

Undertaking # 11

St. John, Halifax, and Charlottetown, that green premium is considerably less. Well, in come cases considerably less than -- than ours. Would you have any commentary or be able to lend any potential reasons for that to be the case?

RESPONSE:

Manitoba Public Insurance (MPI) offers the following commentary with respect to the observation that MPI's average premium rate for a 35 year old couple is greater than St. John's, Halifax, Charlottetown, and Montreal.

The Corporation does not have detailed knowledge of the methodologies used to set rates at other auto insurance companies as this generally is proprietary information, particularly in the case of private insurers. MPI has not completed a detailed study of the extent, implications and reasons for differences in premium rates, but offers the following factors which may impact the comparison, depending on the specific jurisdiction.

MPI has filed an analysis of premium rates available in these cities in Volume III Benchmarking Appendices AI.12-1, page 17, which shows that in all cities but Charlottetown, the maximum premium rate of the ten competitor rates surveyed is greater than MPI's premium rate. Further, MPI's rates fall below the 75th percentile in the case of Halifax and Saint John. MPI's premium rates are within the range of competitive offerings in these cities.

The broad range of premium rates offered by competitors in these jurisdictions may be influenced by the following factors:

- i. nature of the personal injury coverage may be different than that offered by MPI;
- ii. private insurers may be selective in who they insure;

- iii. claims costs, loss experience, and other factors that directly influence premium rates may be different than those facing MPI.

MPI has also prepared comparison of basic policies, which is provided in Volume III AI.2 Comparison of Basic Policies. MPI notes that it compares favorably with other public auto insurers in a number of areas, including the provision of expenses incurred by the families of victims during critical care, and benefits provided to claimants who are catastrophically injured.