

MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE CORPORATION (MPI)
GENERAL RATE APPLICATION
2016/17 INSURANCE YEAR

Before Board Panel:

Karen Botting	- Board Chairperson
Regis Gosselin	- Board Member
Anita Neville	- Board Member
Susan Proven	- Board Member
Allan Morin	- Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
Winnipeg, Manitoba

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Pages 222 to 463



“When You Talk - We Listen!”



1 when I was making the presentation, we had reduced in
2 '15/'16 our budget in many different areas.

3 So some of -- of the area -- or one (1)
4 of the areas where we reduced our budget was overtime,
5 for instance. So while we haven't calculated, per se,
6 and exact -- what overtime was saved by monitoring
7 these specific metrics, on the basis of the fact that
8 we're able to perform better on these metrics we
9 actually did reduce our overtime budget. And so far
10 we are able to work within that budget for this fiscal
11 year.

12 So we're six (6) months through and we
13 anticipate that we will be able to manage within a --
14 a reduced overtime budget, as an example.

15 MS. CANDACE GRAMMOND: Thank you.
16 Madam Chair, I just have a few more questions on
17 benchmarking. With the Board's indulgence I'll
18 probably just be five (5) minutes if that's okay.
19 Thank you.

20 Diana, I'll ask you to go to PUB/MPI-1-
21 17, this IR deals with BI3. And in this question, we
22 had asked the Corporation about whether pre-BI3
23 benchmarks were being achieved since the
24 implementation; BI3, and if we just scroll a bit to
25 the answer. MPI advised that it's developed two (2)

1 benchmarks relative to claims duration. And if we
2 scroll further, we see the first of those benchmarks
3 relates to claim retention.

4 You're with me, Ms. Reichert?

5 MS. HEATHER REICHERT: Yes, I am.

6 MS. CANDACE GRAMMOND: And so the
7 Corporation provided a table with respect to the
8 benchmark and the actual. And this is, I gather,
9 active claims in a given -- these -- these were
10 specific claims that I think were identified to --

11 MR. LUKE JOHNSTON: I can jump in, if
12 you want.

13 MS. CANDACE GRAMMOND: Yeah. For
14 sure.

15 MR. LUKE JOHNSTON: Yeah. Yeah. You
16 helped me earlier on it, so -- yeah.

17 MS. CANDACE GRAMMOND: Thanks.

18 MR. LUKE JOHNSTON: Yeah, it's -- this
19 is a very actuarial type benchmark. So I think what's
20 being said earlier is that there's more than just
21 actuary stuff going on here. But it's just saying how
22 many claims did we make -- did we pay a dollar on at -
23 - at -- like, in total? So how many claims were there
24 in total, non -- non-zero? How many are still open,
25 getting payments?

1 So the actual says, well, there's two
2 hundred and ninety-three (293) open from that loss
3 year, and if we look at past, at the exact same point
4 in time when the claim was open, there -- there was
5 only 17 percent open pre -- pre-BI3. And then if you
6 go down -- obviously as time passes, the years get
7 older, and there's -- it seems like 2 to 3 percent of
8 claims are probably lifetime claims.

9 Initially when we started BI3 -- this
10 is -- this is concerning to me, right? Like -- like,
11 is it -- because why aren't we meeting the same
12 percentages, et cetera? So we thought implementation.
13 There must be implementation issues, right? But we're
14 well past implementation now. And the BI group is
15 saying, Well, we're doing what we're supposed to be
16 doing. You know, we're managing the files to the
17 dates and the durations that we're supposed to -- of
18 the targets. And we're still not hitting your
19 benchmarks.

20 So we met and there -- I think at the
21 beginning of this question, they talk about a lot of
22 changes that were made to enhancements, different
23 claims that maybe we're paying for now that we didn't
24 pay for before. MDGuidelines is a new duration
25 benchmarking tool that we didn't have before. So

1 we're very much trying to figure out and understand
2 how the new reality is -- you know, compares to the
3 old world.

4 But what I'm hearing from the -- the
5 bodily injury department is that they believe they're
6 managing to where they should be. They're paying
7 claims right. Like, if -- if that's a good term. So
8 this is -- these are the updated numbers, but we're
9 working on understanding whether -- what the best and
10 most fair comparison is going forward. That -- is
11 that all -- so --

12 MS. CANDACE GRAMMOND: It -- it does.
13 Thank you. Because, I mean, on the face of this
14 table, the benchmarks aren't being met.

15 Would that be fair to say?

16 MR. LUKE JOHNSTON: Yeah, and for --
17 for sure when I'm looking at this from -- again, from
18 a pure actuarial perspective, I'm saying, Why are
19 there thirty (30) more claims open all the time,
20 right? So what is it? Is it that certain claim types
21 we just said, You know what? We are going to pay
22 those now, and we changed a policy. Or -- or we are
23 going to, you know -- maybe we were doing something
24 before and we were denying and we shouldn't be doing
25 that today. Because it's very consistent.

1 MS. CANDACE GRAMMOND: M-hm.

2 MR. LUKE JOHNSTON: Right? Even post
3 -- you know, in the year of implementation and after.
4 So maybe, at least from my end, I was a little over-
5 critical at first on them for not meeting these. And
6 they're saying, Well, I'm just -- I'm just doing what
7 we're supposed to be doing, right? So we're looking
8 at that kind of thirty (30), forty (40) claim issue,
9 and trying to understand what that is.

10 MS. CANDACE GRAMMOND: And is that
11 something that, as you work through, you'll provide an
12 update to the Board?

13 MR. LUKE JOHNSTON: Yes.

14

15 (BRIEF PAUSE)

16

17 MS. CANDACE GRAMMOND: Diana, if you
18 can just scroll down a little bit? I just want to go
19 to the second benchmark before we wrap up. So the
20 first one was simply claims retention. The second one
21 is claim retention reduced by residual capacity
22 determination or CPP disability benefits.

23 And if we scroll down we'll see, I
24 believe, a chart on this one, as well. So the
25 benchmark for this was set at 58 percent for rehab, I

1 believe, and 43 percent for serious and long-term
2 care?

3 MR. LUKE JOHNSTON: That's right. And
4 again, that's -- we use pre -- not really pre-BI3,
5 just, like, older years experience, like, Where have -
6 - where have we got with claims five (5) to ten (10)
7 years or older in terms of reduced entitlement? And
8 that -- that was the basis of the benchmark. So it's
9 a historical-based benchmark.

10 MS. CANDACE GRAMMOND: And it doesn't
11 appear that this benchmark is being met on the face of
12 this table either?

13 MR. LUKE JOHNSTON: That's true. And
14 again, this one -- we know that in the older years,
15 that we've hit this benchmark of 58 percent on
16 average. So it might be sixty-two (62) in one (1)
17 year and forty-nine (49) another year. But we're
18 trying to figure out that we -- we didn't have before
19 is at what stage is it?

20 You know, like, obviously, you're not
21 going to get everybody on reduced entitlement, like,
22 three (3) or four (4) years after the claim's open.
23 Maybe it starts at 35 percent and gradually grows to -
24 - to 60, so we need to work on -- on that a little
25 bit, making the benchmark appropriate at the -- you

1 know, at different stages of the claim's lifetime.

2 So the current active information,
3 again, might not be fair. They might not quite be at
4 that -- at that stage yet. So we're working on
5 benchmarks that can -- can phase in that 58 percent
6 over time, if that makes sense.

7 MS. CANDACE GRAMMOND: My next
8 question was going to be whether the Corporation has
9 any other benchmarks under development pursuant to
10 BI3?

11 MR. LUKE JOHNSTON: I'm definitely
12 biassed to the actuarial type benchmarks, though. I
13 know they've -- they've had benchmarks with a lot of
14 other things, whether it be customer service or, like
15 -- so I -- I don't know all the different benchmarks
16 that -- that they have. So I -- I don't know if
17 anyone in the panel can assist, but we could look into
18 that if necessary.

19

20 (BRIEF PAUSE)

21

22 MR. DAN GUIMOND: Yes, there is other
23 benchmarks that -- that we're working on. And -- and
24 we're going to be implementing those.

25 MS. CANDACE GRAMMOND: And --