

2017 General Rate Application

Presentation of Ward Keith

Vice President, Business Development & Communications
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**Manitoba
Public Insurance**

Introduction

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VICE PRESIDENT, BUSINESS DEVELOPMENT &
COMMUNICATION AND CHIEF PRODUCT OFFICER



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Agenda

1. Loss Prevention

- Manitoba Public Insurance's Role in Loss Prevention
- Loss Prevention Strategy and Framework and Progress on Implementation

2. Stakeholder Engagement on Loss Prevention

- Defining Engagement
- Forums and Activities

3. Update on Road Safety Priorities and Key Initiatives

4. Responses to PUB Orders





Introduction

Manitoba Public Insurance's Role in Loss Prevention

- A successful loss prevention strategy can minimize costs to ratepayers resulting from vehicle collisions by reducing risk and minimizing loss costs after a collision has occurred
- The Corporation's efforts are grounded in the legislated mandate to explore loss prevention concepts through research and develop those concepts into programs that are likely to reduce risk, claims, and claims costs
- The Corporation's role in loss prevention is also supported by our mission and vision





Introduction

Mission:

Working with Manitobans to reduce risk on the road

Vision:

Make our roads and communities safer by:

- ***enforcing standards** for drivers and vehicles*
- ***raising awareness** of the inherent risk of driving and by **investing in lasting solutions***
- ***develop education and awareness programs and controls** that help and encourage Manitobans to acquire the **knowledge and skills** to avoid collisions.*



Loss Prevention Strategy & Framework



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Background

- Strategy introduced and filed with the PUB in 2015
- Brings all corporate elements of loss prevention together in a coordinated and holistic manner
- Will enable collective tracking and benchmarking to assess prudence of overall loss prevention expenditures as they relate to setting of Basic Insurance rates



Defining Loss Prevention

Loss Prevention Program Portfolio

Loss Prevention (Before Claim)

Programs that proactively seek to reduce the probability of loss occurrences or loss severity and seek to change public perception of loss and safety issues.

Loss Payments Reduction (After Claim)

Programs that seek to reduce loss costs after an incident has occurred by preventing incorrect payments, recovering incorrect or non owed payments, salvaging value from loss properties, or negotiating cost and managing quality of vendor services.

Discretionary

- Auto Theft
- Basic Insurance Fleet Management
- Winter Tire Program
- Driver Education
- Road Safety Programs
- Driver Safety Rating

Non Discretionary

- Driver Fitness: Driver Improvement & Control
- Driver Testing
- Driver Fitness: Medical Compliance
- Vehicle Standards & Inspections

Discretionary

- Fraud Prevention
- Salvage
- Physical Damage Research, Training, and Repair Auto Accreditation

Non Discretionary

- Subrogation and Recovery



Value Management

- Process to define costs and benefits of new loss prevention projects and initiatives across the Corporation
- Use of business case development for review and approval by management and based on consultation and input by stakeholders
- Once a project is implemented the Value Management process measures realized benefits against original project objectives – where feasible to do so



Assessing Progress

The evaluation of each program requires an understanding of the program's objectives, the outcome indicators and the related measurements and data points

Program Objectives	Outcome Indicators	Metrics & KPIs	Data Points / Sources	Benefit Time Line & Measurement Frequency
Define the overall objective of the program including the issue it is targeting, size of the problem, desired outcomes and how it contributes to the overall Loss Prevention Portfolio.	Identify the performance indicators to measure the outcomes of the program against its objectives. These roll up to the Loss Prevention portfolio scorecard.	List metrics and KPIs that will be used to monitor progress in the program delivery; include the baseline, and "change" targets.	List the data points and / or data sources (includes industry research) required for the measurements.	Determine the benefit time line, context and frequency of measurement for reporting.



Next Steps for Implementation

- Continue work on methodological and data availability challenges that have been identified
- Enhance the analysis available to all loss prevention programs when evaluating program effectiveness
- Phase I development of Loss Prevention dashboard and scorecard to be complete in 2017 for filing with 2018 GRA filing

Stakeholder Engagement on Loss Prevention



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Defining Engagement

Seeking input, listening, and working with organizations that have a stake in the operations and decisions of the Corporation in the loss prevention context with specific attention to those that either affect or are affected by loss prevention efforts

Examples of information sharing:

- Loss prevention priorities of the Corporation
- Strategic direction and loss prevention initiative plans
- Research findings
- Collision data



Engagement Principles

- The Corporate intent has been to build and enhance trust and collaboration among like-minded loss prevention stakeholders
- Engagement will improve overall business success and add value to corporate programs and initiatives
- Stakeholders have a say in loss prevention decisions and their contributions will influence decisions





Engagement Forums

- **External Stakeholder Committee on Loss Prevention**
 - Integral component of Loss Prevention Strategy
 - Established in 2015
 - Committee meets regularly; purpose, goals and objectives defined
- **Provincial Road Safety Committee**
 - Mandate confirmed by current administration
 - Primary deliverable: Road Safety Plan – Fall 2016
- **Industry and Stakeholder Collaborations**
 - Narrower scope of consultation with specialized interests



Successful Engagement Outcomes

- **External Stakeholder Committee on Loss Prevention**
 - Increased member knowledge and understanding of loss prevention portfolio of programs
 - Validation of road safety priorities and programming approaches
 - New sidebar initiatives
 - Review and change for motorcycle training course rebates
 - New direction for cycling safety programs
 - Data sharing initiatives



Successful Engagement Outcomes

- **Industry & Stakeholder Collaborations**
 - **MACP/MPI Traffic Safety Committee** to coordinate law enforcement and road safety strategies including enhanced enforcement programs
 - **Taxi Industry Working Group** to create business case for initiatives to reduce claims and insurance rates
 - **Bike Winnipeg**
 - Bicycle Education in Schools
 - New approach on cycling campaign for 2017
 - **Regional Health Authorities**
 - Joint education on child occupant restraints

Updates on Loss Prevention Strategy Elements

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Updates on Road Safety Work

Behavior Change Priorities

- 1. Distracted Driving**
- 2. Speed**
- 3. Impaired Driving**

Pedestrian Safety

Following Too Closely

Failure to Use Occupant
Restraints

Motorcyclist Safety

Cyclist Safety

Emerging Issues

1. Mature Drivers
2. Autonomous Vehicles
3. Traffic Safety Culture

Other Loss Prevention Issues

1. Collisions with Animals
2. Loss of Control/Drove off Road
3. Failure to Yield Right of Way



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New Road Safety Initiatives - 2016/17

Virtual Reality Development

- To engage young drivers on the tragic consequences of Distraction, Drug-Impaired Driving and Speed
- Expected to tour campuses by the end of this year



Enhanced Enforcement

- Expanded funding for strategic traffic enforcement
- Doubled funding commitment for distracted driving enforcement in 2016/17



New Road Safety Initiatives - 2016/17

Bright Future Campaign on Alcohol Impaired Driving

- Targeted at young male drivers
- Multi-pronged campaign television, radio, transit, billboard, in-venue and web advertising, and associated activities.
- The concept developed by advertising students from Red River College
 - Dual meaning to “Bright Future” theme intertwines a young person’s bright future with the bright lights of arrest and incarceration

Research and Awareness on Drug Impaired Driving

- Road side survey on prevalence of alcohol and drugs in driving public in MB in 2016
- Develop baseline data to measure future trends in drug and alcohol use and inform Corporate approaches to impaired driving programs
- In anticipation of federal legislative changes to legalize recreational marijuana



New Road Safety Initiatives - 2016/17

Intersection Safety Signage Pilot

- Two year pilot study launched in January 2016
- Partnered with City of Winnipeg, Winnipeg Police Service, and CAA Manitoba
- Mix of signage, dedicated police enforcement and general public awareness
- Targeted at behavioral change to reduce collision frequency and severity at these intersections
- Received significant media attention at launch to raise profile and public awareness



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Cycling Safety Initiatives - 2016/17

Cyclist Safety Programming

- *Bicycle Education in Schools (Gr. 4-8)*
 - Long term strategic approach to produce safe cyclists and reduce future collisions involving cyclists
 - Physical education instruction to teach safe cycling in class and on the road
 - Two year pilot (partnership with Bike Winnipeg, Seven Oaks School Division and Green Action Centre)
- *Bike It!*
 - Two year pilot commuter program intended to target cyclists of all abilities to develop cycling skills, safety knowledge and confidence
- Continuing *Bike Together Winnipeg*
 - Provides bicycles, helmets and training to children in areas of Winnipeg with low helmet use among children



Cycling Safety Research

- Research efforts include:
 - Cooperation with WRHA on effectiveness of helmet legislation
 - Go Pro project to collect video from cyclists on roads in all seasons in Winnipeg
 - Intentions to test new helmet technology in Spring 2017 (Kickstarter investment on 2016)



A helmet that alerts you when cars are in your blind spot and activates turn signals & brake lights based on your body movements.



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Reducing Human Toll

- Downward trend continuing for motor vehicle fatalities and fatal collisions despite growth in number of drivers and vehicles
- Increase in total fatalities in 2015 and 2016, while alarming, is not an indication that long-term trend is reversing



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PUB Orders



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PUB Orders

- **Update on Implementation of Sirius Recommendations**
 - The Corporation has utilized the recommendations to enhance road safety programming activities
 - More clarity on the Corporation's role in road safety leadership now that Provincial Road Safety Committee has been established
 - Additional opportunities to collaborate with internal partners on new and ongoing initiatives have been identified to advance the road safety agenda
 - Corporation requires business cases for new road safety initiatives to ensure cost benefit or cost effectiveness are considerations
 - Corporation is reviewing the frameworks and resetting the Operational Plan for 2017-2020 to strengthen the highly functional model further and continue structured progress on road safety



PUB Orders

- **MPI to produce Jennifer Kroeker-Hall as a witness**
 - Ms. Kroeker Hall appears as a witness
- **MPI to advise the Board of what percentage of its revenue should be allocated to Road Safety and Loss Prevention initiatives**
 - Basic Road Safety Program Budget
 - 2017/18 - **\$13.2 Million** & 2018/19 - **\$14.1 Million**
 - No funding 'cap'; decisions based on strength of the business case
 - Cost reductions for major auto theft programs and associated spending is reinvested in other road safety interventions
 - Consistent with conclusions of independent evaluation



PUB Orders

MPI provide the Board with Update on the Progress of the Work of the External Stakeholder Committee on Loss Prevention

- Terms of Reference and membership filed
- Specific initiatives filed: PUB 1-52
- Meeting Minutes filed: PUB 1-53
- Membership feedback on the Committee has been positive and meetings well attended



PUB Orders

MPI provide the Board with Update on the Progress of the work of the Provincial Road Safety Committee

- Terms of Reference and membership filed
- Information about activities filed
- Impaired and Distracted Driving Summit materials filed in response to PUB 1-55
- Current administration has confirmed the mandate of the Committee and work continued in developing a Provincial Road Safety Action Plan



PUB Orders

MPI provide the Board with Update on the Progress of the implementation of IBM Recommendations

- Implementation progress filed with GRA and discussed in this presentation
- Progress has been made and work continues

The development of HDSE initiatives recommended by IBM

- Since the filing, proof of concept launch in HSDE classes at Garden City Collegiate in Sept 2016
- Data collection is underway



PUB Orders

MPI provide the Board with Update on the Progress of the High Collision Intersection Pilot

- Data collection is underway
- Enforcement ends in January 2017
- Monitoring continues until January 2018
- Additional high visibility reminders planned for November

The Adult Driver Training pilot

- Information filed with GRA
- Corporation renewing contracts to extend the pilot
- Corporation exploring options to provide adult driver training service in Northern MKO communities





PUB Orders

MPI file a report regarding the potential benefit of wildlife collision measures

- Report filed with GRA
- Examined all types of existing mitigation strategies to address costly issue of collisions with animals
- Fencing and large animal warning systems are not recommended following completion of cost-benefit analysis
- Recommended increased public awareness in identified hotspots and additional hotspot research

The ‘hotspots’ at which injuries and deaths of Vulnerable Road Users (VRUs) have occurred.

- Fatality and injury maps for VRUs filed with GRA
- Additional maps filed in response to BW 1-6



PUB Orders

MPI file a report regarding efforts to address the issue of older drivers, including information on the Driver Assessment and Management Program (DAMP)

- Report filed with GRA
- Provided information on:
 - Cognitive assessments (DriveABLE)
 - Physical and Physical/Cognitive Assessments (DAMP)
 - Educating Drivers & Families
 - Physician Outreach and Education
 - Community Outreach efforts
 - Mature Driver Program



Conclusions

- Our strategic approaches to loss prevention and road safety need time to mature but the Corporation has made both significant and meaningful progress on advancing loss prevention efforts to reduce collision frequency and severity
- A renewed mandate Provincially to pursue a safe systems approach to road safety will provide an excellent opportunity for further progress that will benefit road users and ratepayers
- It remains difficult to link specific interventions with changes in road user behaviour due to wide range of confounding variables, which means there is no easy formula to apply – a holistic, multifaceted approach is best – based on evidence and proven/promising practice



Thank You



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