2017 General Rate Application

Closing Argument
of
Manitoba Public Insurance

Manitoba Public Insurance

Section 1.0

Introduction and Overview

Manitoba Public Insurance

Introduction

Premium rates that are predictable and stable are essential to ensure the long term success of public auto insurance in Manitoba

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Positioning MPI to Move Forward

- Achieving stable and predictable rates requires:
  - re-affirmation of the longstanding focus of break even ratemaking based on net income
  - using a best-estimate interest rate forecast
  - confirmation of the RSR definition
  - setting the RSR upper target of 100% MCT on more than a “notional” basis
  - confirming 1-in-40 DCAT-based RSR lower limit

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The Evidence is Before the Board

Section 2.0
- MPI's rates have been Low and Stable, and the requested order reflects the principles of break-even rate making and adequate capitalization

Section 3.0
- MPI's Rate Request reflects significant efforts to control and manage costs

Section 4.0
- MPI's Rate Request reflects appropriate methodologies for forecasting premiums and claims costs

Section 5.0
- A Best Estimate interest rate forecast gives equal weight to the SIRF and naïve forecast

Section 6.0
- MPI's proposals for the RSR provide appropriate protection against rate volatility

[2017 Closing Argument, Paragraphs 8 through to 27]

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The Evidence is Before the Board

Section 7.0

- The Investment strategy developed with government incorporates appropriate independent advice and is relevant to MPI's current circumstance

Section 8.0

- MPI compares well against financial and service benchmarks

Section 9.0

- MPI has an appropriate governance model for Information Technology management, and Gartner's findings show that MPI is 'Walking the Walk'

Section 10.0

- The Physical Damage Re-engineering project has appropriate governance, manageable risks, and is on track

Section 11.0

- MPI is making significant investments in road safety and loss prevention, and is employing an appropriate framework to identify and optimiza those investments

Section 12.0

- MPI's treatment of motorcycle rates in this application is just and reasonable
- Transition to full AAP rates requires further consideration

[2017 Closing Argument, Paragraphs 28 through to 45]

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Intervener Positions: a Story of Contradictions

- CAC says just and reasonable rates require "reasonably reliable" forecasts, but wants to use an interest rate forecast that Dr. Simpson says has exhibited bias for past 8 years
- CAC is critical of MPI for not focusing on "long term sustainability" with investments, expresses concerns about "undue risk being imposed on customers" but is prepared to compromise long term sustainability of Basic by
  - setting deficient rates, and
  - using a 1 in 10 DCAT tolerance

[2017 Closing Argument, Paragraph 175; see also Paragraphs 268, 269 & 270]

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Intervener Positions: a Story of Contradictions

- CAC rejects Dr. Cleary's "impoverished" SIRF analysis in favour of no analysis (Dr. Simpson's Note)
- CAC is concerned about intergenerational inequity with the RSR, but not when it comes to setting deficient rates based on SIRF
- Dr. Simpson says we need to go back to the inflation period to verify bias in SIRF, but inflation period has been removed from the DCAT
- The DCAT is praised because it is specific to MPI's circumstances, but the 50/50 Forecast is criticized because it is unique to MPI's circumstances

[Transcript: 2260, 25; see also CAC Exhibit 6; see also 2017 Closing Argument, Paragraphs 58, 59 & 173]

Intervener Positions: a Story of Contradictions

- CAC emphasizes "Crown Monopoly is not at risk of insolvency", when its own expert (Ms. Sherry) agreed managing a crown corporation that way would be irresponsible
- CAC agrees RSR "relates to the mitigation of rate shock" but advocates a 1-in-10 RSR tolerance that suggests MPI could expect to have zero capital once every decade, even with rate increases, and will have to rebuild
- The purpose of the RSR upper limit is to avoid rebate/rebuild scenario (i.e. losses down to the lower RSR target), but CAC is referencing tolerances (1 in 5000) that are based on losing all capital despite rate increases of 12.46%

[Transcript: 2276, 24 -25; 2021, 1; see also 2017 Closing Argument, Paragraph 25; see also Transcript: 2281, 9-16]

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Intervener Positions: a Story of Contradictions

- CAC rejects MCT for being a “solvency test” in favour of a solvency test (DCAT)
- CAC looks to ICBC and SGI for road safety despite different legislative framework, but ICBC and SGI are irrelevant when it comes to MCT
- Interveners want a low and narrow RSR range, but targeting long term returns means having more capital on hand (RSR) to absorb short term volatility

[Transcript: 2276, 21 -25; see also 2017 Closing Argument, Paragraphs 402 & 30]

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Intervener Positions: a Story of Contradictions

- CAC is critical of MPI not buying expensive inflation hedging (Real Return Bonds), when DCAT inflation scenario was neutered through collaboration
- Ms. Sherry advocates AAP, but would be professionally unable to sign-off on the DCAT tolerances (1-in-10 year) she is advocating
- CMMG calls RSR “emptying consumers’ pockets”, but wants MPI to take on more investment risk that will necessitate a larger RSR

[Transcript: 2216, 1-5; see also CAC Exhibit 25; see also Transcript: 2070, 11 – 2071, 3; see also 2146 14 -16; see also 2147, 1 – 5]

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Intervener Positions: a Story of Contradictions

- CAC devotes about 50 slides asking for evidence that MPI “walks the walk” but never mentions Gartner’s overall conclusion that MPI is more mature overall and lower cost than peers and still improving
- CAC wants PUB to find that RSR “not intended to protect against investment portfolio selections at odds with best evidence”, but seems happy to use RSR for interest rate selections at odds with best evidence
- CAC advocates moving to AAP on a principled basis, but doesn’t like the 4.8% result right now so recommends sending a 1.8% “proper signal” to MPI

[MPI Exhibit 45, pages 2 -4; see also Transcript: 2219, 22- 24; see also CAC Exhibit 6; see also 2017 Closing Argument, Paragraphs 353 & 354]

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Interveners Want Their Cake

But it is not realistic to then "eat it", "eat it again", and "eat it one more time"

- Requested relief will promote rate stability and support the longer-term financial health of the Corporation
- It will position MPI well going forward
- The proposals are just and reasonable and should be approved as sought

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Section 2.0

Break even Ratemaking, Adequate Capitalization and Rate Stability

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Key Points

- Break even ratemaking and adequate capitalization are reflected in the 1988 Report of the Autopac Review Commission (Kopstein Report) and subsequent PUB orders
- Break even ratemaking has produced low and stable rates in past years
- MPI's current challenges makes it all the more important to adhere to break even ratemaking

[2017 Closing Argument, Paragraphs 10, 55 & 11]

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MPI's Rates Have Been Low and Stable

- Break even ratemaking has produced low and stable rates

Year	Percent	Cumulative % Rate Change Approved (2001/02 Base)	Rebate $	Cumulative Rebate $
2016/17	0.0	-9.69%		$ 597,000,000
2015/16	+3.4	-9.69%		$ 597,000,000
2014/15	+0.9	-12.66%		$ 597,000,000
2013/14	0.0	-13.44%		$ 597,000,000
2012/13	-8.0	-13.44%		$ 597,000,000
2011/12	-4.0	-5.92%		$ 597,000,000
2010/11	0.0	-2.00%	$ 336,000,000	$ 597,000,000
2009/10	-1.0	-2.00%		$ 261,000,000
2008/09	0.0	-1.01%	$ 63,000,000	$ 261,000,000
2007/08	-2.6	-1.01%	$ 60,000,000	$ 198,000,000
2006/07	0.0	1.64%	$ 58,000,000	$ 138,000,000
2005/06	-1.0	1.64%		$ 80,000,000
2004/05	+3.7	2.66%		$ 80,000,000
2003/04	-1.0	-1.00%		$ 80,000,000
2002/03	0.0	0.00%	$ 80,000,000	$ 80,000,000
2001/02	0.0	0.00%		

[2017 Closing Argument, Paragraph 55]

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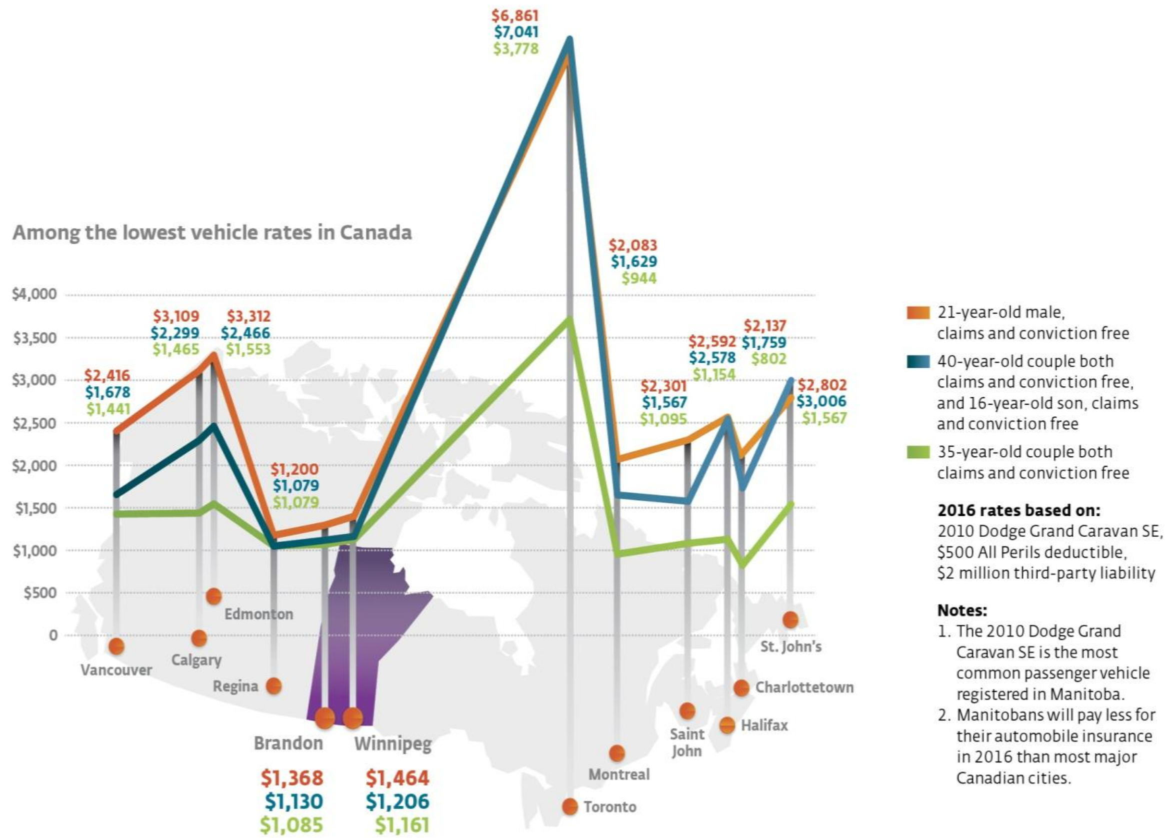
MPI's Rates Have Been Low and Stable

- MPI's rates compare very favorably to the rates in other Canadian jurisdictions, and will continue to do so with the proposed rate increase



[2017 Closing Argument, Paragraph 56]

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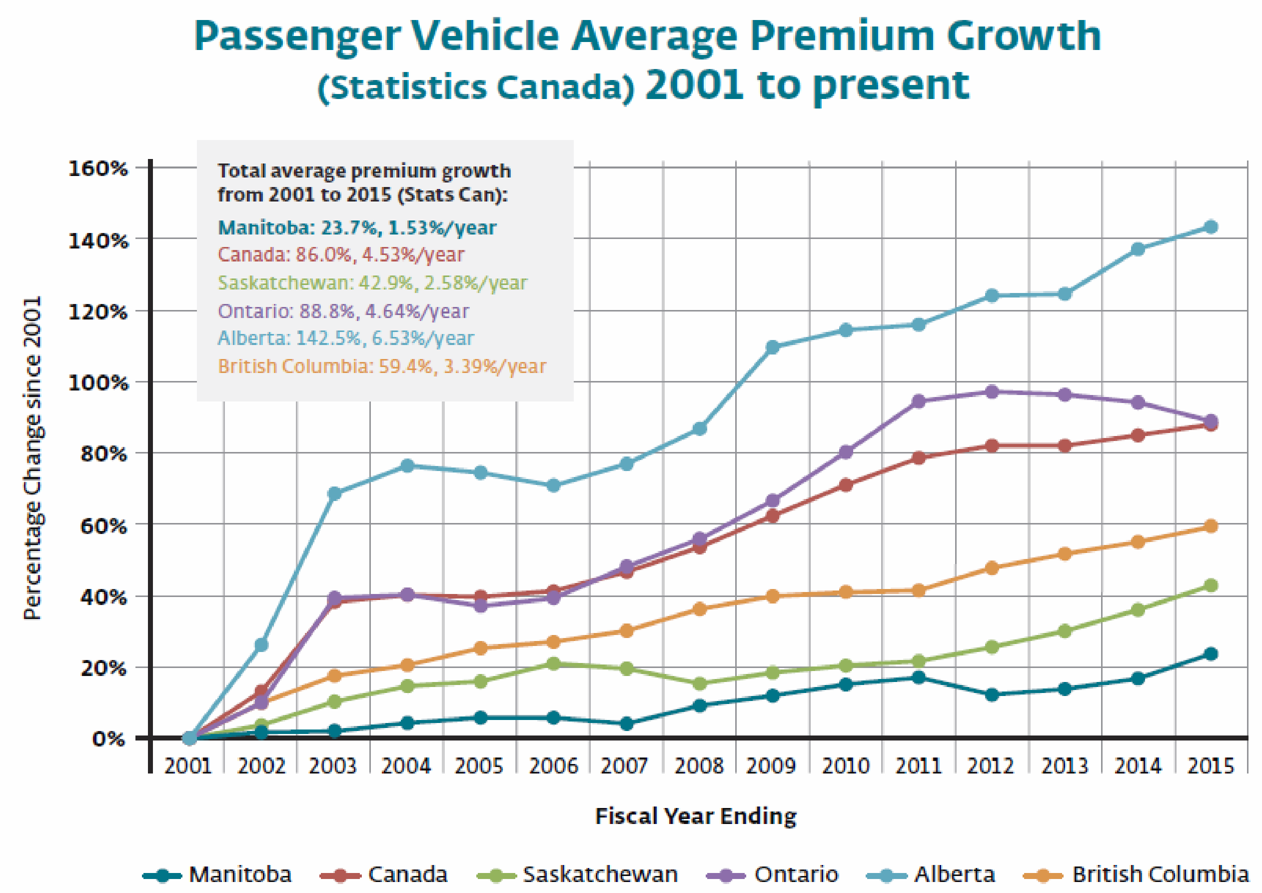
MPI's Rates Have Been Low and Stable

- The following chart shows that MPI premium growth rates are the lowest surveyed by Statistics Canada.



[2017 Closing Argument, Paragraph 57]

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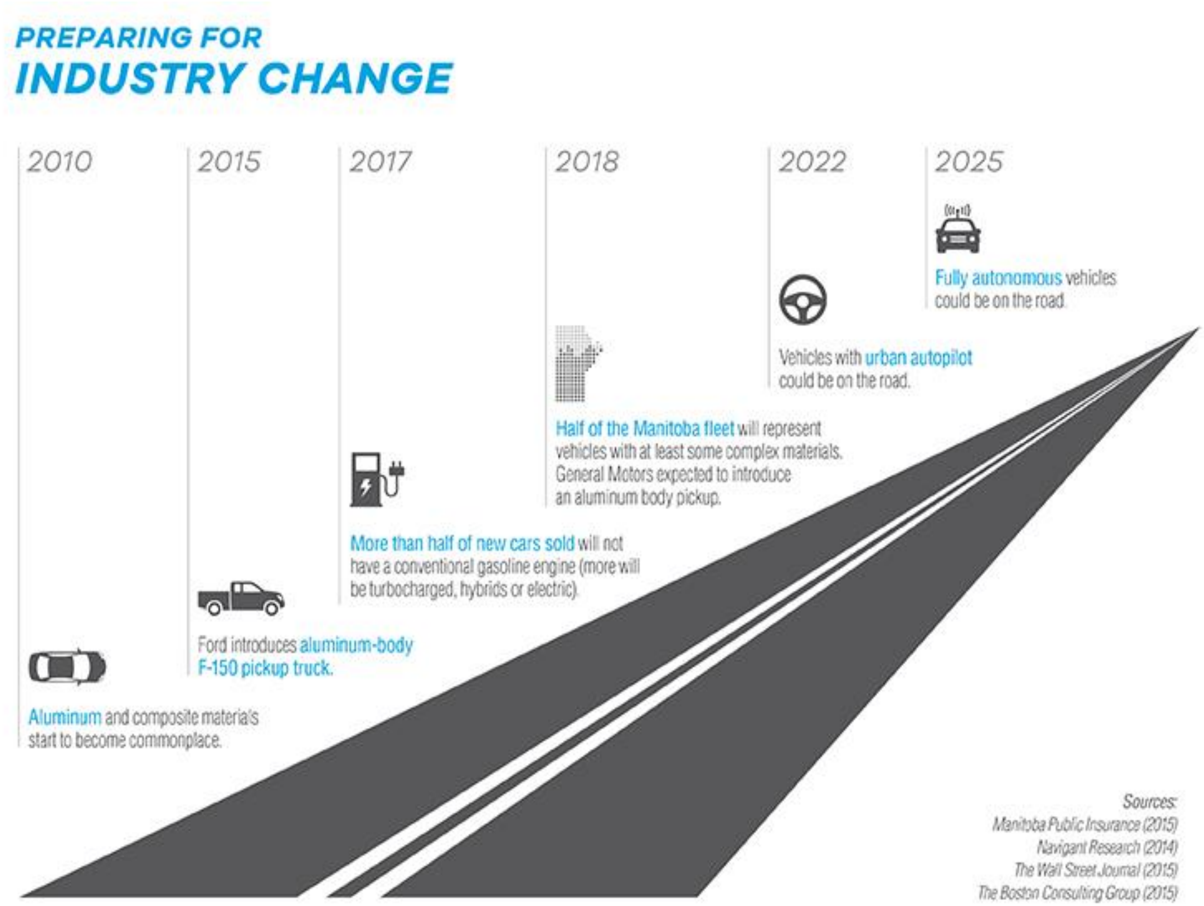
Transitioning Towards a "New Normal"

- MPI is in the midst of a significant transition that brings with it significant uncertainty



[2017 Closing Argument, Paragraph 63]

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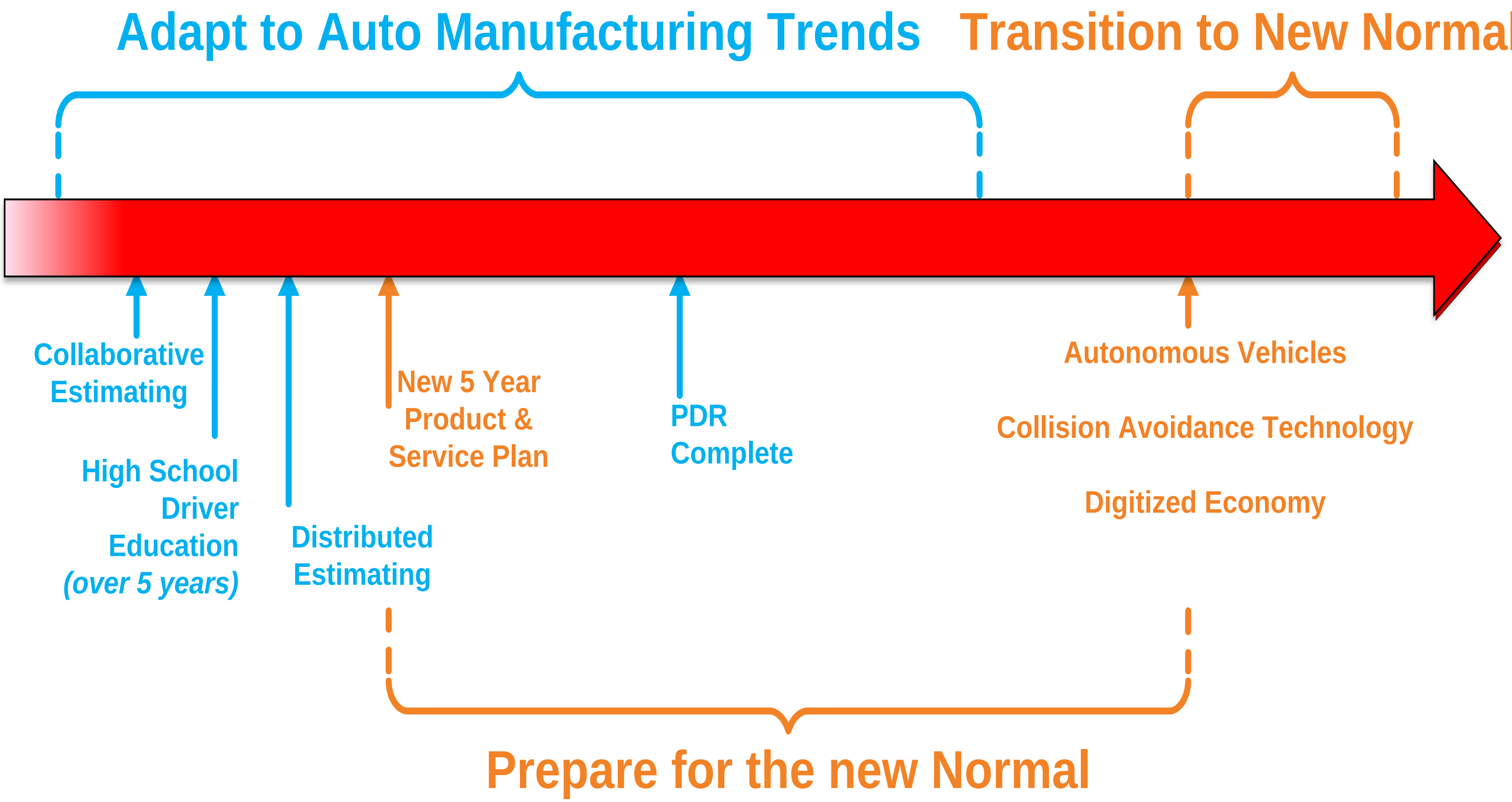
PDR and MPI's Approach to the "New Normal"

- PDR is at the heart of MPI's transition to the "New Normal"



[2017 Closing Argument, Paragraph 64]

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Section 3.0

Cost Containment

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Key Points

- Operating expenses are not contributing to the proposed rate increase
- Proposed rate increase already reflects significant efforts to reduce controllable costs

[2017 Closing Argument, Paragraph 71]

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Operating Costs Not Driving the Rate Increase

- MPI has formalized its framework for identifying and realizing cost savings
- Efforts in prior years achieved immediate successes, including significant savings last year
- MPI's Cost Containment Committee has been examining all areas of the Corporation for potential savings, and the savings achieved this year are material
- MPI's cost containment successes are appropriately accounted for, and have a favourable impact on MPI's performance against benchmarks, and the rate indication

[2017 Closing Argument, Paragraph 72]

Material Savings Last Year

- Last year's GRA reflected an $8.5 million reduction in the 2015/16 corporate operating budget

2015/16 Budget Reduction Breakdown	$ in Millions
Compensation Other	2.8
30 FTE Reduction	1.5
External Labour/Data Processing/Hardware	1.3
Building	1.1
Furniture & Equipment	.4
Overtime	.4
Postage	.3
Depreciation	.2
Other	.5
Total	**8.5**

[2017 Closing Argument, Paragraph 79]

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Significant Additional Savings Identified in this GRA

- MPI has identified an additional $8.0 million in estimated cost savings to the Basic line of insurance (or $10.0 million corporately) over the next two fiscal years

Basic-Estimated			
	2017/18	2018/19	2-Year Total
Cost Savings			
Pembina Service Center, staff reductions (80%)	-	260,000	260,000
Postage (70%)	560,000	560,000	1,120,000
IBM Data Center Operations, operational spend (80%)	1,296,000	1,253,000	2,549,000
Physical Damage Re-engineering, staff reductions (90%)	-	2,250,000	2,250,000
Staffing Strategy			
Reduction of 15 FTE (80%)	900,000	900,000	1,800,000
Total Basic savings identified	**2,756,000**	**5,223,000**	**7,979,000**

[2017 Closing Argument, Paragraph 84]

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MPI Outperforming Peers

- MPI's is outperforming peers by a wide margin in two key operational metrics:

	MPI	CDN Benchmark
Gross expense per policy in force	$286	$490
FTEs per 100,000 Reported Claims	548	1281

[2017 Closing Argument, Paragraph 90]

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Section 4.0

External Factors Driving the Rate Increase

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External Factors Driving the Rate Increase

The two largest drivers of the requested rate increase are:

- **Changes in the Comprehensive Claims forecast** – impacted by significant hail claims in 2015/16
- **Changes in the Investment Income forecast** – impacted both by a change in the SIRF and the adoption of a best estimate 50/50 interest rate forecast

[2017 Closing Argument, Paragraph 93]

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Section 5.0

Best Estimate Interest Rate Forecast

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The 50/50 Approach Is a Best Estimate

- It is well-established that rates should reflect best estimate of interest rates
- The SIRF is not a best estimate of interest rates given the available information
- A 50/50 approach being a best estimate of interest rates
- Best estimate brings significant benefits to the financial health of Basic Autopac and rate stability from using a best estimate
- The risk created by relying on optimistic interest rate forecasts will not be resolved by altering the inputs to the SIRF
- MPI’s request for an IRFRF was an appropriate response to unique circumstances, and the collaborative process was a worthwhile exercise

[2017 Closing Argument, Paragraph 120]

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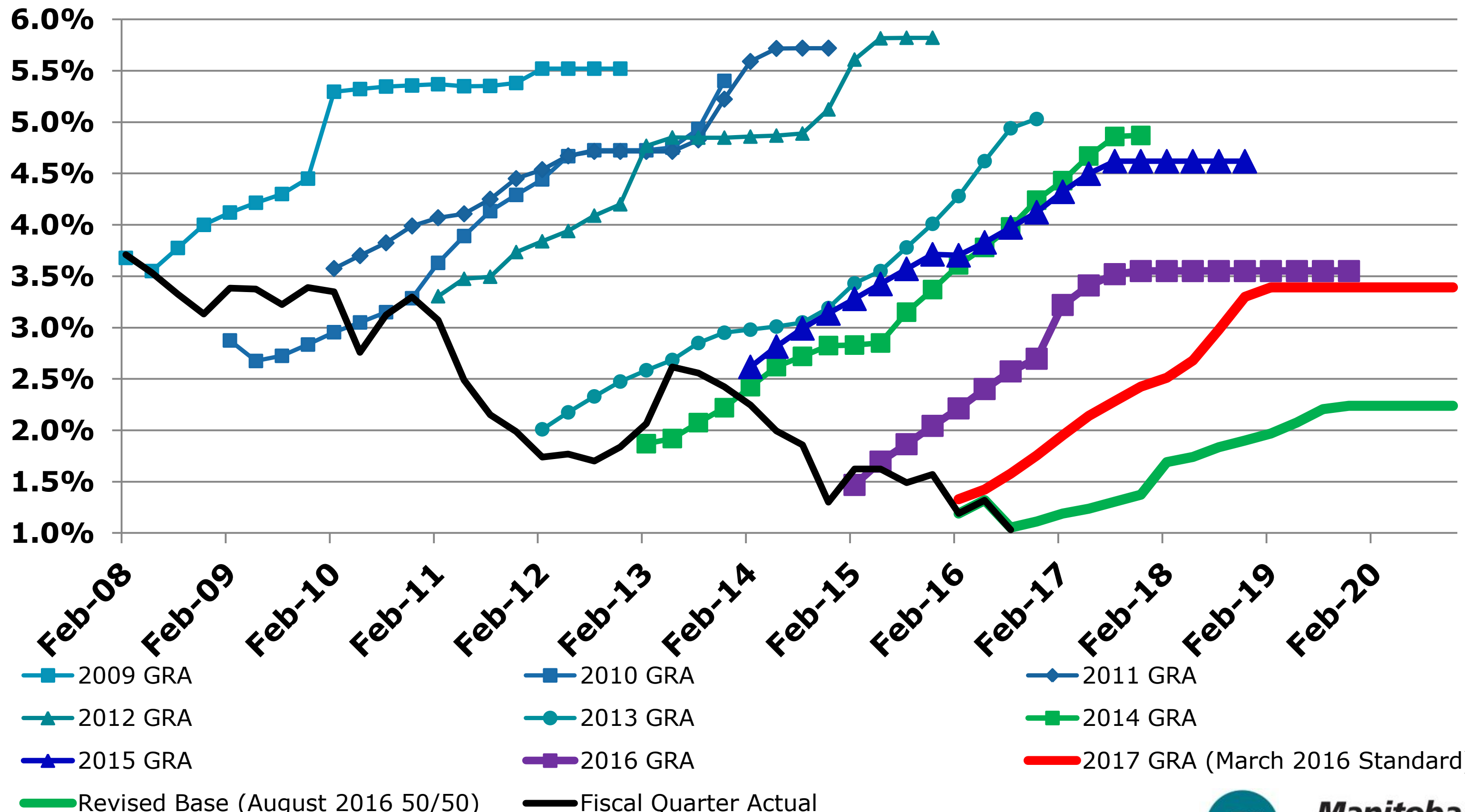
SIRF vs. Actual Interest Rates

The SIRF has consistently exceeded the actual interest rates. The forecasts have been off by a wide margin, and have even been directionally wrong in most cases.

GOC 10 Year Forecasted Rates From 2008 to 2016, Actual



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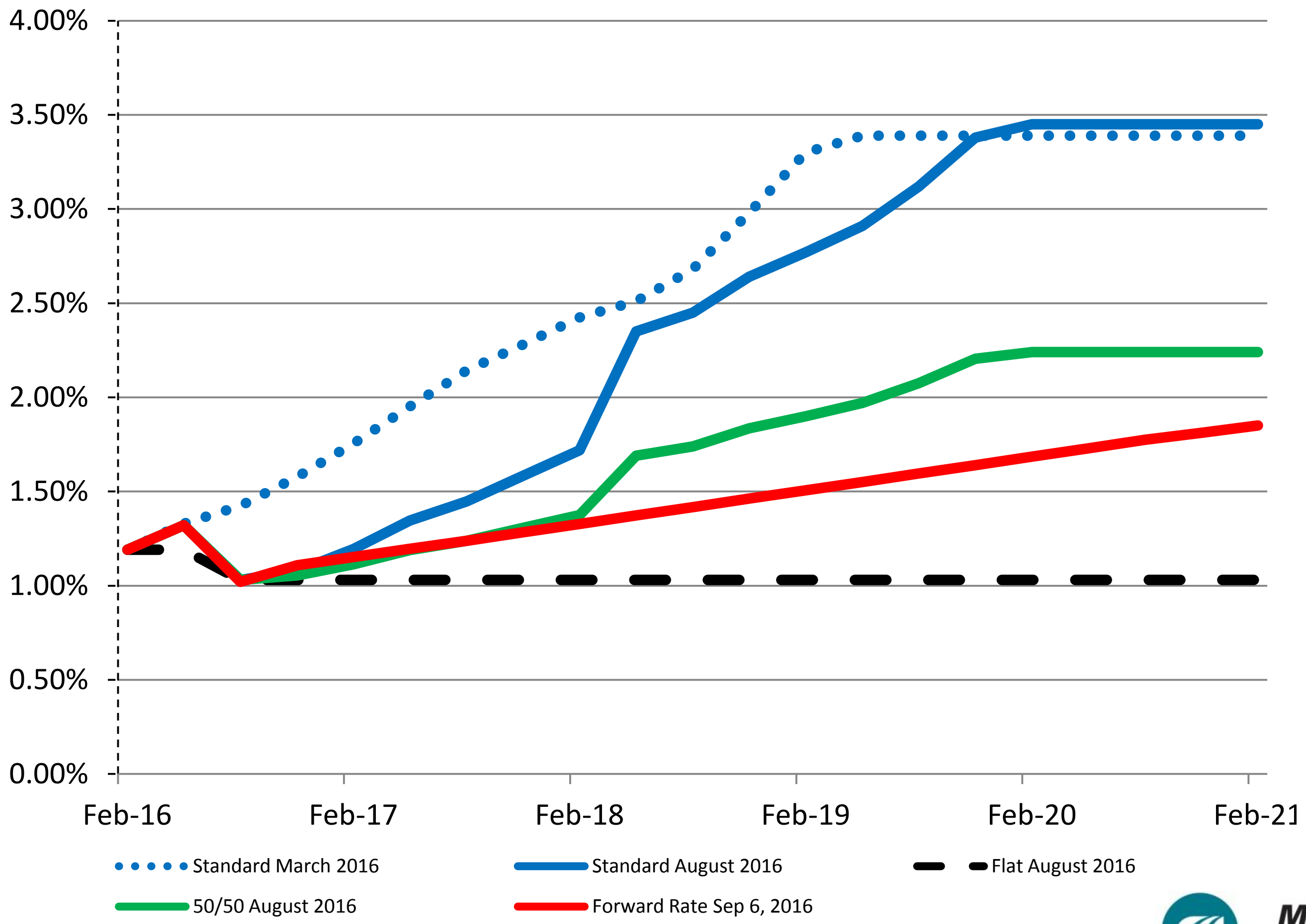
[2017 Closing Argument, Paragraph 131]

The Market is Rejecting SIRF

- The market is trading based on an expectation that interest rates will rise slowly – indeed more slowly than even the 50/50 approach would suggest.



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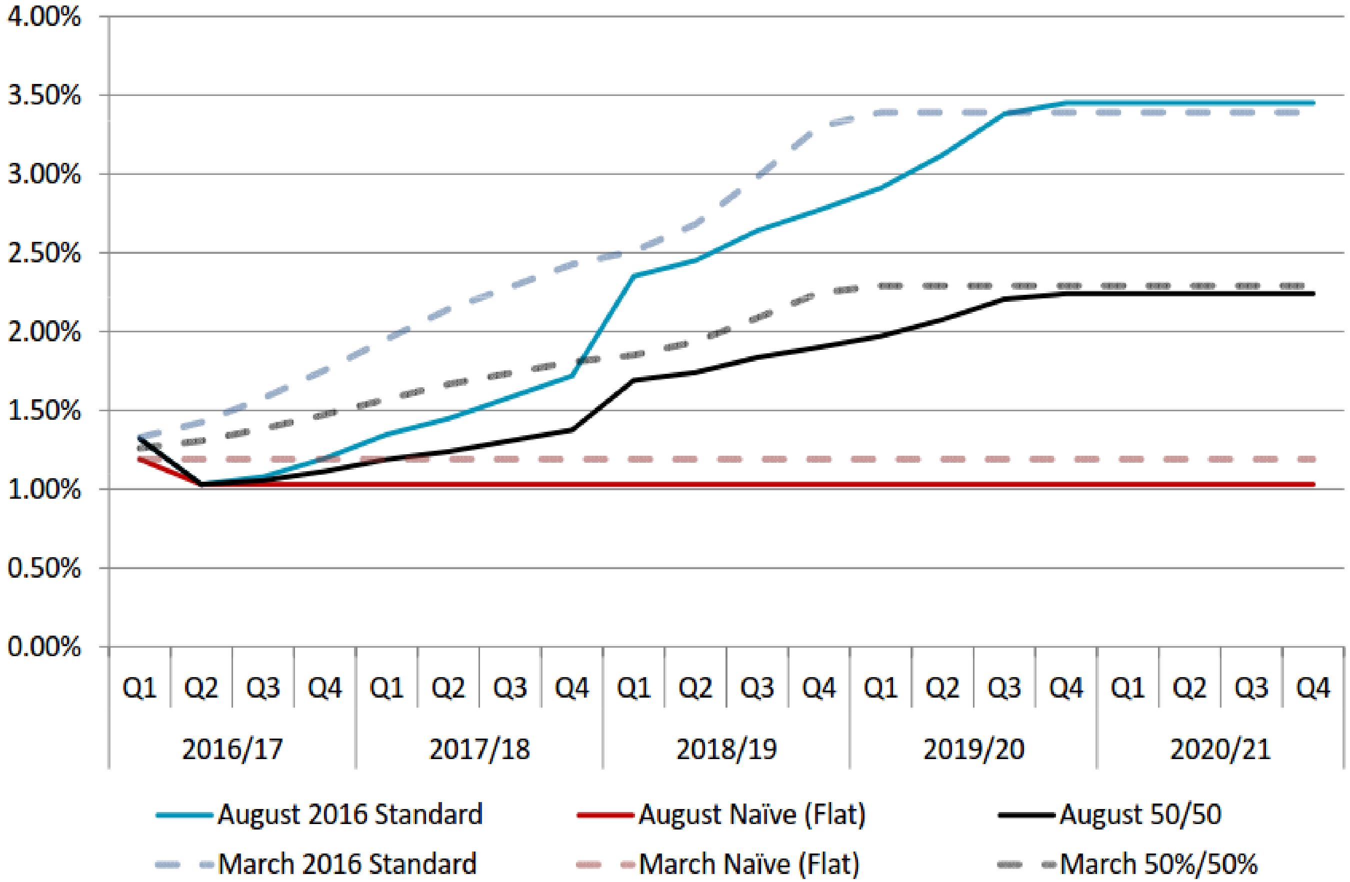
[2017 Closing Argument, Paragraph 144]

Dr. Cleary Proposes the Mid Point

- MPI is still accepting significant interest rate forecast risk with a 50/50 weighting. The figure below shows the SIRF, 50/50 approach and naïve forecast.



[2017 Closing Argument, Paragraph 150]

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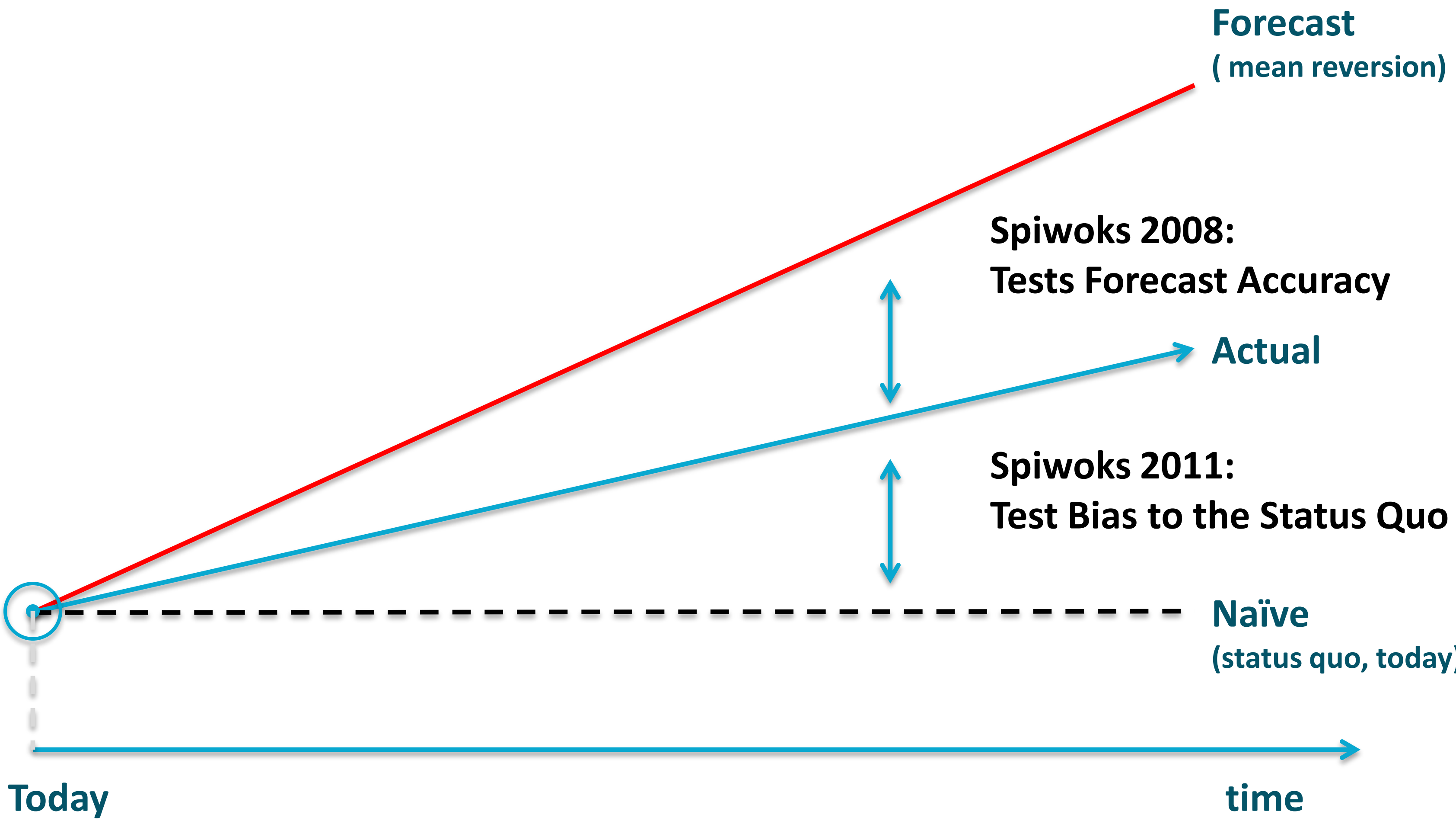
Academic Literature Supports Dr. Cleary



[2017 Closing Argument, Paragraph 194]

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Section 6.0

Rate Stabilization Reserve

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RSR Key Points

- MPI's proposed modification to the definition of the RSR is appropriate and reflects how the RSR has always been used
- The RSR lower threshold should reflect the DCAT approach determined through collaboration
- RSR upper threshold of 100% MCT will provide sufficient flexibility to absorb losses without RSR rebuilding fee

[2017 Closing Argument, Paragraph 202]

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RSR: The Debate Must Conclude

- Knowing how much capital you will have is fundamental to running a business
- Issues around the RSR have a long history
- Resolving ongoing uncertainty is essential

[2017 Closing Argument, Paragraph 244]

Section 7.0

Investment Strategy

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Key Points: Investments

- Government is responsible for investment portfolio
- Competent advisors to the Minister of Finance
- Investment strategy reflects MPI's current circumstances
  - Reality #1: need to limit exposure to interest rate risk (ALM)
  - Reality #2: ongoing uncertainty on RSR and rate adequacy makes it difficult to justify assuming more investment risk
- Realities make comparisons to other portfolio returns not meaningful

[2017 Closing Argument, Paragraph 247 and Paragraph 265]

Manitoba Public Insurance

Response to Mr. Viola

- Rate stability is a virtue, not a problem
- Mr. Viola deferred to fiduciaries on key matters
- Portfolio recommendations are theoretical
- Aon considered Canadian/international equities
- Real return bonds are too costly
- Evolved risk framework: same stuff, a little different

Next step is adequate rates and predictable capitalization, with ALM study to follow

[2017 Closing Argument, Paragraphs 268, 271, 273, 274, 277, 283]

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Section 8.0

Benchmarking

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Key Points: Benchmarking

- MPI benchmarks well on operational efficiency
- MPI has been making steady progress on IT benchmarking
- MPI is perceived as providing quality service to Manitobans
- MPI's impact on communities is acknowledged and valued

[2017 Closing Argument, Paragraph 290]

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Section 9.0

Information Technology

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Key Points: IT

- IT budget is appropriate and focused on ensuring that the Corporation doesn’t lose the ground it gained from ITO Initiative
- The Corporation has an appropriate governance and oversight structure in place, and projects are being managed appropriately
- The Gartner Report confirms that the Corporation has made significant progress and outperforms peers in key respects

[2017 Closing Argument, Paragraph 305]

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Gartner IT Benchmarking and CIO Scorecard

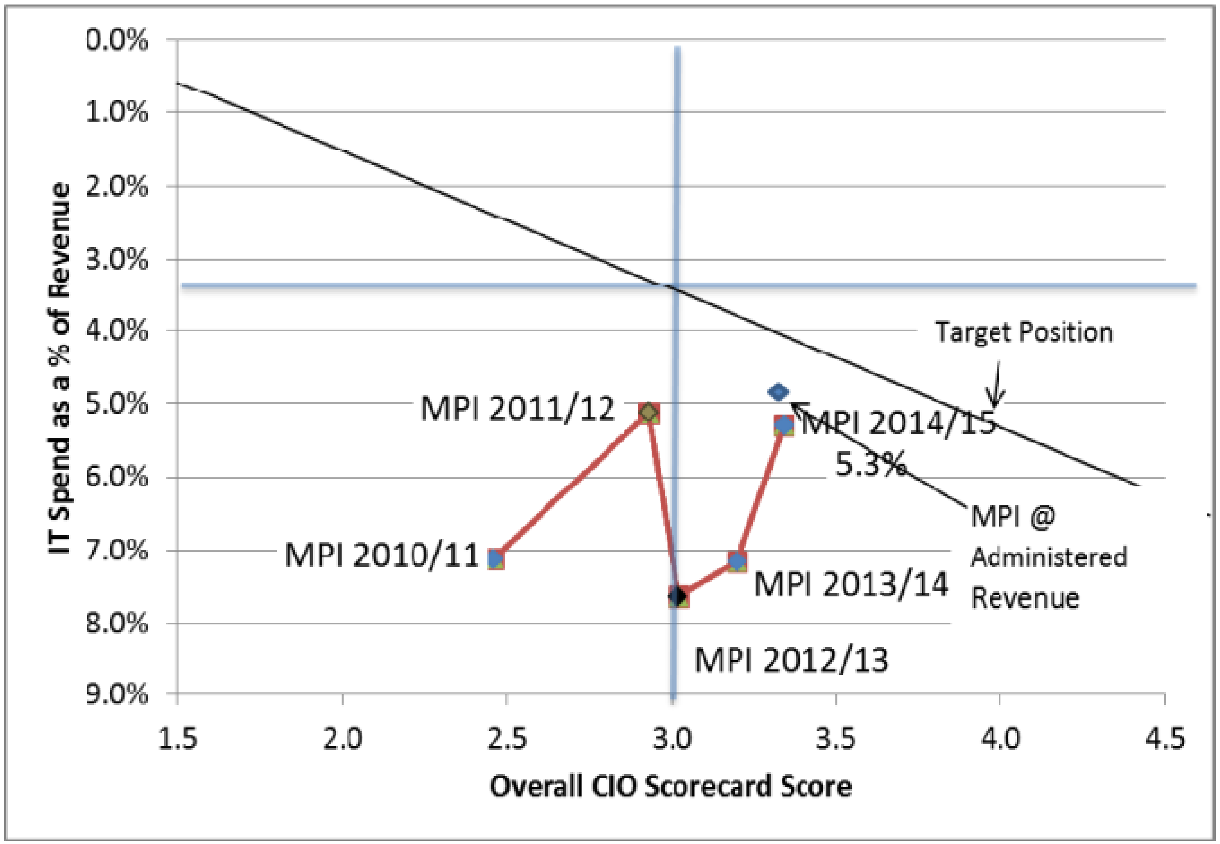
- The evaluation instruments that Gartner uses, and the objectives of that review, are as follows:

Three structured evaluation instruments	Provide the following outcomes
▪ IT Spend Analysis ▪ CIO Scorecard ▪ Infrastructure & Operations Scorecard	▪ Evaluate the relative maturity of the IT organization ▪ Assess the IT organization's ability to react to rapidly changing business requirements ▪ Compare relative funding levels of IT at MPI ▪ Compare MPI's infrastructure and operations costs, staffing and service levels with those of similar enterprises

[2017 Closing Argument, Paragraph 330]

Gartner Overall Results: Walking the Walk

- MPI's IT spending has now reached a steady state, and is not expected to increase again based on the project plans and methodology in place.



[2017 Closing Argument, Paragraph 336 and Paragraph 334]

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MPI's Maturity in IT Cost Containment

- Gartner identified that MPI's maturity in IT Cost Containment exceeded peer groups and has shown steady improvement since 2011/12.
- The overall IT maturity score increased by 4.4% from last year to this year.

	MPI 2012/13	MPI 2013/14	MPI 2014/15	Team Player 2014/15	Insurance Industry 2014/15
Overall Score	3.02	3.20	3.34	3.03	2.82

[2017 Closing Argument, Paragraph 338]

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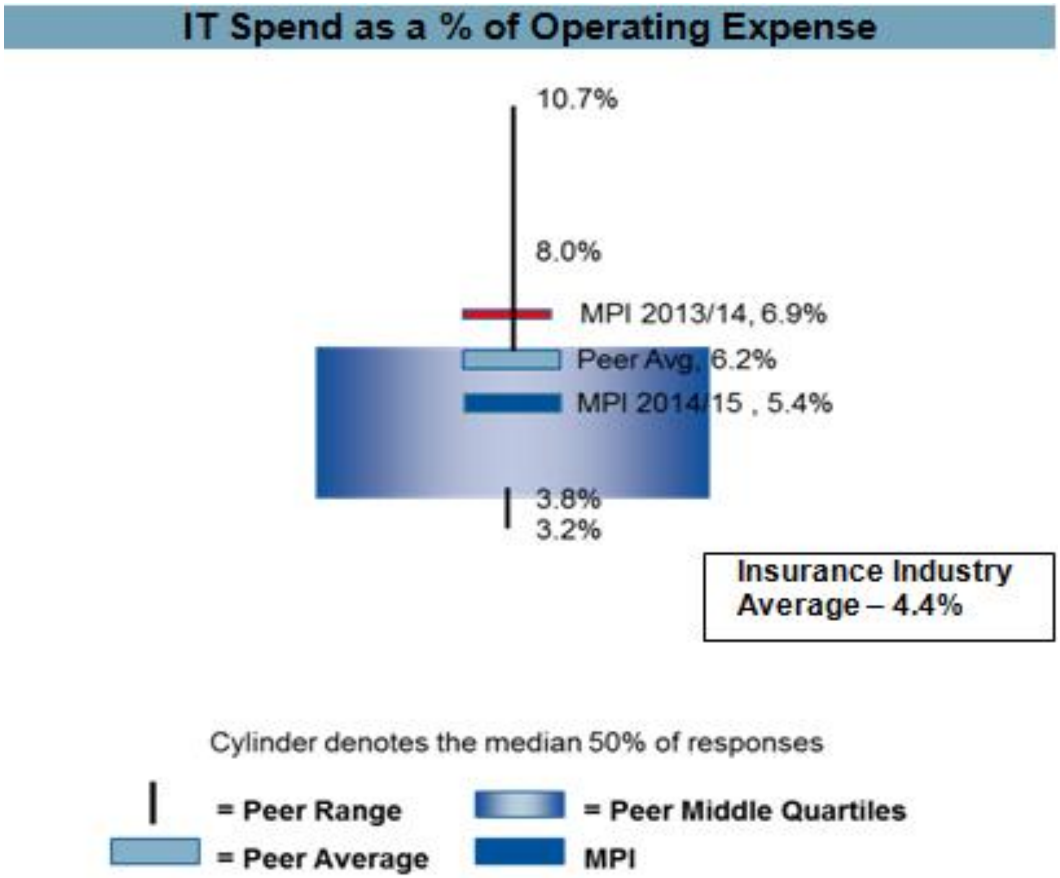
MPI's IT Spend as a % of Operating Expense

- Gartner identified that MPI's IT spending as a percentage of operating expense is now lower than MPI's peers



[2017 Closing Argument, Paragraph 341]

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Section 10.0

Physical Damage Re-engineering

Key Points: PDR

- PDR is the right foundation for the "new normal"
- PDR is on track and on budget
- MPI has adopted Gartner's governance recommendations
- Costs and benefits of PDR are defined and achievable
- Mr. Geffen and MPI provided compelling answers to specific issues raised about PDR during the proceeding

[2017 Closing Argument, Paragraph 357]

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Gartner's PDR Evaluation

- Mr. Geffen identified some issues with MPI's past work on PDR, but was clear that:
  1. The PDR program is on track
  2. MPI's governance process for PDR is in place
  3. Benefits are being realized
  4. Risks are being mitigated

[2017 Closing Argument, Paragraph 356]

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PDR Program is on Track

- Gartner confirms that the program is making progress and issues impacting schedule have been addressed

The PUB order specified four key areas to be addressed:

2 Timing of full implementation

- There have been a number of changes in direction regarding the projects required to deliver the objectives of the overall Program
- This has caused slow but steady progress
- Of the 20 projects that make up the PDR program
  - 4 have been completed
  - 10 are in progress, and
  - 6 are scheduled to start in the future
- The schedules for the ten in-progress projects appear to be reasonable and achievable.
- Identified issues which were impacting schedule are being addressed by MPI

[2017 Closing Argument, Paragraph 360; see also MPI Exhibit 45, page 7]

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PDR Governance is in Place

- Gartner's evaluation identified some areas for project governance improvement, and MPI has addressed them

Risk Mitigation and Risk Management Activities Observed

Gartner identified project and program management risks and issues	MPI structures and approaches to address the risks and issues
▪ Scoping, planning and mapping of outcomes to projects ▪ Managing the interdependencies among the several PDR projects ▪ Benefits realization documentation and practice ▪ Managing scope of the program and associated project to alleviate scope creep. ▪ Coordination and collaboration of vendors ▪ Resourcing the overall program with the appropriate skills	▪ Executive Director to oversee the PDR Program ▪ Clarified governance structure ▪ Disciplined and detailed project and program scope definition and planning ▪ Disciplined compliance with standards, structure, and roles and responsibilities ▪ Resource management

[2017 Closing Argument, Paragraph 364]

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Benefits are Being Realized

- Gartner confirms that PDR program will deliver benefits, and has done so ahead of schedule

The PUB order specified four key areas to be addressed:

4 Savings / benefits to be realized

- The Program is structured as an investment of about $65M (in 2012 dollars) over about 9 years
- It is projected to generate a steady flow of benefits starting in year 7 and ramping up to approximately $13.65M starting in 2020/21 (year 11).
- The Program started to deliver benefits last year, a year earlier than projected.
- The Program, as planned and approved, shows
  - A lengthy payback period,
  - An Internal Rate of Return of 8% over the period from inception (2010/11) until 10 years after the original benefits start to accrue in 2016/17

[2017 Closing Argument, Paragraphs 360, 368 & 369

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Potential Risks and Management of Mitchell

- Gartner's identified the risk in Mitchell's commitment and ability to deliver commercial software for FNOL
- Gartner concluded that the Corporation has identified approaches to mitigating these risks

Potential Risks and Management of Mitchell

- Gartner identified a number of risks related to Mitchell's delivery of PDR and of FNOL
- MPI has identified approaches to managing and mitigating those issues as follows:
  - Development of a Master Service Agreement (MSA) with explicit commitments to delivery of specific functionality, and commitments for long term support within the core Mitchell product set
  - Regular project meetings with MPI Project Teams and their counterpart MI project Teams
  - Monthly telephone conference calls involving Executives from MPI and MI
  - Semi-annual meetings between MPI and MI Executives
  - A practice of detailed reviews and testing of iterative releases of interim FNOL functionality

[2017 Closing Argument, Paragraph 378 and Paragraph 379]

Manitoba Public Insurance

Section 11.0

Loss Prevention

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Key Points: Loss Prevention

- MPI has, for many years, invested heavily in road safety and loss prevention and MPI expects to invest $13.2 million in 2017/18 and $14.1 million in 2018/19
- MPI has an appropriate framework in place for identifying initiatives, setting priorities, implementation and oversight
- MPI's bottom-up approach to establishing its road safety budget allows for funding of beneficial programs
- MPI's road safety portfolio includes initiatives directed at vulnerable road users, including cyclists
- MPI's approach to managing risk of wildlife collisions makes the most efficient and beneficial use of policyholder resources
- MPI continues to invest in motorcycle safety, augmenting the programming that applies to all vehicles

[2017 Closing Argument, Paragraphs 387, 390, 414, 420, 430, 432 & 433]

Manitoba Public Insurance

MPI's Loss Prevention Portfolio

- MPI's loss prevention portfolio is summarized as follows

Defining Loss Prevention

Loss Prevention Program Portfolio			
Loss Prevention (Before Claim)		**Loss Payments Reduction (After 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.		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	**Non Discretionary**	**Discretionary**	**Non Discretionary**
• Auto Theft • Basic Insurance Fleet Management • Winter Tire Program • Driver Education • Road Safety Programs • Driver Safety Rating	• Driver Fitness: Driver Improvement & Control • Driver Testing • Driver Fitness: Medical Compliance • Vehicle Standards & Inspections	• Fraud Prevention • Salvage • Physical Damage Research, Training, and Repair Auto Accreditation	• Subrogation and Recovery

[2017 Closing Argument, Paragraph 388]

Appropriate Loss Prevention Framework

- Formalized framework allows the Corporation to identify initiatives, set priorities, and implement, oversee and evaluate programs
- The Framework is consistent with best practices
- Incorporates prevention programs, legislated vehicle and driver standards and post-collision cost containment
- Enables collective tracking and establishes benchmarking used to assess the efficacy of overall program expenditures

[2017 Closing Argument, Paragraph 390 & 391]

Value Management

- MPI uses a value management process to determine the efficacy of various programming

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

[2017 Closing Argument, Paragraph 392]

Evaluation Framework

- MPI has an evaluation framework for Loss Prevention

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.

[2017 Closing Argument, Paragraph 397]

Manitoba Public Insurance

Response to Interveners

- An Optimized budget is the output of the framework
- MPI is part of a broader provincial framework that applies social costing
- The Provincial Road Safety Committee should be given an opportunity to fulfill its mandate
- MPI's approach to wildlife collisions is the cost effective approach
- Loss prevention spending on motorcycles exceeds passenger vehicles on a per unit basis

[2017 Closing Argument, Paragraphs 400, 402, 41, 412, 427 & 432]

Manitoba Public Insurance

Section 12.0

Other Matters: AAP and Motorcycle Rates

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Key Points: AAP

- Most elements of MPI's current ratemaking methodology accord with Accepted Actuarial Practice (AAP)
- The two areas of departure are intentional, and reflect MPI's long-standing mandate to achieve break even net income
- The current methodology has served Manitobans well for decades, and it is important for all stakeholders to understand the implications of such a change
- AAP Rates do not eliminate the potential for capital depletion, or the possibility for RSR rebuilding fees

[2017 Closing Argument, Paragraph 436 & 438]

Manitoba Public Insurance

Key Points: Motorcycle Rates

- MPI's proposal to use the most recent nine years of experience, instead of the normal 10 year period, is appropriate in the current unique circumstances
- The proposal is not a recognition of the "equity" in eliminating outliers, it is to promote rate stability
- The existing methodology, based on 10 years, continues to be appropriate thereafter as a means of enhancing rate stability

[2017 Closing Argument, Paragraph 442, 448 & 447]

Manitoba Public Insurance

Section 13.0

Conclusion

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Proposals are Just and Reasonable

- This is an opportunity for the Board to resolve long running issues, which is in the interests of policyholders and MPI
- MPI's proposals in this Application will position MPI to meet challenges while maintaining rate stability

[2017 Closing Argument, Paragraph 451]

Manitoba Public Insurance