suspect to be impaired quite frequently, but feel powerless to do anything about it.

There was consensus that television commercials are less effective than they used to be because most people use their digital video recorders to skip through them. Participants in separate groups did, however, have unaided recall of the Mothers Against Drunk Driving commercial which places beer glasses on the dash of a car, gradually impairing the driver's vision until they crash.

Students were also in agreement that using social media to encourage better driving behaviours would be a good idea (one person mentioned that having something show up in her Twitter feed would be a good reminder), but none could recall seeing anything, aside from one person who said someone had shared a 60-Second Driver video on Facebook.

Conclusion

Based on the results of both the surveys and the focus groups, delivering in-person presentations to high schools school students about the potentially tragic consequences of impaired driving is a continues to be a valuable and meaningful programming tool, worthwhile use of MPI's time and resources. Survey respondents consistently rate the presentations very high in overall satisfaction, with few, if any, stated criticisms.

When planning future Friends for Life initiatives, attention should be paid to what schools or areas of the province have not been visited recently. There are 319 secondary schools in Manitoba¹. Although 108 unique schools have been visited by Friends for Life, there are opportunities to reach many more Manitoba students. Planning should also include cross-referencing with the list of schools which were visited by MADD's multi-media presentation the previous spring. This will help streamline the list of schools to target in smaller schools in more remote locations.

¹ "Schools in Manitoba 2013/14" *Government of Manitoba*. Page 11.
http://www.edu.gov.mb.ca/k12/schools/2014_mb_schools_book.pdf

Appendix One

What comments or suggestions do you have to help improve this presentation (Kevin Brooks)?
Amazing! So sad this ever happens. We all need a reminder that this can happen to anyone of us and we are not invincible. I am really afraid of others hurting me or my family. I am so glad all grades got to see this important message so our streets will be safer in general!
No reason to improve. The presentation was perfect in its own way.
NOTHING! It was great!
It was an amazing presentation!! Nothing to improve on at all
Maybe a little more audience interaction during the presentation, not just after. Ex: getting people to ask questions, etc
Nothing, it was amazing!
I think it was good
Great presentation
There were a couple issues with the audio in the gym, his voice was hard to hear at times. The presentation was too long, 1 hour and 30mins! I enjoyed it but got tired after about 45min
nothing
Kevin speaks quite quickly. I didn't understand every word. It may have been our microphone.
nothing at all it was amazing heartfelt and couldn't have been any better
Nothing, really, it was amazing! It was very powerful and moving.
Talk about the maximum allowable blood alcohol content
Received very positive feedback from other staff, and from students. Kevin made a very strong connection with the students here at Oak Park. His presentation was very impactful and students related highly to what he said. The presentation was very thoughtful, and provoking. We have never had so many students wait to speak with a presenter and to sign the banner following a presentation. We appreciated how he shared his personal journey with us in a way that hit home for all present.
Tell a little more details about his friend that Kevin killed while driving drunk. Tell more stories about his friends drinking and driving.
Good overall, good message.
Nothing needs to be changed. The presentation was excellent.
We would only love more presentations and activities to reinforce this message. thx!
Kevin is fantastic!
You're presentation was honest, moving, and REAL. There is nothing you could have done to improve on it ... each presentation I'm sure is a little bit different, and that's what keeps it so real. Well done Kevin. We are blessed to have had you at our school. Thank you for choosing LIFE, and for using your experience to help so many others. God bless you!
Nothing :) it was perfect
This presentation was PHENOMENAL and does not need a single improvement. Best presenter I have ever seen!
Presentation was very good. Maybe adding a few more pictures and videos of other situations with drunk driving, could be added.
no

What comments or suggestions do you have to help improve this presentation (Greg Drew)?
I saw him present twice, and the second time he did it he told the students to put away their phones right away which I think he should continue to do.
He's an a**. I can't imagine him changing anything since he is so enamored of his own "tough" values and macho persona. I have lived a long hard life with many more tragedies than this dude and the one thing I have learned is that a real man should never show off after the death of a child. Be humble in the universe my friend, it has given you a big fat message.
Felt that it was very rushed at the end. A lot of key slides and points were rushed through at the end for time's sake. Would have liked the presenter to have gotten to those main slides and points a little quicker so he could have really emphasized those points as they are so important and would leave a lasting impression on those in attendance. Not that the presentation didn't do that already but it was quite rushed. Would have liked to have heard the commentary that was supposed to accompany the slides that were rushed through!
Please structure your presentation. Be mindful of how you speak to children. Not everyone comes from a harsh household were people speak in a crass way. I was offended by some word choices. Stay on topic.
Organization was a bit hard to follow at times.
Calm down! He went on the attack of his audience over a few students. Many others who were attentive were offended.
Maybe work on how you deliver the message because some people are very sensitive or even though they are not, others may take this seriously/offensive and your all good(:
I feel that maybe there was a little too much power or harsh words towards certain things, but I complete understand the reason behind it, though maybe a little bit of gentleness and less harsh words, just so it isn't fear that is left in some of the viewers/listeners.
I cannot comment on what there is to be improved. I have no right to intrude on a man's personal story. It was already told extremely well
Nothing it's perfect because it sends a good message
I suggest that the things like alcohol and drugs should not exist due to which people lose their lives and effect the whole family of the person.
None, i think the presentation was well done
I think not yelling about certain things that will distract the presentation and just explain it properly would help to improve the presentation because some people might get offended or hurt by some words in the presentation. But it was a very good presentation.
If was definitely the BEST presentation for this subject.
Not to call other people who play video games nerds, losers, and other hurtful things because for some people only the people on the Internet are nice to that person, plus they play it so they can enjoy experiences they might never experience on their lifetime.
Try not to state things that might offend some people.
Everything was perfect
I don't really have anything. I've never bin in his situation, but I'd say drinking and driving is very unsafe, and risky or someone's life. If not yours, then possibly your friend.
1) he was scary and angry at the beginning 2) he was really serious 3) he needs tissue for everyone smaller setting

a little less graphic in describing injuries talk about what happened to son sooner when girls have their period, they do not hemorrhage all over the car
I have no comments to improve the presentation, it was THAT good. Speaking presence is fantastic, pulling the audience together was fantastic. Fantastic speaking voice, showed emotion, stayed on topic, made it applicable to every child / parent / teacher / audience member in the crowd. Everyone needs to see this presentation
This presentation was not about drinking and driving.
Some of my Comments that i have from this presentation are that Greg did a very good job of putting a different perspective into my mind. He was very passionate on this subject and was very welcoming.
Nothing it was well done.
I don't have anything to say to improve this presentation, it was very inspirational, and Mr. Drew got the point across very well.
i think he could have made it longer and given more facts and his life experiences
nothing it was already great
nothing
i think this presentation was great and nothing should have changed
nothing, it was really good.
nothing
I don't have any comments about the presentation because I thought it was great
i dont think i would change anything
great job
nothing everything was good!
It was sick
I think it was very deep and I think it will make an affect on many people and there is not much I can say to help improve the presentation.
it was a great presentation and improved me in many ways
nothing it was great
show his email on the presentation and this website for longer
I have no suggestions. I thought the presentation was flawless.
Nothing it was good
it was very good i would change nothing
nothing it was very good and I wouldn't change a thing.
the presentation was good how it was i think it made people think before being a reckless driver or drinking and driving.
None it was very good.
nothing
I don't have any suggestions about the presentation, the presentation was strong and well said and I wish people would have conferred him while he was going threw this.
nothing it was amazing
Overall i thought this was a great presentation and it was easy to understand and relate to.
nothing
As a teacher, I felt the presenter was too aggressive in his approach. "Tough love" is one thing, but threatening to come to the back and slap kids on the head is quite another. His language sometimes

<p>was rather inappropriate. When he talked about the "4 Ps" some of the students were uncomfortable. I didn't like that he encouraged students to come up and hug him at the end of his speech. Inappropriate. I think the use of a video, perhaps in the middle, would have improved the speech. He spoke for over an hour which is a long time for kids to listen. I think he should tone down the aggressiveness and "in your face" approach. I found it hard to listen to. It was difficult to concentrate on his message.</p>
<p>no</p>
<p>I liked this presentation a lot and more mr. drew to be doing this reliving the moment every time is crazy. to help improve I do not now it was a great presentation</p>
<p>Not a single thing, i thought it was awesome!</p>
<p>this presentation was very good. there is nothing that he could of changed</p>
<p>Get to the main point a little quicker.</p>
<p>change nothing</p>
<p>Give him more time! Greg was spectacular!</p>
<p>It was a little long but to shorten it may not be possible.</p>
<p>I have nothing I thought it was really well din. And he relates to everyone and kept the whole room engaged</p>
<p>Focus more on the message than the tragedy. Making people sad doesn't necessarily make people change.</p>
<p>None it was amazing</p>
<p>I don't have any</p>
<p>To be honest I wouldn't have any suggestions because the words he was speaking were pure and came from his heart</p>
<p>None, keep doing what you're doing!!</p>
<p>stay more on topic better</p>
<p>I thought this presentation was awesome and it scared me into wanting to be a safe and responsible driver and passanger</p>
<p>Greg was so "real". He came across as "one of the boys" & not as just another adult telling the high school students what to do. The students were so captured by his presentation style!! Heard lots of feedback from the students...Greg sure got them talking!!!!</p>
<p>It was well done, very strong message with a great impact. The real life stories are more beneficial to hear as the message comes across stronger. Greg Drew did a fabulous job with this presentation.</p>
<p>no improvements it was awesome</p>
<p>One can tell Greg is very passionate and has been deeply affected by the loss of his son, Jay. He also has a great deal of experience having been a fire fighter. It was good to see the raw emotion he had and it certainly affected everyone in the room. At times I found myself cringing with what he was saying, not because his points weren't valid, but the way he comes across. His presentation was a little "preachy" and having worked with teen for a number of years, this mode of presentation gets kids to shut down rather than listen intently. I think he moved many people in the room, which is excellent. The car that we got to see afterward makes a big impact. The urn he brought out with his son's ashes in them, the way he introduced his son, kissed the urn, talked about it being the way he has to hug his son now is not something many of us will forget and had an incredible impact. However, when he was generalizing about kids parents loving them, caring about them, knowing more than them, and kids should go home and hug their parents, tell them they love them...that isn't true for all kids and I think got some kids to become defensive. Instead of aligning themselves with Greg</p>

<p>and feeling he understood them and they empathized with him, I could feel a shift in the room. I feel that this alienates a lot of kids and they shut down when they feel they are being told to do something, feel something that they don't want to. I also feel that some of the tactics he uses to prevent kids from being in a car with an unsafe driver, the 4 P's as he calls it, was a little unnecessary and trivial. If he had talked about concrete ways kids could tell someone they didn't want to ride with them or tell the driver to stop that didn't involve potty humour/excuses, it would have been more appropriate and kids may actually have learned a good strategy. I have spoken to students and staff at the school who saw the presentation. Although many have said it was impactful, emotional, thought provoking, etc..., just as many comments have come back about some of the content being crass, his style being unpolished, his personality being bristly, and the presentation being mostly about him and not enough about things teens can relate to. I am not sure that we would welcome Greg back to present unless his presentation and his presentation style were worked on considerably. He has the passion, emotion and story to make this an unforgettable, impactful presentation. He just needs some help in putting it all together in a way that can reach students and adults and not turn them off. I hope this has been helpful.</p>
<p>We have had Kevin Brooks at our school in the past and would welcome him back anytime. I am not sure we would welcome Greg back again. His presentation lacked focus and some of the things he said were a little inappropriate. His story resonated with both staff and students and made many in the audience teary and emotional. I didn't feel his delivery made people comfortable all the time and I think that made people stop listening to the important message.</p>
<p>It was very good</p>
<p>nothing.</p>
<p>It was really good, I liked how it wasn't the average car crash story, because it was different it kept my attention. It could maybe improve by trying to relate Greg's son with us a little more.</p>
<p>nothing could be better except a dramatic and emotional video would be our benefits</p>
<p>add a video music</p>
<p>There is nothing to improve he has done a perfect presentation on how unsafe it is to drink and drive or while texting. Great job. Made me think twice.</p>
<p>It was really good! Thanks for sharing the tragic story!</p>
<p>It was perrrrrfect</p>
<p>It was good</p>

CAC (MPI) 1-55

Volume:	III, AI.13, Appendix 10	Page No.:	5, 48
Topic:	Loss Prevention and Road Safety		
Sub Topic:	Review of MPI's Road Safety Program Model		
Issue:	Additional information and clarification		

Preamble: MPI engaged the services of Sirius Strategic Solutions Ltd. to perform a Review of MPI's Road Safety Program Model. In the report's conclusion (page 48) it states:

"The principles, guidelines, policy and procedures captured in documentation are extensive, thorough, and reflected in the road safety research and literature on best practices. Their aggregation and support by corporate Executive to date, is not found in any other Canadian jurisdiction. While elements of this work are found internationally, collectively they form a superior program model, which when fully integrated and refined, should be shared as an ideal, recognizing that the model will continue to evolve, be flexible and transparent."

With respect to funding road safety, the report states on page 5 "Research has shown fairly conclusively that without secure and stable funding, significant action to improve road safety is unlikely."

Question:

- a) Please provide a copy of Sirius Strategic Solutions Ltd. engagement letter, including costs;
- b) With the implementation of the External Stakeholder Committee on Loss Prevention and the Provincial Road Safety Committee, which may broaden the current road safety and loss prevention activities in Manitoba, can MPI comment on how the funding for road safety and loss prevention will be secure, sustainable and stable going forward.

- c) Please indicate whether MPI intends to call Ms. Kroeker-Hall as a witness in this proceeding.

Rationale for Question:

To assist in the evaluation of Sirius Strategic Solutions Ltd. work as it relates to road safety undertaken at MPI.

RESPONSE:

- a) As per Board Order 98/14, page 112, a response to this question is not required. The Corporation is not required to produce operational information relating to the engagement of consultants and the related engagement letters [2015 GRA CAC (MPI) 1-55 (c)].
- b) The Loss Prevention and Road Safety Frameworks formalize and enhance the Corporation's process for prioritization and development of loss prevention programming which enables confident decision making in budgetary and strategic planning exercises. They are a critical tool to ensure program ideas to prevent loss that advance for funding are evidence-based and reflect programming needs in a changing environment. The participation of external stakeholders informs and validates program approaches which also increases their potential impact and effectiveness. This holistic approach provides more security, stability, and sustainability to funding for programs that demonstrate a net benefit to ratepayers.
- c) The Corporation has no plans to do so.

CAC (MPI) 1-56

Volume:	2015 GRA CAC (MPI) 1-192	Page No.:	
Topic:	Road Safety Program History		
Sub Topic:	Introduction of Road Safety programs		
Issue:	Update road safety program history		

Preamble: Road Safety Program History Update

Question:

Please review CAC (MPI) 1-192 from last year's GRA and provide updated responses to a), b) and c) for 2015/16

Rationale for Question:

To maintain a history of road safety programs and issues they are intended to address.

RESPONSE:

- a) Please refer to the table below identifying road safety programs and initiatives introduced since 2000 with new initiatives from 2014/15 added:

Road Safety Initiative	When Introduced
K-9 Road Safety Curriculum	2000
60 Second Driver	2001
Manitoba Addictions Awareness Week	2001
Speed Watch	2001
Citizens on Patrol	2001
Mock Car Collision	2002
Summer Student program	2002
MADD Multi-Media School Assembly Program	2003
TADD and Safe Grad	2003
Drivers Ed Challenge	2004
Rollover Simulator	2004

Road Safety Initiative (cont'd)	When Introduced
Mini Car Town	2004
Crash Course	2004
Freeze Frame	2006
Wildlife Hotspot Mapping Initiative	2006
Impaired Drivers Speakers Bureau	2007
Manitoba Child Car Seat Program	2008
Friends for Life Speaker Series	2010
Report Impaired Drivers - Campaign 911	2010
Adult Cycling initiative	2010
Manitoba Integrated Awareness Enforcement Calendar	2010
Adult Driver Education Pilot Program	2011/12
Changing Seats - the Transition from Driver to Passenger	2011/12
Rethink Road Safety - Youth Video Challenge	2011/12
Friends for Life - Northern Speaker Series	2011/12
I Need a Boost - Booster Seat Awareness Campaign	2011/12
Distracted Driving Awareness and Enforcement Campaign	2011/12
Hurt Seriously Video Testimonials	2011/12
Cycling Champion Program	2011/12
School Zone Safety initiative	2012/13
Citizens Bridge Adult Driver Training Program	2012/13
Experienced Motorcycle Rider Training Program	2012/13
"Your Last Words" Distracted Driving Campaign	2012/13
"Sharing the Road is a Two Way Street" Cycling Safety Campaign	2012/13
Distracted Driving simulator	2013/14
Medical Conditions and Driving resources initiative	2013/14
Newcomer Driver Education Program	2014/15

b) In 2015/16, the Corporation will offer the following road safety and driver education programs and initiatives:

- The High School Driver Education Program;
- Citizens Bridge Adult Driver Education Program;
- Newcomer Driver Education Program (with Immigrant and Refugee Community Organization of Manitoba);
- Support for motorcycle, scooter, snowmobile, and ATV training programs and workshops for mature drivers offered through Safety Services Manitoba;

- Road Watch;
- Enhanced enforcement initiatives for distracted driving and school zone safety awareness;
- Support for Teens Against Drunk Drivers (TADD) and Safe Grad-related initiatives;
- Mock Car Collision;
- Support for the PARTY Program (Manitoba Brain Injury Association);
- MADD Canada multi-media presentations in Manitoba schools;
- Friends for Life Speaker Series and Northern Speaker Series;
- Operation Red Nose;
- Community-based Speed Watch program, School Zone Speed Watch program, and the Speed Watch residential loaning program;
- Wildlife-related awareness initiatives;
- Manitoba Child Car Seat program;
- Citizens on Patrol program (COPP);
- Manitoba School Patrol program;
- Cycling safety initiatives targeting children, teens and adult commuter/recreational cyclists;
- Mini-Car Town, bicycle rodeos, and support for other community-based road safety awareness events;
- Transportation Options Network for Seniors;
- Various public and community presentations including the Distracted Driving simulator, and simulated impaired driving activities using pedal cars and fatal vision goggles;
- 60-Second Driver;
- Mass media advertising focused primarily on drinking and driving, speed, seatbelts, distracted driving, motorcycle safety, and wildlife collisions;
- Integrated Awareness and Enforcement Calendar;
- Various corporate sponsorships which provide opportunities for the Corporation to educate a variety of target audiences on key road safety risks.

All current initiatives are expected to be continued in 2016/17.

- c) No studies or analyses have been undertaken or commissioned by the Corporation related the impacts of red light cameras or photo radar.

CAC (MPI) 1-56b

Volume:	2015 GRA CAC (MPI) 1-194	Page No.:	
Topic:	Road Safety		
Sub Topic:	Inter-Jurisdictional Comparison for Casualty Rates		
Issue:	Update to current		

Preamble: Update inter-jurisdictional comparison for casualty rates to current.

Question:

Please update the Inter-Jurisdictional Comparison for Casualty Rates table, included in the 2015 GRA, to current.

Rationale for Question:

To review and gain an understanding of the annual changes in Inter-Jurisdictional casualty rates over time.

RESPONSE:

Please refer to the following page.

Inter-Jurisdictional Comparison of Casualty Rates (2001-2013)													
Jurisdiction	Fatalities (per billion motor vehicle-kilometers)												
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Canada	9.0	9.3	8.9	8.8	9.3	8.9	8.3	7.4	6.6	6.6	5.8	6.0	5.6
Newfoundland	9.3	10.0	11.0	9.7	9.8	8.5	9.4	8.0	6.9	5.8	5.5	5.9	5.8
Prince Edward Island	12.2	14.3	12.0	22.6	11.3	25.0	5.6	14.9	9.4	6.9	13.4	7.6	9.7
Nova Scotia	8.2	8.5	6.7	9.4	7.1	8.4	9.3	8.6	7.2	6.9	6.2	7.7	7.6
New Brunswick	11.7	12.2	11.8	9.6	13.6	12.3	11.0	9.6	8.3	11.5	7.6	8.0	6.3
Quebec	8.8	9.9	8.4	9.0	10.6	10.3	8.8	8.1	7.1	6.6	6.6	5.9	5.6
Ontario	7.3	7.1	7.3	6.6	6.3	6.0	6.2	5.0	4.2	4.5	3.7	4.3	3.7
Manitoba	8.3	10.8	8.5	9.5	10.3	9.9	7.9	8.1	7.3	7.2	8.9	7.3	6.4
Saskatchewan	13.0	12.3	12.1	11.0	13.2	12.2	10.6	12.2	11.8	12.8	11.2	13.9	10.6
Alberta	10.0	10.1	9.8	9.9	10.6	10.0	9.6	8.6	7.1	6.6	5.7	6.4	6.4
British Columbia	11.7	12.4	12.9	12.4	13.9	12.9	11.6	9.9	10.5	10.1	8.0	7.6	7.5
Yukon	10.9	25.3	14.1	9.4	12.3	24.2	10.3	15.4	13.7	7.9	17.9	3.2	6.4
Northwest Territories	7.5	8.4	8.2	9.6	5.4	5.3	13.9	11.8	15.9	9.4	0.0	5.2	7.9
Nunavut	47.6	N/A	N/A	33.7	N/A	N/A	N/A	132.5	65.1	60.2	83.5	26.5	85.7
Jurisdiction	Injuries (per billion motor vehicle-kilometers)												
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Canada	713.0	721.2	711.0	680.8	668.0	604.2	584.4	549.2	518.7	504.1	485.0	480.5	481.9
Newfoundland	690.2	701.2	768.5	699.1	537.1	501.3	519.0	385.9	508.9	426.2	407.5	433.7	426.2
Prince Edward Island	896.0	789.8	753.3	759.5	565.7	803.6	565.6	496.5	596.2	493.7	503.6	439.8	826.1
Nova Scotia	647.6	574.0	504.1	533.2	487.7	470.8	577.9	743.6	751.5	476.9	480.1	434.1	401.4
New Brunswick	686.5	592.3	572.5	572.9	508.5	452.3	459.5	482.2	480.7	425.9	344.3	351.8	355.7
Quebec	707.5	749.1	754.3	778.0	871.2	711.1	678.6	632.1	592.2	594.2	565.6	545.2	530.4
Ontario	705.4	679.4	669.2	599.8	571.5	525.2	534.8	479.9	490.7	498.3	479.8	459.9	465.6
Manitoba	799.3	948.9	795.9	890.8	788.4	729.1	617.1	689.1	615.9	583.9	662.6	805.5	840.0
Saskatchewan	547.5	652.7	618.0	647.1	612.8	604.4	509.0	541.0	526.0	499.5	512.6	548.2	535.7
Alberta	682.4	783.6	671.8	621.5	555.1	570.7	513.2	464.2	385.6	349.5	338.7	340.1	335.5
British Columbia	838.5	776.6	902.5	842.4	873.3	789.5	725.5	613.1	562.6	579.3	536.1	543.3	567.2
Yukon	836.7	572.6	468.3	397.4	396.4	434.5	427.0	461.4	341.1	433.9	383.0	318.3	329.6
Northwest Territories	512.8	643.2	471.4	485.2	505.7	294.3	435.0	408.8	419.8	353.6	332.5	378.9	314.0
Nunavut	N/A	N/A	N/A	2,222.2	N/A	N/A	461.5	1,357.6	1,368.1	1,234.6	1,197.0	1,538.1	1,142.9
Source: Transport Canada, Canadian Motor Vehicle Traffic Collision Statistics: 2013, Catalogue No. T45-3/2010E-PDF, 2015.													
*N/A: Data is not available.													
*Data for 2014 is not available at the time of this publication.													
*Note: Data for Ontario are preliminary for 2013. Data for NL and NB were estimated.													

CAC (MPI) 1-57

Volume:	I, Attachment A	Page No.:	1
Topic:	Loss Prevention and Road Safety		
Sub Topic:	Road Safety Expenses – Basic’s Share		
Issue:	Detailed Expenses by account including departmental expenses.		

Preamble: The expenses for Road Safety on Attachment A in Volume 1 (Loss Prevention and Road Safety) are detailed by Program Category. In the last year’s GRA per CAC (MPI) 1-195 the Road Safety expenses were detailed by expense account including the departmental expenses which provided further insight into the cost of road safety.

Question:

Please update and file the Road Safety Expenses – basic share table from the 2015 GRA to include 2014/15 actual, forecast for 2015/16 and projected for 2016/17.

Please explain any significant changes year over year.

Rationale for Question:

To assess the road safety expenses by account including the related departmental expenses to obtain a fuller insight into total cost of road safety.

RESPONSE:

Please refer to the table below. The most significant changes through the period are a result of decreased costs associated with the Immobilizer Incentive Program as part of Auto-Crime Prevention strategies.

Road Safety Expenses - Basic's Share
(\$ in thousands)

	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Forecast
Driver Education and Improvement	3,006	3,444	3,102	3,200	3,257	3,557	3,596
Impaired Driving Prevention Strategies	445	805	877	932	1,107	1,208	1,222
Speed Management Strategies	391	313	330	357	225	293	411
Occupant Safety Education Strategies	423	268	357	123	121	135	136
Auto-Crime Prevention Strategies	7,772	5,026	4,190	4,007	2,831	2,498	2,234
Motorcycle Safety Education	95	106	108	67	64	74	75
Vulnerable Road User Education Strategies	163	239	135	255	185	191	193
Safety Programming Other	436	394	363	314	313	335	338
Safety Grants and Sponsorships	190	300	261	317	311	293	296
Road Safety Production and Advertising	291	371	347	466	461	362	366
Program Evaluation	73	140	103	5	12	36	36
Cell Phone/Distracted Driver Advertising	296	4	183	592	459	561	566
Other	57	29	-	-	64	-	-
Departmental Expenses	3,120	3,599	2,448	2,122	1,844	1,865	1,887
Road Safety Initiatives (Driver Ed /Infrastructure)	-	-	303	59	105	88	88
Total	16,758	15,038	13,107	12,816	11,359	11,496	11,444

CAC (MPI) 1-58

Volume:	III, AI.6, Part 1	Page No.:	5 and 26
Topic:	Property and equipment		
Sub Topic:	Allocation adjustment		
Issue:	Validation of allocation formulas		

Preamble: The allocation adjustment for property and equipment for 2014/15 is reported as \$15,263,000 compared to 2013/14 of \$(4,713,000), an increase of \$19,976,000.

Question:

- a) Please provide a detailed explanation, rationale and analysis of the reported allocation adjustment to the property and equipment account.
- b) Please provide the financial impact to the statement of operations for 2014/15 and the financial impact to the financial forecasts, if any.

Rationale for Question:

The allocation adjustment seems unreasonably high compared to last year and the cause needs to be verified to validate the allocation formulas.

RESPONSE:

- a) The allocation adjustment to property and equipment is affected by the physical property cost ratio used to convert corporate asset values into Basic values. The ratio changes each year resulting in the opening balance being converted at a different ratio for the current year, this produces the allocation adjustment. The rate used during 2014/15 is based on the previous year's results which were higher due to higher claims and operating costs allocated to physical properties.

- b) There is no impact to statement of operations or financial forecasts. The allocation adjustments are balancing figures between the opening and closing balances, no amount is booked to the statement of operations. Similarly accumulated depreciation is also converted from corporate to Basic values, with the allocation adjustment amounts balancing opening and closing amounts and no impact on statement of operations.

CAC (MPI) 1-59

Volume:	II	Page No.:	5
Topic:	Investment Income		
Sub Topic:	Investment Performance Report		
Issue:	Investment performance for the last fiscal year and current quarter as measured by a third party.		

Preamble: See issue above.

Question:

Please file a copy of the February 28, 2015 and May 31, 2015 investment performance reports reviewed and received as information by the Investment Committee of the Board of Directors which were prepared by a third party, if any.

Rationale for Question:

To assist in understanding the most recent investment performance of the corporate investment portfolio prepared by a third party.

RESPONSE:

Please see the attached investment performance reports as at February 28, 2015 and May 31, 2015 as prepared by API Asset Performance Inc.

Executive Summary

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For the period ending February 28, 2015



API Asset Performance Inc.
Investment Consulting & Research

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Market Update

Energy prices, specifically oil, had a direct impact on equity markets over the past 12 months. Oil future prices at the end of February 2014 were over \$102 US per barrel had declined to under \$50 US a barrel at the end of February 2015. While the Canadian Equity market is heavily influenced by the energy sector, the S&P TSX Composite still managed to gain 10.3% over 12 months with the median active manager able to generate an 11.5% return over one year to February. Smaller capitalization (cap) equity markets which have a greater exposure to oil and gold firms within Canada saw the BMO Small Cap Index decline 8.9% but active management added value in this asset class with the API Canadian Equity Small Cap median returning 4.8% over the MPI fiscal year.

The US Equity market represented by the S&P 500 Index gained 15.5% in US dollar terms over the MPI fiscal year ending February 2015. The decline in oil prices has negatively impacted the Canadian dollar versus the US dollar relationship, but has positively influenced returns for Canadian investors holding US denominated assets. In Canadian dollar terms, the S&P 500 index gained 30.4% factoring in the 11.4% decline of the Canadian dollar. Active US funds were unable to keep pace with the index during the year with a median return of 27.8%. Similar to Canada, the performance of the smaller cap equity market of the United States was lower than the larger cap market, with the Russell 2000 index gaining 19.3% against the larger cap Russell 1000 index return of 29.7%. Non-North American equity markets strengthened during the year climbing 13.3%.

Domestic fixed income markets enjoyed a solid year with the FTSE TMX Canada Universe Bond Index gaining 10.4%. Yields declined for longer maturities, causing outperformance against shorter term debt. The FTSE TMX Canada Long Bond Index gained 20.0% while the Short Bond Index increased by 3.9%. The Corporate Bond Index returned 8.5% but continued to lag Government Bonds (11.2%). Provincial debt drove the gains of the Government Bond Index with an increase of 14.6% versus the 8.3% return of Federal Bonds for the year.

The MPI Custom Universe median returned 10.9% over the year, but fell behind the broader equity-biased API Pooled Balanced Universe median that generated 13.8%.



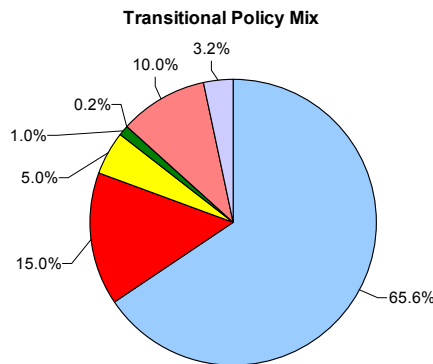
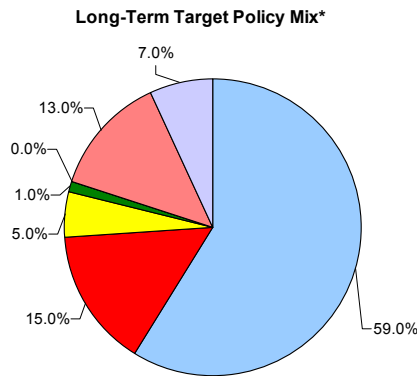
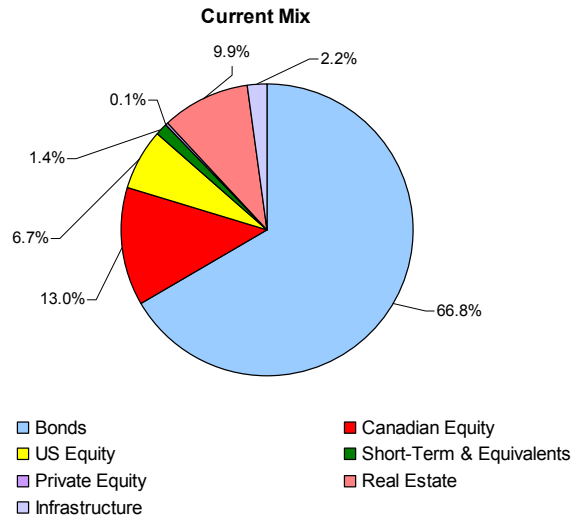
Manitoba Public Insurance

Major Indices	Calendar		Percentage Returns: Annualized					Percentage Returns: Annual Ending February				
	3 Month	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	2015	2014	2013	2012	2011
Pooled Balanced Universe Median	6.7	6.5	13.8	15.0	13.1	9.7	10.5	13.8	15.9	8.3	0.8	13.0
API Balanced Passive Index	6.7	6.7	13.7	13.7	11.7	9.0	9.8	13.7	13.8	7.6	1.2	13.0
MPI Custom Universe	4.7	4.3	10.9	8.9	8.1	7.8	8.0	10.9	6.9	6.8	6.8	7.9
Pooled Bonds Median	4.7	4.2	10.1	5.9	5.6	6.7	6.4	10.1	1.9	4.6	9.6	5.3
FTSE TMX CA Universe	5.1	4.5	10.4	5.8	5.1	6.3	6.0	10.4	1.5	3.7	10.0	4.4
FTSE TMX CA Real Return	9.0	9.8	17.5	5.6	3.6	7.4	7.9	17.5	-5.1	-0.1	19.5	9.8
FTSE TMX CA Long	9.1	7.9	20.0	9.6	7.9	10.5	10.1	20.0	0.0	4.5	18.9	8.3
FTSE TMX CA Mid	5.1	4.6	10.4	6.1	5.7	7.1	6.7	10.4	2.0	4.8	11.6	5.0
FTSE TMX CA Short	2.1	1.9	3.9	3.0	2.9	3.3	3.1	3.9	2.1	2.6	4.6	2.3
FTSE TMX CA 91-Day T-Bills	0.3	0.2	0.9	1.0	1.0	1.0	0.9	0.9	1.0	1.0	0.9	0.7
FTSE TMX CA Universe Government	5.5	4.8	11.2	5.9	4.9	6.3	5.8	11.2	1.0	3.0	10.4	4.2
FTSE TMX CA Universe Corporate	4.0	3.7	8.5	5.6	5.7	6.5	6.2	8.5	2.8	5.8	9.1	5.2
FTSE TMX CA Universe Provincial	7.1	6.2	14.6	7.7	6.4	8.1	7.6	14.6	1.3	3.7	13.4	5.5
FTSE TMX CA Universe Federal	4.1	3.6	8.3	4.4	3.7	4.9	4.6	8.3	0.6	2.5	8.6	3.4
Lehman Global Bond (C\$)	9.6	8.2	14.8	11.4	9.6	9.7	7.2	14.8	8.1	5.9	10.0	-2.3
Pooled Canadian Equity Median	3.5	4.2	11.5	14.9	12.6	7.1	9.9	11.5	19.1	7.8	-8.1	23.5
Pooled Canadian Small Cap Median	3.5	4.8	4.8	16.0	12.4	9.2	12.9	4.8	30.4	2.4	-4.8	34.8
Pooled US Equity Median	12.6	10.7	27.8	32.3	27.3	20.8	19.7	27.8	36.6	16.8	5.3	11.9
S&P/TSX Composite	4.1	4.5	10.3	12.3	9.7	4.9	8.6	10.3	14.3	4.6	-8.1	24.8
S&P/TSX Small Cap	3.4	3.7	-5.9	4.7	-1.5	-3.6	3.5	-5.9	16.4	-12.7	-9.7	37.3
BMO Small Cap Unweighted Blended	4.3	5.7	-8.9	1.5	-3.2	-5.0	2.6	-8.9	13.1	-12.1	-10.1	39.2
S&P Developed LargeMidCap (C\$)	11.8	12.0	22.3	26.4	22.8	16.9	16.1	22.3	30.6	15.9	0.8	13.0
S&P 500 Total Return (C\$)	11.8	10.5	30.4	32.5	27.6	22.1	20.3	30.4	34.6	18.3	7.1	13.1
S&P 500 Total Return (US\$)	2.3	2.6	15.5	20.3	18.0	14.6	16.2	15.5	25.4	13.5	5.1	22.6
S&P 400 (C\$)	14.5	12.0	25.5	30.6	26.8	20.8	21.1	25.5	35.9	19.4	4.5	22.5
S&P 400 (US\$)	4.8	3.9	11.1	18.6	17.2	13.4	17.0	11.1	26.6	14.6	2.6	32.8
S&P 600 (C\$)	15.0	10.3	21.7	31.5	27.3	22.0	21.8	21.7	42.1	19.5	7.1	21.0
S&P 600 (US\$)	5.2	2.3	7.8	19.4	17.8	14.5	17.6	7.8	32.3	14.7	5.1	31.1
Russell 1000 (C\$)	12.2	10.9	29.7	32.6	27.7	22.1	20.5	29.7	35.6	18.4	6.8	14.0
Russell 1000 (US\$)	2.6	2.9	14.9	20.5	18.1	14.7	16.4	14.9	26.3	13.6	4.9	23.5
Russell 2000 (C\$)	15.2	10.5	19.3	29.8	26.0	19.5	20.0	19.3	41.3	18.8	1.7	22.4
Russell 2000 (US\$)	5.5	2.5	5.6	17.9	16.6	12.2	16.0	5.6	31.6	14.0	-0.2	32.6
MSCI EAFE (C\$)	12.4	14.8	13.3	20.7	18.8	12.3	12.1	13.3	28.6	15.0	-5.3	11.2
Exchange Rate Changes	Current Quarter	Previous Quarter	% Change	Previous Year	% Change	Interest Rate Changes		Previous Quarter	Current Quarter		Change	
Canada - US	0.7998	0.8741	-8.5%	0.9030	-11.4%	Canada		1.00	0.75		-25	
Canada - Japan	96.1538	104.1667	-7.7%	92.5926	3.8%	US		0.25	0.25		0	
Canada - Euro	0.7140	0.7036	1.5%	0.6540	9.2%							



Fund Overview

Based on the implied market value of the portfolio, the investments gained \$128.2 million on the quarter and \$290.1 million over the last year. Withdrawals totaled \$45.7 million during the fiscal quarter and \$106.2 million over one year. The market value stood at \$2.7 billion at the end of February with the asset mix and policy mix shown below (note this may not add to 100% due to rounding).



*As per Investment Policy Statement dated March 23, 2011.



Performance Commentary

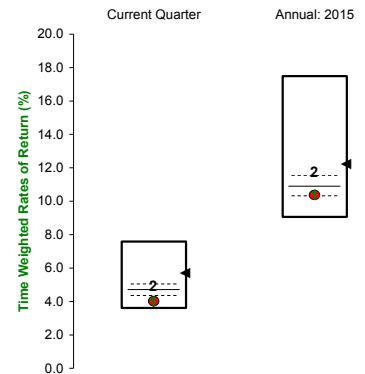
Total Fund

[return with Implied Market Value on Non Marketable Bonds over four years 8.4%, rank 24th percentile in Custom Balanced Universe]

The MPI with Implied Market Value investment portfolio returned 11.8% during fiscal 2015. This ranked 1st quartile in the MPI Custom Universe but underperformed against the fund’s custom benchmark by 0.4%. The Custom median returned 90 basis points (bps) lower at 10.9% for the year.

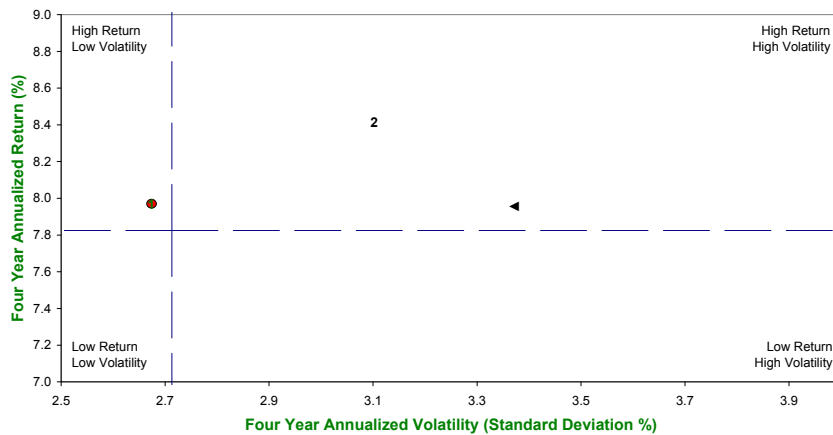
MPI Custom Balanced Universe

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results				4 Year	Rank
				2015	2014	2013	2012		
● MPI Total Fund	\$2,593.8	4.0 ⁸⁴	10.4 ⁷³	10.4 ⁷³	8.2 ¹	6.9 ⁴⁵	6.4 ⁶³	8.0	42
◀ Custom Benchmark		5.7	12.2	12.2	5.7	5.7	8.3	8.0	
API Median		4.7	10.9	10.9	6.9	6.8	6.8	7.8	
Value Added to Benchmark		(1.7)	(1.8)	(1.8)	2.5	1.2	(1.9)	0.0	
Median		(0.7)	(0.5)	(0.5)	1.3	0.1	(0.4)	0.2	
Funds:									
1 MPI no Hdg	\$2,593.8	4.0 ⁸⁴	10.4 ⁷³	10.4 ⁷³	8.2 ¹	6.9 ⁴⁵	6.4 ⁶³	8.0	42
2 MPI w/ Imp	\$2,698.5	4.9 ³¹	11.8 ²⁴	11.8 ²⁴	7.2 ²⁴	6.7 ⁵²	8.0 ²⁴	8.4	24



The four year return for MPI of 8.4% to February 2015 exceeds the Custom Balanced Universe Median by 60 bps and beats the 8.0% return of the Custom Benchmark.

Four Year Annualized Return vs. Four Year Annualized Volatility
MPI Custom Universe



Return Std. Dev'n

API Median 7.8 2.7

Fund Performance:

● MPI Total Fund 8.0 2.7
 1 MPI no Hdg 8.0 2.7
 2 MPI w/ Imp 8.4 3.1

Benchmark Performance:

◀ Custom Benchmark 8.0 3.4



Manitoba Public Insurance

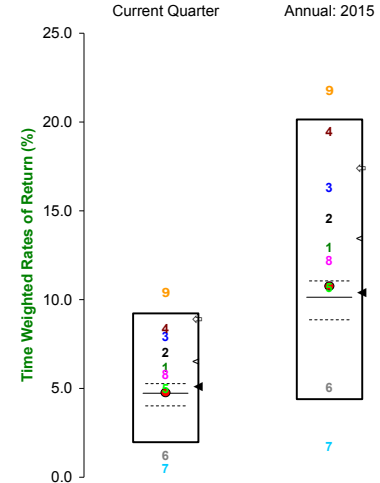
Bonds

[return with Implied Market Value over four years 7.4%, rank 25th percentile]

Total Bonds Universe: Pooled

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results					4 Year
				2015	2014	2013	2012		
● MPI Total Bonds	\$1,732.4	4.8	10.8	10.8	2.4	4.7	9.3	6.7	
◀ FTSE TMX CA Universe		5.1	10.4	10.4	1.5	3.7	10.0	6.3	
API Median		4.7	10.1	10.1	1.9	4.6	9.6	6.7	
Value Added to Index		(0.3)	0.4	0.4	0.9	1.0	(0.7)	0.4	
Median		0.1	0.7	0.7	0.5	0.1	(0.3)	0.0	
Sub Funds:									
1 MPI w/ Imp	\$1,837.1	6.2	12.9	12.9	1.0	4.6	11.7	7.4	
2 Marketable	\$1,110.0	7.0	14.5	14.5	0.4	4.5	11.9	7.7	
3 Mkt Govt	\$949.1	7.9	16.3	16.3	0.5	4.5	11.8	8.1	
4 Mkt Corps	\$47.4	8.4	19.4	19.4	0.5	4.8	13.9	9.4	
5 N Mkt Imp	\$727.1	5.0	10.7	10.7	1.8	5.1	12.2	7.4	
6 N Mkt Book	\$622.4	1.2	5.0	5.0	5.2	5.4	5.7	5.3	
7 Floating R	\$113.5	0.5	1.7	1.7	1.7	1.5	2.1	1.7	
8 Universe	\$571.4	5.8	12.2	12.2	1.3	4.1	10.6	7.0	
9 Long Bond*	\$538.6	10.4	21.8	21.8	-0.4	5.3	18.8	11.0	
Alternative Benchmarks/Indices:									
< Custom BD Benchmark		6.5	13.4	13.4	1.2	3.8	12.2	7.5	
⇨ Real Return Bond		9.0	17.5	17.5	-5.1	-0.1	19.5	7.4	

*Long Bond is shown for comparison purposes.



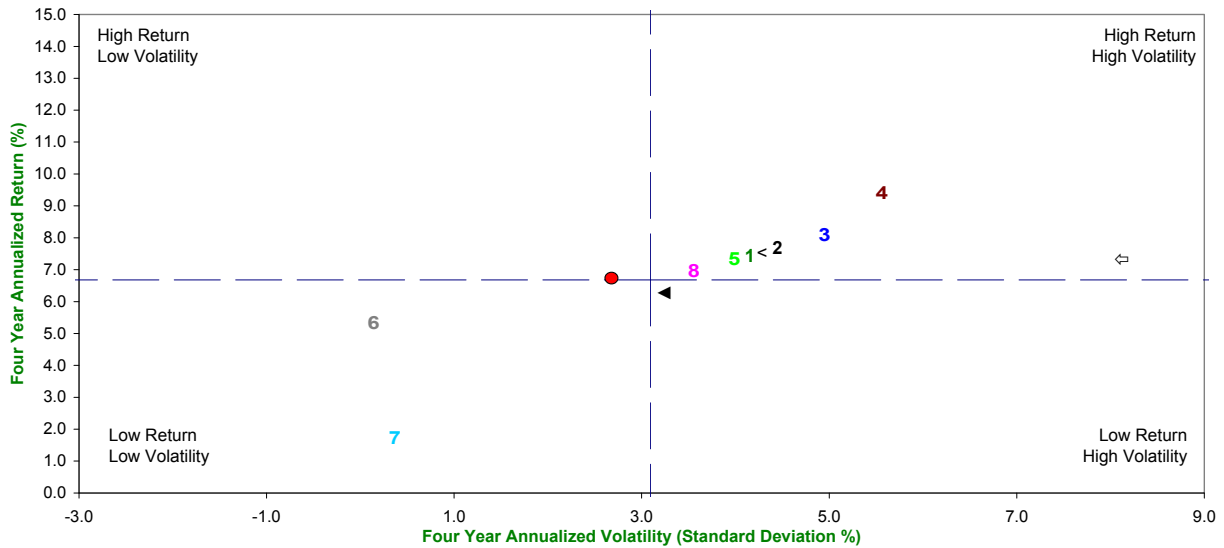
Bond investments (with implied market valuations) ended the year at just over \$1.8 billion. This year, the 12.9% (MPI w/ Imp) return exceeded the Bond Index return of 10.4% but lagged the 13.4% return of the Custom Bond Benchmark. Over four years, the 7.4% return ranks 1st quartile in the API Bond Universe.

Marketable Bonds finished 2015 with assets totaling \$1,110m and gained 14.5% for 2015. Marketable Government investments returned 16.3% for the year, while Marketable Corporate Bonds gained 19.4%. Floating Rate Notes account for \$113.5m and returned 1.7% for the fiscal year. Non-Marketable bonds with implied valuations returned 10.7% over the same period.



Manitoba Public Insurance

Four Year Annualized Return vs. Four Year Annualized Volatility
Total Bonds Universe: Pooled



Return Std. Dev'n

API Median

6.7 3.1

Fund Performance:

● MPI Total Bonds	6.7	2.7
1 MPI w/ Imp	7.4	4.2
2 Marketable	7.7	4.5
3 Mkt Govt	8.1	4.9
4 Mkt Corps	9.4	5.6
5 N Mkt Imp	7.4	4.0
6 N Mkt Book	5.3	0.1
7 Floating R	1.7	0.4
8 Universe	7.0	3.6

Benchmark Performance:

▲ FTSE TMX CA	6.3	3.2
< Custom BD Benchmark	7.5	4.2
↔ Real Return Bond	7.4	8.1

The MPI Total Bonds with Implied Values, marked as #1 in the chart above, is 70 bps higher than the API median return over four years, with volatility 1.1% higher; however, volatility of the fund is on par with the Custom Bond Benchmark.

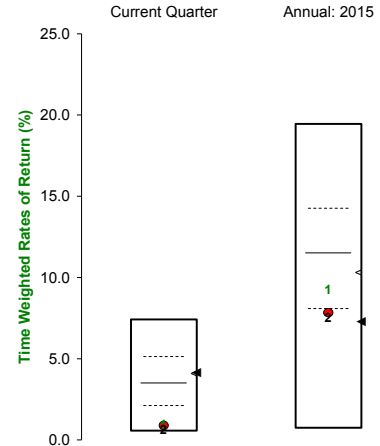


Canadian Equity

[return over four years 7.5%, rank 42nd percentile]

Canadian Equity Universe: Pooled

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results				4 Year
				2015	2014	2013	2012	
● MPI Canadian Equity	\$338.2	0.9 ⁹¹	7.8 ⁷⁶	7.8 ⁷⁶	22.7 ¹⁹	9.0 ⁴²	-7.2 ⁴²	7.5 ⁴²
◀ Custom CE Benchmark		4.1	7.3	7.3	14.2	2.8	-8.3	3.7
API Median		3.5	11.5	11.5	19.1	7.8	-8.1	7.1
Value Added to								
Custom CE Benchmark		(3.2)	0.5	0.5	8.5	6.2	1.1	3.8
API Median		(2.6)	(3.7)	(3.7)	3.6	1.2	0.9	0.4
Sub Funds:								
1 Manager B	\$165.0	0.9 ⁹⁰	9.3 ⁶⁶	9.3 ⁶⁶	21.1 ²⁶	7.0 ⁵⁶	-5.6 ²⁸	7.5 ⁴²
2 Manager C	\$118.6	0.7 ⁹⁴	7.5 ⁷⁶	7.5 ⁷⁶	20.7 ³¹	11.1 ²⁷	-6.1 ³³	7.9 ³⁵
Alternative Benchmarks/Indices:								
< S&P TSX Capped		4.1	10.3	10.3	14.3	4.6	-8.1	4.9



The MPI Canadian Equity annual return of 7.8% ranks 4th quartile. The performance exceeds the return of the Custom Canadian Equity Benchmark by 0.5%. Domestic Equity investments were 3.7% behind the peer universe median. Over four years annualized, the 7.5% return outperforms the S&P TSX Composite Index (4.9%), API Median (7.1%) and the Custom Benchmark (3.7%).

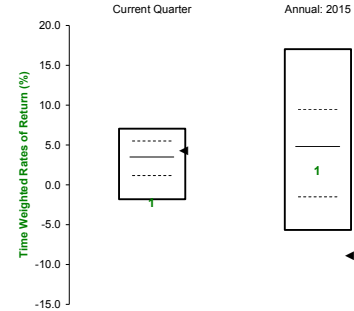
Larger cap mandates managed by Manager B and Manager C returned 9.3% and 7.5% respectively for the year against the S&P TSX Composite index return of 10.3%. Both managers ranked below median versus their peers and benchmark, with Manager B trailing the index by 1% while Manager C lagging the index by 2.8%. Over four years, Manager C and Manager B returned 7.9% and 7.5% respectively, both ranking 2nd quartile.

The now closed TSX Passive investment returns are consolidated into the aggregate domestic equity returns.



Canadian Small Cap Equity Universe: Pooled

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results					4 Year
				2015	2014	2013	2012		
1 Manager D	\$54.4	-2.2 ⁹⁷	1.8 ⁶²	1.8 ⁶²	41.4 ¹⁸	21.8 ¹²	4.7 ¹⁴	16.4 ¹⁷	
◀ BMO Small Cap		4.3	-8.9	-8.9	13.1	-12.1	-10.1	-5.0	
API Median		3.5	4.8	4.8	30.4	2.4	-4.8	9.2	
Value Added to									
BMO Small Cap		(6.5)	10.7	10.7	28.3	33.9	14.8	21.4	
API Median		(5.7)	(3.0)	(3.0)	11.0	19.4	9.5	7.2	



The Manager D allocation returned 1.8% on the year against a benchmark that declined 8.9%. The relative outperformance of Manager D to the BMO Small Cap Index landed Manager D a 3rd quartile rank in the domestic small cap peer universe. A strong four year annualized return of 16.4% ranks 1st quartile and is more than double the larger cap mandate returns. Over four years, Manager D has added 7.2% to the small cap median and 21.4% to the BMO Small Cap Index.

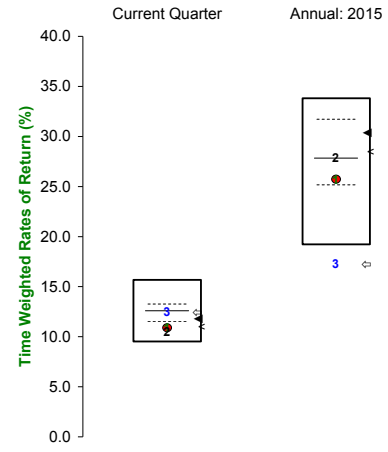


US Equity

[return over four years 20.4%, rank 60th percentile]

US Equity Universe: Pooled

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results				4 Year
				2015	2014	2013	2012	
● MPI US Equity	\$173.8	10.9 ⁸¹	25.7 ⁷⁰	25.7 ⁷⁰	32.4 ⁸¹	22.3 ¹⁴	3.1 ⁷⁰	20.4 ⁶⁰
◀ S&P 500 CAD		11.8	30.4	30.4	34.6	18.3	7.1	22.1
API Median		12.6	27.8	27.8	36.6	16.8	5.3	20.8
Value Added to S&P 500 CAD		(0.9)	(4.7)	(4.7)	(2.2)	4.0	(4.0)	(1.7)
API Median		(1.7)	(2.1)	(2.1)	(4.2)	5.5	(2.2)	(0.4)
Sub Funds:								
1 MPI no Hdg	\$173.8	10.9 ⁸¹	25.7 ⁷⁰	25.7 ⁷⁰	32.4 ⁸¹	22.3 ¹⁴	3.1 ⁷⁰	20.4 ⁶⁰
2 Russell 1000 Passive	\$140.8	10.5 ⁸⁵	27.9 ⁵⁰	27.9 ⁵⁰				
3 Russell 2000 Passive	\$32.9	12.5 ⁵³	17.3 ⁹⁶	17.3 ⁹⁶				
Alternative Benchmarks/Indices:								
< Rus 1000 Value CAD		10.7	28.1	28.1	32.5	22.6	4.1	21.3
⇨ Rus 2000 Value CAD		12.6	17.4	17.4	35.5	21.8	-0.9	17.7



MPI US Equity earned 25.7% for 2015 and ranks in the 3rd quartile in the API US Equity Universe.

The latest returns of the two passive BlackRock funds were similar to their respective benchmark returns. The larger Russell 1000 Passive returned 27.9% on the quarter while the Russell 2000 Passive fund returned 17.3%.

Over four years, US Equity investments gained 20.4% annualized.


Alternative Investments – Real Estate and Infrastructure
Real Estate & Infrastructure

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results			4 Year
				2015	2014	2013	
Real Estate	\$255.9	1.4	6.9	6.9	10.5	10.7	10.7
Infrastructure	\$55.9	4.5	6.0	6.0	13.4	8.9	
IPD All Prop (Lag)		2.3	7.6	7.6	11.1	14.2	12.0
S&P Global Infra		8.7	22.8	22.8	24.8	12.4	
Value Added to							
IPD All Prop (Lag)		(0.9)	(0.7)	(0.7)	(0.6)	(3.5)	(1.3)
S&P Global Infra		(4.2)	(16.8)	(16.8)	(11.4)	(3.5)	
Sub Funds:							
Real Estate Direct	\$51.0	3.5	9.7	9.7	6.8	5.6	9.8
Manager F	\$204.8	0.9	6.2	6.2	11.5	12.3	10.9
Infrastructure	\$55.9	4.5	6.0	6.0	13.4	8.9	

MPI Real Estate is 70 bps behind the IPD Index (lagged) for the year with a return of 6.9%. The Manager F Real Estate Pool returned 6.2% this year while the Real Estate Direct gained 9.7%. The benefits of allocating to the real estate asset class have rewarded the MPI portfolio with a 10.7% return annualized over four years.

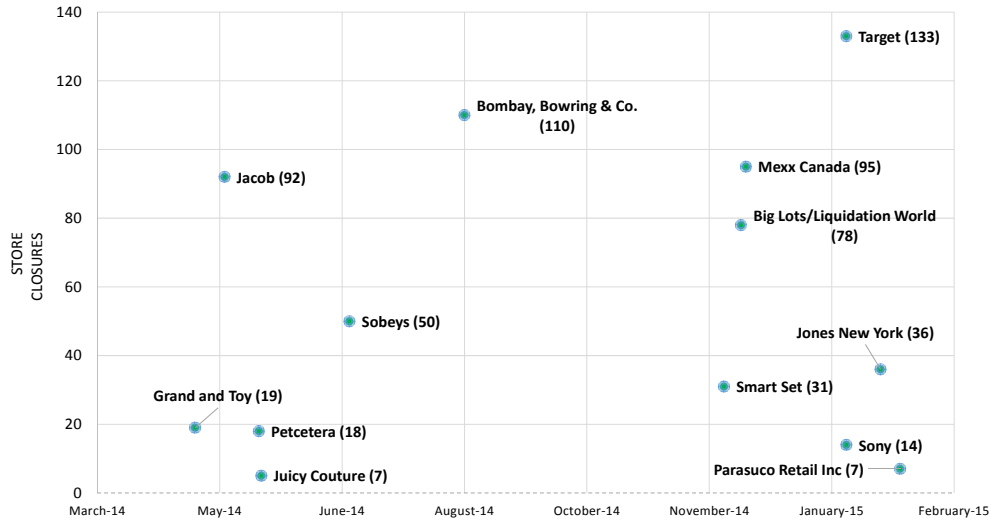
The infrastructure allocation sits at \$55.9 million at the end of February 2015 and generated a return of 6.0% during the year.



Manitoba Public Insurance

Sidebar: Retail Closures in Canadian Real Estate

Table 1



Within the last 12 months, there have been a number of retail closures across Canada with one of the largest announcements in January 2015, regarding pending closures to Target Canadian retail operations. Of the firms shown in Table 1, over 22,000 employment positions will be eliminated from 690 retail storefronts. Part of MPI's portfolio includes investments in Target with 4 retail locations and 1 industrial location within the Manager F mandate. The exposure to Target as of December is detailed in Table 2, provided by Manager F. Manager F calculates total revenue exposure to Target as 0.5% of the commercial portfolio.

Table 2

Property/Security	Location	Type	Security Weight	Tenant	% of Property (Area)	% of Property (Rent)	Annual PSF Rental Rate
Bramalea City Centre	Brampton, ON	Retail	2.6%	Target	9.3%	2.0%	\$ 5.21
North Nanaimo Town Centre NNTC EQUITIES INC	Nanaimo, BC	Retail	2.1%	Target	19.9%	13.8%	\$ 7.50
Bonnie Doon Shopping Centre BONNIE DOON SERIES	Edmonton, AB	Retail	0.6%	Target	16.2%	7.7%	\$ 6.75
Coquitlam Centre	Coquitlam, BC	Retail	0.3%	Target	12.2%	3.8%	\$ 7.50
Glenwood Estates	Burnaby, BC	Industrial	0.5%	Target	3.4%	3.3%	\$ 9.00

Three of the Target leases in the portfolio have an income guarantee by the US parent. The Canadian market as a whole may find it difficult to absorb over 133 Target stores quickly. Looking forward, the investment income streams in Real Estate may be impacted. The fund's long term 7% target allocation to infrastructure will be a complement to the income return stream from the real estate allocation.



Observations

The MPI investment portfolio (with Implied Market Value) returned 11.8% in fiscal 2015. While 40 basis points short of matching the performance of the Custom Benchmark, it outperformed relative to the Custom Universe median by 90 bps. The performance ranked in the 1st quartile for the March 2014 to February 2015 period. The 8.4% return over four years annualized ranks 1st quartile, and adds value to the policy benchmark of 8.0% and the Custom median return of 7.8%.

Fixed Income investments returned 12.9% to rank 1st quartile this year. The fixed income investments underperformed against the custom bond benchmark by 50 basis points. Over four years, the fixed income portfolio return of 7.4% has exceeded the FTSE TMX Canada Universe Bond Index by 110 bps and trails the Custom Bond Benchmark return by 10 basis points.

MPI's Canadian Equity assets increased 7.8% in fiscal 2015 against the custom Canadian Equity benchmark return of 7.3%. The exposure to a weaker performing asset class (Canadian Small Cap) hurt overall performance as the larger cap companies performed better (S&P TSX Composite returned 10.3% while the BMO Small Cap index declined 8.9%) over the last year. While overall active management added value to the index over the last 12 months, both large cap managers of the plan underperformed their peers and the market. Manager B returned 9.3% while Manager C gained 7.5%, ranking 3rd and 4th quartile respectively in fiscal 2015. Manager D returned 1.8% to rank 3rd quartile in the API Canadian Equity Small Cap Pooled Universe and was able to preserve capital during the negative environment.

Larger capitalization US companies generated stronger returns than smaller cap US firms this year with the Russell 1000 Value Index returning 28.1% against the 17.4% gain to the Russell 2000 Value Index. MPI's exposure to larger cap investments remain four times as large as its exposure to smaller cap investments, which resulted in a collective return of 25.7% for US Equity investments over the year.

MPI Real Estate gained 6.9% over the fiscal year with the Manager F investment returning 6.2% and the Real Estate Direct returning 9.7%.

The \$55.9 million allocation to Infrastructure returned 6% for fiscal 2015.



1
2 **Comparative Measurement**

3 To assist the reader of this report, a description of the background
4 universe is being provided.

5 API provides measurement of the MPI fund at calendar quarter ending
6 December and June, using the API Segregated database of institutional
7 funds, and the fiscal quarters, using the API Pooled Fund database. The
8 Segregated database is comprised of observations of sponsor funds
9 while the Pooled database is made up of investment manager pooled
10 fund observations. The Segregated database is better suited for
11 comparison of client funds, but it is only available at calendar quarters.

12 With the February 2007 fiscal quarter report, a custom universe has
13 been added. This universe is comprised of pooled funds weighted to
14 MPI's policy asset mix which provides a performance comparison that is
15 independent of asset mix. Prior to that, the Total Fund had been
16 compared to the API Balanced Universe only.

17 API began measuring the MPI fund as of July 1, 2003. Fixed Income
18 returns are supplied by MPI, while Equity returns are calculated
19 independently by API from custodial records. Some data is obtained
20 directly from the investment managers for improved accuracy. Return
21 data prior to 2003 is a combination of MPI records and prior
22 measurement reports.

Executive Summary

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For the period ending May 31, 2015



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Investment Consulting & Research

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Market Update

Despite a rise in oil from below \$50 to \$60 US a barrel at May ending, the first quarter of fiscal 2016 saw negative investment markets in both domestic fixed income and equity markets. The S&P TSX Composite saw a decline of 0.7% for the first quarter with the median active manager preserving capital better than the index at -0.4%. Contrary to the larger cap index, the BMO Small Cap Blended index increased by 0.5% on the quarter. The industry benchmark for fixed income retreated 1.5% with the median active Bond manager declining 1.3%. Corporate fixed income debt outperformance Government debt on the quarter while performance of longer term debt declined further than shorter term debt.

The US Equity market represented by the S&P 500 Index gained 0.6% in US dollar terms over the fiscal quarter. The rebound in oil prices has positively impacted the Canadian dollar versus the US dollar, which negatively influences returns for Canadian investors holding US denominated assets. In Canadian dollar terms, the S&P 500 index gained 0.1% factoring in the 0.5% increase of the Canadian dollar. Active US funds added 30 basis points to the S&P 500 [CAD] index during the quarter with a median return of 0.4%. Similar to Canada, the performance of the smaller cap equity market of the United States was higher than the larger cap market, with the Russell 2000 index gaining 0.9% against the larger cap Russell 1000 index return of 0.2%. Non-North American equity markets strengthened during the quarter climbing 1.7%.

The MPI Custom Universe median returned -0.7% over the quarter and was behind the broader equity-biased API Pooled Balanced Universe median that was flat on the quarter at 0.0%.



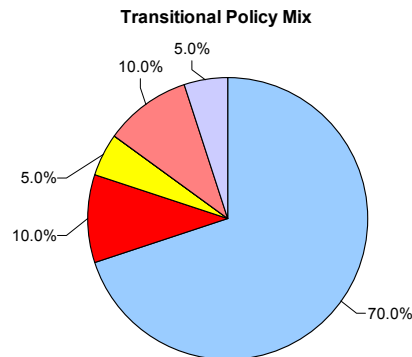
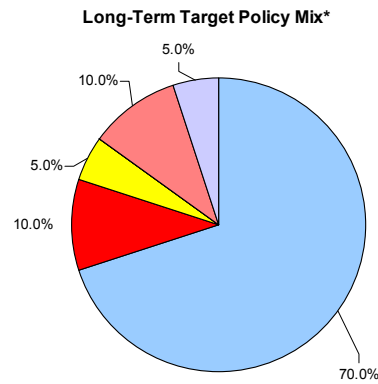
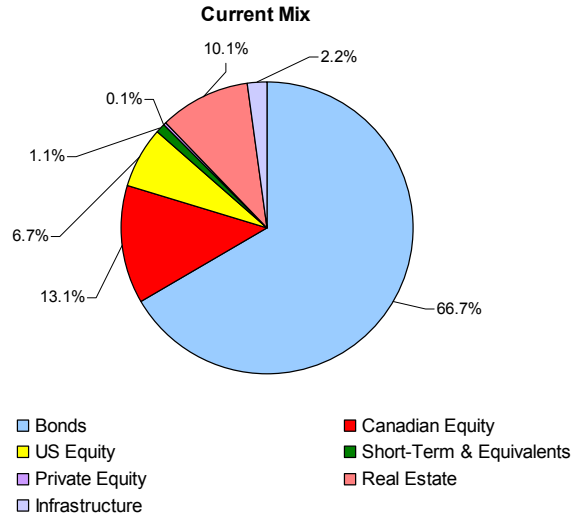
Manitoba Public Insurance

Major Indices	Calendar		Percentage Returns: Annualized					Percentage Returns: Annual Ending May				
	3 Month	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	2015	2014	2013	2012	2011
Pooled Balanced Universe Median	0.0	6.4	11.3	13.6	14.2	9.5	10.7	11.3	15.6	14.3	-2.4	14.3
API Balanced Passive Index	-0.4	6.3	10.9	12.6	12.7	8.7	9.8	10.9	14.2	13.1	-2.7	14.3
MPI Custom Universe	-0.7	3.6	7.9	7.9	7.5	7.1	7.6	7.9	7.8	7.0	5.6	9.2
Pooled Bonds Median	-1.3	2.9	6.9	5.2	4.5	5.7	6.0	6.9	3.1	2.6	9.3	7.1
FTSE TMX CA Universe	-1.5	2.9	7.1	5.0	4.0	5.3	5.6	7.1	2.9	1.9	9.6	6.5
FTSE TMX CA Real Return	-5.2	4.1	7.0	3.5	0.8	4.3	6.1	7.0	0.0	-4.4	15.8	13.7
FTSE TMX CA Long	-3.4	4.2	12.7	7.6	5.3	8.6	8.7	12.7	2.8	0.8	19.0	9.4
FTSE TMX CA Mid	-1.3	3.3	7.3	5.4	4.5	6.1	6.4	7.3	3.6	2.8	10.8	7.8
FTSE TMX CA Short	-0.1	1.9	3.2	2.9	2.6	2.9	3.2	3.2	2.6	2.1	3.9	4.4
FTSE TMX CA 91-Day T-Bills	0.1	0.3	0.9	0.9	1.0	1.0	0.9	0.9	1.0	1.0	0.9	0.9
FTSE TMX CA Universe Government	-1.7	3.0	7.7	5.1	3.7	5.2	5.4	7.7	2.6	0.9	9.9	6.1
FTSE TMX CA Universe Corporate	-0.9	2.8	5.8	4.8	4.7	5.7	6.1	5.8	3.8	4.5	8.7	7.6
FTSE TMX CA Universe Provincial	-2.1	3.9	10.1	6.5	4.8	6.7	7.0	10.1	3.1	1.5	12.7	8.2
FTSE TMX CA Universe Federal	-1.3	2.2	5.6	3.8	2.7	4.0	4.2	5.6	2.1	0.5	8.2	4.9
Lehman Global Bond (C\$)	-1.5	6.5	13.5	11.1	7.1	8.5	6.9	13.5	8.8	-0.5	12.9	0.8
Pooled Canadian Equity Median	-0.4	3.7	6.3	13.4	14.7	7.3	9.7	6.3	21.9	17.3	-13.7	19.5
Pooled Canadian Small Cap Median	2.3	8.0	2.9	16.1	16.5	9.4	13.3	2.9	34.1	16.0	-14.0	32.5
Pooled US Equity Median	0.4	11.2	28.0	27.3	27.2	21.1	20.3	28.0	26.7	27.0	4.2	15.9
S&P/TSX Composite	-0.7	3.8	5.8	12.2	12.6	5.2	8.1	5.8	19.0	13.3	-14.2	20.4
S&P/TSX Small Cap	1.0	4.8	-7.2	6.2	4.6	-3.0	3.4	-7.2	21.6	1.4	-22.6	33.6
BMO Small Cap Unweighted Blended	0.5	6.3	-6.5	4.8	3.0	-4.3	2.5	-6.5	17.5	-0.7	-23.0	34.8
S&P Developed LargeMidCap (C\$)	0.8	13.0	21.6	23.1	24.9	16.7	17.4	21.6	24.6	28.7	-4.8	19.9
S&P 500 Total Return (C\$)	0.1	10.7	28.3	27.1	27.3	21.7	20.7	28.3	26.0	27.7	6.2	16.9
S&P 500 Total Return (US\$)	0.6	3.2	11.8	16.0	19.7	14.3	16.5	11.8	20.4	27.3	-0.4	25.9
S&P 400 (C\$)	1.0	13.2	28.8	26.1	27.5	20.0	20.7	28.8	23.4	30.4	0.1	23.4
S&P 400 (US\$)	1.6	5.6	12.3	15.1	19.9	12.8	16.5	12.3	18.0	29.9	-6.1	33.0
S&P 600 (C\$)	0.2	10.5	26.9	26.0	27.7	20.7	20.6	26.9	25.2	31.1	2.0	20.4
S&P 600 (US\$)	0.8	3.1	10.6	15.1	20.0	13.4	16.5	10.6	19.7	30.6	-4.4	29.7
Russell 1000 (C\$)	0.2	11.1	28.4	27.4	27.6	21.6	20.8	28.4	26.4	28.1	5.3	17.7
Russell 1000 (US\$)	0.8	3.7	11.9	16.3	20.0	14.3	16.7	11.9	20.9	27.6	-1.2	26.8
Russell 2000 (C\$)	0.9	11.5	27.7	24.9	27.1	18.8	19.1	27.7	22.1	31.6	-2.8	20.4
Russell 2000 (US\$)	1.4	4.0	11.3	14.0	19.4	11.6	15.0	11.3	16.8	31.1	-8.9	29.8
MSCI EAFE (C\$)	1.7	16.8	14.6	19.2	23.5	12.6	14.4	14.6	24.0	32.7	-14.8	21.8
Exchange Rate Changes	Current Quarter	Previous Quarter	% Change	Previous Year	% Change	Interest Rate Changes		Previous Quarter		Current Quarter	Change	
Canada - US	0.8041	0.7998	0.5%	0.9223	-12.8%	Canada		0.75		0.75	0	
Canada - Japan	100.0000	96.1538	4.0%	93.4579	7.0%	US		0.25		0.25	0	
Canada - Euro	0.7297	0.7140	2.2%	0.6747	8.2%							



Fund Overview

Based on the implied market value of the portfolio, the investments lost \$36.9 million on the quarter and gained \$193.3 million over the last year. Withdrawals totaled \$4.3 million during the fiscal quarter and \$102.8 million over one year. The market value stood at \$2.7 billion at the end of May with the asset mix and policy mix shown below (note this may not add to 100% due to rounding).



*As per Investment Policy Statement dated March 23, 2011.



Performance Commentary

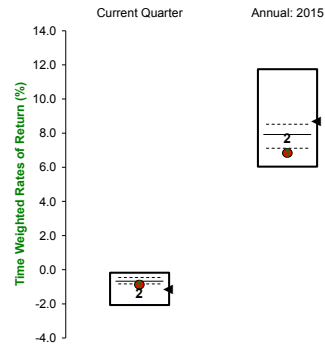
Total Fund

[return with Implied Market Value on Non Marketable Bonds over four years 7.5%, rank 25th percentile in Custom Balanced Universe]

The MPI with Implied Market Value investment portfolio returned -1.4% during the first quarter of fiscal 2016. This ranked 4th quartile in the MPI Custom Universe and underperformed against the fund's custom benchmark by 0.2%.

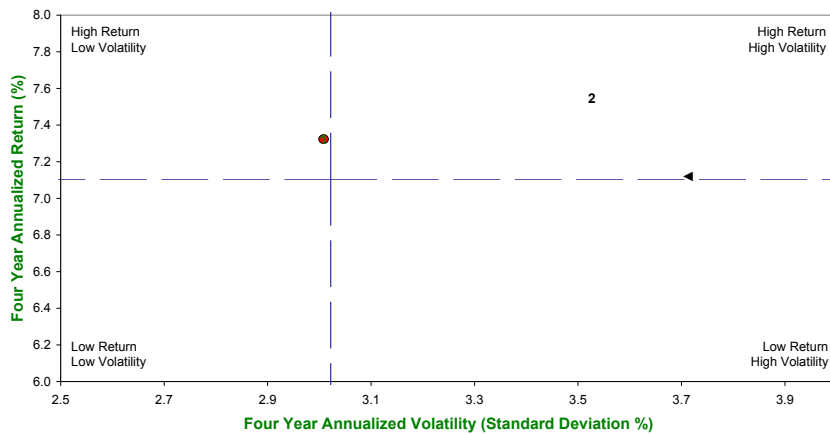
MPI Custom Balanced Universe

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results				4 Year	Rank	
				2015	2014	2013	2012			
● MPI Total Fund	\$2,566.3	-0.9	76	-0.9	6.8	8.9	8.3	5.3	7.3	37
◀ Custom Benchmark		-1.2		-1.2	8.7	7.2	5.8	6.9	7.1	
API Median		-0.7		-0.7	7.9	7.8	7.0	5.6	7.1	
Value Added to Benchmark Median		0.3		0.3	(1.9)	1.7	2.5	(1.6)	0.2	
		(0.2)		(0.2)	(1.1)	1.1	1.3	(0.3)		
Funds:										
1 MPI no Hdg	\$2,566.3	-0.9	76	-0.9	6.8	8.9	8.3	5.3	7.3	37
2 MPI w/ Imp	\$2,657.3	-1.4	83	-1.4	7.7	8.2	7.2	7.1	7.5	25



The four year return for MPI of 7.3% to May 2015 exceeds the Custom Balanced Universe Median by 20 bps and beats the 7.1% return of the Custom Benchmark.

**Four Year Annualized Return vs. Four Year Annualized Volatility
MPI Custom Universe**



	Return	Std. Dev'n
API Median	7.1	3.0
Fund Performance:		
● MPI Total Fund	7.3	3.0
1 MPI no Hdg	7.3	3.0
2 MPI w/ Imp	7.5	3.5
Benchmark Performance:		
◀ Custom Benchmark	7.1	3.7

The volatility of the MPI Investment portfolio with Implied Valuations is below the custom benchmark but above the Custom Universe median.

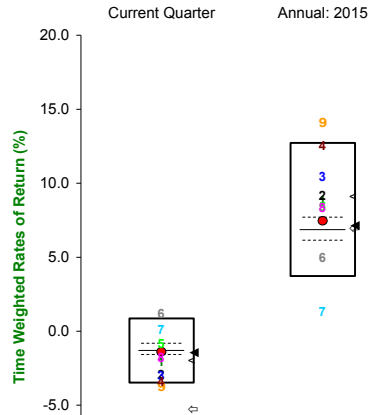
Bonds

[return with Implied Market Value over four years 6.2%, rank 41st percentile]

Total Bonds Universe: Pooled

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results					4 Year	
				2015	2014	2013	2012			
● MPI Total Bonds	\$1,712.0	-1.4	58	-1.4	7.5	3.4	3.3	9.2	5.8	47
◀ FTSE TMX CA Universe		-1.5		-1.5	7.1	2.9	1.9	9.6		5.3
API Median		-1.3		-1.3	6.9	3.1	2.6	9.3		5.7
Value Added to Index		0.1		0.1	0.4	0.5	1.4	(0.4)		0.5
Median		(0.1)		(0.1)	0.6	0.3	0.7	(0.1)		0.1
Sub Funds:										
1 MPI w/ Imp	\$1,803.0	-2.1	80	-2.1	8.8	2.6	2.0	11.8	6.2	41
2 Marketable	\$1,070.6	-2.9	89	-2.9	9.2	2.2	1.9	11.9	6.2	41
3 Mkt Govt	\$985.2	-3.0	90	-3.0	10.5	2.6	1.8	11.9	6.6	34
4 Mkt Corps	\$45.2	-3.4	94	-3.4	12.5	3.1	5.3	12.9	7.6	20
5 N Mkt Imp	\$732.3	-0.8	25	-0.8	8.4	3.0	5.7	12.4	6.4	38
6 N Mkt Book	\$641.3	1.2	5	1.2	5.0	5.2	12	5.4	5.7	88
7 Floating R	\$40.3	0.1	14	0.1	1.3	1.6	1.8	1.7	1.6	100
8 Universe	\$391.5	-1.8	77	-1.8	8.4	2.9	2.1	10.3	5.9	46
9 Long Bond*	\$679.2	-3.8	89	-3.8	14.1	2.3	1.3	19.1	8.9	24
Alternative Benchmarks/Indices:										
< Custom BD Benchmark		-2.0		-2.0	9.1	3.0	1.6	11.8		6.3
⊞ Real Return Bond		-5.2		-5.2	7.0	0.0	-4.4	15.8		4.3

*Long Bond is shown for comparison purposes.

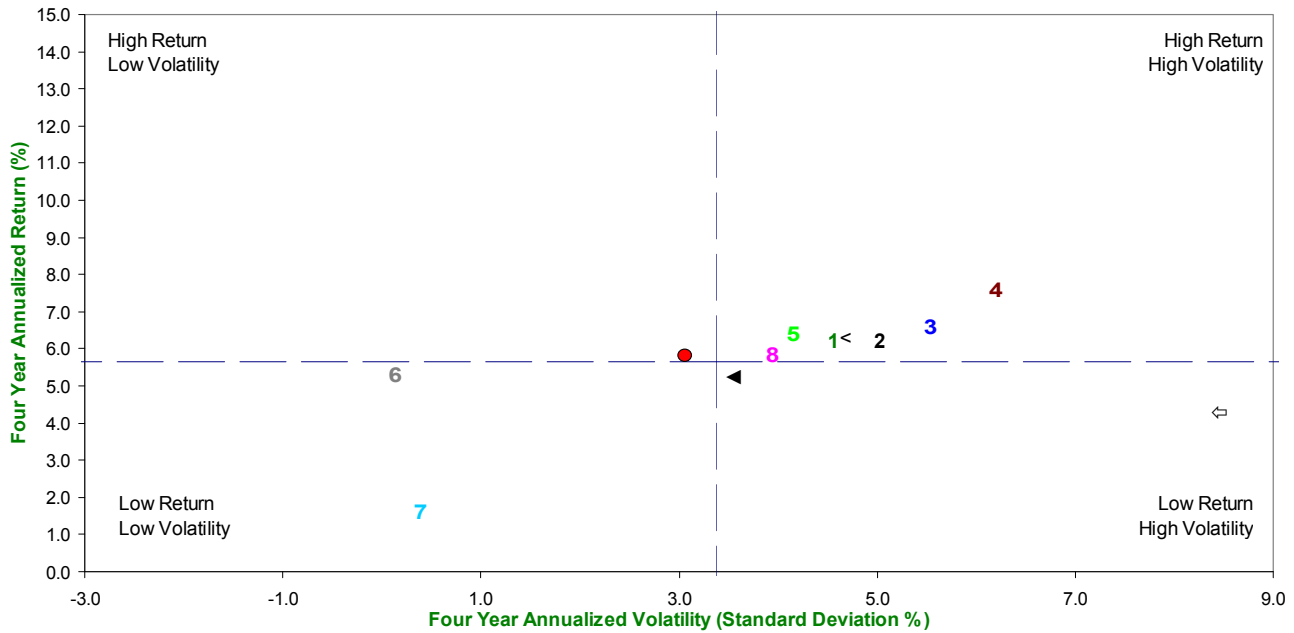


Bond investments (with implied market valuations) ended the quarter at just over \$1.8 billion despite a negative quarterly return of -2.1%. The return (MPI w/ Imp) lagged the Bond Index return of -1.5% and the -2.0% return of the Custom Bond Benchmark. Over four years, the 6.2% return ranks 2nd quartile in the API Bond Universe.

Marketable Bonds finished the quarter with assets totaling \$1,071m, with a return of -2.9%. Marketable Government investments returned -3.0% and Marketable Corporate Bonds declined 3.4%, both ranking 4th quartile. Floating Rate Notes account for \$40.3m and returned 0.1% for the fiscal quarter. Non-Marketable bonds with implied valuations returned -0.8% over the quarter.



Four Year Annualized Return vs. Four Year Annualized Volatility
Total Bonds Universe: Pooled



Return Std. Dev'n

API Median 5.7 3.4

Fund Performance:

● MPI Total Bonds	5.8	3.1
1 MPI w/ Imp	6.2	4.6
2 Marketable	6.2	5.0
3 Mkt Govt	6.6	5.5
4 Mkt Corps	7.6	6.2
5 N Mkt Imp	6.4	4.1
6 N Mkt Book	5.3	0.1
7 Floating R	1.6	0.4
8 Universe	5.9	3.9

Benchmark Performance:

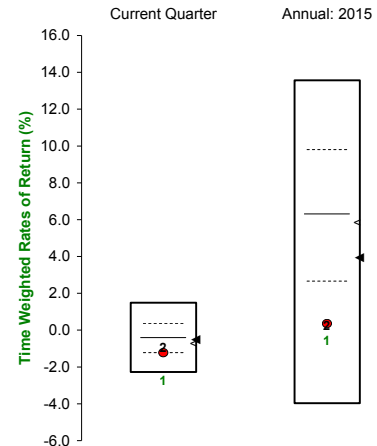
◀ FTSE TMX CA	5.3	3.5
< Custom BD Benchmark	6.3	4.6
⇐ Real Return Bond	4.3	8.4

The MPI Total Bonds with Implied Values, marked as #1 in the chart above, is 50 bps higher than the API median return over four years, with volatility 1.2% higher; however, volatility of the fund is on par with the Custom Bond Benchmark.

Canadian Equity
[return over four years 7.5%, rank 46th percentile]

Canadian Equity Universe: Pooled

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results				4 Year
				2015	2014	2013	2012	
● MPI Canadian Equity	\$335.1	-1.2 75	-1.2	0.3 82	26.9 9	20.9 23	-13.2 46	7.5 46
◀ Custom CE Benchmark		-0.5	-0.5	3.9	18.8	11.6	-15.1	4.0
API Median		-0.4	-0.4	6.3	21.9	17.3	-13.7	7.3
Value Added to								
Custom CE Benchmark		(0.7)	(0.7)	(3.6)	8.1	9.3	1.9	3.5
API Median		(0.8)	(0.8)	(6.0)	5.0	3.6	0.5	0.2
Sub Funds:								
1 Manager B	\$160.7	-2.7 97	-2.7	-0.6 85	25.9 14	19.4 31	-12.6 42	6.9 56
2 Manager C	\$116.4	-0.9 65	-0.9	0.2 82	24.8 20	25.8 9	-14.2 56	7.8 42
Alternative Benchmarks/Indices:								
< S&P TSX Capped		-0.7	-0.7	5.8	19.0	13.3	-14.2	5.2



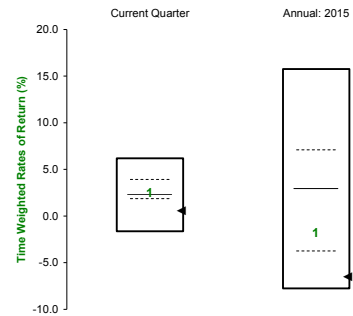
The MPI Canadian Equity quarterly return of -1.2% ranks 3rd quartile. The performance lags the return of the Custom Canadian Equity Benchmark by 0.7%. Domestic Equity investments were 0.8% behind the peer universe median. Over four years annualized, the 7.5% return outperforms the S&P TSX Composite Index (5.2%), API Median (7.3%) and the Custom Benchmark (4.0%).

Larger cap mandates managed by Manager B and Manager C returned -2.7% and -0.9% respectively for the quarter against the S&P TSX Composite index return of -0.7%. Both managers ranked below median versus their peers and benchmark, with Manager B trailing the index by 2% and Manager C lagging the index by 0.2%. Over four years, Manager C and Manager B returned 7.8% and 6.9% respectively, both outperforming the S&P TSX Composite.



Canadian Small Cap Equity Universe: Pooled

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results				4 Year
				2015	2014	2013	2012	
1 Manager D	\$58.0	2.5 ⁴⁷	2.5	-1.8 ⁶⁸	42.0 ²²	28.6 ¹⁹	4.9 ¹⁰	17.1 ¹⁹
◀ BMO Small Cap		0.5	0.5	-6.5	17.5	-0.7	-23.0	-4.3
API Median		2.3	2.3	2.9	34.1	16.0	-14.0	9.4
Value Added to								
BMO Small Cap		2.0	2.0	4.7	24.5	29.3	27.9	21.4
API Median		0.2	0.2	(4.7)	7.9	12.6	18.9	7.7



The Manager D allocation returned 2.5% on the quarter against a benchmark that gained 0.5%. The relative outperformance of Manager D to the BMO Small Cap Index landed Manager D a 2nd quartile rank in the domestic small cap peer universe. A strong four year annualized return of 17.1% ranks 1st quartile and is more than double the larger cap mandate returns. Over four years, Manager D has added 7.7% to the small cap median and 21.4% to the BMO Small Cap Index.

Canadian Equity Review

The domestic equity composition of the MPI Investment portfolio has undergone changes over the last decade, with the addition of a small cap manager, and removal of two larger cap equity mandates. These changes have resulted in the domestic equity style showing a value tilt in recent periods.

Chart 1: Style over last 4 years as of March 31, 2015

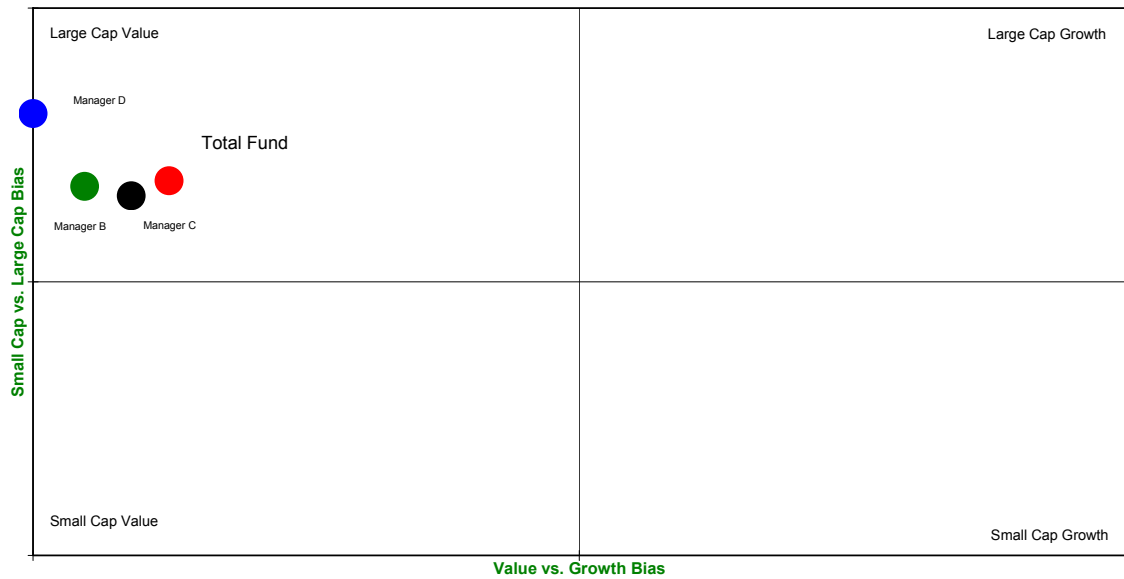


Chart 1 above is constructed through a regression of each manager’s performance and total domestic equity performance against the Large, Small, Growth and Value domestic indices to approximate the changing style biases of the strategies. It is not surprising all three managers as well as the total domestic equity performance show a value tilt given that the three firms’ investment philosophies are tailored to capital preservation.

This is a reminder, that under the previous structure of four larger cap mandates, two value biased portfolios were complemented by two growth biased strategies.

Manitoba Public Insurance

A deeper analysis of the performance characteristics of the current managers provide some insight into their consistency in protecting capital. With all 3 managers having at least 10 years of history with MPI, API reviewed 120 months of performance history for each manager and summarized the results in Table 1.

Table 1

10 Year Analysis of Canadian Equity Managers
June 2005 to May 2015

S&P TSX Composite was negative for 44 months out of 120 months.
BMO Small Cap Blended Index was negative for 50 months out of 120 months.

Outperformance by the Manager during Negative Months				
	Manager B	Manager C	Manager D (vs TSX)	Manager D (vs BMO Small Cap)
# of Months	24	24	31	44
% of Negative Months	55%	55%	70%	88%

Underperformance by the Manager during Negative Months				
	Manager B	Manager C	Manager D (vs TSX)	Manager D (vs BMO Small Cap)
# of Months	20	20	13	6
%	45%	45%	30%	12%

4 Year Analysis of Canadian Equity Managers
June 2011 to May 2015

S&P TSX Composite was negative for 19 months out of 48 months.
BMO Small Cap Blended Index was negative for 25 months out of 48 months.

Outperformance by the Manager during Negative Months				
	Manager B	Manager C	Manager D (vs TSX)	Manager D (vs BMO Small Cap)
# of Months	10	9	16	25
% of Negative Months	53%	47%	84%	100%

Underperformance by the Manager during Negative Months				
	Manager B	Manager C	Manager D (vs TSX)	Manager D (vs BMO Small Cap)
# of Months	9	10	3	0
%	47%	53%	16%	0%

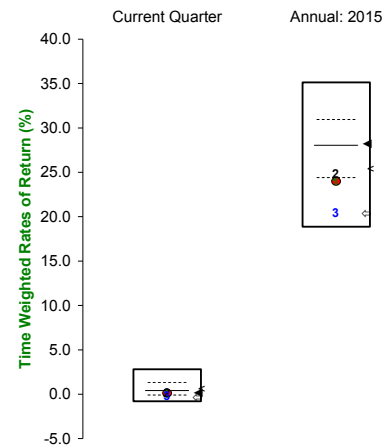
The most notable change is the decline of Manager C to below 50% of the number of months of outperformance during negative markets during the latest 48 month summary. Manager B has also shown some recent weakness in the % of negative months while Manager D has improved relative to its longer term figures.

US Equity

[return over four years 20.0%, rank 64th percentile]

US Equity Universe: Pooled

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results					4 Year
				2015	2014	2013	2012		
● MPI US Equity	\$173.1	0.1 ⁶⁴	0.1	24.0 ⁷⁷	23.8 ⁸⁴	32.8 ¹⁰	1.6 ⁷²	20.0 ⁶⁴	
◀ S&P 500 CAD		0.1	0.1	28.3	26.0	27.7	6.2	21.7	
API Median		0.4	0.4	28.0	26.7	27.0	4.2	21.1	
Value Added to S&P 500 CAD API Median		0.0	0.0	(4.3)	(2.2)	5.1	(4.6)	(1.7)	
		(0.3)	(0.3)	(4.0)	(2.9)	5.8	(2.6)	(1.1)	
Sub Funds:									
1 MPI no Hdg	\$173.1	0.1 ⁶⁴	0.1	24.0 ⁷⁷	23.8 ⁸⁴	32.8 ¹⁰	1.6 ⁷²	20.0 ⁶⁴	
2 Russell 1000 Passive	\$140.4	0.2 ⁶⁰	0.2	24.8 ⁷²					
3 Russell 2000 Passive	\$32.7	-0.2 ⁷⁸	-0.2	20.5 ⁸⁹					
Alternative Benchmarks/Indices:									
< Rus 1000 Value CAD		0.2	0.2	25.1	25.1	33.2	2.5	20.9	
⇄ Rus 2000 Value CAD		-0.2	-0.2	20.6	22.2	31.8	-2.2	17.4	



MPI US Equity earned 0.1% for the quarter and ranks in the 3rd quartile in the API US Equity Universe.

The latest returns of the two passive BlackRock funds remain in line with their respective benchmark returns. The larger capitalization Russell 1000 Passive returned 0.2% on the quarter while the Russell 2000 Passive fund returned -0.2%.

Over four years, US Equity investments gained 20.0% annualized.

Alternative Investments – Real Estate and Infrastructure

Real Estate & Infrastructure

	Market Value (\$M)	Current Quarter	Fiscal Year to Date	12 Month Results			4 Year
				2015	2014	2013	
Real Estate	\$259.3	1.7	1.7	5.7	9.1	10.6	9.9
Infrastructure	\$56.3	1.6	1.6	6.9	13.4	8.8	9.6
IPD All Prop (Lag)		1.7	1.7	6.9	10.3	13.2	11.4
S&P Global Infra		1.4	1.4	18.3	28.6	18.7	
Value Added to							
IPD All Prop (Lag)		0.0	0.0	(1.2)	(1.2)	(2.6)	(1.5)
S&P Global Infra		0.2	0.2	(11.4)	(15.2)	(9.9)	
Sub Funds:							
Real Estate Direct	\$51.0	2.0	2.0	5.6	6.7	5.6	8.0
Manager F	\$208.2	1.6	1.6	5.7	9.8	12.2	10.5
Infrastructure	\$56.3	1.6	1.6	6.9	13.4	8.8	9.6

MPI Real Estate met the IPD Index (lagged) for the quarter with a return of 1.7%. The Manager F Real Estate Pool returned 1.6% this quarter while the Real Estate Direct gained 2.0%. The benefits of allocating to the real estate asset class have rewarded the MPI portfolio with a 9.9% return annualized over four years.

The infrastructure allocation sits at \$56.3 million at the end of May 2015 and generated a return of 1.6% during the quarter.

1
2 **Observations**

3 The MPI investment portfolio (with Implied Market Value) returned -1.4%
4 over the first fiscal quarter of 2016. The performance ranked in the 4th
5 quartile for the fiscal quarter, and falls short of the custom MPI universe
6 median and custom benchmark. The 7.5% return over four years
7 annualized ranks 1st quartile, and adds value to both the benchmark and
8 median of 7.1%.

9 Fixed Income investments returned -2.1% to rank 4th quartile this quarter.
10 The fixed income investments underperformed against the custom bond
11 benchmark by 10 basis points. Over four years, the fixed income portfolio
12 return of 6.2% has exceeded the FTSE TMX Canada Universe Bond
13 Index by 90 bps and trails the Custom Bond Benchmark return by 10
14 basis points.

15 MPI's Canadian Equity assets decreased -1.2% during the quarter
16 against the custom Canadian Equity benchmark return of -0.5%. Both
17 larger cap managers underperformed relative to their benchmark (S&P
18 TSX Composite return of -0.7%). Manager B fell 2.0% behind the index
19 with a return of -2.7% while Manager C was 20 bps lower at -0.9%.
20 Active management added value in the smaller cap investments with the
21 Manager D mandate adding 2.0% to the BMO Small Cap benchmark
22 return of 0.5%.

23 Larger capitalization US companies generated stronger returns than
24 smaller cap US firms this quarter with the Russell 1000 Passive returning
25 0.2% against the -0.2% loss to the Russell 2000 Passive. MPI's
26 exposure to larger cap investments remain four times as great as its
27 exposure to smaller cap investments, which resulted in a collective 0.1%
28 return for US Equity investments over the quarter.

29 MPI Real Estate gained 1.7% over the quarter with the Manager F
30 investment returning 1.6% and the Real Estate Direct returning 2.0%.

31 The \$56.3 million allocation to Infrastructure returned 1.6% for the fiscal
32 quarter.
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1
2 **Comparative Measurement**

3 To assist the reader of this report, a description of the background
4 universe is being provided.

5 API provides measurement of the MPI fund at calendar quarter ending
6 December and June, using the API Segregated database of institutional
7 funds, and the fiscal quarters, using the API Pooled Fund database. The
8 Segregated database is comprised of observations of sponsor funds
9 while the Pooled database is made up of investment manager pooled
10 fund observations. The Segregated database is better suited for
11 comparison of client funds, but it is only available at calendar quarters.

12 With the February 2007 fiscal quarter report, a custom universe has
13 been added. This universe is comprised of pooled funds weighted to
14 MPI's policy asset mix which provides a performance comparison that is
15 independent of asset mix. Prior to that, the Total Fund had been
16 compared to the API Balanced Universe only.

17 API began measuring the MPI fund as of July 1, 2003. Fixed Income
18 returns are supplied by MPI, while Equity returns are calculated
19 independently by API from custodial records. Some data is obtained
20 directly from the investment managers for improved accuracy. Return
21 data prior to 2003 is a combination of MPI records and prior
22 measurement reports.

CAC (MPI) 1-60

Volume:		Page No.:	
Topic:	Risk management and risk profile		
Sub Topic:	Risk management and risk profile		
Issue:	Confirmation of material risk changes and material transactions in progress or outstanding impacting the 2016 GRA, if any.		

Preamble: See issue above.

Question:

- a) Please indicate, list and explain any technical, process, information technology or management constraints that the PUB should take into consideration in issuing its 2016 GRA ruling effective March 1, 2016, if any.
- b) Please indicate, list and explain any financial transactions under consideration or in progress that have not been explicitly reported in the 2016 GRA, either by management, the Board of Directors or Government, which could impact the 2016 GRA proposed rates, if any.
- c) Please indicate whether there have been any material changes to the Corporation's risk profile since last year's GRA, with respect to financial risk, operational risk, continuation of service risk, unpaid claims risk, information technology risk or with respect to any other risk factors. If so, please elaborate and provide details.
- d) Please indicate whether the Corporation expects any changes to its risk profile going forward through the outlook period. If so, please elaborate and provide details.

Rationale for Question:

Assess material risk profile changes or material transactions in progress or outstanding potentially impacting the 2016 GRA forecasts, if any.

RESPONSE:

- a) Rates are set within the classification system defined within the regulations. The classification system has been established over a very long period of time and is therefore imbedded in systems and processes that cannot easily be changed. The customer-based system that began to be in place with the introduction of Autopac On-Line in 1995 is imbedded in the classification system in Regulation and that is what defines how customers are grouped into various rating classification cells. For example, the system is customer-driven and therefore the same DSR rate must apply to all the policies owned by that customer because that is the specification included in the Regulations to *The Manitoba Public Insurance Corporation Act*. Also, ordering a rate file for part of an insurance year and a different rate file for the balance of an insurance year is not possible because of constraints related to the requirements of system version controls and the March 1 insurance year start date as well as the long standing policy consideration to ensure all customers receive the same rating treatment.

The foregoing is intended to provide a context regarding the potential issues that could be encountered and is not, in any way, intended to be a comprehensive and complete identification of potential problem areas. To avoid these problems, it is preferred that potential changes be explored during the hearing process, in order that the Corporation be given an opportunity to comment, on the public record, regarding the feasibility.

To allow sufficient time to reflect changes in Basic rates it is imperative that the PUB order be received by the Corporation by Tuesday, December 1, 2015.

- b) There is nothing to report.
- c) No material changes to the risk profile, other than the reduction to interest rate risk as discussed in the Rate Application regarding the introduction of the Asset Liability Management (ALM) study as noted in Volume 2, Investment Income, page 11 to 16.
- d) Please see response to (c)

CAC (MPI) 1-61

Volume:	III, AI.6, Part 1	Page No.:	5
Topic:	Accounts Receivable		
Sub Topic:	Increase, year over year, of accounts receivable by \$112.7 million or 47% mainly relating to subrogation and other receivables see note 24 page 40.		
Issue:	Impacts claims incurred or revenues.		

Preamble: See subtopic.

Question:

Please provide a detailed explanation of the change in subrogation and other receivables increasing from \$26.4 million in 2014 to \$101.4 million in 2015 or an increase of \$75 million. If the increase was caused by an accounting policy change, please provide a copy of the updated accounting policy.

Rationale for Question:

Assess financial impact on projected financial results and obtain greater clarity and understanding of reported financial results.

RESPONSE:

The increase of \$75 million in subrogation and other receivables is due to the \$75.5 million transfer of non Basic retained earnings to Basic. The offset of this transfer to retained earnings is an increase in other receivables of \$75 million.

CAC (MPI) 1-62

Volume:	II	Page No.:	5
Topic:	Revenues		
Sub Topic:	Adjustments		
Issue:	Reductions in premiums written described as adjustments is not clear.		

Preamble: See Issue above.

Question:

Please explain the following deductions from premiums written:

- b) 2014/15 adjustments of \$(2,906,000)

Rationale for Question:

To assess and understand the reason(s) for the deduction from premiums written in 2014/15.

RESPONSE:

The adjustment line item for premiums written in 2014/15 is utilized to ensure reconciliation of 2014/15 written premiums which become the base to calculate 2015/16 premiums written. The actual actuarial calculated volume and upgrade percentage factors for 2014/15 are estimated and occasionally an adjustment is required to reconcile 2014/15 premiums.

CAC (MPI) 1-63

Volume:	Investment Income	Page No.:	23, 28, Attachment A & 1, 2 Attachment D
Topic:	Interest Rate Risk		
Sub Topic:	Investment Policy Statement Attachment A Operational Asset Liability Management Policy Attachment D		
Issue:	Understanding the degree of asset and liability mismatching risk		

Preamble: CAC observes that the Investment Policy Statement in paragraph 8.4 used to provide for the use of “Macaulay duration” as the measure of the fixed income risk relative to the claims liability. The April 10, 2015 document deletes the reference to “Macaulay”.

Section 10.6 on page 28 of the IPS provides that the “Corporation monitors” compliance on a “monthly basis” and reports to the Investment Committee Working Group on a “quarterly basis”.

Section 10.6 of the IPS noted the Corporation’s “graduated investment manager compliance policy ... with escalating action based upon the degree of non-compliance”.

Section 10.6 of the IPS also provides that the “Corporation evaluates the compliance with the defined duration bandwidth **as defined in Section 8.4** on a “monthly basis” and reports to the Investment Committee on a “quarterly basis”. [Emphasis added.] CAC observes that the word “bandwidth” does not appear in Section 8.4.

Section 10.6 of the IPS also provides certain “COMPLIANCE RULES” and defined a variance of “less than 10%” as “minor” and for other rules “**All breaches ... are considered major**”. [Emphasis added]. CAC observes that the “COMPLIANCE RULES” do not include a reference to duration variances, and do not establish a 10% threshold for determining whether the non compliance is a “major” or “minor” event.

Section V of the Operational Asset Liability Management Policy, effective August 31, 2015, provides for a bandwidth of +/- 0.25 years.

CAC understands that Section V of the Operational Asset Liability Management Policy, effective August 31, 2015, provides for what appears to be a quarterly lag in that the "claims duration target ... for the current quarter will be based on" the duration "at the end of the previous quarter **unless another duration target is provided by the ICWG.** The ... manager will have until the end of the current fiscal quarter to reach the new duration target". [Emphasis added]. CAC notes that Section VI of the Operational Asset Liability Management Policy, effective August 31, 2015, requires that the "claims liability duration will be updated ... on a monthly basis".

Section VI of the Operational Asset Liability Management Policy, effective August 31, 2015, provides for "Modified duration ... unless effective duration is a more appropriate measure."

CAC (MPI) I-146 filed July 31 2014 provided the fixed income duration and the liability duration, the variance and quantum of the fixed income assets and claims liabilities for certain periods. CAC observes that in certain of those periods the variance duration was greater than 10% of the bandwidth, and perhaps those greater variances would represent a "major" breach of compliance policies. CAC also notes that the Liability Duration was relatively constant from February 2010, changing only on August 2010, August 2011, August 2012, and February 2014. CAC also notes that some of the information in CAC (MPI) I-146 filed July 31 2014, does not reconcile with information provided in Table 15.3 in Investment Income on page 74.

Question:

- a) Please update CAC (MPI) I-146 filed July 31 2014, to the most current date available at the time of response, and (1) please provide a footnote for each period in which fixed income assets were excluded from the duration calculation including the quantum of fixed assets excluded and the pro forma duration value had those fixed income assets not been excluded from the calculation (2) please include a column showing the fixed income portfolio turnover during that period

[on a quarterly basis if available or annual basis if quarterly numbers are not available].

- b) For all common dates, please reconcile the data inconsistencies between Table 15.3 and CAC (MPI) I-146 filed July 31 2014, including but not limited to the May 2013 data points, in which the "Variance Duration" in CAC (MPI) I-146 or "Difference" in Table 15.3 is either -1.7 or -0.6.
- c) What is the current [pre August 1, 2015] "defined duration bandwidth **as defined in Section 8.4**", [Emphasis added] where is it defined, and if the definition is contained in a document not on the record, please provide the document?
- d) Please discuss what the Corporation does as it "evaluates the compliance with the defined duration bandwidth **as defined in Section 8.4** on a "monthly basis", [Emphasis added] including its response, if any, to instances in which the defined duration bandwidth has been greater than 2.20 during a +2 period [e.g. May 2010, August 2010 and November 2012], or greater than 1.1 during a +1 period, where, perhaps, the breaches of compliance were "considered major", in light of its "graduated investment manager compliance policy ... with escalating action based upon the degree of non-compliance".
- e) Please discuss what the Investment Committee does as it "evaluates the compliance with the defined duration bandwidth **as defined in Section 8.4** on a "quarterly basis", [Emphasis added] including its response, if any, to instances in which the defined duration bandwidth has been greater than 2.20 during a +2 period [e.g. May 2010, August 2010 and November 2012], or greater than 1.1 during a +1 period, where, perhaps, the breaches of compliance were "considered major", in light of its "graduated investment manager compliance policy ... with escalating action based upon the degree of non-compliance".
- f) Please discuss the response of the Corporation or the ICWG to a minor breach by a manager, and contrast that to the appropriate response to a "major" breach.

- g) Are we correct in thinking that, effective August 1, 2015, a duration variance of greater than 0.275 years [$0.25 + 0.025 = 0.275$] being greater than 10% of the allowed variance, would be actionable as a major breach?
- h) Under the new policy would the duration target [± 0.25 “years”] that the fixed income manager would be expected to reach or approximate, as at August 30, 2015 be the claims liability duration as at May 30, 2015, and if not, what would be the date of the then target?
- i) Why is there no compliance rule related to duration in Section 10.6 of the IPS, or perhaps a duration compliance rule is found elsewhere?
- j) Which duration methodology has been used subsequent to the April 10, 2015, deletion of the word “Macaulay”, in these monthly evaluations?
- k) Please discuss the factors which will be used to determine whether “Modified duration” or “effective duration is a more appropriate measure”?
- l) Please quantify the effect, if any, in the calculation of the Fixed Income Duration and Liability Duration of the use of Macaulay, modified and effective methods for the most recent period for which data is convenient.
- m) As the “claims liability duration will be updated ... on a monthly basis”, would it not “prove valuable”, as AON Hewitt observed on PDF page 19 of the Phase I report, and reduce the interest rate risk if the fixed income manager were provided with targets on a more frequent basis than quarterly?
- n) What circumstances were contemplated or anticipated by Section V of the Operational Asset Liability Management Policy, effective August 31, 2015, which provided for the ICWG to provide the manager with “**another duration target**” [Emphasis added] other than the prior quarter’s calculation, in addition to its power to remove assets from the duration calculation?

Rationale for Question:

Understanding the policies that will be in force on August 1, 2015, compared to current policies, how they will be monitored, and how the policy limit is calculated. The information will provide insight into the reliability of forecasting including the prudence of relying on duration targets. It also will assist in understanding the risks relevant to rate setting.

RESPONSE:

- a) The table from CAC (MPI) 1-146 filed July 31, 2014 has been updated with the most recent data (May 2015). In addition, the Fixed Income Duration and Liability Duration have been revised with the updated data from the response to CAC (MPI) 1-63 (b) (shown below in columns 1 and 2).

From November 2010 to May 2012 floating rate notes and cash for investments were excluded from the fixed income duration calculation. In May 2015 cash for investments was excluded from the fixed income duration calculations. The excluded values are shown in column 7 in Table 1 – 63a. Fixed income durations with excluded assets are shown in column 8.

The duration target for the fixed income portfolio was lagged by one fiscal quarter starting at December 31, 2014. Therefore, the duration target at February 28, 2015 is the duration of the claims liabilities at November 30, 2014.

Column	1	2	3	4	5	6	7	8
Date	Revised Fixed Income Duration	Liability Duration Communicated to the Fixed Income Manager*	Duration Variance **	Fixed Income Assets (\$ Billion) ***	Aggregate Claims Liability (\$ Billion)	Quarterly Fixed Income Portfolio Turnover Ratio	Floating Rate Note and Cash for Investments Excluded from Fixed Income Duration (\$ billion)	Fixed Income Duration including FRN and Cash for Investments
Nov-09	7.4			1.77	1.66			
Feb-10	7.2	9.0	-1.8	1.80	1.62	0.11		
May-10	6.6	9.0	-2.4	1.82	1.56	0.14		
Aug-10	6.7	9.4	-2.7	1.85	1.67	0.06		
Nov-10	7.6	9.4	-1.8	1.54	1.66	0.06	0.263	6.5
Feb-11	7.6	9.4	-1.9	1.50	1.44	0.05	0.268	6.4
May-11	7.5	9.4	-1.9	1.39	1.43	0.07	0.081	7.1
Aug-11	7.4	9.1	-1.7	1.40	1.48	0.06	0.081	7.0
Nov-11	7.5	9.1	-1.6	1.41	1.51	0.09	0.096	7.1
Feb-12	8.3	9.1	-0.9	1.33	1.48	0.15	0.196	7.2
May-12	8.3	9.1	-0.8	1.34	1.48	0.16	0.188	7.3
Aug-12	6.9	8.9	-2.0	1.53	1.52	0.13		
Nov-12	6.6	8.9	-2.3	1.53	1.54	0.09		
Feb-13	7.4	9.0	-1.6	1.51	1.55	0.18		
May-13	8.3	8.9	-0.6	1.48	1.59	0.21		
Aug-13	8.1	8.8	-0.7	1.48	1.56	0.20		
Nov-13	6.7	8.8	-2.1	1.61	1.59	0.13		
Feb-14	7.3	9.4	-2.1	1.61	1.70	0.14		
May-14	8.1	9.4	-1.3	1.65	1.69	0.10		
Aug-14	8.4	9.2	-0.8	1.64	1.72	0.11		
Nov-14	8.6	9.5	-0.9	1.66	1.73	0.05		
Feb-15	9.7	10.3	0.2	1.75	1.78	0.16		
May-15	10.1	10.0	-0.2	1.71	1.73	0.28	0.015	10.0

* Prior to February 2010, liability duration was total liability duration
 * After February 2010, liability duration was claim liability duration
 ** Duration Variance = Fixed Income Duration(t) - Liability Duration(t)
after Nov. 2014 Duration Variance is lagged by one quarter = Fixed Income Duration(t) - Liability Duration(t-1) (eg: Feb '15 = 9.7 - 9.5)
 *** Fixed Income Assets utilized to calculate fixed income duration

b) The discussion below reconciles the differences between the Table 15.3 and CAC (MPI) 1-146 (2015 GRA).

Fixed Income Differences

- For May 2013, the correct fixed income duration for May 2013 was 8.3 years as per Table 15.3. The 7.2 years fixed income duration as stated in CAC (MPI) 1-146 (2015 GRA) was incorrect due to a typo.
- For the rest of Table 15.3 and CAC (MPI) 1-146, the fixed income duration numbers are the same.

Claims Liability Duration Differences:

- The original Table 15.3 listed the historical claims durations that was applied each fiscal year on a retroactive basis. CAC 1-146 listed the claims liability duration that was reported to the bond manager on a quarter by quarter basis. The timing of presented claims duration explains the discrepancy between CAC 1-146 and Table 15.3. Table 15.3 has been revised below, which match the values in the table in part a) of this question.

- There were three revisions between the original Table 15.3 and the Revised Table 15.3:
 - Liability durations for February 2011 and May 2011 were revised to 9.4 years from 9.1 years.

 - Liability durations for February 2012 and May 2012 were revised to 9.1 years from 8.9 years.

 - Liability duration for February 2013 was revised to 9.0 years from 8.9 years.

- There are two minor revisions from CAC 1 – 146 July 2014 to the table in part (a) of this question:
 - For February 2013 liability duration is restated at 9.0 years (previously 8.9 years).

 - For August 2013 and November 2013 liability duration is restated at 8.8 years (previously 8.9 years).

Revised Table 15.3

Date	Revised Fixed Income Duration	Liability Duration Communicated to the Fixed Income Manager*	Duration Variance **
Nov-09	7.4		
Feb-10	7.2	9.0	-1.8
May-10	6.6	9.0	-2.4
Aug-10	6.7	9.4	-2.7
Nov-10	7.6	9.4	-1.8
Feb-11	7.6	9.4	-1.9
May-11	7.5	9.4	-1.9
Aug-11	7.4	9.1	-1.7
Nov-11	7.5	9.1	-1.6
Feb-12	8.3	9.1	-0.9
May-12	8.3	9.1	-0.8
Aug-12	6.9	8.9	-2.0
Nov-12	6.6	8.9	-2.3
Feb-13	7.4	9.0	-1.6
May-13	8.3	8.9	-0.6
Aug-13	8.1	8.8	-0.7
Nov-13	6.7	8.8	-2.1
Feb-14	7.3	9.4	-2.1
May-14	8.1	9.4	-1.3
Aug-14	8.4	9.2	-0.8
Nov-14	8.6	9.5	-0.9
Feb-15	9.7	10.3	0.2
May-15	10.1	10.0	-0.2

* Prior to February 2010, liability duration was total liability duration

* After February 2010, liability duration was claim liability duration

** Duration Variance = Fixed Income Duration (t) – Liability Duration (t)

After November 2014 Duration Variance is lagged by one quarter = Fixed Income Duration (t) – Liability Duration (t-1)(eg. Feb’15 = 9.7 – 9.5

- c) The duration bandwidth in section 8.4 is effectively 0.0 years since the duration of the fixed income portfolio is required to match the duration to the claims liabilities.

The Operational ALM Policy states that “the fixed income manager is to match the duration of the duration matching portfolio to the duration of claims liabilities as per Section 8.4 of the Investment Policy Statement. In practice it is difficult to maintain a 0.0 year duration gap when matching fixed income assets to claims liabilities. Therefore, the duration of duration matching portfolio shall be maintained by the fixed income manager within +/- 0.25 years of the duration of the claims liabilities.”

- d) The fixed income manager is expected to manage the fixed income portfolio so that the duration of the portfolio remains within the defined duration bandwidth based upon the information available to the fixed income manager at the time. When new information about the duration of the liabilities becomes available the fixed income manager is expected to manage to the new target. The duration target for the fixed income portfolio is lagged by one fiscal quarter in order to provide the fixed income manager with sufficient time to reach the new duration target. When the duration of the fixed income portfolio is outside of the defined duration bandwidth that information is communicated to the fixed income manager and they are requested to bring the fixed income portfolio within the defined duration bandwidth as soon as practical.
- e) When the duration of the fixed income portfolio is outside of the defined duration bandwidth that information is communicated to the fixed income manager and they are requested to bring the fixed income portfolio within the defined duration bandwidth as soon as practical.
- f) As per Vol II Investment Income Attachment A Investment Policy Statement Section 10.6: “For minor instances of non-compliance the relevant external manager is notified of the non-compliance with the Investment Policy Statement. For major issues of non-compliance the relevant manager is contacted and requested to rectify the non-compliance within 30 days. Minor issues of non-

compliance will be addressed internally by the Corporation. Major issues of non-compliance will be brought to the attention of the Investment Committee Working Group at its next meeting.”

- g) Yes, if the duration variance exceeds 0.275 years it will be reported to the Investment Committee Working Group.
- h) Yes, the duration target for the fixed income portfolio as at August 31, 2015 will be the claims liability duration as at May 30, 2015.
- i) The rules related to duration are located in Investment Income – Attachment D: Operational Asset Liability Management Policy.
- j) The modified duration methodology has been used for the monthly calculation of the fixed income portfolio duration subsequent to April 10, 2015.
- k) The factor which will be used to determine whether modified duration or effective duration is a more appropriate measure is whether the marketable bonds have embedded options attached to them.

Modified duration measures the price responsiveness assuming that changes in yield do not change the cash flow. This measure is appropriate for option-free bonds and bonds with embedded options where the embedded option is deep out-of-the-money. In contrast, effective duration assumes that changes in yield can affect cash flow and takes this into account.¹

Manitoba Public Insurance’s (MPI) marketable bonds do not have embedded options. Therefore, the modified duration methodology is appropriate to be used to calculate the fixed income portfolio duration.

¹ The Handbook of Fixed Income Securities, Fourth Edition Edited by Frank J. Fabozzi and T. Dessa Fabozzi, Page 111

- l) At May 31, 2015, the duration of the fixed income portfolio using modified duration was 10.08 years and the Macaulay duration was 10.29 years. At May 31, 2015, the duration of the claims liabilities using modified duration was 9.72 years and the Macaulay duration was 10.03 years. MPI does not calculate effective duration for fixed income assets and claim liability assets because there is no optionality in the fixed income portfolio or the claims liabilities.
- m) As per Vol II Investment Income Attachment D Operational Asset Liability Management Policy Section VII, "The duration and present value of the claims liability will be communicated to the fixed income manager (DOF) on a monthly basis. The duration gap and dollar gap between the duration matching portfolio and the claims liabilities will be reported to the Investment Committee and Investment Committee Working Group every fiscal quarter." Therefore, the fixed income manager will receive the liability duration after each month-end.
- n) A duration target which is different than the duration of the claims liabilities from the prior fiscal quarter would be provided to the bond manager when new information arises that has a significant impact on the duration of the claims liabilities subsequent to the prior fiscal quarter. For example, if there was an actuarial review and the claims duration was significantly adjusted subsequent to the fiscal quarter. In this case, the adjusted claims duration number would be more appropriate than the previous quarter's claim duration.

CAC (MPI) 1-64

Volume:	Investment Income	Page No.:	27 Attachment A 19 ,44, Attachment B 1 Attachment H
Topic:	Interest Rate Risk		
Sub Topic:	Asset Liability Study Phase I Attachment B Investment Policy Statement Attachment A Benchmarking Returns Attachment H		
Issue:	Understanding the return benchmarks		

Preamble:

Aon Hewitt proposes a new benchmark for the fixed income assets on pdf page 19 of Attachment B. Appendix F, pdf page 44, provides more information on the methodology and recommends an exclusion of certain “new inflows”. Section 10.5 of the Investment Policy Statement states the new fixed income portfolio benchmark is the “Return on the present value” of certain cash flows.

Question:

- a) Has MPI adopted the AON Hewitt benchmark recommendation, and methodology, or are there other inclusions, exclusions, or adjustments in MPI’s method [perhaps targets differing from those determined on a formulaic basis], that are incorporated by MPI?
- b) Discuss the effect of excluding new cash flows as AON Hewett recommends for validity and transparency of the new benchmark and operationally in respect of:
 - i. the quarterly or monthly availability of new claims durations, and
 - ii. the quarterly lag in which the manager is to conform to each new target.
- c) With the “Operational Asset Liability Management Policy” taking effect August 31, 2015, please discuss the transitional measures and transitional reporting which MPI anticipates employing.

- d) To assist in understanding the reporting change that the use of the new benchmark will require, from that provided in Investment Income Attachment H, please provide the “MPI Annual Return ending February 28, 2015” and the “Annual Expected Return Benchmark ending February 28, 2015” for “MPI Total Fund” and “Fixed Income” asset categories, on the basis of the new benchmark.

	MPI Annual Return ending February 28, 2015	Annual Expected Return Benchmark ending February 28, 2015
MPI Total Fund	%	%
Fixed Income		
Cash	%	%
Marketable Bonds	%	%
Universe Bonds	%	%
Long Term Bonds	%	%
Non-Marketable Bonds	%	%

Rationale for Question:

Clarification of the benchmarks to be employed for the fixed income assets which has relevance for the prudence and reasonableness of operations. CAC seeks to understand the degree to which the Aon Hewitt recommendation is being implemented, and whether there will be operational, transparency, communication or transitional issues as a result of a change in the benchmark related perhaps to as much as 80% of the Investment assets of MPI

RESPONSE:

- a) The Investment Committee formally adopted the Benchmark recommended by AON Hewitt in the Investment Policy Statement (effective April 10, 2015) and is in the process of implementing the benchmark. The Investment Department is working with the Actuarial Department to obtain the necessary data and foresees August 31, 2015 as a tentative date for operational implementation.

- b)
 - i. The impact to the liability duration would be immaterial for the period between actuarial valuations. The cash flow assumptions are only updated in the February valuation, and without a change to these assumptions there would be very minor changes in the liability duration.
 - ii. The duration target (not the benchmark) is the only measure that is lagged one quarter. The duration target and the fixed income benchmark are separate items.
- c) Manitoba Public Insurance (MPI) has not implemented the new liability based benchmark and is using the old market index based benchmark until the new liability based benchmark is available. The Investment Department is discussing the implementation process with the Actuarial Department.
- d) Please see the table below for the requested return information. The new liability based fixed income benchmark includes all fixed income asset categories, such as marketable bonds (government, corporate and floating rate notes) and non-marketable bonds. The individual fixed income categories no longer have their own unique benchmarks.

	MPI Annual Return ending February 28, 2015	Annual Expected Return Benchmark ending February 28, 2015
MPI Total Fund	10.4%	9.9%
Fixed Income	10.6%	10.1%
Cash	0.9%	n/a
Marketable Bonds	14.5%	n/a
Universe Bonds	12.2%	n/a
Long Term Bonds	21.8%	n/a
Non-Marketable Bonds	5.0%	n/a

CAC (MPI) 1-65

Volume:	I Overview II Investment Income	Page No.:	39 Overview 10, 69 Investment Income
Topic:	Investment Income		
Sub Topic:	Interest rate forecasting		
Issue:	Ensuring the reasonableness of the Forecast Interest Rate Assumptions		

Preamble: CAC observes, at page 39 in the Overview, that MPI discusses the “projected rising interest rates” and noted that “investment income is expected to deteriorate significantly in the rating years”.

Chart 13.1, at page 69 in Investment Income shows the MPI forecast methodology compared to the Actual interest rates for the GOC 10 year rate. The Chart indicates forecast errors for periods commencing from the date of the forecast and particularly for periods longer than 6 quarters from the date of the forecast.

At page 10 in Investment Income, MPI notes that the low forecast of investment income is “negatively impacted” by over \$151 million in “losses in on the marketable bond portfolio” in the rating years “(2016/17 and 2017/18)”. CAC observes that a more accurate forecasting methodology would reduce the over forecasting of “losses in on the marketable bond portfolio”.

Question:

- a) Is the MPI interest rate forecast used in any other aspect of the financial modeling other than the anticipated interest income, value changes in the marketable bond portfolio, and the discount rate for claims liabilities?
- b) What steps, if any, has MPI taken to further refine its interest rate forecasting methodology to improve its accuracy?
- c) Other than the discounting of claims liabilities, what other aspects of the financial position of MPI would be affected by a more accurate forecast of future interest rates, perhaps pension liabilities, formerly equity returns?

Rationale for Question:

Recognizing challenges in interest rate [sic] forecasting, to understand the implication of more accurate forecasting on the overall forecast.

RESPONSE:

- a) The Government of Canada 10-year bond rate forecast is not used anywhere else in the financial model.
- b) The entire interest rate forecasting methodology was reviewed in last year's GRA. There were no changes to the forecasting methodology this year.
- c) The only other area in the financial model that is impacted by forecasted future interest rates is service fees. Service fees are based on the prime interest rate forecast plus 2%.

The pension liability expense is also impacted by interest rates, but does not use forecasted rates. Instead, the pension expense uses a rate provided in consultation with an external actuary. The rate is based on the estimated yield of a highly rate (AA) corporate bond of similar duration to the pension liabilities based on actual yields close to the time of analysis. The pension discount rate remains static throughout the five year forecast.

The question mentions "a more accurate forecast of future interest rates". Accuracy implies that the forecast will be free from error, which is impossible with any interest rate forecast. The banks and Global Insight's rising interest rate forecasts over the last few rate applications, which have been incorrect, illustrate how difficult it is to "accurately forecast" future interest rates.

One of the reasons the Corporation moved to a perfect match of claims liabilities and fixed income duration was to mitigate the interest rate forecasting risk.

CAC (MPI) 1-66

Volume:	II Investment Income	Page No.:	10, 13, 14 Investment Income 14, 15 Attachment B
Topic:	Investment Income		
Sub Topic:	Asset Liability Study Phase I Attachment B		
Issue:	Topic		

Preamble: CAC observes, at page 10 in Investment Income, that MPI advises that the low forecast of investment income is “negatively impacted” by over \$151 million in “losses in on the marketable bond portfolio” in the rating years “(2016/17 and 2017/18)”. MPI also notes “that marketable bond losses from the rising interest rate forecast are offset by ... the Corporation’s matching program”. [Emphasis added]

At page 13 in Investment Income, MPI advises that this “Pre-ALM scenario uses last year’s asset allocation and last year’s -1.0 year duration gap assumption”. CAC is unclear as to whether the Post-ALM comparison values have a constant asset allocation.

Table 1.3.1 indicates a total for rating years “(2016/17 and 2017/18)” a net impact of \$9.3 million, and compares that to a Pre-ALM net impact of \$27.1 million, a difference of \$17.8 million.

MPI notes in bold type on page 14 of Investment Income, that “By implementing the full duration matching strategy it reduced the impact of interest rates over the rating years on a corporate basis by approximately \$8.9 million”. A similar comment and analysis appear on the following page related to “Basic”. [Emphasis added]

On pdf page 14 of the AON Hewett Phase I report, they observe that the “estimated annual tracking error” for a duration match was 120 bps, and for the Hybrid solution “duration buckets approach” the error was 60 bps.

On pdf page 15 of the AON Hewett Phase II report, they observe that the “risk reduction of the more precise matching strategies (Bucket approach ...) is too small for the reduction in reward as a result of the lower yield”

Question:

- a) Is the reference to \$8.9 million on page 14 of Investment Income intended to indicate an annual average for a 2 year period, and if not, please provide the derivation of the amount?
- b) What is the definition of “full duration matching strategy” as the phrase is used in this context?
- c) What is the assumed asset allocation in the Post-ALM case?
- d) What assumptions does the analysis in tables 1.3.1 and 1.3.2.1, incorporate with respect to:
 - i. Pre-ALM duration mismatch (and how does that assumption compare to the most recent value)
 - ii. Post-ALM mismatch, generally and specifically the use, if any, of the +/- 0.25 duration bandwidth
 - iii. The right of the Corporation or ICWG to remove assets from the duration calculation
 - iv. The time lag from the identification of the duration target and the ability of the Corporation or ICWG to set an asset duration target differing from that derived from claims liability
 - v. Size of the marketable bond portfolio relative to the size of the claims liability portfolio.
 - vi. Non-linear changes in the interest rate curve.

- vii. Periodic failures of the manager to remain within any bandwidth range as identified in various prior periods in CAC (MPI) 1-146 dated July 31, 2014.
 - viii. Weighting of fixed Income assets as a percentage of the Pre-ALM and Post- ALM portfolios.
 - ix. Portfolio turnover
 - x. The addition of new inflows during the period, which Aon indicated (Appendix B pdf page 44) should be excluded from its preferred benchmarking calculation.
- e) If the “full duration matching strategy” does not include the “bucket approach” please recast tables 1.3.1 and 1.3.2.1 to reflect that approach and demonstrate the cost of the lower portfolio yield?
- f) Does MPI accept the AON Hewett assumption of the “estimated annual tracking error” for a duration match was 120 bps, and for the Hybrid solution “duration buckets approach” the error was 60 bps, and if not what is the preferred assumption of as to the tracking error?
- g) Please relate the concept of Aon Hewett’s “risk reduction” from pdf page 15 of Part II, to the concept of “estimated annual tracking error” from pdf page 14 of the AON Hewett Phase I report.
- h) In as much as the Bank interest rate forecasters upon whom MPI relies to develop its forecast have generally overstated the forecast increases in interest rates, please provide a sensitivity analysis to recast tables 1.3.1 and 1.3.2.1 to reflect interest rates increasing at 1/3 of the forecast rate used in the initial analysis.

Rationale for Question:

To understand the reliability of the analysis and its implication for the Corporation's risk.

RESPONSE:

- a) Yes, the \$8.9 million is an annual average of the two rating years, which was based on the (\$5.9) million and (\$12.1) million shown in the last row of Vol II Investment Income Table 1.3.1.
- b) The full duration matching strategy refers to setting the duration of the fixed income portfolio so that it matches the duration of the corporate claims (including PfAD). In other words, the duration gap becomes 0.0 years.
- c) The assumed asset allocation in the Post-ALM case is shown in Table 10.2.1 Asset Allocation.
- d)
 - i. Pre-ALM duration mismatch was -1.9 years duration gap including PfAD (-1.0 years excluding PfAD). As of May 2015, the claims duration was 10.0 and the fixed income duration was 10.1, which is a 0.1 year duration gap.
 - ii. Post-ALM duration gap was 0.0 years including PfAD. The 0.25 year duration bandwidth was not incorporated in the forecast, and is for operational purposes. The Operational ALM Policy states: "In practice it is difficult to maintain a 0.0 year duration gap when matching fixed income assets to claims liabilities. Therefore, the duration of duration matching portfolio shall be maintained by the fixed income manager within +/- 0.25 years of the duration of the claims liabilities."

- iii. Section 8.4 of the Investment Policy Statement states “If an allocation to floating rate notes is designated by the Working Group to fund other asset classes, then the designated amount can be excluded from the duration calculation.” No floating rate notes were assumed to be removed from the duration calculation in the forecast.
- iv. The time lag between setting the duration target and matching the fixed income duration to the claims liabilities was stated on page 23: “Within the model the fixed income duration is matched to the previous quarter’s claims duration. This one quarter lag between matching the fixed income and claims liabilities reflects the reality that the claims liability number must be known before the fixed income duration can be changed to match.”
- v. In the Post-ALM scenario the size of the fixed income portfolio is matched to corporate claims on an annual basis. This mechanism is discussed in detail in Vol II Investment Income Section INV.10.2 *This Year’s Rebalancing Assumptions*.

In the Pre-ALM scenario, transfers to and from the marketable bond portfolio follows last year’s rebalancing rules, which are discussed in detail in Vol II Investment Income Section INV.10.1 *Last Year’s Rebalancing Assumptions*.

- vi. Non-linear changes in the interest rate curve refers to the marketable bond convexity which is discussed in Vol II Investment Income Section INV.3.3.2.2 *Convexity*. The convexity assumption is assumed to be 2.60 in both the Pre-ALM and Post-ALM scenarios.

- vii. Periodic failures of the manager to remain within the duration bandwidth are not considered in the model. Instead, the model mechanically changes the duration of the marketable bond portfolio each quarter such that the fixed income duration matches the claims liabilities in the Post ALM scenario and has a -1.0 year duration gap (excluding PfAD) in the Pre ALM scenario.

The duration numbers do not always exactly equal the duration gap target (i.e. the difference between the fixed income and claims duration from the target is typically +/- 0.1 years or less). These small differences are due to the fact that the model uses an iterative process to reach a solution.

- viii. The assumption for the marketable bond weighting for the Pre-ALM scenario is last year's asset allocation of 30% minimum, 39% target and 58% maximum. The Post-ALM scenario had a marketable bond allocation assumption of 40%/50%/60% (min/target/max). In both scenarios, the assumed MUSH weighting was 15%/20%/25% (min/target/max).
- ix. There are three types of turnover in the model. Turnover for marketable bonds, Canadian equities and U.S. equities remains the same for both scenarios, as indicated in the Investment Income document. See Vol II Investment Income Section INV.3.3.1.2 Marketable Bond Turnover, INV.5.6 Canadian Equity Turnover and Section INV.6.6 U.S. Equity Turnover for more details.
- x. The discussion of new inflows in Appendix B PFD page 44 was regarding benchmarking, not actual inflows. Therefore, the addition of new claims liabilities during the period was not considered when modeling the fixed income portfolio.

- e) Aon Hewitt was hired to review the Corporation's assets and liabilities and to recommend an appropriate risk management strategy. The Corporation reviewed Aon Hewitt's analysis and recommendation and relied upon it in making its decision to continue with a duration matching strategy. The Corporation did not attempt to duplicate the analysis that Aon Hewitt was hired to conduct.

- f) Yes, MPI accepts Aon Hewitt’s estimated annual tracking error for a duration matching strategy and for the hybrid strategy (ie: the duration buckets approach).
- g) Tracking error is a measure of risk, therefore the “risk reduction” referenced on pdf page 15 of Part II is equivalent to the “estimated annual tracking error” from pdf page 14 of the AON Hewett Phase I report.
- h) The 2016 GRA forecasted interest rates increased by 2.25% from Q4 2014/15 to Q4 2017/18 (from 1.30% to 3.55%) and remained flat thereafter. In the One-Third Interest Rate Increase scenario below, interest rates increase by 0.75% from Q4 2014/15 to Q4 2017/18, or 0.25% per year, and remain flat thereafter.

CAC 1-66 One-Third Interest Rate Increase Scenario
Corporate Interest Rate Impact
(in millions of dollars)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Forecasted				
Change in GoC 10 Year Bonds	-1.13%	0.25%	0.25%	0.25%	0.00%	0.00%
2016 GRA Base (Post-ALM)						
Gain(loss) on Marketable Bonds	101	-42.7	-44.4	-41.9	-5.1	-5.4
Increase/(Decrease) in Claims Liabilities	124.4	-29.5	-35.7	-34.7	3.1	2.6
Net Impact	-23.4	-13.2	-8.7	-7.2	-8.2	-8.0
Pre-ALM						
Gain(loss) on Marketable Bonds	101	-39.2	-40.0	-36.6	-7.8	-7.5
Increase/(Decrease) in Claims Liabilities	124.4	-43.4	-33.1	-29.2	6.5	5.9
Net Impact	-23.4	4.2	-6.9	-7.4	-14.3	-13.4
Net Impact Difference	0	-17.4	-1.8	0.2	6.1	5.3

CAC 1-66 One-Third Interest Rate Increase Scenario
Basic Interest Rate Impact (\$000,000's)
(in millions of dollars)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Forecasted				
Change in GoC 10 Year Bonds	-1.13%	0.25%	0.25%	0.25%	0.00%	0.00%
2016 GRA Base (Post-ALM)						
Gain(loss) on Marketable Bonds	84.3	-35.6	-37.0	-35.0	-4.3	-4.5
Increase/(Decrease) in Claims Liabilities	122.4	-29.1	-35.1	-34.2	3.0	2.6
Net Impact	-38.1	-6.5	-1.9	-0.8	-7.3	-7.1
Pre-ALM						
Gain(loss) on Marketable Bonds	84.3	-32.7	-33.4	-30.5	-6.5	-6.3
Increase/(Decrease) in Claims Liabilities	122.4	-42.7	-32.6	-28.7	6.4	5.8
Net Impact	-38.1	10.1	-0.8	-1.8	-12.9	-12.0
Net Impact Difference	0	-16.6	-1.2	1.0	5.6	5.0

CAC (MPI) 1-67

Volume:	II Investment Income	Page No.:	20, 77, Investment Income 5, Attachment A
Topic:	Investment Income		
Sub Topic:	Investment Fund Strategy Statement INV 17 Investment Policy Statement Attachment A		
Issue:	Bond Turnover in a less passive but more tightly matched environment		

Preamble: INV.17 Appendix 5 notes a change in the Investment Fund Strategy Statement on page 77 to “The Fund’s fixed income assets shall be primarily managed in a “buy and hold” strategy subject to change in the duration of the claims liabilities.” [Emphasis added]

INV.17 Appendix 5 notes a change in the Investment Fund Strategy Statement on page 77 removing the word “passively” where it appeared before the phrase “managed in a buy and hold” strategy”.

In the Investment Policy Statement, page 5, MPI provides a statement of investment beliefs. The beliefs included:

“Asset allocation is the most important factor in determining the performance of the Fund”

“The success of active management varies on the efficiency of capital markets.”

“In inefficient markets, active managers can add value net of fees”

“In efficient markets ... active managers will tend to underperform net of fees”

“Passive management may be appropriate to reduce active management risk and cost in both efficient and some inefficient markets”.

Table 3.3.1.2 provides the turnover ratio of Marketable Bonds for years ending between February 2008 and 2015, which average about 65% and imply that the total portfolio will be turned over on average in less than 1.8 years. CAC observes that these turnover statistics were derived from years when the allowable duration bandwidth was as much as 8 times greater [+/- 2.0 vs. +/- 0.25] than it will be following the implementation of the new Operational Asset Liability Management Policy on August 31, 2015. CAC also notes that the method of calculating duration also will be changed.

Question:

- a) Please discuss the importance of the addition of the phrase “subject to change in the duration of the claims liabilities” in the Investment Fund Strategy Statement.
- b) Does the addition of the phrase “subject to change in the duration of the claims liabilities” now indicate that trading will be less opportunistic and primarily driven by changes in the duration, within a narrower band, thereby resulting in a lower turnover?
- c) Please discuss the importance of the deletion of the word “passively” in the Investment Fund Strategy Statement.
- d) Does the deletion of the word “passively” now indicate a change in view as to the efficiency of the bond market?
- e) Does the deletion of the word “passively” now indicate that trading will be more opportunistic thereby resulting in a higher turnover or “active management risk”?
- f) Does the deletion of the word “passively” now indicate the existence of some factor which makes more active management of the Fixed Income portfolio more appropriate, and if so, what is the new factor?

- g) Please discuss how the historic turnover ratio of the fixed income portfolio, while it was “passively managed in a buy and hold strategy”, would compare to the turnover ratios of actively managed Canadian bond funds, such as the Fidelity Canadian Bond fund.

http://www.fidelity.ca/cs/Satellite/doc/FICL_CBON_MRFPS.pdf

Rationale for Question:

CAC wishes to better understand that rationale for the assumption that bond turnover is forecast at 65% per year during the 5 year forecast, in light of the these changes in the Investment Fund Strategy. The questions go both to the reliability of forecasts and to the risks of the strategy.

RESPONSE:

- a) The addition of the phrase “subject to change in the duration of the claims liabilities” in the Investment Fund Strategy Statement is meant to provide the fixed income manager with the ability to make any trades necessary to adjust the duration of the fixed income portfolio to match the duration of the claims liabilities.
- b) Yes, the addition of the phrase “subject to change in the duration of the claims liabilities” indicates that trading will be less opportunistic and primarily driven by changes in the duration, within a narrower band, thereby resulting in a lower turnover.
- c) The words “passively” and “buy and hold” were redundant. The deletion of the word “passively” does not change the meaning of the policy
- d) No, the deletion of the word “passively” from the policy does not indicate a change in view regarding the efficiency of the bond market.

- e) No, the deletion of the word “passively” does not indicate that trading will be more opportunistic thereby resulting in a higher turnover or “active management risk”.
- f) No, the deletion of the word “passively” does not indicate the existence of some factor which makes more active management of the Fixed Income portfolio more appropriate.
- g) According to the Fidelity Canadian Bond Fund Semi-Annual Management Report of Fund Performance (page 4), the average turnover ratio for the period 2010-2014 was 68% which does not differ materially from the long-term historical average for MPI’s marketable bond portfolio, which was 65%. The historical turnover was derived from a period where the duration bandwidth was greater (+/- 2.0) than currently (+/- 0.25) and, as a result, represents a period where the turnover ratio was more likely higher than the one to be observed in the future with the new reduced bandwidth. As a result, the manager had greater discretion to shorten and lengthen the fixed income duration relative to the duration of the claims liabilities.

However, the long-term average turnover ratio was influenced by a particularly high turnover ratio (86%) during the last four years (February 2012 to February 2015), which is not expected to continue in the future. The turnover is expected to return to the level observed in the first four years (45%) because of the recently reduced duration bandwidth.

CAC (MPI) 1-68

Volume:	II Investment Income	Page No.:	4, 21 Attachment B 22, 35, 40 Attachment C
Topic:	Investment Income		
Sub Topic:	Asset Liability Study Phase I Attachment B Asset Liability Study Phase II Attachment C		
Issue:	Topic		

Preamble: On PDF page 4 of the Phase I report, AON Hewitt noted the current strategy using Macaulay duration and a “tolerance band is ± 1 year”. CAC observes that Table 15.3, on page 74 of Investment Income, indicates:

for quarters ended November 2013 and February 2014, a difference of -2.1 between Fixed Income Duration and Claims Duration,

for the period May 2010 to November 2014, an average difference of -1.55 between Fixed Income Duration and Claims Duration.

On PDF page 21 of the Phase I report, and assuming that the “manager’s capabilities are aligned satisfactorily”, AON Hewitt observed that it favored a hybrid approach in which “key rates ... are matched.”

In Phase II of its report Aon Hewitt indicated:

on pdf page 22, that in its modeling of the “Base Case” to represent a “status quo situation”, it made mention of 2 exceptions including, “The Fixed Income Portfolio is assumed to follow a Bucket Approach to liability matching” and the use of the “Desired State rules”.

on pdf page 34, through the use of a graph the relative average net income and volatility of retained earnings for its “Base Case” and certain other portfolio asset allocations, in which the

fixed income portfolio was managed in three alternative strategies [*sic*]

on pdf page 35, that in its modeling “For allocations to fixed income from 30% to 70%, the best hedging strategy is Duration Matching”.

on pdf page 40, that with respect to its recommendation of “the Duration Matching approach”, the conclusion was “highly dependent on the assumed yield gain from using this approach over both the Bucket Approach and the Cash Flow Matching approach”.

Question:

- a) Please confirm that as the “Base Case” includes the bucket approach it is not perfectly representative of the results of current management of the debt portfolio, or if unable to confirm please explain why the confirmation is not possible.
- b) Would MPI agree that the data point for the duration matching 60% debt case, on pdf page 35, is more representative of the recent handling of its debt portfolio than the 60% “Base Case” data point.
- c) Please provide the assumption as to the “yield gain” accruing to the duration matching approach as opposed to the Bucket and the Cash Flow Matching approaches.
- d) As the base case does not accurately represent the “status quo” as it incorporates a bucket approach, would we be correct in assuming that the “base case” would under-represent the annual income and retained earnings possible in a duration matching case with a +/- 1.0 bandwidth?

- e) Would MPI agree that the 60% duration matching case data point on pdf page 34 would be the best representation of the status quo in the various Phase II report graphs?
- f) Would MPI agree that the assumption of a ± 1 year “tolerance band is” not supported by the behavior identified in Table 15.3 for quarters ended November 2013 and February 2014?

Rationale for Question:

CAC wishes to better understand that rationale for the assumption that bond turnover is forecast at 65% per year during the 5 year forecast, in light of the these changes in the Investment Fund Strategy. The questions go both to risks and to the reliability of the forecasts.

RESPONSE:

- a) According to Phase II of AON’s report, the base case strategy corresponds to the current growth component combined with the liabilities component managed according to the bucketed approach. The base case was not expected to be representative of the current management of the debt portfolio.
- b) Given the response to (a) above, we confirm that the data point for the duration matching 60% debt case is more representative of the recent handling of the debt portfolio than the 60% “Base Case” data point.
- c) As per page 39 of the Phase II report from Aon Hewitt, the yield gain between the hedging strategies is 0.20%. This means that the yield gain of the duration matching approach relative to the hybrid/bucketed approach is 0.20% and the yield gain of the hybrid/bucketed approach relative to the cash flow matching approach is 0.20%. Therefore, the yield gain of the duration matching approach relative to the cash flow matching approach is 0.40%.
- d) It is correct that the “base case” under-represents the annual income and retained earnings possible in a duration matching case with a +/- 1.0 bandwidth.

As the chart on page 34 shows, the duration matching approach at 60% debt more accurately represents the current handling of the debt portfolio.

- e) Yes, before the implementation of the new ALM strategy, the 60% duration matching data point on page 34 is the best representation of the status quo.
- f) MPI agrees that the duration mismatch was outside of the +/- 1 year “tolerance band” for the quarters ended November 2013 and February 2014. However, during those periods, an absolute 2.0 year bandwidth was in place according to the then current Investment Policy Statement.

CAC (MPI) 1-69

Volume:	I Overview II Investment Income	Page No.:	32, 33 Outlook 15, 18 Attachment B 125 Attachment C
Topic:	Investment Income		
Sub Topic:	I Asset Liability Study Phase I Attachment B Asset Liability Study Phase II Attachment C		
Issue:	Topic		

Preamble: In the overview at pages 32 and 33, MPI discusses the impact of changes in matching duration and identifies differences in the range of \$1.2 and \$5.9 million. Other analysis appears in Table 1.3.1 in Investment Income.

In Phase II of its report, on pdf page 125, Aon Hewitt supplies a chart indicating the 10 year average basic net income for a 60% fixed income case with values calculated based on duration matching, bucket and cash flow matching approaches. The current state duration matching average basic net income in this analysis appears to be slightly over \$80 million while the cash flow matching net income appears to be in the mid \$60 million range.

In Phase I of its report, on pdf page 15, Aon Hewitt indicated that “the yield reduction to go from duration matching to cash flow matching is in the 40 to 50 bps range. CAC notes that the duration bandwidth is assumed to be +/- 1, so while the duration match will be less perfect than that under cash flow matching, there will still be substantial shelter for the portfolio from interest rate changes.

In Phase I of its report, on pdf page 18, Aon Hewitt indicated that “the marketable bonds portfolio had a value of approximately \$1B”.

In Phase I of its report, on pdf pages 58-60, Aon Hewitt provides expected returns and standard deviations for certain bond classes.

Question:

Please explain the rather substantial variance in average net income, relative to the comment on yield reduction and the expected returns as they may vary from time to time, the implications of those changing returns on market values during the forecast period.

Rationale for Question:

Understanding the validity of the two forecasts.

RESPONSE:

As per the preamble regarding Vol II Income Investment Attachment B ALM Phase I, pdf page 15 *"Aon Hewitt indicated that 'the yield reduction to go from duration matching to cash flow matching is in the 40 to 50 bps range.'* CAC notes that the *duration bandwidth is assumed to be +/- 1."* This assumption is incorrect. All discussion starting from page 8 in the Phase I report with respect to duration matching, the hybrid solution and cash flow matching scenarios assume that the duration or cash flows are fully matched. The +/- 1 year duration bandwidth was referenced in the observations of the pre-ALM portfolio (see ALM Phase 1 report, pdf page 4).

Aon Hewitt's variance in average net income between the duration matching and cash flow matching scenario (for the current state with both 70% and 60% allocation to fixed income) was approximately \$15 million (\$70 - \$55 and \$80 - \$65); Vol II Income Investment Attachment C ALM Phase II Report - Part A, pdf page 125). The 40 to 50 bps decrease in yield from the duration matching scenario to the cash flow matching scenario is the primary reason for the variance in net income, as shown on Phase II – Part A pdf page 36.

Analysis was performed using the Corporation's financial model to explain Aon Hewitt's \$15 million dollar difference that is attributed to the 50 bps decrease in yield:

- On average, the impact on marketable bond income from a 50 bps decline in coupon yield was \$5.7 million per year over the forecast period.
- There would be a one-time impact on the claims discount rate from the forecasted 50 bps decrease in marketable bond yield. If the 50 bps reduction in marketable bond yield occurs in 2015/16, the claims discount rate would decrease, causing claims liabilities to increase by \$76 million.
- Since Aon's forecast period is 10 years, the average impact on claims incurred is \$7.6 million per year.
- An average \$5.7 million dollar reduction to marketable bond income plus an average \$7.6 million dollar increase in net claims incurred equals a \$13.3 million dollar Basic net income impact on average per year over the forecast period.
- The estimated \$13.3 million impact calculated using the financial model is close enough to validate the \$15 million dollar impact estimated by Aon Hewitt.

The last part of this question asks to what extent expected returns and the impact of changing market values help explain the \$15 million dollar difference between the duration matching and cash flow matching scenarios. As mentioned earlier, the decrease in yield from duration matching to the cash flow matching scenario is the primary reason for the variance in net income (as shown on Phase II – Part A pdf page 36).

CAC (MPI) 1-70

Volume:	II Investment Income	Page No.:	21 Attachment A
Topic:	Investment Income		
Sub Topic:	Investment Policy Statement, Attachment A		
Issue:	Topic		

Preamble: In the Investment Policy Statement, March 2014, the Cash and Short Term asset allocations were Minimum 0%, Normal 1%, and Maximum 3%.

In the Investment Policy Statement, April 2015, the Cash and Short Term asset allocations are Minimum 0%, Normal 0%, and Maximum 5%, representing a reduction in the “Normal” value and an increase in the “Maximum” value.

Note 3 of the Annual Financial Statement AI.6 for February 2015 shows total investments of \$2.151 billion of which the Cash and Short Term amount was \$55 million or approximately 2.5%.

Note 5 of the Annual Report AI.6 for February 2015 shows total investments of \$2.602 billion of which the Cash and Short Term amount was \$69 million or approximately 2.6%. CAC estimates that with total investments of \$2.602, the maximum allocation to this usually low return asset class could be as much as \$130 million.

Question:

- a) Please discuss the meaning of “Normal” in the context of the recent actual Cash and Short Term asset allocation of approximately 2.5% reflected in the financial statements, and the reduction of the “Normal” target from 1% to 0%.

- b) In altering these two values, is MPI signaling that the “Normal” category is now largely irrelevant, perhaps because the rebalancing will be to the nearer of the Minimum or Maximum whichever may be closer?

- c) Please discuss the rationale for increasing the Maximum allocation to Cash and Short Term at this time. Is this change motivated by anticipated transitional actions related to other asset allocation changes, past violations of the previous 3% Maximum (if so provide details thereof), or other matters?

Rationale for Question:

Understanding the implications of the new “Normal” and “Maximum” Cash and Short Term asset allocations, compared to current and recent actual Cash and Short term allocation, and the expectations that prompted MPI to alter these target levels. The questions go to the risks associated with the policy.

RESPONSE:

- a) In Vol II Investment Income Attachment A Investment Policy Statement Table 7.1, page 21 was modified based on AON Hewitt’s recommendation (Asset Liability Study - Phase 2 - Part B). The Corporation has three cash general ledger accounts, one for operations, one for investments and a general account. The target weights in Table 7.1 apply only to the general ledger cash account for investments. The general ledger cash account for operations and the general account are used for operational purposes and are not managed by the fixed income manager. The balance in the general ledger cash account for investments at February 28, 2015 was \$25.6 million or 1.0% of the total investment portfolio. The balance in the operating account was \$40.7 million and the balance in the general account was \$2.5 million. The goal, under normal circumstances, is to hold as little cash in the investments account as possible. However the investment policy recognizes the short-term need for a small amount of supplementary cash for operational purposes (as cash is occasionally transferred from the investment account to the operational account when the operational account is depleted), and recognizes that additional cash can occur when rebalancing occurs between asset classes or when fixed income securities are sold.
- b) The revision of the normal or target allocation to cash from 1% to 0% was driven by a desire to maximize the allocation to higher yielding asset classes,

particularly in the current low interest rate environment. The 5% maximum weight for cash provides a buffer for operational or rebalancing purposes.

- c) According to Aon Hewitt (Asset Liability Study - Phase 2 - Part B, page 10), past research suggests that asymmetrical asset class limits provide the best risk adjusted return outcomes. In addition, Aon believes that greater maximum ranges and tighter minimum ranges are optimal as they allow strong asset classes to grow over a longer period. Narrow asset class ranges can result in more frequent rebalancing and increased costs.

CAC (MPI) 1-71

Volume:	II Investment Income	Page No.:	22, Oct report 4, Feb report
Topic:	Investment Income		
Sub Topic:	Investment Income Table 3.3.2.1 Duration Assumptions Claims Incurred, Assumed Claim Liability Duration		
Issue:	Starting point for the analysis		

Preamble: While values for years 2015/16 through 2019/20 in the Assumed Claim Liability Duration table on page 9 of Claims Incurred, match the values of table 3.3.2.1 described as “Claims Duration with PfAD”, the values for 2015, described as “actual” fail to match.

Question:

Please explain the difference in the values and the impact of the discontinuity on the analysis presented in the application.

Rationale for Question:

Understanding what may be a discontinuity in information presented in respect to duration.

RESPONSE:

The 2014/15 actual in table 3.3.2.1 shows the duration without PfAD. Please note the asterisk beside the figure.

CAC (MPI) 1-72

Volume:	II Investment Income	Page No.:	23, Attachment A & 1, Attachment D
Topic:	Investment Income		
Sub Topic:	Investment Policy Statement Attachment A Operational Asset Liability Management Policy Attachment D		
Issue:	Asset Classes included in the duration matching		

Preamble: In Section IV of the Operational Asset Liability Management Policy, effective August 31, 2015, MPI requires that the “ICWG will seek to minimize the difference between the market value of the duration matching portfolio and the present value of the claims liabilities”. [Emphasis added]

In Section III of the Operational Asset Liability Management Policy, effective August 31, 2015, MPI defines the duration matching portfolio as including “marketable bonds and non-marketable bonds (MUSH bonds)”, but makes no mention of Cash, Short Term instruments or floating rate notes.

In INV 3.3.2.1, on page 23 of Investment Income, beginning on line 10, we are told of the concept of “Fixed income duration” which is “the weighted average duration of cash, marketable bonds and MUSH bonds. As per section 8.4 of the Investment Policy Statement, the total fixed income duration is matched to the claims duration to minimize the interest rate risk of the Corporation”. [Emphasis added]

In Section III of the Operational Asset Liability Management Policy, MPI requires that the “present value and duration of the claims liabilities will be determined by the actuarial department”, but does not assign responsibility for determining “the market value” of marketable bonds and non-marketable bonds”. [Emphasis added]

Question:

- a) Please reconcile the comments quoted in the Preamble, and discuss the reasons why Cash and Short Term assets are apparently excluded from the matching process contemplated in Section III of the Operational Asset Liability Management Policy, but apparently included, at least in part with the use of the

term “floating rate notes” in the matching of total fixed income duration contemplated by section 8.4 of the Investment Policy Statement.

- b) Who will determine the “market value” of “non-marketable bonds, and in so doing what incremental discount will be applied to reflect the differing credit status, if any, of the issuer, any special terms in the trust indenture under which they were issued, and the illiquidity of the bond?
- c) As it seeks to “minimize the difference between the market value of the duration matching portfolio and the present value of the claims liabilities” [Emphasis added] will ICWG also seek to insure that the “difference” will be due to the market value of the duration matching portfolio exceeding the present value of the claims liabilities, or will it be indifferent to whether the difference is positive or negative?

Rationale for Question:

Seeking to understand why there appear to be differences in asset classes described as being included in the matching exercise in the Operational Asset Liability Management Policy, and in the Investment Policy Statement.

RESPONSE:

- a) The second comment regarding Section III of the ALM Policy does not mention cash because cash is no longer included as a duration matching asset class. The cash portfolio serves multiple purposes within the total portfolio. For example, cash facilitates other portfolio transactions that occur in the investment fund and fluctuates over time due to possible operational requirements. Therefore, cash is not an appropriate duration matching asset class because of its role in the investment fund.

The policy also does not mention floating rate notes because this asset class is defined as fixed income, as per Section 8.4 “...the combined duration of the marketable bonds, which includes floating rate notes...”

The third quote references the fixed income duration calculation that is calculated based on “the weighted average duration of cash, marketable bonds and MUSH bonds”. The word “cash” should not have been included. The sentence should say “...the weighted average duration of marketable bonds and MUSH bonds”.

- b) MPI’s Investment Department determines the implied market value of non-marketable bonds. The implied market value is used for information purposes only as the non-marketable bonds are reported at book value on the financial statements. The yield curve used is based on the interest rates on fixed term loans made by the Province of Manitoba to its Crown corporation and government agencies. The Province of Manitoba publishes the interest rates once a month.
- c) The first priority will be to ensure that the duration difference between assets and liabilities is as close to zero as possible. The tighter duration match will mitigate the net impact of changing interest rates. The second priority will be to minimize the dollar difference between assets and liabilities, which will also help to mitigate the net impact of changing interest rates. Because the interest rate risk will be significantly reduced by these measures the ICWG will be somewhat indifferent as to whether the market value of the duration matching portfolio exceeds or falls short of the present value of the claims liabilities.

CAC (MPI) 1-73

Volume:	II Investment Income	Page No.:	6, 29, 30, Attachment B
Topic:	Investment Income		
Sub Topic:	Asset Liability Study Phase I Attachment B		
Issue:	Appropriate Discount Methodology		

Preamble: Aon Hewitt was critical of MPI's discount methodologies in Appendix B to Phase I of its report. Aon Hewitt noted on pdf page 6 that the portfolio average yield was calculated as a mixture of 2 methods. Aon Hewitt proposed a duration weighted method on pdf pages 29 and 30 of Attachment B.

Question:

- a) Does MPI accept the comments made by Aon Hewitt, with respect to recursivity and the ability of portfolio changes impacting the yield without a duration change?
- b) Has MPI adopted the AON Hewitt this recommendation, and if not why not?

Rationale for Question:

Seeking to understand the extent to which the Aon Hewitt recommendations have been embraced. Questions go to risks of the policy and the reliability of forecast.

RESPONSE:

- a) Manitoba Public Insurance (MPI) accepts Aon Hewitt's comment in regard to the existence of recursivity.
- b) MPI adopted Aon Hewitt's recommendation regarding the calculation of the discount rate for the claims liabilities as of March 2015.