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MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE COMPANY (MPI)
GENERAL RATE APPLICATION
FOR 2011/12 INSURANCE YEAR

Before Board Panel:

Graham Lane - Board Chairman
Len Evans - Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
Winnipeg, Manitoba
October 5, 2010
Pages 1 to 390

APPEARANCES

1
2 Candace Everard) Board Counsel
3
4 Kathy Kalinowsky) MPI
5
6 Raymond Oakes) CMMG
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8 Byron Williams) CAC/MSOS
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10 Nick Roberts) MUCDA
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12 Liz Peters) CAA Manitoba
13 Jerry Kruk)
14
15 Robert Dawson) CBA/MBA
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3	PUB-1	Notice of Hearing and Pre-Hearing	
4		conference dated June 14, 2010	
5	PUB-2	Rules of Practice and Procuedure -	
6		also entered at PHC	
7	PUB-3	Proposed Timetable - also entered	
8		at PHC	
9	PUB-4	Transcript of Pre-Hearing conference	
10		held June 25, 2010	
11	PUB-5	The Public Utilities Board Procedural	
12		Order No. 69/10 dated July 5, 2010	
13	PUB-6	Reminder Notice of Public Hearing	
14		dated July 16, 2010	
15	PUB/MPI-7-1	The Public Utilities Board's 1st	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 1st Round - SM7 News	
19		release: table reflecting the yearly	
20		rate changes applied for by the	
21		Corporation and the corresponding	
22		rate changes approved by the Board	
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9	PUB/MPI-7-3	The Public Utilities Board's 1st Round Information Requests and Manitoba Public Insurance's Responses - 1st Round - Corporate goals: methodology used to measure success.	
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15	PUB/MPI-7-4	The Public Utilities Board's 1st Round Information Requests and Manitoba Public Insurance's Responses - 1st Round - Crown Corporations Council: file of quarterly CCC reports for last two years, KPMG reports, audit committee minutes.	
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5		Manitoba Public Insurance's	
6		Responses - 1st Round - TI.15,	
7		TI.15A scenarios using various	
8		base rates	
9	PUB/MPI-7-6	The Public Utilities Board's 1st	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - TI.14	
13		extension and SRE retained earnings,	
14		adjustments related to IFRS	
15	PUB/MPI-7-7	The Public Utilities Board's 1st	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 1st Round - TI.14, TI.15	
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6		Responses - 1st Round - TI.18, pages	
7		9-14, details of the modeling of	
8		the historical trend in each HTA	
9		and non-HTA	
10	PUB/MPI-7-9	The Public Utilities Board's 1st	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 1st Round - AI.17B	
14		Basic - Total (net) - PIPP runoff	
15	PUB/MPI-7-10	The Public Utilities Board's 1st	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 1st Round - AI.17B -	
19		reconciliation of Basic - Total	
20		(net) - PIPP runoff for 2009-10,	
21		forecasting	
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11		Manitoba Public Insurance's	
12		Responses - 1st Round - AI.17 -	
13		valuation work, AuG43 actuary	
14	PUB/MPI-7-13	The Public Utilities Board's 1st	
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17		Responses - 1st Round - AI.17B -	
18		Basic valuation "prudently	
19		conservative" definition	
20	PUB/MPI-7-14	The Public Utilities Board's 1st	
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9	PUB/MPI-7-16	The Public Utilities Board's 1st Round Information Requests and Manitoba Public Insurance's Responses - 1st Round - AI.6 Annual Report, TI.14, TI.15, TI.15A, overall financial well-being of Corporation	
16	PUB/MPI-7-17	The Public Utilities Board's 1st Round Information Requests and Manitoba Public Insurance's Responses - 1st Round - Broker Commission rebate/refund	
21	PUB/MPI-7-18	The Public Utilities Board's 1st Round Information Requests and Manitoba Public Insurance's Responses - 1st Round - AI.8, Investment portfolio composition	

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7		Trading investments	
8	PUB/MPI-7-20	The Public Utilities Board's 1st	
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10		Manitoba Public Insurance's	
11		Responses - 1st Round - TI.13,	
12		TI.14, AI.6 Basic annual report -	
13		composition of investments	
14	PUB/MPI-7-21	The Public Utilities Board's 1st	
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17		Responses - 1st Round - AI.7	
18		Basic annual report - stratification	
19		of investment portfolio	
20	PUB/MPI-7-22	The Public Utilities Board's 1st	
21		Round Information Requests and	
22		Manitoba Public Insurance's	
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24		Annual Report - book value/fair	
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2 PUB/MPI-7-23 The Public Utilities Board's 1st
3 Round Information Requests and
4 Manitoba Public Insurance's
5 Responses - 1st Round - AI.7 Basic
6 Annual Report, Note 14 - unrealized
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8 PUB/MPI-7-24 The Public Utilities Board's 1st
9 Round Information Requests and
10 Manitoba Public Insurance's
11 Responses - 1st Round - AI.8
12 investment allocation formula

13 PUB/MPI-7-25 The Public Utilities Board's 1st
14 Round Information Requests and
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18 PUB/MPI-7-26 The Public Utilities Board's 1st
19 Round Information Requests and
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21 Responses - 1st Round - AI.13
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24 investment policy statement,
25 activity report.

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6		Responses - 1st Round - TI.15A	
7		Page 4, TI.18 Section 5.2	
8		interest rate forecast	
9	PUB/MPI-7-28	The Public Utilities Board's 1st	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - TI.14,	
13		TI.15, TI.15A, TI.18 Section 5.4	
14		expected equity return -	
15		methodology for calculation	
16	PUB/MPI-7-29	The Public Utilities Board's 1st	
17		Round Information Requests and	
18		Manitoba Public Insurance's	
19		Responses - 1st Round - TI.14,	
20		TI.15, TI.15A, recast assuming a	
21		100 basis point upward change in	
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5		Manitoba Public Insurance's	
6		Responses - 1st Round - Accumulated	
7		other comprehensive income - details	
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10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - SM.5.1.	
13		T1.4, T1.18 claims costs projected,	
14		revised forecast and actuals for	
15		each coverage	
16	PUB/MPI-7-32	The Public Utilities Board's 1st	
17		Round Information Requests and	
18		Manitoba Public Insurance's	
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7		TI.11, TI.12, TI.13, TI.15, TI.15A	
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11		Round Information Requests and	
12		Manitoba Public Insurance's	
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14		claims cost forecasting - PIPP	
15	PUB/MPI-7-35	The Public Utilities Board's 1st	
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17		Manitoba Public Insurance's	
18		Responses - 1st Round - TI.15, TI.19	
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20		frequencies, severities, and loss costs	
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13		from financial forecast experience	
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17	PUB/MPI-7-39	The Public Utilities Board's 1st	
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5		Manitoba Public Insurance's	
6		Responses - 1st Round - TI.4, TI.11	
7		claims variance analysis in Schedule 1	
8	PUB/MPI-7-41	The Public Utilities Board's 1st	
9		Round Information Requests and	
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11		Responses - 1st Round - AI.18.A	
12		claims valuation - PIPP benefit	
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14	PUB/MPI-7-42	The Public Utilities Board's 1st	
15		Round Information Requests and	
16		Manitoba Public Insurance's	
17		Responses - 1st Round - Annual	
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20		PIPP through the projections for	
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10		Manitoba Public Insurance's	
11		Responses - 1st Round - alternate	
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13	PUB/MPI-7-45	The Public Utilities Board's 1st	
14		Round Information Requests and	
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16		Responses - 1st Round - TI.5 Trend	
17		Analysis - further information on	
18		Basic, BPR, FTEs	
19	PUB/MPI-7-46	The Public Utilities Board's 1st	
20		Round Information Requests and	
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22		Responses - 1st Round - TI.5 Trend	
23		Analysis - Basic, Operating expense	
24		ratio & policy.	
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7		Analysis, pages 3 & 6 - claims expense	
8		- workup and comparative.	
9	PUB/MPI-7-48	The Public Utilities Board's 1st	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - T1.5 Trend	
13		Analysis, pages 3 & 8, Chart 5 -	
14		workup and comparative	
15	PUB/MPI-7-49	The Public Utilities Board's 1st	
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17		Manitoba Public Insurance's	
18		Responses - 1st Round - T1.5 Trend	
19		Analysis Page 9, Chart 6 - commissions	
20		expense ratio/structure	
21	PUB/MPI-7-50	The Public Utilities Board's 1st	
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25		allocation methodology - DVL expenses	

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7		Annual Report, page 68 - pension	
8		plan benefits	
9	PUB/MPI-7-52	The Public Utilities Board's 1st	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - TI.7A	
13		Schedule of expense categories -	
14		building expenses; data processing;	
15		amortization; travel and vehicle	
16		expenses; safety/loss prevention	
17		programs; and Other.	
18	PUB/MPI-7-53	The Public Utilities Board's 1st	
19		Round Information Requests and	
20		Manitoba Public Insurance's	
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9		variability.	
10	PUB/MPI-7-55	The Public Utilities Board's 1st	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 1st Round - TI.9 -	
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15	PUB/MPI-7-56	The Public Utilities Board's 1st	
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17		Manitoba Public Insurance's	
18		Responses - 1st Round - Average salary	
19		levels - actual, 2010/11 forecast,	
20		2011/12 projections	
21	PUB/MPI-7-57	The Public Utilities Board's 1st	
22		Round Information Requests and	
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8	PUB/MPI-7-59	The Public Utilities Board's 1st
9		Round Information Requests and
10		Manitoba Public Insurance's
11		Responses - 1st Round - AI.11 PIPP
12		infrastructure phase III/PUB/MPI
13		I-24, 2010 GRA - update on expenses
14	PUB/MPI-7-60	The Public Utilities Board's 1st
15		Round Information Requests and
16		Manitoba Public Insurance's
17		Responses - 1st Round - AI.7 Basic
18		Annual Report: deferred development
19		costs
20	PUB/MPI-7-61	The Public Utilities Board's 1st
21		Round Information Requests and
22		Manitoba Public Insurance's
23		Responses - 1st Round - TI.10 Capital
24		expenditures - original projected vs.
25		actuals, breakdown of forecasts

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7		technology - schedule detailing	
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9	PUB/MPI-7-63	The Public Utilities Board's 1st	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - AI.20	
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14		of investment property.	
15	PUB/MPI-7-64	The Public Utilities Board's 1st	
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17		Manitoba Public Insurance's	
18		Responses - 1st Round - AI.20 page	
19		8, IFRS - initial valuation of	
20		investment property	
21	PUB/MPI-7-65	The Public Utilities Board's 1st	
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6		Responses - 1st Round - AI.20 page	
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9		contracts IFRS 4	
10	PUB/MPI-7-67	The Public Utilities Board's 1st	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 1st Round - AI.20	
14		recognition of future actuarial	
15		gains and losses in employee	
16		benefit reserves.	
17	PUB/MPI-7-68	The Public Utilities Board's 1st	
18		Round Information Requests and	
19		Manitoba Public Insurance's	
20		Responses - 1st Round - AI.20 IFRS	
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22		liabilities Exposure draft, May	
23		2010	
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5		Manitoba Public Insurance's	
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7		- IFRS position papers	
8	PUB/MPI-7-70	The Public Utilities Board's 1st	
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10		Manitoba Public Insurance's	
11		Responses - 1st Round - AI.20 PT 2	
12		Exhibit 1 presentation of financial	
13		statements - IAS 1 page 14.	
14	PUB/MPI-7-71	The Public Utilities Board's 1st	
15		Round Information Requests and	
16		Manitoba Public Insurance's	
17		Responses - 1st Round - AI.20 PT 2	
18		Exhibit 4, events after the reporting	
19		period IAS 10 Section 7.1	
20	PUB/MPI-7-72	The Public Utilities Board's 1st	
21		Round Information Requests and	
22		Manitoba Public Insurance's	
23		Responses - 1st Round - AI.20 PT 2	
24		Exhibit 5 page 9: IFRS - PP&E -	
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5		Manitoba Public Insurance's	
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8	PUB/MPI-7-74	The Public Utilities Board's 1st	
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10		Manitoba Public Insurance's	
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13		benefits-IAS19	
14	PUB/MPI-7-75	The Public Utilities Board's 1st	
15		Round Information Requests and	
16		Manitoba Public Insurance's	
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22		Manitoba Public Insurance's	
23		Responses - 1st Round - AI.20 PT 2	
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2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-77	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - AI.20 PT	
7		2, Exhibit 13 IFRS-IAS 37, DVL -	
8		onerous contracts annual report	
9		page 32 - increase in funding	
10		effective April 1, 2011, for DVL	
11		operations	
12	PUB/MPI-7-78	The Public Utilities Board's 1st	
13		Round Information Requests and	
14		Manitoba Public Insurance's	
15		Responses - 1st Round - DVL cumulative	
16		operating loss	
17	PUB/MPI-7-79	The Public Utilities Board's 1st	
18		Round Information Requests and	
19		Manitoba Public Insurance's	
20		Responses - 1st Round - AI.20 PT 2	
21		Exhibit 13 IAS 37 page 26, DVL -	
22		Onerous contracts	
23			
24			
25			

1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-80	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - AI.20 PT 2	
7		Exhibit 14 designation of Bond -	
8		transitional election	
9	PUB/MPI-7-81	The Public Utilities Board's 1st	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - TI.14,	
13		PUB/MPI I-2, 2010 GRA, AI.6 Annual	
14		report Note 4	
15	PUB/MPI-7-82	The Public Utilities Board's 1st	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 1st Round - PT.OK, p.3	
19		- changes in the Corporation's risk	
20		profile	
21	PUB/MPI-7-83	The Public Utilities Board's 1st	
22		Round Information Requests and	
23		Manitoba Public Insurance's	
24		Responses - 1st Round - whether the	
25		Corporation has updated its DCAT	

1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-84	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - T1.14, T1.15	
7		- accounting adjustments related	
8		to IRFS	
9	PUB/MPI-7-85	The Public Utilities Board's 1st	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - PT.DDP,	
13		SM.3 Driver safety rating - adjustments	
14		in revenues for each Major class.	
15	PUB/MPI-7-86	The Public Utilities Board's 1st	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 1st Round - TI.18 page	
19		50 DSR transition	
20	PUB/MPI-7-87	The Public Utilities Board's 1st	
21		Round Information Requests and	
22		Manitoba Public Insurance's	
23		Responses - 1st Round - SM.5.9	
24		rebalancing of driver & vehicle	
25		premiums	

1	LIST OF EXHIBITS		Page 30
2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-88	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - TI.18	
7		appendix A Exhibit 1 & 2 assumption	
8		around merit eligible vehicles per	
9		driver	
10	PUB/MPI-7-89	The Public Utilities Board's 1st	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 1st Round - T1.11	
14		Immobilizers - major variance	
15		attributable to the immobilizer	
16		program.	
17	PUB/MPI-7-90	The Public Utilities Board's 1st	
18		Round Information Requests and	
19		Manitoba Public Insurance's	
20		Responses - 1st Round - AI.7 Annual	
21		Report page 37 - graph of auto	
22		theft claim counts and attempted	
23		thefts	
24			
25			

1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-91	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - Immobilizer	
7		initiative	
8	PUB/MPI-7-92	The Public Utilities Board's 1st	
9		Round Information Requests and	
10		Manitoba Public Insurance's	
11		Responses - 1st Round - WATSS, TI.	
12		12 anti gang strategy	
13	PUB/MPI-7-93	The Public Utilities Board's 1st	
14		Round Information Requests and	
15		Manitoba Public Insurance's	
16		Responses - 1st Round - anti-theft	
17		initiatives, TI.16 page 49 - annual	
18		spending on all aspects on the anti-	
19		theft initiative.	
20	PUB/MPI-7-94	The Public Utilities Board's 1st	
21		Round Information Requests and	
22		Manitoba Public Insurance's	
23		Responses - 1st Round - Costs of	
24		speed related crashes	
25			

1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-95	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - Cost of	
7		cell phone & handheld electronic	
8		data related accidents	
9	PUB/MPI-7-96	The Public Utilities Board's 1st	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 1st Round - AI.5.3.A.1	
13		CLEAR - policyholder premium	
14		dislocation	
15	PUB/MPI-7-97	The Public Utilities Board's 1st	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 1st Round - TI.18 pages	
19		46 to 49 reinsurance - Corporation's	
20		reinsurance premium costs	
21			
22			
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-98	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - SM.5.11.2	
7		interprovincial trucking costs in	
8		respect of claims by extra-	
9		provincial truck drivers	
10	PUB/MPI-7-99	The Public Utilities Board's 1st	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 1st Round - SM5.11.9 -	
14		potential loss transfer of claims	
15		costs caused by collisions involving	
16		animals and vehicles	
17	PUB/MPI-7-100	The Public Utilities Board's 1st	
18		Round Information Requests and	
19		Manitoba Public Insurance's	
20		Responses - 1st Round - SM.8.10.3	
21		AI.9 wildlife claims, AI.12.A pg 17	
22			
23			
24			
25			

1		LIST OF EXHIBITS
2	PUB/MPI-7-101	The Public Utilities Board's 1st
3		Round Information Requests and
4		Manitoba Public Insurance's
5		Responses - 1st Round - AI.10
6		occupant restraint, unsafe speed
7		and impaired driving review
8	PUB/MPI-7-102	The Public Utilities Board's 1st
9		Round Information Requests and
10		Manitoba Public Insurance's
11		Responses - 1st Round - AI.12.A
12		2010 motorcycle risk study page 6
13		difference in claims severity
14	PUB/MPI-7-103	The Public Utilities Board's 1st
15		Round Information Requests and
16		Manitoba Public Insurance's
17		Responses - 1st Round - AI.12.A
18		2010 Motorcycle risk study page 11
19		period outside of riding season
20	PUB/MPI-7-104	The Public Utilities Board's 1st
21		Round Information Requests and
22		Manitoba Public Insurance's
23		Responses - 1st Round - AI.12.A 2010
24		motorcycle risk study page 13 ratio of
25		claimants to policyholders

	LIST OF EXHIBITS
1	
2	PUB/MPI-7-105 The Public Utilities Board's 1st
3	Round Information Requests and
4	Manitoba Public Insurance's
5	Responses - 1st Round - AI.14 late
6	payment fees
7	PUB/MPI-7-106 The Public Utilities Board's 1st
8	Round Information Requests and
9	Manitoba Public Insurance's
10	Responses - 1st Round - TI.18 page
11	38, 6.9 total basic service fees
12	and other revenue breakdown of MV
13	transaction fees
14	PUB/MPI-7-107 The Public Utilities Board's 1st
15	Round Information Requests and
16	Manitoba Public Insurance's
17	Responses - 1st Round - streamlined
18	renewals/vehicle registration &
19	insurance/driver licences
20	PUB/MPI-7-108 The Public Utilities Board's 1st
21	Round Information Requests and
22	Manitoba Public Insurance's
23	Responses - 1st Round - Broker
24	commissions - contract with brokers
25	and the legislation

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-109	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - Broker	
7		commissions TI.15A, TI.19 page 25	
8		- detailed comparison of the amounts	
9		paid to brokers	
10	PUB/MPI-7-110	The Public Utilities Board's 1st	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 1st Round - 2009 GRA,	
14		undertaking 16 Exhibit 13 dollar and	
15		percentage of non Basic auto insurance	
16	PUB/MPI-7-111	The Public Utilities Board's 1st	
17		Round Information Requests and	
18		Manitoba Public Insurance's	
19		Responses - 1st Round - SM5.11.5	
20		sustainable development/usage-based	
21		insurance - Corporation's position on	
22		usage-based insurance	
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-7-112	The Public Utilities Board's 1st	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 1st Round - AP.1 pages 1&2	
7		Service & transaction fees - when and	
8		how established	
9	PUB/MPI-8-1	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI	
13		I-3 driver/vehicle characteristics	
14		used in the comparison	
15	PUB/MPI-8-2	The Public Utilities Board's	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 2nd Round - PUB/MPI I-4(a)	
19		& ©) filing information in confidence	
20	PUB/MPI-8-3	The Public Utilities Board's	
21		Round Information Requests and	
22		Manitoba Public Insurance's	
23		Responses - 2nd Round - PUB/MPI 1-6 -	
24		overall financial wellness, cross	
25		subsidization	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-4	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI	
7		I-8 - regression analyses, derivation	
8		of the non-HTA unit growth rate	
9	PUB/MPI-8-5	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI 1-9	
13		©) attachment - runoff over the first	
14		quarter of the current fiscal year	
15	PUB/MPI-8-6	The Public Utilities Board's	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 2nd Round - PUB/MPI I-10	
19		favourable runoff during 2009/10 was	
20		not evident	
21	PUB/MPI-8-7	The Public Utilities Board's	
22		Round Information Requests and	
23		Manitoba Public Insurance's	
24		Responses - 2nd Round - PUB/MPI	
25		I-11(a) & ©) bond portfolio	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-8	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI	
7		1-12 - unaudited quarterly financial	
8		statements	
9	PUB/MPI-8-9	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI 1-13	
13		- "best estimate" in a valuation context	
14	PUB/MPI-8-10	The Public Utilities Board's	
15		Round Information Requests and	
16		Manitoba Public Insurance's	
17		Responses - 2nd Round - PUB/MPI I-15(b)	
18		how much of the total variation in the	
19		actual values is explained by the fitted	
20		values	
21			
22			
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-11	The Public Utilities Board's Round Information Requests and Manitoba Public Insurance's Responses - 2nd Round - PUB/MPI I-16©) why the \$71 million favourable development reflected in the May 31, 2010 quarterly report did not result in a journal entry	
11	PUB/MPI-8-12	The Public Utilities Board's Round Information Requests and Manitoba Public Insurance's Responses - 2nd Round - PUB/MPI I-16(d) Board of Directors of the Corporation responsible to whom?	
17	PUB/MPI-8-13	The Public Utilities Board's Round Information Requests and Manitoba Public Insurance's Responses - 2nd Round - PUB/MPI I-18 refile the schedule at 1-18(d) including all general provisions of forecast.	
24			
25			

1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-14	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI I-19(f)	
7		the bond immunization strategy	
8	PUB/MPI-8-15	The Public Utilities Board's	
9		Round Information Requests and	
10		Manitoba Public Insurance's	
11		Responses - 2nd Round - PUB/MPI I-20(a)	
12		(b) & (e) reconcile the details of	
13		equity dividends and equity gain/losses	
14		reported	
15	PUB/MPI-8-16	The Public Utilities Board's	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 2nd Round - turnover of	
19		the equities, bonds and MUSH bonds	
20	PUB/MPI-8-17	The Public Utilities Board's	
21		Round Information Requests and	
22		Manitoba Public Insurance's	
23		Responses - 2nd Round - PUB/MPI I-22©)	
24		balance of Basic retained earnings	
25		incorporating the material IFRS adjustment	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-18	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - AI.8, PUB/	
7		MPI I-24(a) reconcile the weighted	
8		balances	
9	PUB/MPI-8-19	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI I-25	
13		- blacklined or otherwise highlighted	
14		version reflecting the changes to the	
15		investment policy statement	
16	PUB/MPI-8-20	The Public Utilities Board's	
17		Round Information Requests and	
18		Manitoba Public Insurance's	
19		Responses - 2nd Round - PUB/MPI I-26	
20		attachment - commentary on the return	
21		vs. risk chart	
22			
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-21	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI I-27©)	
7		copy of each of the interest rate	
8		forecasts utilized	
9	PUB/MPI-8-22	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI I-30	
13		update the schedule to incorporate the	
14		2010/11 first quarter results.	
15	PUB/MPI-8-23	The Public Utilities Board's	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 2nd Round - PUB/MPI I-36	
19		- copy of the internal memo and	
20		supporting documents prepared by	
21		the external auditors' actuarial	
22		specialist	
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-24	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI	
7		I-41(b) definition of "catastrophically	
8		injured claimant" changed	
9	PUB/MPI-8-25	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI I-45(j)	
13		examples of claims that typically give	
14		rise to "only extension or SRE covers'	
15	PUB/MPI-8-26	The Public Utilities Board's	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 2nd Round - PUB/MPI I-46©)	
19	PUB/MPI-8-27	The Public Utilities Board's	
20		Round Information Requests and	
21		Manitoba Public Insurance's	
22		Responses - 2nd Round - PUB/MPI I-47	
23		explain why the claims expense ratio	
24		is not declining	
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-28	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI	
7		I-50 full listing of those DVL	
8		departments	
9	PUB/MPI-8-29	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI I-57	
13		BPR total costs incurred and the	
14		amounts allocated to Basic	
15	PUB/MPI-8-30	The Public Utilities Board's	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 2nd Round - PUB/MPI I-61©)	
19		provide supporting working papers	
20	PUB/MPI-8-31	The Public Utilities Board's	
21		Round Information Requests and	
22		Manitoba Public Insurance's	
23		Responses - 2nd Round - PUB/MPI I-62	
24		(a) external costs for AOL/CARS	
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-32	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI	
7		1-66(a) "common practice" the "other	
8		corporations"	
9	PUB/MPI-8-33	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI 1-68	
13		designating fixed income instruments	
14		as Held for Trading Exposure Draft	
15	PUB/MPI-8-34	The Public Utilities Board's	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 2nd Round - PUB/MPI I-69(e)	
19		file copy of all email and written	
20		correspondence KPMG/the Corporation	
21		related to the IFRS project undertaken	
22		by Deloitte	
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-35	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI 1-70,	
7		1-75, proposed/preliminary accounting	
8		adjustments to reflect IFRS	
9	PUB/MPI-8-36	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI I-73	
13		capitalization policy	
14	PUB/MPI-8-37	The Public Utilities Board's	
15		Round Information Requests and	
16		Manitoba Public Insurance's	
17		Responses - 2nd Round - PUB/MPI I-30,	
18		I-80(b) AOCI balance for Bonds	
19	PUB/MPI-8-38	The Public Utilities Board's	
20		Round Information Requests and	
21		Manitoba Public Insurance's	
22		Responses - 2nd Round - PUB/MPI I-83	
23		file the 2010 DCAT	
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-39	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI	
7		I-84, PUB/MPI I-75, First Quarter	
8		report, AI.6	
9	PUB/MPI-8-40	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI 1-88	
13		merit eligible vehicles per driver	
14	PUB/MPI-8-41	The Public Utilities Board's	
15		Round Information Requests and	
16		Manitoba Public Insurance's	
17		Responses - 2nd Round - PUB/MPI 1-91	
18		vehicles with removed or disabled	
19		immobilizers	
20	PUB/MPI-8-42	The Public Utilities Board's	
21		Round Information Requests and	
22		Manitoba Public Insurance's	
23		Responses - 2nd Round - PUB/MPI I-97©)	
24		add to the table the split between	
25		casualty and catastrophe premiums	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-43	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI	
7		I-98(a) details on frequency and	
8		severity of such claims	
9	PUB/MPI-8-44	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - PUB/MPI 103	
13		indicating the total physical damage	
14		and injury claims costs.	
15	PUB/MPI-8-45	The Public Utilities Board's	
16		Round Information Requests and	
17		Manitoba Public Insurance's	
18		Responses - 2nd Round - PUB/MPI I-109©)	
19		attachment detailing the flat fees per	
20		transaction type	
21			
22			
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-46	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - PUB/MPI I-109(f)	
7		analysis in support of the anticipated	
8		\$22 million in savings by 2012 related	
9		to the streamlines renewal process	
10	PUB/MPI-8-47	The Public Utilities Board's	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 2nd Round - PUB/MPI 1-110	
14		explain why exhibit 13 from the 2009	
15		GRA was provided in that proceedings	
16		but is considered not germane to the	
17		current application	
18	PUB/MPI-8-48	The Public Utilities Board's	
19		Round Information Requests and	
20		Manitoba Public Insurance's	
21		Responses - 2nd Round - SM.6 Cost	
22		allocation methodology reports	
23		prepared by Deloitte related to	
24		cost allocation methodology	
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-49	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - payments	
7		on behalf of province	
8	PUB/MPI-8-50	The Public Utilities Board's	
9		Round Information Requests and	
10		Manitoba Public Insurance's	
11		Responses - 2nd Round - AI.19 Asset	
12		and liability allocation report	
13	PUB/MPI-8-51	The Public Utilities Board's	
14		Round Information Requests and	
15		Manitoba Public Insurance's	
16		Responses - 2nd Round - AI.19 Asset	
17		and liability allocation report page	
18		5 strengths and weaknesses of the cost	
19		allocation approach for property &	
20		equipment	
21			
22			
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-52	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - AI.19 Asset	
7		and Liability allocation report pages	
8		5 & 6, CAC/MSOS 1-117 streamlined	
9		renewal process	
10	PUB/MPI-8-53	The Public Utilities Board's	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 2nd Round - AI.19 Deloitte	
14		Asset and Liability Allocation Report	
15		page 6 key steps in both the insurance	
16		and non insurance operations are	
17		provided by the same person	
18	PUB/MPI-8-54	The Public Utilities Board's	
19		Round Information Requests and	
20		Manitoba Public Insurance's	
21		Responses - 2nd Round - AI.19 Deloitte	
22		Asset and Liability Allocation Report	
23		pages 8 & 31 PWFC-F collection of	
24		licensing and registration fees.	
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-55	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - AI.19	
7		Deloitte asset and liability	
8		allocation report page 23 adopted	
9		pro-rata approach.	
10	PUB/MPI-8-56	The Public Utilities Board's	
11		Round Information Requests and	
12		Manitoba Public Insurance's	
13		Responses - 2nd Round - AI.19 Deloitte	
14		asset and liability allocation report	
15		page 29 why the developed allocator	
16		was deemed appropriate	
17	PUB/MPI-8-57	The Public Utilities Board's	
18		Round Information Requests and	
19		Manitoba Public Insurance's	
20		Responses - 2nd Round - AI.19 Deloitte	
21		asset and liability allocation report	
22		page 31	
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB/MPI-8-58	The Public Utilities Board's	
4		Round Information Requests and	
5		Manitoba Public Insurance's	
6		Responses - 2nd Round - AI.19	
7		Deloitte asset and liability	
8		allocation report page 32, 45 & 46	
9	PUB/MPI-8-59	The Public Utilities Board's	
10		Round Information Requests and	
11		Manitoba Public Insurance's	
12		Responses - 2nd Round - AI.19 Deloitte	
13		asset and liability allocation report	
14		page 34 allocation of enterprise wide	
15		accounts.	
16	PUB/MPI-8-60	The Public Utilities Board's	
17		Round Information Requests and	
18		Manitoba Public Insurance's	
19		Responses - 2nd Round - Donations -	
20		rationale and authority for the	
21		Corporation to provide a material	
22		gift of property	
23			
24			
25			

1 LIST OF EXHIBITS

- 2 PUB/MPI-8-61 The Public Utilities Board's
3 Round Information Requests and
4 Manitoba Public Insurance's
5 Responses - 2nd Round - TI.15A,
6 TI.17 forecasted Basic Net claims
7 incurred
- 8 MPI-1 Affidavit of Sharon Myshkowsky sworn
9 September 23, 2010 with attached
10 exhibits stating that all
11 interested parties were served Notice
12 of Public Hearing and rate application.
- 13 MPI-2 Affidavit of Zdenka Melnyk sworn
14 September 7, 2010 with attached
15 exhibits of Notice of Public Hearing
16 and Pre-Hearing Conference dated May
17 30, 2008 published in the required
18 newspapers.
- 19 MPI-3 Affidavit of Zdenka Melnyk sworn
20 September 7th, 2010 with attached
21 exhibits of Reminder Notice of Public
22 Hearing dated August 12, 2008 published
23 in the required newspapers.
- 24 MPI-4 MPI 2011 Rate Application - Volume I,
25 filed June 11, 2010

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MPI-5	MPI 2011 Rate Application - Volume II,	
4		Part 1 and 2 filed June 11, 2010	
5	MPI-6	MPI 2011 Rate Application - Volume III,	
6		Part 1 and 2 filed June 11, 2010	
7	MPI-7	MPI/CMMG Information Request of Dion	
8		Durrell	
9	CAC/MSOS/MPI-1-1	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 1st Round - Operating	
14		lease obligation and the	
15		capital lease obligation	
16	CAC/MSOS/MPI-1-2	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 1st Round - List of	
21		all the allocation methodologies	
22		employed by MPI	
23			
24			
25			

1	LIST OF EXHIBITS		Page 57
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-3	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - Board of	
8		Directors' minute approving the	
9		Deloitte cost allocation methodology	
10	CAC/MSOS/MPI-1-4	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - Detailed	
15		analysis and explanation of the	
16		growth in the purification entry	
17	CAC/MSOS/MPI-1-5	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 1st Round - detailed	
22		allocation calculations and analysis	
23		by cost centre for each year	
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-6	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - Deloitte	
8		cost allocation methodology -	
9		adoption, explanation	
10	CAC/MSOS/MPI-1-7	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - Copy of the	
15		approved cost allocation methodology	
16		for the 2010/11 fiscal period	
17	CAC/MSOS/MPI-1-8	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 1st Round - Deloitte	
22		study to be filed and test of evidence	
23	CAC/MSOS/MPI-1-9	Consumers' Association of Canada	
24		(Manitoba) Inc./Manitoba Society	
25		of Senior's Information Requests	

1	LIST OF EXHIBITS	Page 59
2	Exhibit No. Description	Page No.
3	and Manitoba Public Insurance's	
4	Responses - 1st Round - Increase in	
5	Basic's FTEs or costs as a result of	
6	MPI's full service centres	
7	CAC/MSOS/MPI-1-10 Consumers' Association of Canada	
8	(Manitoba) Inc./Manitoba Society	
9	of Senior's Information Requests	
10	and Manitoba Public Insurance's	
11	Responses - 1st Round - Impact on	
12	Basic as a result of the implementation	
13	of MPI's EIC initiative	
14	CAC/MSOS/MPI-1-11 Consumers' Association of Canada	
15	(Manitoba) Inc./Manitoba Society	
16	of Senior's Information Requests	
17	and Manitoba Public Insurance's	
18	Responses - 1st Round - list of	
19	improvement initiatives along with	
20	the cost of each improvement	
21	initiative; benefits	
22	CAC/MSOS/MPI-1-12 Consumers' Association of Canada	
23	(Manitoba) Inc./Manitoba Society	
24	of Senior's Information Requests	
25	and Manitoba Public Insurance's	

1	LIST OF EXHIBITS	Page 60
2	Exhibit No. Description	Page No.
3	Responses - 1st Round - outline of	
4	any expected or potential benefits	
5	to Basic as a result of improvement	
6	initiatives	
7	CAC/MSOS/MPI-1-13 Consumers' Association of Canada	
8	(Manitoba) Inc./Manitoba Society	
9	of Senior's Information Requests	
10	and Manitoba Public Insurance's	
11	Responses - 1st Round - whether the	
12	vice-president responsible for system	
13	development will be part of the MPI	
14	panel at the GRA hearing	
15	CAC/MSOS/MPI-1-14 Consumers' Association of Canada	
16	(Manitoba) Inc./Manitoba Society	
17	of Senior's Information Requests	
18	and Manitoba Public Insurance's	
19	Responses - 1st Round - detail analysis	
20	by initiative, with explanations by	
21	account category for each amount in	
22	the provided table	
23	CAC/MSOS/MPI-1-15 Consumers' Association of Canada	
24	(Manitoba) Inc./Manitoba Society	
25	of Senior's Information Requests	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3		and Manitoba Public Insurance's	
4		Responses - 1st Round - business	
5		process review; initiatives implemented,	
6		post implementation report, financial	
7		analysis, budgeted vs. actual savings	
8	CAC/MSOS/MPI-1-16	Consumers' Association of Canada	
9		(Manitoba) Inc./Manitoba Society	
10		of Senior's Information Requests	
11		and Manitoba Public Insurance's	
12		Responses - 1st Round - PIPP	
13		infrastructure - updated costs and	
14		benefits	
15	CAC/MSOS/MPI-1-17	Consumers' Association of Canada	
16		(Manitoba) Inc./Manitoba Society	
17		of Senior's Information Requests	
18		and Manitoba Public Insurance's	
19		Responses - 1st Round - decrease of	
20		PIPP costs in the future as a result	
21		of incurring transitional expenses	
22	CAC/MSOS/MPI-1-18	Consumers' Association of Canada	
23		(Manitoba) Inc./Manitoba Society	
24		of Senior's Information Requests	
25		and Manitoba Public Insurance's	

1	LIST OF EXHIBITS	Page 62
2	Exhibit No. Description	Page No.
3	Responses - 1st Round - What led to	
4	the overall redundancy for 2009/10	
5	of \$39.1 million; assumptions and	
6	calculations	
7	CAC/MSOS/MPI-1-19 Consumers' Association of Canada	
8	(Manitoba) Inc./Manitoba Society	
9	of Senior's Information Requests	
10	and Manitoba Public Insurance's	
11	Responses - 1st Round - Alternative	
12	process studied to reduce the	
13	growing potential volatility in	
14	financial results from year to year	
15	CAC/MSOS/MPI-1-20 Consumers' Association of Canada	
16	(Manitoba) Inc./Manitoba Society	
17	of Senior's Information Requests	
18	and Manitoba Public Insurance's	
19	Responses - 1st Round - definition for	
20	"volume (covers)".	
21	CAC/MSOS/MPI-1-21 Consumers' Association of Canada	
22	(Manitoba) Inc./Manitoba Society	
23	of Senior's Information Requests	
24	and Manitoba Public Insurance's	
25	Responses - 1st Round - overstatement	

1	LIST OF EXHIBITS	Page 63
2	Exhibit No. Description	Page No.
3	of financial forecast by 10 percent	
4	on a 5-year basis - explanation	
5	and re-file	
6	CAC/MSOS/MPI-1-22 Consumers' Association of Canada	
7	(Manitoba) Inc./Manitoba Society	
8	of Senior's Information Requests	
9	and Manitoba Public Insurance's	
10	Responses - 1st Round - six year claims	
11	incurred comparison - most plausible	
12	scenarios	
13	CAC/MSOS/MPI-1-23 Consumers' Association of Canada	
14	(Manitoba) Inc./Manitoba Society	
15	of Senior's Information Requests	
16	and Manitoba Public Insurance's	
17	Responses - 1st Round - NuGen IT	
18	product savings of \$1 million	
19	annually, example and breakdown	
20	CAC/MSOS/MPI-1-24 Consumers' Association of Canada	
21	(Manitoba) Inc./Manitoba Society	
22	of Senior's Information Requests	
23	and Manitoba Public Insurance's	
24	Responses - 1st Round - driver safety	
25	rating (DSR) forecasts and goals;	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3		calculations and assumptions supporting	
4		quoted values	
5	CAC/MSOS/MPI-1-25	Consumers' Association of Canada	
6		(Manitoba) Inc./Manitoba Society	
7		of Senior's Information Requests	
8		and Manitoba Public Insurance's	
9		Responses - 1st Round - the weekly	
10		indemnity incurred at 12 months forecast	
11	CAC/MSOS/MPI-1-26	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - terms of	
16		reference for the "Health of the	
17		Industry Study".	
18	CAC/MSOS/MPI-1-27	Consumers' Association of Canada	
19		(Manitoba) Inc./Manitoba Society	
20		of Senior's Information Requests	
21		and Manitoba Public Insurance's	
22		Responses - 1st Round - historical	
23		table comparing the labour rates for	
24		repair and shop and paint material by	
25		region for the last 10 years	

1 LIST OF EXHIBITS

2 CAC/MSOS/MPI-1-28 Consumers' Association of Canada
3 (Manitoba) Inc./Manitoba Society
4 of Senior's Information Requests
5 and Manitoba Public Insurance's
6 Responses - 1st Round - growth factors
7 obtained from the previous system
8 (Mitchell) compared to the current
9 system (nugen); differences

10 CAC/MSOS/MPI-1-29 Consumers' Association of Canada
11 (Manitoba) Inc./Manitoba Society
12 of Senior's Information Requests
13 and Manitoba Public Insurance's
14 Responses - 1st Round - reconcile the
15 claims incurred from TI.17 to TI.11
16 or TI.15A and explain the differences

17 CAC/MSOS/MPI-1-30 Consumers' Association of Canada
18 (Manitoba) Inc./Manitoba Society
19 of Senior's Information Requests
20 and Manitoba Public Insurance's
21 Responses - 1st Round - actual and
22 projected financial provisions and
23 premium deficiency provisions for
24 Basic insurance, by fiscal year, from
25 2001/02 through 2011/12

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-31 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - policy	
8	liabilities - actuary's report; change	
9	in the way the data is shown from an	
10	insurance year basis to an accident	
11	year basis	
12	CAC/MSOS/MPI-1-32 Consumers' Association of Canada	
13	(Manitoba) Inc./Manitoba Society	
14	of Senior's Information Requests	
15	and Manitoba Public Insurance's	
16	Responses - 1st Round - Materiality	
17	standard of \$7,000,000 for MPI in total	
18	CAC/MSOS/MPI-1-33 Consumers' Association of Canada	
19	(Manitoba) Inc./Manitoba Society	
20	of Senior's Information Requests	
21	and Manitoba Public Insurance's	
22	Responses - 1st Round - \$87.4 million	
23	favourable net incurred claim	
24	development	
25		

1	LIST OF EXHIBITS		Page 67
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-34	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - change in	
8		interest rate assumptions for	
9		discounting the provision for unpaid	
10		claims, including adjustment expenses	
11	CAC/MSOS/MPI-1-35	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - material	
16		redundancy of \$26,746,000 for 2009	
17		relative to smaller differences for	
18		prior years	
19	CAC/MSOS/MPI-1-36	Consumers' Association of Canada	
20		(Manitoba) Inc./Manitoba Society	
21		of Senior's Information Requests	
22		and Manitoba Public Insurance's	
23		Responses - 1st Round - description	
24		of changes to actuarial principles and	
25		practices since the previous GRA	

1	LIST OF EXHIBITS		Page 68
2	Exhibit No.	Description	Page No.
3		hearings affecting MPI's policy and	
4		liability valuations.	
5	CAC/MSOS/MPI-1-37	Consumers' Association of Canada	
6		(Manitoba) Inc./Manitoba Society	
7		of Senior's Information Requests	
8		and Manitoba Public Insurance's	
9		Responses - 1st Round - copy of the	
10		most recent provision for unpaid claims	
11		and investment portfolio duration	
12		analysis	
13	CAC/MSOS/MPI-1-38	Consumers' Association of Canada	
14		(Manitoba) Inc./Manitoba Society	
15		of Senior's Information Requests	
16		and Manitoba Public Insurance's	
17		Responses - 1st Round - reproduce the	
18		response to CAC/MSOS (MPI) 1-24 from	
19		last year's GRA, updating it to include	
20		actual 2009/10 data and projected and	
21		revised 2010/11 data	
22			
23			
24			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-39	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - forecasts of	
8		claims incurred	
9	CAC/MSOS/MPI-1-40	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 1st Round - practitioner	
14		education and liaison; expenses;	
15		benefits	
16	CAC/MSOS/MPI-1-41	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 1st Round - six year	
21		claims frequency comparison - total	
22		number of vehicles insured under	
23		Basic	
24			
25			

1	LIST OF EXHIBITS		Page No.
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-42	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - six year claims	
8		incurred comparison - percentage	
9		increases in 2010/11 and thereafter	
10		in PIPP, comprehensive, collision and	
11		property damage projections	
12	CAC/MSOS/MPI-1-43	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 1st Round - how MPI	
17		achieves value on price, coverage,	
18		service and access and as a result how	
19		is additional value measured for MPI	
20		and the customer	
21			
22			
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1	LIST OF EXHIBITS		Page 71
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-44	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - service centres;	
8		copy of the evaluation and independent	
9		assessment report prepared by the	
10		third-party expert and review by the	
11		Board of Directors	
12	CAC/MSOS/MPI-1-45	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 1st Round - contrast	
17		and explanation the new service	
18		vision and philosophy compared to	
19		the current service vision and	
20		philosophy; terms of reference,	
21		benefit to policy holders.	
22			
23			
24			
25			

1	LIST OF EXHIBITS		Page 72
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-46	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - copy of the	
8		most recent Gartner report as it	
9		relates to BPR improvement initiatives	
10	CAC/MSOS/MPI-1-47	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - reasons for	
15		increases to staff changes/vacancies,	
16		vacation accrued/banked/buyout, 2.9	
17		percent increases	
18	CAC/MSOS/MPI-1-48	Consumers' Association of Canada	
19		(Manitoba) Inc./Manitoba Society	
20		of Senior's Information Requests	
21		and Manitoba Public Insurance's	
22		Responses - 1st Round - most recent	
23		corporate organizational chart	
24		explaining significant changes since	
25		the 2010 GRA.	

1 LIST OF EXHIBITS

2 CAC/MSOS/MPI-1-49 Consumers' Association of Canada
3 (Manitoba) Inc./Manitoba Society
4 of Senior's Information Requests
5 and Manitoba Public Insurance's
6 Responses - 1st Round - maintain
7 operating costs at a maximum of 50
8 percent of industry average,
9 assumptions, sources of information

10 CAC/MSOS/MPI-1-50 Consumers' Association of Canada
11 (Manitoba) Inc./Manitoba Society
12 of Senior's Information Requests
13 and Manitoba Public Insurance's
14 Responses - 1st Round - employee
15 opinion survey, if any; copy of the
16 survey results and the action plans
17 going forward

18 CAC/MSOS/MPI-1-51 Consumers' Association of Canada
19 (Manitoba) Inc./Manitoba Society
20 of Senior's Information Requests
21 and Manitoba Public Insurance's
22 Responses - 1st Round - net loss of
23 \$27.6 million resulting from Driver
24 and Vehicle Act (DVA) operation
25 (previously DVL)

1	LIST OF EXHIBITS		Page 74
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-52	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - detailed	
8		analysis of the accounts written	
9		off in the amount of (\$1,827,000)	
10	CAC/MSOS/MPI-1-53	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - why there was	
15		no amortization expense required for	
16		the 2009/10 fiscal year	
17	CAC/MSOS/MPI-1-54	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 1st Round - detailed	
22		schedule of lease commitments by	
23		lessor	
24			
25			

1	LIST OF EXHIBITS		Page 75
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-55	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - analysis	
8		and explanations, by account category,	
9		of the corporate expenses increase	
10	CAC/MSOS/MPI-1-56	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - "increased	
15		premium taxes" explanation and the	
16		calculation resulting in the increase	
17		premium tax of \$2.850 million	
18	CAC/MSOS/MPI-1-57	Consumers' Association of Canada	
19		(Manitoba) Inc./Manitoba Society	
20		of Senior's Information Requests	
21		and Manitoba Public Insurance's	
22		Responses - 1st Round - Basic	
23		commissions not "clawed back" when	
24		policies are cancelled during the	
25		year	

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-58 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - detail	
8	comparative analysis by expense category	
9	CAC/MSOS/MPI-1-59 Consumers' Association of Canada	
10	(Manitoba) Inc./Manitoba Society	
11	of Senior's Information Requests	
12	and Manitoba Public Insurance's	
13	Responses - 1st Round - total basic	
14	expenses on TI.7B for 09/10 is	
15	labeled a "forecast". confirmed if	
16	it is "actual".	
17	CAC/MSOS/MPI-1-60 Consumers' Association of Canada	
18	(Manitoba) Inc./Manitoba Society	
19	of Senior's Information Requests	
20	and Manitoba Public Insurance's	
21	Responses - 1st Round - forecasting	
22	a staff level of 1,870.7 FTE's, a	
23	reduction of 35.1 FTE's; explanation	
24		
25		

1 LIST OF EXHIBITS

2 CAC/MSOS/MPI-1-61 Consumers' Association of Canada
3 (Manitoba) Inc./Manitoba Society
4 of Senior's Information Requests
5 and Manitoba Public Insurance's
6 Responses - 1st Round - detail analysis
7 and explanation of the capital
8 expenditures capital lease reports

9 CAC/MSOS/MPI-1-62 Consumers' Association of Canada
10 (Manitoba) Inc./Manitoba Society
11 of Senior's Information Requests
12 and Manitoba Public Insurance's
13 Responses - 1st Round - commissions
14 increased by \$3,110,000 from forecast
15 to actual for 2009/10 due to higher
16 fees paid to brokers; explanation.

17 CAC/MSOS/MPI-1-63 Consumers' Association of Canada
18 (Manitoba) Inc./Manitoba Society
19 of Senior's Information Requests
20 and Manitoba Public Insurance's
21 Responses - 1st Round - if pages 2
22 and 3 of TI.11 should read "Twelve
23 Months Ended February 28, 2010" then
24 please re-file these pages to correct
25 the record.

1	LIST OF EXHIBITS		Page 78
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-64	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - commissions	
8		increased by \$3,866,000 from Forecast	
9		to revised forecast for 2010/11 due to	
10		commissions paid on drivers' premiums	
11		and higher flat fees; explanation	
12	CAC/MSOS/MPI-1-65	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 1st Round - detailed	
17		analysis and explanation causing	
18		decrease of premium taxes	
19	CAC/MSOS/MPI-1-66	Consumers' Association of Canada	
20		(Manitoba) Inc./Manitoba Society	
21		of Senior's Information Requests	
22		and Manitoba Public Insurance's	
23		Responses - 1st Round - commissions	
24		decrease from 2010/11 forecast to	
25		2011/12 projection explanation	

1	LIST OF EXHIBITS		Page 79
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-67	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - table of the	
8		number of consultants supporting MPI	
9		in delivering various initiatives	
10		including their annual cost to the	
11		Corporation	
12	CAC/MSOS/MPI-1-68	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 1st Round - file copies of	
17		the public compensation reports as of	
18		December 31, 2008 and 2009 (salaries	
19		in excess of \$50,000 per employee)	
20			
21			
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1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-69 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - approved	
8	corporate budget for ongoing operations	
9	and for new projects and initiatives	
10	for the 2009/10 year for basic and the	
11	Corporation.	
12	CAC/MSOS/MPI-1-70 Consumers' Association of Canada	
13	(Manitoba) Inc./Manitoba Society	
14	of Senior's Information Requests	
15	and Manitoba Public Insurance's	
16	Responses - 1st Round - Annual average	
17	salary level level table by classification	
18	updated to include 2009/10 actual data,	
19	2010/11 forecast, and 2011/12 projected data.	
20		
21		
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-71	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - MPI internal	
8		indicators - updated to include 2010 with loss	
9		prevention/road safety costs removed from	
10		claims expenses and included with operating	
11		expenses.	
12	CAC/MSOS/MPI-1-72	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 1st Round - negotiated fee	
17		arrangements for physiotherapy, athletic	
18		therapists, and chiropractors.	
19	CAC/MSOS/MPI-1-73	Consumers' Association of Canada	
20		(Manitoba) Inc./Manitoba Society	
21		of Senior's Information Requests	
22		and Manitoba Public Insurance's	
23		Responses - 1st Round - aftermarket and	
24		recycled parts usage - savings, agreements.	
25			

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-74 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - labour and materials	
8	cost - status with MMDA and	
9	ATA.	
10	CAC/MSOS/MPI-1-75 Consumers' Association of Canada	
11	(Manitoba) Inc./Manitoba Society	
12	of Senior's Information Requests	
13	and Manitoba Public Insurance's	
14	Responses - 1st Round - agreement with nugen	
15	IT - expiration, savings.	
16	CAC/MSOS/MPI-1-76 Consumers' Association of Canada	
17	(Manitoba) Inc./Manitoba Society	
18	of Senior's Information Requests	
19	and Manitoba Public Insurance's	
20	Responses - 1st Round - tire savings	
21	- new formula for tire costs, annual savings.	
22		
23		
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-77	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - when MPI expects to	
8		file this trend analysis and how interveners	
9		and the MPUB will be able to test the evidence	
10		once it is filled.	
11	CAC/MSOS/MPI-1-78	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - merchant fees - the	
16		percentage that the 5.41M paid for credit card	
17		transactions in 2009/10 represented.	
18			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-80	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - summary of basic	
8		expenses by category - explanation for the	
9		significant increases going forward from	
10		2009/2010 actual costs.	
11	CAC/MSOS/MPI-1-80	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - summary of basic	
16		expenses by category, claims expenses, spike	
17		in various costs.	
18	CAC/MSOS/MPI-1-81	Consumers' Association of Canada	
19		(Manitoba) Inc./Manitoba Society	
20		of Senior's Information Requests	
21		and Manitoba Public Insurance's	
22		Responses - 1st Round - summary of basic	
23		expenses by category, operating expenses	
24		explanations.	
25			

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-82 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - road safety expenses	
8	explanations.	
9	CAC/MSOS/MPI-1-83 Consumers' Association of Canada	
10	(Manitoba) Inc./Manitoba Society	
11	of Senior's Information Requests	
12	and Manitoba Public Insurance's	
13	Responses - 1st Round - TI.7.B - information	
14	in this table on a per FTE basis for each	
15	year, initial forecasts.	
16	CAC/MSOS/MPI-1-84 Consumers' Association of Canada	
17	(Manitoba) Inc./Manitoba Society	
18	of Senior's Information Requests	
19	and Manitoba Public Insurance's	
20	Responses - 1st Round - compensation increases	
21	- basic share; explanation of merit increases.	
22		
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-85	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - staffing by department	
8		- complete reconciliation, explanation of	
9		reorganization.	
10	CAC/MSOS/MPI-1-86	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - capital expenditures -	
15		explanation on actual and forecast.	
16	CAC/MSOS/MPI-1-87	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 1st Round - 2010-2011	
21		forecast statement of operations.	
22			
23			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-88	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - comparison of	
8		operating results - adding forecast amounts	
9		for each line item.	
10	CAC/MSOS/MPI-1-89	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - cost control, legal	
15		expenses, stated case currently before the	
16		Manitoba Court of Appeal (Court of Appeal File	
17		No. AI10-30-0734) - legal costs of external	
18		counsel.	
19			
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1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-90 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - change in designation,	
8	the marketable bonds from the current	
9	designation of available for sale to fair	
10	value through profit or loss.	
11	CAC/MSOS/MPI-1-91 Consumers' Association of Canada	
12	(Manitoba) Inc./Manitoba Society	
13	of Senior's Information Requests	
14	and Manitoba Public Insurance's	
15	Responses - 1st Round - copy of the Board of	
16	Directors minute approving the IFRS elections	
17	and policies.	
18	CAC/MSOS/MPI-1-92 Consumers' Association of Canada	
19	(Manitoba) Inc./Manitoba Society	
20	of Senior's Information Requests	
21	and Manitoba Public Insurance's	
22	Responses - 1st Round - copy of a pro-forma	
23	set of financial statements.	
24		
25		

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-93 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - updated policy for	
8	write-off of uncollectable accounts and	
9	allowance for doubtful accounts including the	
10	IFRS requirement, "incurred loss model."	
11	CAC/MSOS/MPI-1-94 Consumers' Association of Canada	
12	(Manitoba) Inc./Manitoba Society	
13	of Senior's Information Requests	
14	and Manitoba Public Insurance's	
15	Responses - 1st Round - value of property,	
16	plant and equipment at current cost upon	
17	transition to IFRS.	
18	CAC/MSOS/MPI-1-95 Consumers' Association of Canada	
19	(Manitoba) Inc./Manitoba Society	
20	of Senior's Information Requests	
21	and Manitoba Public Insurance's	
22	Responses - 1st Round - file a restatement of	
23	Note 8 property and equipment to comply with	
24	MPI's approved IFRS.	
25		

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-96 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - demonstrate, by way of	
8	an example, the financial impact on the	
9	balance sheet and income statement of a change	
10	in residual value of an investment property.	
11	CAC/MSOS/MPI-1-97 Consumers' Association of Canada	
12	(Manitoba) Inc./Manitoba Society	
13	of Senior's Information Requests	
14	and Manitoba Public Insurance's	
15	Responses - 1st Round - recognition of future	
16	actuarial gains and losses in employee	
17	benefits reserves.	
18	CAC/MSOS/MPI-1-98 Consumers' Association of Canada	
19	(Manitoba) Inc./Manitoba Society	
20	of Senior's Information Requests	
21	and Manitoba Public Insurance's	
22	Responses - 1st Round - analysis of any	
23	changes to actuarial principles and practices	
24	as a result of IFRS, if any.	
25		

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-99	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - insurance contracts	
8		has no impact on MPI's operations. If there is	
9		an impact,	
10		please describe the impact.	
11	CAC/MSOS/MPI-1-100	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - the cost (internal and	
16		external), by account category, of	
17		transitioning to IFRS to-date and the expected	
18		cost to complete the implementation of IFRS.	
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-101	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - MPI's criteria	
8		for materiality for liabilities and	
9		assets and also for expenses.	
10	CAC/MSOS/MPI-1-102	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - capital gain analysis	
15		and the return on investment computations for	
16		buildings sold.	
17	CAC/MSOS/MPI-1-103	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 1st Round - update the table	
22		provided in CAC/MSOS (MPI) b) with the 2011/12	
23		fiscal year relating to the average investment	
24		income per policy.	
25			

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-104 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - changes that have been	
8	made to the investment policy statement during	
9	the last fiscal year and copy of the current	
10	updated investment policy statement.	
11	CAC/MSOS/MPI-1-105 Consumers' Association of Canada	
12	(Manitoba) Inc./Manitoba Society	
13	of Senior's Information Requests	
14	and Manitoba Public Insurance's	
15	Responses - 1st Round - summary explanation of	
16	exposure policies as well as a file copy of	
17	each policy.	
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-106	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - most recent investment	
8		performance report and explain the performance	
9		of each manager compared to their mandate.	
10	CAC/MSOS/MPI-1-107	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - copy of the current	
15		investment write-down policy, detail analysis,	
16		investment of the recapture.	
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-108	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - investment income	
8		allocation methodology part of the	
9		asset/liability allocation methodology	
10		currently being studied by Deloitte.	
11	CAC/MSOS/MPI-1-109	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - analysis and	
16		assumptions producing the average investment	
17		portfolio amounts for short-term, long-term,	
18		equities, real estate, and infrastructure.	
19	CAC/MSOS/MPI-1-110	Consumers' Association of Canada	
20		(Manitoba) Inc./Manitoba Society	
21		of Senior's Information Requests	
22		and Manitoba Public Insurance's	
23		Responses - 1st Round - process of rebalancing	
24		the investment portfolio.	
25			

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-111 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - investment portfolio	
8	returns.	
9	CAC/MSOS/MPI-1-112 Consumers' Association of Canada	
10	(Manitoba) Inc./Manitoba Society	
11	of Senior's Information Requests	
12	and Manitoba Public Insurance's	
13	Responses - 1st Round - forecasted investment	
14	income - why a decrease in forecasted long	
15	term bond rates results in investment income	
16	that is lower than projected by \$2.6M.	
17	CAC/MSOS/MPI-1-113 Consumers' Association of Canada	
18	(Manitoba) Inc./Manitoba Society	
19	of Senior's Information Requests	
20	and Manitoba Public Insurance's	
21	Responses - 1st Round - any changes to the	
22	investment policy statement since the last	
23	GRA.	
24		
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-114	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - proposed changes to	
8		late fee structure to charging interest on	
9		overdue accounts.	
10	CAC/MSOS/MPI-1-115	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - detailed chart showing	
15		the impact of various traffic convictions on	
16		the DSR scale.	
17	CAC/MSOS/MPI-1-116	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 1st Round - proposed increase to	
22		vehicle discounts for customers with 11 to 15	
23		merits which in an average premium decrease of	
24		2.1%.	
25			

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-117 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - decrease in broker	
8	commissions, broker satisfaction survey.	
9	CAC/MSOS/MPI-1-118 Consumers' Association of Canada	
10	(Manitoba) Inc./Manitoba Society	
11	of Senior's Information Requests	
12	and Manitoba Public Insurance's	
13	Responses - 1st Round - analysis, with	
14	supporting information, justifying the correct	
15	balance of premiums to be charged to vehicles	
16	and premiums to be charged to drivers.	
17	CAC/MSOS/MPI-1-119 Consumers' Association of Canada	
18	(Manitoba) Inc./Manitoba Society	
19	of Senior's Information Requests	
20	and Manitoba Public Insurance's	
21	Responses - 1st Round - details of the	
22	increases and decreases, by dollar ranges and	
23	percent ranges, proposed for 2010/11 - date	
24	clarification.	
25		

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-120	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - rate comparison study	
8		involving 10 Canadian cities.	
9	CAC/MSOS/MPI-1-121	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 1st Round - customer-centric model	
14		of business and how MPI guards against the	
15		inadvertent or inappropriate use or disclosure	
16		of private information.	
17	CAC/MSOS/MPI-1-122	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 1st Round - changing expectations	
22		and changing communities and how these	
23		changes, if any, affect MPI.	
24			
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1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-123	Consumers' Association of Canada
4		(Manitoba) Inc./Manitoba Society
5		of Senior's Information Requests
6		and Manitoba Public Insurance's
7		Responses - 1st Round - changes to the service
8		delivery model, how the brokers have
9		strengthened the viability of their local
10		independent businesses.
11	CAC/MSOS/MPI-1-124	Consumers' Association of Canada
12		(Manitoba) Inc./Manitoba Society
13		of Senior's Information Requests
14		and Manitoba Public Insurance's
15		Responses - 1st Round - rate reduction due to
16		reduced commission in 2011/12 is 1.0% - why
17		the full financial impact of the commission
18		reduction is not taken into account for the
19		2011/12 rates.
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-125	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - demonstrate, by way of	
8		an example, the concept of minimum bias	
9		procedure to develop combined physical damage	
10		relativities.	
11	CAC/MSOS/MPI-1-126	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - explanation why	
16		mopeds, motor scooters and mobility vehicles	
17		were excluded from rate line adjustments.	
18	CAC/MSOS/MPI-1-127	Consumers' Association of Canada	
19		(Manitoba) Inc./Manitoba Society	
20		of Senior's Information Requests	
21		and Manitoba Public Insurance's	
22		Responses - 1st Round - documentation	
23		supporting expected DSR level movements	
24		affecting revenue by a decrease of 0.5	
25		percent.	

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-128 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - confirm that for the	
8	2009/10 fiscal year the corporation received	
9	flat administration fees and interest income,	
10	cost analysis, by expense/revenue account	
11	category, of the payment plans.	
12	CAC/MSOS/MPI-1-129 Consumers' Association of Canada	
13	(Manitoba) Inc./Manitoba Society	
14	of Senior's Information Requests	
15	and Manitoba Public Insurance's	
16	Responses - 1st Round - merchant fees -	
17	analysis of the number of credits card	
18	transactions and merchant fees paid by year,	
19	benefit from the use of credit cards.	
20		
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-130	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - rental income	
8		statement including all account elements.	
9	CAC/MSOS/MPI-1-131	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 1st Round - analysis of all	
14		vehicle transfers over a ten year period to	
15		determine how many family transfers are	
16		actually taking place.	
17	CAC/MSOS/MPI-1-132	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 1st Round - payment of PIPP	
22		benefits to these interprovincial truckers.	
23			
24			
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1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-133 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - Provide detail	
8	explanations as to why the Motor	
9	Vehicle premiums earned are different	
10	between TI.19 and TI.15A and which	
11	set is correct	
12	CAC/MSOS/MPI-1-134 Consumers' Association of Canada	
13	(Manitoba) Inc./Manitoba Society	
14	of Senior's Information Requests	
15	and Manitoba Public Insurance's	
16	Responses - 1st Round - detailed	
17	explanation and reconciliation as	
18	to the difference between the	
19	"reductions due to the DSR program"	
20	per TI.13 compared to TI.19	
21		
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1	LIST OF EXHIBITS	Page 105
2	Exhibit No. Description	Page No.
3	CAC/MSOS/MPI-1-135 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - financial	
8	forecasting method to set rates for	
9	2011/12; explanation of 4 percent	
10	reduction	
11	CAC/MSOS/MPI-1-136 Consumers' Association of Canada	
12	(Manitoba) Inc./Manitoba Society	
13	of Senior's Information Requests	
14	and Manitoba Public Insurance's	
15	Responses - 1st Round - re-file	
16	appendix A Exhibit 1 displaying the	
17	forecasted number of earned drivers	
18	by DSR level for fiscal years 2010/11	
19	through to 2014/15	
20		
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LIST OF EXHIBITS		
Exhibit No.	Description	Page No.
1		
2		
3	CAC/MSOS/MPI-1-137 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - explain and	
8	contrast of Appendix A - Exhibit 2 of	
9	TI.18: average DSR merit eligible	
10	vehicle premium average merit eligible	
11	vehicle premium w/o DSR	
12	CAC/MSOS/MPI-1-138 Consumers' Association of Canada	
13	(Manitoba) Inc./Manitoba Society	
14	of Senior's Information Requests	
15	and Manitoba Public Insurance's	
16	Responses - 1st Round - reconcile the	
17	vehicle/motor vehicle premiums written	
18	between the two tables and explain in	
19	detail the differences for greater	
20	clarity and understanding of the DSR	
21	system	
22		
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-139	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - vehicle	
8		volume factor increase for 2011/12	
9		is forecasted to be 2.25 percent	
10		whereas per the assumptions on TI.13	
11		2.00 percent was applied.	
12	CAC/MSOS/MPI-1-140	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 1st Round - confirm that	
17		the DSR resulting vehicle premium	
18		reductions will result in basic	
19		premium rate reductions in the	
20		indicated years	
21			
22			
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1 LIST OF EXHIBITS

2 CAC/MSOS/MPI-1-141 Consumers' Association of Canada

3 (Manitoba) Inc./Manitoba Society

4 of Senior's Information Requests

5 and Manitoba Public Insurance's

6 Responses - 1st Round - The

7 Corporation's quarterly report for the

8 three months ending May 31, 2010, along

9 with any supporting statements made

10 by the Corporation

11 CAC/MSOS/MPI-1-142 Consumers' Association of Canada

12 (Manitoba) Inc./Manitoba Society

13 of Senior's Information Requests

14 and Manitoba Public Insurance's

15 Responses - 1st Round - provide a

16 high-level explanation as to how

17 the 2.1 percent decrease due to

18 changes in the DSR scale was calculated

19 CAC/MSOS/MPI-1-143 Consumers' Association of Canada

20 (Manitoba) Inc./Manitoba Society

21 of Senior's Information Requests

22 and Manitoba Public Insurance's

23 Responses - 1st Round - are PIPP

24 enhancements are expected to absorb

25 any reserve releases

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-144	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - Does the fact	
8		that MPI considers these losses	
9		out-of-scope mean that the losses have	
10		absolutely no impact on Basic.	
11	CAC/MSOS/MPI-1-145	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - Why MPI's	
16		forecast of net claims incurred that	
17		it provided in the 2010 GRA was so	
18		far off the actual for that year.	
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-146	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - please indicate,	
8		list and explain any technical,	
9		process, information technology or	
10		management constraints that the PUB	
11		should take into consideration in	
12		issuing its 2011 GRA ruling	
13	CAC/MSOS/MPI-1-147	Consumers' Association of Canada	
14		(Manitoba) Inc./Manitoba Society	
15		of Senior's Information Requests	
16		and Manitoba Public Insurance's	
17		Responses - 1st Round - indicate, list	
18		and explain any financial transactions	
19		under consideration or in progress	
20		that have not been explicitly reported	
21		in the 2011 GRA	
22			
23			
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1	LIST OF EXHIBITS	Page 111
2	Exhibit No. Description	Page No.
3	CAC/MSOS/MPI-1-148 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - the AOL	
8	system was substantially down from	
9	May 5 to May 10, 2010	
10	CAC/MSOS/MPI-1-149 Consumers' Association of Canada	
11	(Manitoba) Inc./Manitoba Society	
12	of Senior's Information Requests	
13	and Manitoba Public Insurance's	
14	Responses - 1st Round - Why MPI did	
15	not implement this GAAP change for	
16	fiscal year 2008/09; would there have	
17	been a financial impact to Basic	
18	insurance	
19	CAC/MSOS/MPI-1-150 Consumers' Association of Canada	
20	(Manitoba) Inc./Manitoba Society	
21	of Senior's Information Requests	
22	and Manitoba Public Insurance's	
23	Responses - 1st Round - explain and	
24	file a copy of the risk management	
25	framework	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-151	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - Explain and	
8		provide an analysis of the reinsurance	
9		receivable	
10	CAC/MSOS/MPI-1-152	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - an analysis	
15		detailing the financial and human	
16		resources invested in risk management	
17		and mitigation	
18	CAC/MSOS/MPI-1-153	Consumers' Association of Canada	
19		(Manitoba) Inc./Manitoba Society	
20		of Senior's Information Requests	
21		and Manitoba Public Insurance's	
22		Responses - 1st Round - list and	
23		explain the corporate changes that	
24		would fall within the purview of the	
25		change management protocols	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-154	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - Corporation is	
8		adding a note to its quarterly	
9		financial statements	
10	CAC/MSOS/MPI-1-155	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - provide a	
15		detail analysis by account category of	
16		the following balance sheet accounts	
17		for the year ended February 28, 2010	
18		compared to 2009, explaining the major	
19		increases in the universal compulsory	
20		automobile insurance annual financial	
21		report.	
22			
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LIST OF EXHIBITS		
Exhibit No.	Description	Page No.
1		
2		
3	CAC/MSOS/MPI-1-156 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - analysis by	
8	building location comprising the	
9	buildings cost, the construction in	
10	progress cost, a cost/benefit analysis	
11	for the buildings in progress	
12	CAC/MSOS/MPI-1-157 Consumers' Association of Canada	
13	(Manitoba) Inc./Manitoba Society	
14	of Senior's Information Requests	
15	and Manitoba Public Insurance's	
16	Responses - 1st Round - reinsurers'	
17	share of the provision for unpaid claims:	
18	provide an "aged" accounts receivable	
19	analysis for each amount; explain the	
20	approximate time line when these	
21	potential receivables will be collected	
22	and the cash made available for	
23	investment	
24		
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-158	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - provide a list	
8		of services, systems, databases, and	
9		functions that truly are independent	
10		and standalone entities within MPI;	
11		provide a list of those that are fully	
12		or partially integrated, and specify	
13		the degree of integration	
14	CAC/MSOS/MPI-1-159	Consumers' Association of Canada	
15		(Manitoba) Inc./Manitoba Society	
16		of Senior's Information Requests	
17		and Manitoba Public Insurance's	
18		Responses - 1st Round - Crown	
19		Corporation's Council's mandate,	
20		strategy, and last four quarterly reports.	
21			
22			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-160	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - evidence based	
8		road safety strategy with an aim to	
9		reduce automobile accidents	
10	CAC/MSOS/MPI-1-161	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 1st Round - claims	
15		operating costs relating to immobilizer	
16		installation costs included in the	
17		forecasts/projections and the number of	
18		immobilizers anticipated to be installed	
19	CAC/MSOS/MPI-1-162	Consumers' Association of Canada	
20		(Manitoba) Inc./Manitoba Society	
21		of Senior's Information Requests	
22		and Manitoba Public Insurance's	
23		Responses - 1st Round - the road safety	
24		vision MPI plans on working on in	
25		the coming year	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-163	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 1st Round - full update to the response to CAC/MSOS (MPI) 1-113 for 2011 over 2010	
10	CAC/MSOS/MPI-1-164	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 1st Round - update the response given to CAC/MSOS (MPI) 1-110 provided in last year's GRA to include 2010/2011 data	
18	CAC/MSOS/MPI-1-165	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 1st Round - indicate whether there has been any change in MPI's position as provided in the response to CAC/MSOS (MPI) 1-108 in last year's GRA	

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-166	Consumers' Association of Canada
4		(Manitoba) Inc./Manitoba Society
5		of Senior's Information Requests
6		and Manitoba Public Insurance's
7		Responses - 1st Round - inter-jurisdictional
8		comparison for casualty
9		rates, update the response using now
10		available data from Transport Canada
11		data that was unavailable in the 2009
12		GRA
13	CAC/MSOS/MPI-1-167	Consumers' Association of Canada
14		(Manitoba) Inc./Manitoba Society
15		of Senior's Information Requests
16		and Manitoba Public Insurance's
17		Responses - 1st Round - road safety
18		expenses - Basic's share; reproduce
19		the response from CAC/MSOS (MPI) 1-105
20		from last year's GRA
21		
22		
23		
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1 LIST OF EXHIBITS

2 CAC/MSOS/MPI-1-168 Consumers' Association of Canada

3 (Manitoba) Inc./Manitoba Society

4 of Senior's Information Requests

5 and Manitoba Public Insurance's

6 Responses - 1st Round - motorcycle

7 road safety provide the study The

8 alcohol Crash problem in Canada:

9 2007 and any follow-ups, if available

10 CAC/MSOS/MPI-1-169 Consumers' Association of Canada

11 (Manitoba) Inc./Manitoba Society

12 of Senior's Information Requests

13 and Manitoba Public Insurance's

14 Responses - 1st Round - are the claims

15 cost reductions used to fund further

16 immobilizer installations solely due

17 to reduced theft costs due to installed

18 immobilizers

19 CAC/MSOS/MPI-1-170 Consumers' Association of Canada

20 (Manitoba) Inc./Manitoba Society

21 of Senior's Information Requests

22 and Manitoba Public Insurance's

23 Responses - 1st Round - occupant restraint,

24 unsafe speed and impaired driving review.

25

1 LIST OF EXHIBITS

2 CAC/MSOS/MPI-1-171 Consumers' Association of Canada
3 (Manitoba) Inc./Manitoba Society
4 of Senior's Information Requests
5 and Manitoba Public Insurance's
6 Responses - 1st Round - update on the
7 WATSS program, including an indication
8 of the Corporation's plans for
9 continuing to participate (or not) in
10 the program.

11 CAC/MSOS/MPI-1-172 Consumers' Association of Canada
12 (Manitoba) Inc./Manitoba Society
13 of Senior's Information Requests
14 and Manitoba Public Insurance's
15 Responses - 1st Round - basic rate
16 stabilization reserve target

17 CAC/MSOS/MPI-1-173 Consumers' Association of Canada
18 (Manitoba) Inc./Manitoba Society
19 of Senior's Information Requests
20 and Manitoba Public Insurance's
21 Responses - 1st Round - elaborate
22 whether MPI has any long term plans to
23 continue pursuing the discussion on the
24 subject of an appropriate RSR target
25 for Basic Insurance

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-1-174 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 1st Round - statement of	
8	Basic insurance retained earnings MPI's	
9	RSR target change	
10	CAC/MSOS/MPI-1-175 - Consumers' Association of Canada	
11	(Manitoba) Inc./Manitoba Society	
12	of Senior's Information Requests	
13	and Manitoba Public Insurance's	
14	Responses - 1st Round - provide the	
15	rationale for MPI's decision to accept	
16	the PUB's RSR target range as opposed	
17	to the MPI target	
18	CAC/MSOS/MPI-1-176 Consumers' Association of Canada	
19	(Manitoba) Inc./Manitoba Society	
20	of Senior's Information Requests	
21	and Manitoba Public Insurance's	
22	Responses - 1st Round - copy of the	
23	February 28, 2010 Basic insurance	
24	minimum capital test analysis compared	
25	to last year.	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-177	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - retained	
8		earnings schedule	
9	CAC/MSOS/MPI-1-178	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 1st Round - material	
14		changes in the Corporation's risk	
15		profile since last year's GRA	
16	CAC/MSOS/MPI-1-179	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 1st Round - Basic	
21		insurance dynamic capital Adequacy	
22		test (dcat) report	
23			
24			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-1-180	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 1st Round - If rates had	
8		been 2.4 percent lower last year, what	
9		would have been the rebate proposed	
10		this year?	
11	CAC/MSOS/MPI-1-181	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 1st Round - family transfers	
16	CAC/MSOS/MPI-1-182	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 1st Round - Why MPI "does	
21		not support extension of the Board's	
22		regulatory oversight to include	
23		Extensionand SRE lines of business	
24		or DVL operations."	
25			

1 LIST OF EXHIBITS

2 CAC/MSOS/MPI-1-183 Consumers' Association of Canada
3 (Manitoba) Inc./Manitoba Society
4 of Senior's Information Requests
5 and Manitoba Public Insurance's
6 Responses - 1st Round - why "[t]he
7 Corporation will not be making any
8 changes to the buyback program.

9 CAC/MSOS/MPI-1-184 Consumers' Association of Canada
10 (Manitoba) Inc./Manitoba Society
11 of Senior's Information Requests
12 and Manitoba Public Insurance's
13 Responses - 1st Round - how many working
14 days would be required to implement
15 changes to the late payment policy and
16 also indicate whether changes could be
17 made in mid-fiscal year.

18 CAC/MSOS/MPI-1-185 Consumers' Association of Canada
19 (Manitoba) Inc./Manitoba Society
20 of Senior's Information Requests
21 and Manitoba Public Insurance's
22 Responses - 1st Round - provide MPI's
23 summary views of the guiding principles
24 that should be adhered to in addressing
25 the family transfer issue

LIST OF EXHIBITS		
1	Exhibit No.	Page No.
2	CAC/MSOS/MPI-1-186	Consumers' Association of Canada
3	(Manitoba) Inc./Manitoba Society	of Senior's Information Requests
4	and Manitoba Public Insurance's	Responses - 1st Round - when does MPI
5	expect to establish the strategies	referred to and report back to the
6	Board with a proposal re Wildlife	collision review
7	CAC/MSOS/MPI-2-1	Consumers' Association of Canada
8	(Manitoba) Inc./Manitoba Society	of Senior's Information Requests
9	and Manitoba Public Insurance's	Responses - 2nd Round - copy of the CICA
10	handbook sections and content supporting	the recording of the land portion of
11	the property as an operating lease and	the building portion as a capital lease;
12	copy of the IFRS standard impacting	this lease.
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-2	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - file the Board	
8		of Directors minute approving the final	
9		cost allocation methodology; file a copy	
10		of the final Deloitte cost allocation	
11		methodology report	
12	CAC/MSOS/MPI-2-3	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 2nd Round - cost allocation	
17		methodology excludes improvement	
18		initiatives of \$10.4 million	
19	CAC/MSOS/MPI-2-4	Consumers' Association of Canada	
20		(Manitoba) Inc./Manitoba Society	
21		of Senior's Information Requests	
22		and Manitoba Public Insurance's	
23		Responses - 2nd Round - confirm that	
24		policies approved per agenda item 2.1.E	
25		to 2.1.P to which the quote relates	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3		became effective March 1, 2010. If	
4		not, please detail the retroactive	
5		financial adjustments processed for the	
6		period March 1, 2009 to January 31, 2010	
7		to comply with the updated policies.	
8	CAC/MSOS/MPI-2-5 Consumers' Association of Canada		
9		(Manitoba) Inc./Manitoba Society	
10		of Senior's Information Requests	
11		and Manitoba Public Insurance's	
12		Responses - 2nd Round - asset and	
13		liability allocation report -	
14		reconciliation of the increases	
15		(decreases) for Notes 1, 2, 3 and 5 to	
16		Basic balance sheet increases (decreases)	
17	CAC/MSOS/MPI-2-6 Consumers' Association of Canada		
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 2nd Round - copy of the	
22		Terms of Reference engaging Deloitte	
23		to perform the asset and liability	
24		allocation methodology review; indicate	
25		the cost	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-7	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - list of the	
8		routine driver application and renewal	
9		process referred; estimate the annual	
10		number of routine driver applications	
11		and renewal process that MPI anticipates	
12		will be newly shifted to the broker	
13		network	
14	CAC/MSOS/MPI-2-8	Consumers' Association of Canada	
15		(Manitoba) Inc./Manitoba Society	
16		of Senior's Information Requests	
17		and Manitoba Public Insurance's	
18		Responses - 2nd Round - from inception	
19		of AOL to-date please provide an analysis	
20		by account category, of the total	
21		investment in AOL. Does MPI expect to	
22		rebuild the AOL system, from the ground	
23		up, sometime in the near future? please	
24		explain fully	
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-9	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - file a copy	
8		of the allocation methodology accepted	
9		by the regulator in Alberta	
10	CAC/MSOS/MPI-2-10	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - extend and	
15		file a copy of the appendix spreadsheet	
16		by including the dollar values for each	
17		account and allocating the amounts to	
18		Basic LOB, Extension LOB, SRE LOB,	
19		Non-Ins COB and Total. Also include	
20		and display the allocator values.	
21			
22			
23			
24			
25			

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-2-11 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 2nd Round - explain the	
8	impact of the Deloitte asset and	
9	liability allocation methodology upon	
10	the Investment Allocation contained	
11	in AI.8. b) If there is an impact,	
12	please re-file the investment allocation	
13	and attached schedule highlighting and	
14	explaining any changes.	
15	CAC/MSOS/MPI-2-12 Consumers' Association of Canada	
16	(Manitoba) Inc./Manitoba Society	
17	of Senior's Information Requests	
18	and Manitoba Public Insurance's	
19	Responses - 2nd Round - indicate whether	
20	any BPR costs will be allocated	
21	according to the new cost allocation	
22	methodology. If so, provide full	
23	details	
24		
25		

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-13	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 2nd Round - Old allocation methodology vs. new Deloitte supported methodology, implementation and impact	
10	CAC/MSOS/MPI-2-14	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 2nd Round - provide a response to CAC/MSOS (MPI) 1-12 and CAC/MSOS (MPI) 1-51 d)	
17	CAC/MSOS/MPI-2-15	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 2nd Round - will the competitive business lines of MPI receive any benefits with respect to the Operational Initiatives listed for 2009/10 and 2010/11 as broken out in	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3		this response? If not, please explain	
4		why not.	
5	CAC/MSOS/MPI-2-16	Consumers' Association of Canada	
6		(Manitoba) Inc./Manitoba Society	
7		of Senior's Information Requests	
8		and Manitoba Public Insurance's	
9		Responses - 2nd Round - confirm that	
10		the post implementation reviews for	
11		DSR, SLR and EDW will be completed	
12		before the end of the hearings and	
13		filed during these hearings.	
14	CAC/MSOS/MPI-2-17	Consumers' Association of Canada	
15		(Manitoba) Inc./Manitoba Society	
16		of Senior's Information Requests	
17		and Manitoba Public Insurance's	
18		Responses - 2nd Round - provide the	
19		contingency amounts included in the	
20		budgets for each line item shown in	
21		this response	
22			
23			
24			
25			

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-2-18 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 2nd Round - business process	
8	review and PIPP infrastructure update;	
9	change in handling of PIPP claims	
10	from CARS to FINEOS	
11	CAC/MSOS/MPI-2-19 Consumers' Association of Canada	
12	(Manitoba) Inc./Manitoba Society	
13	of Senior's Information Requests	
14	and Manitoba Public Insurance's	
15	Responses - 2nd Round - please explain	
16	and reconcile these two opposing	
17	statements: coverage will result in an	
18	overall decrease in PIPP costs in the	
19	future; as a result of transitional	
20	expense coverage there is no expected	
21	decreases in PIPP costs.	
22		
23		
24		
25		

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-20	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - confirm that	
8		the approximate rate reduction would	
9		have been 4.28 percent had the unpaid	
10		claims redundancy of \$31.8 been factored	
11		into the 2010/11 GRA	
12	CAC/MSOS/MPI-2-21	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 2nd Round - explain how	
17		recalculating the discounted liabilities	
18		on a monthly basis will reduce year-over-	
19		year volatility in financial results.	
20	CAC/MSOS/MPI-2-22	Consumers' Association of Canada	
21		(Manitoba) Inc./Manitoba Society	
22		of Senior's Information Requests	
23		and Manitoba Public Insurance's	
24		Responses - 2nd Round - quantitative	
25		response with respect to the impact	

1 LIST OF EXHIBITS

2	Exhibit No.	Description	Page No.
3		of the increase in total claims	
4		liabilities on the volatility in	
5		financial results from the policy	
6		valuation process	
7	CAC/MSOS/MPI-2-23	Consumers' Association of Canada	
8		(Manitoba) Inc./Manitoba Society	
9		of Senior's Information Requests	
10		and Manitoba Public Insurance's	
11		Responses - 2nd Round - CAC/MSOS (MPI)	
12		1-21 and PUB (MPI) 1-31 d) table 4	
13		attachment	
14	CAC/MSOS/MPI-2-24	Consumers' Association of Canada	
15		(Manitoba) Inc./Manitoba Society	
16		of Senior's Information Requests	
17		and Manitoba Public Insurance's	
18		Responses - 2nd Round - for Basic's	
19		claims incurred please provide provide	
20		the RMSE, MAPE, MPE, BFR and SD using	
21		the data provided in table 4 of PUB	
22		(MPI) 1-31 (d). If additional prior	
23		historical data is readily available,	
24		please augment your response to part	
25		(a) with the additional data.	

1	LIST OF EXHIBITS		Page 136
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-25	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - labour rates	
8		and rate increases used in Basic	
9		physical damage forecast	
10	CAC/MSOS/MPI-2-26	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - effect of	
15		discounting/PFAD - PIPP" and zero	
16		financial impact of "BPR-PIPP claims	
17		reductions, claims paid expenses,	
18		health cost payment agreement, details	
19		of the "Subro. Allowance, Financial	
20		adjustment	
21			
22			
23			
24			
25			

1	LIST OF EXHIBITS		Page 137
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-27	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - provide a	
8		table breaking out the \$31.8 million	
9		in basic insurance reserve release into	
10		the various error components and explain	
11		the cause of each error component	
12	CAC/MSOS/MPI-2-28	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 2nd Round - confirm that	
17		the "Balance sheet per AI.17, Part IA"	
18		value of \$31,839,000 should be positive	
19		and not negative	
20	CAC/MSOS/MPI-2-29	Consumers' Association of Canada	
21		(Manitoba) Inc./Manitoba Society	
22		of Senior's Information Requests	
23		and Manitoba Public Insurance's	
24		Responses - 2nd Round - confirm that	
25		the liability discount rate adjustment	

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	at each valuation is a mechanical	
4	adjustment, given the bond portfolio	
5	at the time of the valuation	
6	CAC/MSOS/MPI-2-30 Consumers' Association of Canada	
7	(Manitoba) Inc./Manitoba Society	
8	of Senior's Information Requests	
9	and Manitoba Public Insurance's	
10	Responses - 2nd Round - projected	
11	PIPP versus actual PIPP for each year;	
12	projected collision versus actual	
13	collision for each year	
14	CAC/MSOS/MPI-2-31 Consumers' Association of Canada	
15	(Manitoba) Inc./Manitoba Society	
16	of Senior's Information Requests	
17	and Manitoba Public Insurance's	
18	Responses - 2nd Round - description of	
19	all the time series analytical techniques	
20	used in forecasting claims incurred.	
21		
22		
23		
24		
25		

1 LIST OF EXHIBITS

2 CAC/MSOS/MPI-2-32 Consumers' Association of Canada

3 (Manitoba) Inc./Manitoba Society

4 of Senior's Information Requests

5 and Manitoba Public Insurance's

6 Responses - 2nd Round - does MPI agree

7 that the percentage variance shown for

8 the financial forecast method over the

9 years appears to show persistent under-

10 forecasting for loss years 2000-03, and

11 subsequent over-forecasting for the loss

12 years 2004-09?

13 CAC/MSOS/MPI-2-33 Consumers' Association of Canada

14 (Manitoba) Inc./Manitoba Society

15 of Senior's Information Requests

16 and Manitoba Public Insurance's

17 Responses - 2nd Round - why increases

18 for 2009/10 over the previous year

19 were so large for medical consultants,

20 TBI specialist, dental consultant, and

21 internal compensation. b) please explain

22 what is contained in "Special Services"

23 and why these costs are so variable. c)

24 please explain what is contained in "Other

25 Operating expenses" why so variable

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-34	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - provide a	
8		response to CAC/MSOS (MPI) 1-42	
9	CAC/MSOS/MPI-2-35	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 2nd Round - please file	
14		a copy of AuG-43	
15	CAC/MSOS/MPI-2-36	Consumers' Association of Canada	
16		(Manitoba) Inc./Manitoba Society	
17		of Senior's Information Requests	
18		and Manitoba Public Insurance's	
19		Responses - 2nd Round - May 31, 2010	
20		quarterly financial report page 4	
21			
22			
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-37	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - July 20, 2010	
8		Bank of Canada increase its overnight	
9		benchmark lending rate by an additional	
10		25 basis points to 0.75 percent;	
11		impact on rates	
12	CAC/MSOS/MPI-2-38	Consumers' Association of Canada	
13		(Manitoba) Inc./Manitoba Society	
14		of Senior's Information Requests	
15		and Manitoba Public Insurance's	
16		Responses - 2nd Round - new service	
17		centre located at 1284 Main Street	
18	CAC/MSOS/MPI-2-39	Consumers' Association of Canada	
19		(Manitoba) Inc./Manitoba Society	
20		of Senior's Information Requests	
21		and Manitoba Public Insurance's	
22		Responses - 2nd Round - 2009 Annual	
23		Report page 43; compliance to	
24		legislation authority audit	
25			

1	LIST OF EXHIBITS		Page 142
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-40	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - news release	
8		dated July 8, 2010 the claim centre	
9		located at 445 King Street was donated	
10		to Ma Mawi Mi Chi Itata Centre	
11	CAC/MSOS/MPI-2-41	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 2nd Round - based on a	
16		PUB order, MPIC began allocating and	
17		transferring losses between motorcycles	
18		and other vehicle classifications.	
19	CAC/MSOS/MPI-2-42	Consumers' Association of Canada	
20		(Manitoba) Inc./Manitoba Society	
21		of Senior's Information Requests	
22		and Manitoba Public Insurance's	
23		Responses - 2nd Round - Gartner Report	
24		on the status of BPR improvement	
25		initiatives	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-43	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-47, vacation buy-outs, collective	
9		agreement, restructuring.	
10	CAC/MSOS/MPI-2-44	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - CAC/MSOS (MPI)	
15		1-48 attachment; restructuring	
16	CAC/MSOS/MPI-2-45	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 2nd Round - MPI exceeded	
21		its percent of Total operating	
22		compared to Net premiums earned target	
23		by 1 percent to meet the 50 percent of	
24		industry average for 2009/10	
25			

1	LIST OF EXHIBITS		Page 144
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-46	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-50 attachment, employee opinion	
9		(engagement) survey results	
10	CAC/MSOS/MPI-2-47	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - CAC/MSOS (MPI)	
15		1-55 and CAC/MSOS (MPI) 1-56 a)	
16		re: premium tax rates	
17	CAC/MSOS/MPI-2-48	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 2nd Round - CAC/MSOS (MPI)	
22		1-66	
23			
24			
25			

LIST OF EXHIBITS		
Exhibit No.	Description	Page No.
1		
2		
3	CAC/MSOS/MPI-2-49 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 2nd Round - CAC/MSOS (MPI)	
8	CAC/MSOS (MPI) 1-67 attachment:	
9	consultants	
10	CAC/MSOS/MPI-2-50 Consumers' Association of Canada	
11	(Manitoba) Inc./Manitoba Society	
12	of Senior's Information Requests	
13	and Manitoba Public Insurance's	
14	Responses - 2nd Round - CAC/MSOS (MPI)	
15	1-67; consultants, rates, Gartner Group	
16	CAC/MSOS/MPI-2-51 Consumers' Association of Canada	
17	(Manitoba) Inc./Manitoba Society	
18	of Senior's Information Requests	
19	and Manitoba Public Insurance's	
20	Responses - 2nd Round - CAC/MSOS (MPI)	
21	1-68; Pres and VP's salaries	
22		
23		
24		
25		

1	LIST OF EXHIBITS		Page 146
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-52	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-69, a c attachment, e attachment,	
9		contingency on approved expense budget	
10	CAC/MSOS/MPI-2-53	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - TI.5 Trend	
15		analysis 2011 GRA and TI.5 trend	
16		analysis 2011 GRA	
17	CAC/MSOS/MPI-2-54	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 2nd Round - CAC/MSOS (MPI)	
22		1-71; claims expense ratio year over	
23		year increases	
24			
25			

LIST OF EXHIBITS		
Exhibit No.	Description	Page No.
1		
2		
3	CAC/MSOS/MPI-2-55 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 2nd Round - CAC/MSOS (MPI)	
8	1-72 c); negotiations with the Manitoba	
9	Chiropractors Association & Manitoba	
10	Medical Association	
11	CAC/MSOS/MPI-2-56 Consumers' Association of Canada	
12	(Manitoba) Inc./Manitoba Society	
13	of Senior's Information Requests	
14	and Manitoba Public Insurance's	
15	Responses - 2nd Round - provide details	
16	of the new four-year agreements with the	
17	MMDA and the ATA.	
18	CAC/MSOS/MPI-2-57 Consumers' Association of Canada	
19	(Manitoba) Inc./Manitoba Society	
20	of Senior's Information Requests	
21	and Manitoba Public Insurance's	
22	Responses - 2nd Round - MPI's	
23	expectations upon the lapsing of the	
24	current agreement with NuGen IT	
25		

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-2-58 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 2nd Round - has MPI	
8	contemplated undertaking any innovative,	
9	new safety initiatives	
10	CAC/MSOS/MPI-2-59 Consumers' Association of Canada	
11	(Manitoba) Inc./Manitoba Society	
12	of Senior's Information Requests	
13	and Manitoba Public Insurance's	
14	Responses - 2nd Round - CAC/MSOS (MPI)	
15	1-79 e); safety/loss prevention expenses	
16	CAC/MSOS/MPI-2-60 Consumers' Association of Canada	
17	(Manitoba) Inc./Manitoba Society	
18	of Senior's Information Requests	
19	and Manitoba Public Insurance's	
20	Responses - 2nd Round - CAC/MSOS (MPI)	
21	1-80 e): breakdown of "Other"	
22	expenses for each year.	
23		
24		
25		

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-2-61 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 2nd Round - CAC/MSOS (MPI)	
8	1-80 e) business promotion and	
9	corporate and community relations	
10	CAC/MSOS/MPI-2-62 Consumers' Association of Canada	
11	(Manitoba) Inc./Manitoba Society	
12	of Senior's Information Requests	
13	and Manitoba Public Insurance's	
14	Responses - 2nd Round - CAC/MSOS (MPI)	
15	1-80 f): breakdown of "Special	
16	Services" expenses	
17	CAC/MSOS/MPI-2-63 Consumers' Association of Canada	
18	(Manitoba) Inc./Manitoba Society	
19	of Senior's Information Requests	
20	and Manitoba Public Insurance's	
21	Responses - 2nd Round - CAC/MSOS (MPI)	
22	1-82 a): managerial review of departments	
23	within the Enterprise Systems Support	
24	division	
25		

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-2-64 Consumers' Association of Canada	
4	(Manitoba) Inc./Manitoba Society	
5	of Senior's Information Requests	
6	and Manitoba Public Insurance's	
7	Responses - 2nd Round - CAC/MSOS (MPI)	
8	1-83 a) Attachment: planned major	
9	capital purchases	
10	CAC/MSOS/MPI-2-65 Consumers' Association of Canada	
11	(Manitoba) Inc./Manitoba Society	
12	of Senior's Information Requests	
13	and Manitoba Public Insurance's	
14	Responses - 2nd Round - CAC/MSOS (MPI)	
15	1-86 b) and c): MPI's automotive fleet	
16	CAC/MSOS/MPI-2-66 Consumers' Association of Canada	
17	(Manitoba) Inc./Manitoba Society	
18	of Senior's Information Requests	
19	and Manitoba Public Insurance's	
20	Responses - 2nd Round - CAC/MSOS (MPI)	
21	1-89: legal resources	
22		
23		
24		
25		

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-67	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - TI.5 -	
8		operating expense ratio	
9	CAC/MSOS/MPI-2-68	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 2nd Round - May 31, 2010	
14		quarterly financial report page 3;	
15		satisfaction results	
16	CAC/MSOS/MPI-2-69	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 2nd Round - May 31, 2010	
21		quarterly financial report page 4:	
22		financial assistance to vehicle owners	
23		to install electronic immobilizers.	
24			
25			

1	LIST OF EXHIBITS		Page 152
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-70	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-90 b); estimated sick leave projection	
9	CAC/MSOS/MPI-2-71	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 2nd Round - CAC/MSOS (MPI)	
14		1-98; analysis of changes to actuarial	
15		principles and practices as a result	
16		of IFRS	
17	CAC/MSOS/MPI-2-72	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 2nd Round - PUB (MPI)	
22		1-4 c); Audit committee minute	
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-73	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-102; buildings currently for sale	
9	CAC/MSOS/MPI-2-74	Consumers' Association of Canada	
10		(Manitoba) Inc./Manitoba Society	
11		of Senior's Information Requests	
12		and Manitoba Public Insurance's	
13		Responses - 2nd Round - CAC/MSOS (MPI)	
14		1-111 d) and e); appropriate	
15		comparators for MPI	
16	CAC/MSOS/MPI-2-75	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 2nd Round - CAC/MSOS (MPI)	
21		1-112; decrease in interest rates	
22		increases the value of the bonds	
23			
24			
25			

1	LIST OF EXHIBITS		Page 154
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-76	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 2nd Round - PUB (MPI) 1-18 a); Corporation's progress relating to real estate	
10	CAC/MSOS/MPI-2-77	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 2nd Round - PUB (MPI) 1-18 d); details of the expected investments	
17	CAC/MSOS/MPI-2-78	Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Senior's Information Requests and Manitoba Public Insurance's Responses - 2nd Round - May 31, 2010 quarterly financial report page 4. explanation given for the reduction in claims	
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-79	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-116 a); were "other drivers"	
9		overcharged in the past	
10	CAC/MSOS/MPI-2-80	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - CAC/MSOS (MPI)	
15		1-128 b) offsetting cost analysis	
16		to the revenue charged for various	
17		payment plans	
18	CAC/MSOS/MPI-2-81	Consumers' Association of Canada	
19		(Manitoba) Inc./Manitoba Society	
20		of Senior's Information Requests	
21		and Manitoba Public Insurance's	
22		Responses - 2nd Round - CAC/MSOS (MPI)	
23		1-135 d) merit discounts	
24			
25			

1	LIST OF EXHIBITS		Page 156
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-82	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-138; prepare and file the requested	
9		reconciliation	
10	CAC/MSOS/MPI-2-83	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - PUB (MPI) 1-15	
15		b) copy of the referred to attachment	
16	CAC/MSOS/MPI-2-84	Consumers' Association of Canada	
17		(Manitoba) Inc./Manitoba Society	
18		of Senior's Information Requests	
19		and Manitoba Public Insurance's	
20		Responses - 2nd Round - May 31, 2010	
21		quarterly financial report page 2	
22		premium revenue returned in the form	
23		of claims benefits	
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-85	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-157 unpaid claims, reinsurers'	
9		share of unearned premiums	
10	CAC/MSOS/MPI-2-86	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - corporate	
15		strategic plan; how MPIC achieves	
16		and measures the success of its mission	
17	CAC/MSOS/MPI-2-87	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 2nd Round - MPIC Act;	
22		additional powers to reduce risk	
23		on the road	
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-88	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - CAC/MSOS (MPI)	
8		1-160; how MPIC measures the success	
9		of its road safety programs and	
10		initiatives	
11	CAC/MSOS/MPI-2-89	Consumers' Association of Canada	
12		(Manitoba) Inc./Manitoba Society	
13		of Senior's Information Requests	
14		and Manitoba Public Insurance's	
15		Responses - 2nd Round - CAC/MSOS (MPI)	
16		1-160 "safe systems" approach	
17	CAC/MSOS/MPI-2-90	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 2nd Round - CAC/MSOS (MPI)	
22		1-160 intelligent traffic lights	
23			
24			
25			

- 1 LIST OF EXHIBITS
- 2 CAC/MSOS/MPI-2-91 Consumers' Association of Canada
3 (Manitoba) Inc./Manitoba Society
4 of Senior's Information Requests
5 and Manitoba Public Insurance's
6 Responses - 2nd Round - CAC/MSOS (MPI)
7 1-162 holistic approach to road safety
- 8 CAC/MSOS/MPI-2-92 Consumers' Association of Canada
9 (Manitoba) Inc./Manitoba Society
10 of Senior's Information Requests
11 and Manitoba Public Insurance's
12 Responses - 2nd Round - CAC/MSOS (MPI)
13 1-162 new road safety vision plan
- 14 CAC/MSOS/MPI-2-93 Consumers' Association of Canada
15 (Manitoba) Inc./Manitoba Society
16 of Senior's Information Requests
17 and Manitoba Public Insurance's
18 Responses - 2nd Round - CAC/MSOS (MPI)
19 1-163 road safety Initiatives and programs
- 20 CAC/MSOS/MPI-2-94 Consumers' Association of Canada
21 (Manitoba) Inc./Manitoba Society
22 of Senior's Information Requests
23 and Manitoba Public Insurance's
24 Responses - 2nd Round - CAC/MSOS (MPI)
25 1-167 attachment safety initiatives

1	LIST OF EXHIBITS	
2	Exhibit No.	Page No.
3	CAC/MSOS/MPI-2-95	Consumers' Association of Canada
4		(Manitoba) Inc./Manitoba Society
5		of Senior's Information Requests
6		and Manitoba Public Insurance's
7		Responses - 2nd Round - CAC/MSOS (MPI)
8		1-168 a) attachment motorcycle safety
9	CAC/MSOS/MPI-2-96	Consumers' Association of Canada
10		(Manitoba) Inc./Manitoba Society
11		of Senior's Information Requests
12		and Manitoba Public Insurance's
13		Responses - 2nd Round - CAC/MSOS (MPI)
14		1-169 breakout showing the annual claims
15		cost reductions; immobilizers
16	CAC/MSOS/MPI-2-97	Consumers' Association of Canada
17		(Manitoba) Inc./Manitoba Society
18		of Senior's Information Requests
19		and Manitoba Public Insurance's
20		Responses - 2nd Round - Canadian
21		Council of Motor Transport
22		Administrators
23		
24		
25		

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	CAC/MSOS/MPI-2-98	Consumers' Association of Canada	
4		(Manitoba) Inc./Manitoba Society	
5		of Senior's Information Requests	
6		and Manitoba Public Insurance's	
7		Responses - 2nd Round - RSR Basic	
8		Insurance rate stabilization reserve/	
9		retained earnings statement	
10	CAC/MSOS/MPI-2-99	Consumers' Association of Canada	
11		(Manitoba) Inc./Manitoba Society	
12		of Senior's Information Requests	
13		and Manitoba Public Insurance's	
14		Responses - 2nd Round - PUB (MPI) 1-6	
15		a) overall financial wellness of the	
16		Corporation	
17	CAC/MSOS/MPI-2-100	Consumers' Association of Canada	
18		(Manitoba) Inc./Manitoba Society	
19		of Senior's Information Requests	
20		and Manitoba Public Insurance's	
21		Responses - 2nd Round - CAC/MSOS (MPI)	
22		1-173; annual costs per report to	
23		prepare the DCAT, MCT and RA/VAR	
24		reports	
25			

1	LIST OF EXHIBITS		Page 162
2	Exhibit No.	Description	Page No.
3	CMMG/MPI-1-1 to 1-24	Coalition of Manitoba Motorcycle Groups' Information Requests and Manitoba Public Insurance's Responses - 1st Round	
4	CMMG/MPI-2-1	Coalition of Manitoba Motorcycle Groups' Information Requests and Manitoba Public Insurance's Responses - 2nd Round - CMMG (MPI) IR-1 was the issue discussed in depth	
5	CMMG/MPI-2-2	Coalition of Manitoba Motorcycle Groups' Information Requests and Manitoba Public Insurance's Responses - 2nd Round - CMMG (MPI) 1-4, what reduction (by percentage) was achieved in Manitoba during the current road safety plan with respect to vulnerable road users.	
6	CMMG/MPI-2-3	Coalition of Manitoba Motorcycle Groups' Information Requests and Manitoba Public Insurance's Responses - 2nd Round - road safety initiatives; what percentage reduction does the	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3		Corporation believe is correct for	
4		Manitoba in 2011	
5	CMMG/MPI-2-4	Coalition of Manitoba Motorcycle Groups' Information Requests and Manitoba Public Insurance's Responses - 2nd Round - CMMG (MPI) 1-5, what the Corporation plans to spend the \$4,200 referenced to as "research."	
6			
7			
8			
9			
10			
11	CMMG/MPI-2-5	Coalition of Manitoba Motorcycle Groups' Information Requests and Manitoba Public Insurance's Responses - 2nd Round - CMMG (MPI) 1-6 wildlife and livestock claims vs. earned premium revenue.	
12			
13			
14			
15			
16			
17	CMMG/MPI-2-6	Coalition of Manitoba Motorcycle Groups' Information Requests and Manitoba Public Insurance's Responses - 2nd Round - CMMG IR 1-23 amount of the claims (both incurred and ultimate) for the four serious loss claims involving wildlife and livestock since 2000	
18			
19			
20			
21			
22			
23			
24			
25			

1 LIST OF EXHIBITS

- 2 MBA/MPI-1-1 Manitoba Bar Association's
3 Information Requests and Manitoba
4 Public Insurance's Responses -
5 1st round - regarding studies or
6 research conducted on red-light
7 cameras or photo radar
- 8 MBA/MPI-1-2 Manitoba Bar Association's
9 Information Requests and Manitoba
10 Public Insurance's Responses -
11 1st round - has any Federal, provincial
12 or municipal government or law
13 enforcement agency sought to consult
14 with, or invited submissions from,
15 the applicant on the subject of red-light
16 cameras or photo radar
- 17 MBA/MPI-1-3 Manitoba Bar Association's
18 Information Requests and Manitoba
19 Public Insurance's Responses -
20 1st round - has the applicant initiated
21 any discussions with, or submissions to,
22 any federal, provincial, or municipal
23 government or law enforcement agency on
24 the subject of red-light cameras or
25 photo radar?

1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-4	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - has any federal, provincial,	
7		or municipal government or law	
8		enforcement agency sought to consult	
9		with, or invited submissions from, the	
10		applicant on the subject of increased	
11		or more aggressive enforcement of	
12		highway traffic laws	
13	MBA/MPI-1-5	Manitoba Bar Association's	
14		Information Requests and Manitoba	
15		Public Insurance's Responses -	
16		1st round - has the applicant initiated	
17		any discussions with, or submissions to,	
18		any federal, provincial, or municipal	
19		government or law enforcement agency on	
20		the subject of increased or more	
21		aggressive enforcement of highway	
22		traffic laws?	
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-6	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - what percentage of	
7		revenue generated by Extension in	
8		the fiscal year ending 28 February	
9		2009 came from persons who were not	
10		customers of Basic	
11	MBA/MPI-1-7	Manitoba Bar Association's	
12		Information Requests and Manitoba	
13		Public Insurance's Responses -	
14		1st round - no information - question	
15		is a continuation of MBA/MPI-1-6	
16	MBA/MPI-1-8	Manitoba Bar Association's	
17		Information Requests and Manitoba	
18		Public Insurance's Responses -	
19		1st round - confirm that current	
20		training provided by the applicant to	
21		Autopac brokers includes information	
22		about how to sell Extension products	
23		to customers	
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-9	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - discouraging customers	
7		who buy an Extension product from	
8		considering comparable products from	
9		competing insurers at renewal	
10	MBA/MPI-1-10	Manitoba Bar Association's	
11		Information Requests and Manitoba	
12		Public Insurance's Responses -	
13		1st round - has the applicant	
14		communicated with the government on	
15		the subject of that recommendation	
16		5.1.1 of Order 161/09	
17	MBA/MPI-1-11	Manitoba Bar Association's	
18		Information Requests and Manitoba	
19		Public Insurance's Responses -	
20		1st round - Has the applicant	
21		communicated with the government, the	
22		Crown Corporations Council on the	
23		subject of recommendation 5.1.2 of	
24		Order 161/09	
25			

1 LIST OF EXHIBITS

2 MBA/MPI-1-12 Manitoba Bar Association's

3 Information Requests and Manitoba

4 Public Insurance's Responses -

5 1st round - state the applicant's

6 understanding of the public policy

7 consideration that disentitles

8 retired persons from receipt of PIPP

9 weekly indemnity benefits

10 MBA/MPI-1-13 Manitoba Bar Association's

11 Information Requests and Manitoba

12 Public Insurance's Responses -

13 1st round - State the number of PIPP

14 claimants who, by their status as

15 retired persons, were statutorily

16 ineligible to receive PIPP weekly

17 indemnity benefits

18 MBA/MPI-1-14 Manitoba Bar Association's

19 Information Requests and Manitoba

20 Public Insurance's Responses -

21 1st round - set out the applicant's

22 reasoning upon which it relies in support

23 of the statement that "the impact of

24 family transfers is not material to the

25 Basic Compulsory Autopac program

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-15	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - summarize the applicant's	
7		understanding of the "perception	
8		contrary to these findings" (PT.MJM,	
9		p.4) relating to family transfers	
10	MBA/MPI-1-16	Manitoba Bar Association's	
11		Information Requests and Manitoba	
12		Public Insurance's Responses -	
13		1st round - set out the "analysis"	
14		(PT.MJM, p.4) on which the applicant	
15		relies	
16	MBA/MPI-1-17	Manitoba Bar Association's	
17		Information Requests and Manitoba	
18		Public Insurance's Responses -	
19		1st round - set out the applicant's	
20		understanding of the public policy	
21		consideration that discourages	
22		significant rate increase for	
23		entry-level drivers	
24			
25			

1 LIST OF EXHIBITS

2 MBA/MPI-1-18 Manitoba Bar Association's

3 Information Requests and Manitoba

4 Public Insurance's Responses -

5 1st round - set out the applicant's

6 understanding of the desirability

7 that its rate-making methodologies

8 should be "transparent" (PT.MJM, p.7)

9 and define what the applicant understands

10 "transparent" to mean in that context.

11 MBA/MPI-1-19 Manitoba Bar Association's

12 Information Requests and Manitoba

13 Public Insurance's Responses -

14 1st round - produce a copy of the

15 presentation script, slide deck, and

16 handouts connected with "Cure Your

17 Documentation Frustrations."

18 MBA/MPI-1-20 Manitoba Bar Association's

19 Information Requests and Manitoba

20 Public Insurance's Responses -

21 1st round - confirm that the applicant

22 has no present intention to take steps

23 in an attempt to counter the "perception

24 contrary to these findings" relating to

25 family transfers

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-21	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - since publication of	
7		Order 161/09, has the Government	
8		sought to consult with, or invited	
9		submissions from, the applicant on	
10		the subject of "environmental	
11		objectives" (SM 5.11.5 p.16)?	
12	MBA/MPI-1-22	Manitoba Bar Association's	
13		Information Requests and Manitoba	
14		Public Insurance's Responses -	
15		1st round - since publication of	
16		Order 161/09, has the applicant	
17		initiated any discussions with, or	
18		submissions to, the Government on the	
19		subject of "environmental objectives"	
20		(SM 5.11.5, p.16)?	
21	MBA/MPI-1-23	Manitoba Bar Association's	
22		Information Requests and Manitoba	
23		Public Insurance's Responses -	
24		1st round - since the publication of	
25		Order 161/09, has the government sought	

1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3		to consult with, or invited submissions	
4		from, the applicant on the subject of	
5		"improvements to Basic coverage" (SM	
6		5.11.6, p.16)?	
7	MBA/MPI-1-24	Manitoba Bar Association's	
8		Information Requests and Manitoba	
9		Public Insurance's Responses -	
10		1st round - since publication of	
11		Order 161/09, has the applicant	
12		initiated any discussions with, or	
13		submissions to, the Government on the	
14		subject of "improvements to Basic	
15		coverage" (SM 5.11.6, p.16)?	
16	MBA/MPI-1-25	Manitoba Bar Association's	
17		Information Requests and Manitoba	
18		Public Insurance's Responses -	
19		1st round - identify what constitutes	
20		"front-line staff," and describe the	
21		training	
22			
23			
24			
25			

1 LIST OF EXHIBITS

- 2 MBA/MPI-1-26 Manitoba Bar Association's
3 Information Requests and Manitoba
4 Public Insurance's Responses -
5 1st round - produce all relevant
6 training documents, procedural manuals
7 and telephone scripts relating to
8 subrogated claims
- 9 MBA/MPI-1-27 Manitoba Bar Association's
10 Information Requests and Manitoba
11 Public Insurance's Responses -
12 1st round - break down by each of
13 the four categories set out at SM
14 5.11.11 (criminal activity, breach,
15 at-fault parties, and uninsured
16 motorists) in each of the fiscal
17 years ending on 28/29 February
18 2006, 2007, 2008, 2009 and 2010
- 19 MBA/MPI-1-28 Manitoba Bar Association's
20 Information Requests and Manitoba
21 Public Insurance's Responses -
22 1st round - define "the value of the
23 claim" and "the cost to recover",
24 providing details on how value or cost
25 is calculated. (5.11.1, p.21)

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-29	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - explain the basis for the	
7		spiked increase in PIPP claims for the	
8		2010-2011 forecast year that appears	
9		in the Severity and Covers tables at TI.4	
10	MBA/MPI-1-30	Manitoba Bar Association's	
11		Information Requests and Manitoba	
12		Public Insurance's Responses -	
13		1st round - produce the following	
14		tables, comparable to those at TI.5	
15		but restricted only to claims for	
16		personal injuries arising out of the	
17		operation of motor vehicles since 2006;	
18		(a) Net personal injury claims incurred	
19		(Chart 2, TI.5); b) net personal injury	
20		claims expense (Chart 3, TI.5); c)	
21		total personal injury claims cost (Chart	
22		4. TI.5)	
23			
24			
25			

1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-31	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - during the fiscal year	
7		ending 28 February, 2010 did the	
8		applicant (a) receive legal services	
9		from any lawyer not in its employ?	
10		(b) if so, break down by percentage	
11		of total fees paid for such external	
12		legal services the sum paid for	
13		litigation (if any) and non-litigation	
14		(if any)	
15	MBA/MPI-1-32	Manitoba Bar Association's	
16		Information Requests and Manitoba	
17		Public Insurance's Responses -	
18		1st round - explain the absence of	
19		forecasted, projected, and outlook	
20		data at TI.9 under "general counsel"	
21		and "information technology."	
22			
23			
24			
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-33	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - confirm that the spiked	
7		increase in the 2010/11 year for	
8		"regulatory/appeal" (TI.15) largely	
9		reflects the anticipated cost of the	
10		applicant's response to the stated	
11		case now before the Manitoba Court	
12		of Appeal	
13	MBA/MPI-1-34	Manitoba Bar Association's	
14		Information Requests and Manitoba	
15		Public Insurance's Responses -	
16		1st round - provide an overview of the	
17		business process review relating to	
18		"internal review and appeals" (AI.11,	
19		p.3), including the specific project	
20		goals and the proposed workflows to	
21		achieve them.	
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1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	MBA/MPI-1-35	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		1st round - set out the titles of	
7		those projects that, at least according	
8		to the "Business Process Review Annual	
9		Costs" table at AI.11, do not impact	
10		Basic	
11	MBA/MPI-2-1	Manitoba Bar Association's	
12		Information Requests and Manitoba	
13		Public Insurance's Responses -	
14		2nd round - since 1 April, 2007, has the	
15		applicant initiated any discussions with,	
16		or submissions to, any federal,	
17		provincial, or municipal government or	
18		law enforcement agency on the subject	
19		of red-light cameras or photo radar?	
20	MBA/MPI-2-1	Manitoba Bar Association's	
21		Information Requests and Manitoba	
22		Public Insurance's Responses -	
23		2nd round - Since 1 April, 2007, has	
24		any federal, provincial, or municipal	
25		government or law enforcement agency	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3		sought to consult with, or invited	
4		submissions from, the applicant on	
5		the subject of increased or more	
6		aggressive enforcement of highway	
7		traffic laws?	
8	MBA/MPI-2-3	Manitoba Bar Association's	
9		Information Requests and Manitoba	
10		Public Insurance's Responses -	
11		2nd round - since 1 April, 2007, has the	
12		applicant initiated any discussions with,	
13		or submissions to, any federal,	
14		provincial, or municipal government or	
15		law enforcement agency on the subject	
16		of increased or more aggressive	
17		enforcement of highway traffic laws?	
18	MBA/MPI-2-4	Manitoba Bar Association's	
19		Information Requests and Manitoba	
20		Public Insurance's Responses -	
21		2nd round - what percentage of revenue	
22		generated by Extension in the fiscal	
23		year ending 28 February 2009 came from	
24		persons who were not customers of Basic	
25		at some point in that same fiscal year?	

1	LIST OF EXHIBITS		Page 179
2	Exhibit No.	Description	Page No.
3	MBA/MPI-2-5	Manitoba Bar Association's Information Requests and Manitoba Public Insurance's Responses - 2nd round - confirm that current training provided by the applicant to Autopac brokers includes information about how to sell Extension products to customers	
11	MBA/MPI-2-6	Manitoba Bar Association's Information Requests and Manitoba Public Insurance's Responses - 2nd round - given that the newly introduced renewal process could reduce the frequency of customer visits to Autopac brokers to as little as one every five years, did the applicant consider when deciding to adopt this new renewal process that, inadvertently or otherwise, it could discourage customers who buy an Extension product from considering comparable products from competing insurers at renewal?	

1 LIST OF EXHIBITS

- 2 MBA/MPI-2-7 Manitoba Bar Association's
3 Information Requests and Manitoba
4 Public Insurance's Responses -
5 2nd round - arising out of
6 recommendation 5.1.1 of Order 161/09,
7 has the applicant communicated with
8 the government on the subject of that
9 recommendation?
- 10 MBA/MPI-2-8 Manitoba Bar Association's
11 Information Requests and Manitoba
12 Public Insurance's Responses -
13 2nd round - arising out of
14 recommendation 5.1.2 of Order 161/09,
15 has the applicant communicated with
16 (a) the government, or (b) the Crown
17 Corporations Council on the subject
18 of that recommendation?
- 19 MBA/MPI-2-9 Manitoba Bar Association's
20 Information Requests and Manitoba
21 Public Insurance's Responses -
22 2nd round - when does the applicant
23 consider it "necessary" to collect
24 and store information about whether
25 or not a claimant is retired

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MBA/MPI-2-10	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		2nd round - provide a copy of any	
7		requests for proposals issued in	
8		connection with the presentation.	
9	MBA/MPI-2-11	Manitoba Bar Association's	
10		Information Requests and Manitoba	
11		Public Insurance's Responses -	
12		2nd round - provide a copy of any	
13		contract for services entered into	
14		with those making the presentation.	
15	MBA/MPI-2-12	Manitoba Bar Association's	
16		Information Requests and Manitoba	
17		Public Insurance's Responses -	
18		2nd round - since publication of	
19		Order 161/09, has the government	
20		sought to consult with, or invited	
21		submissions from, the applicant on	
22		the subject of "environmental	
23		objectives" (SM 5.11.5, p.16)?	
24			
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1		LIST OF EXHIBITS	
2	Exhibit No.	Description	Page No.
3	MBA/MPI-2-13	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		2nd round - since publication of	
7		Order 161/09, has the applicant	
8		initiated any discussions with, or	
9		submissions to, the government on	
10		the subject of "environmental	
11		objectives" (SM 5.11.5, p.16)?	
12	MBA/MPI-2-14	Manitoba Bar Association's	
13		Information Requests and Manitoba	
14		Public Insurance's Responses -	
15		2nd round - since publication of	
16		Order 161/09, has the government	
17		sought to consult with, or invited	
18		submissions from, the applicant on	
19		the subject of "improvements to	
20		Basic coverage" (SM 5.11.6, p.16)?	
21	MBA/MPI-2-15	Manitoba Bar Association's	
22		Information Requests and Manitoba	
23		Public Insurance's Responses -	
24		2nd round - since publication of	
25		Order 161/09, has the applicant	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3		initiated any discussions with, or	
4		submissions to, the government on	
5		the subject of "improvements to	
6		Basic coverage" (SM 5.11.6, p.16)?	
7	MBA/MPI-2-16	Manitoba Bar Association's	
8		Information Requests and Manitoba	
9		Public Insurance's Responses -	
10		2nd round - appreciating that filing	
11		the applicant's training manual on	
12		subrogation could prejudice its	
13		position, provide an executive summary	
14		of the manual and its table of contents.	
15	MBA/MPI-2-17	Manitoba Bar Association's	
16		Information Requests and Manitoba	
17		Public Insurance's Responses -	
18		2nd round - explain the meaning and	
19		underlying rationale of the statement	
20		in the slide that the applicant has	
21		reproduced at the top of p.11, "we do	
22		not recover from other Manitobans."	
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LIST OF EXHIBITS

Exhibit No.	Description	Page No.
MBA/MPI-2-18	Manitoba Bar Association's Information Requests and Manitoba Public Insurance's Responses - 2nd round - indicate to the extent available for each of fiscal years 2007, 2008 and 2009 the number of driver's licences that the applicant has refused to renew on the ground that the driver is indebted to the applicant	
MBA/MPI-2-19	Manitoba Bar Association's Information Requests and Manitoba Public Insurance's Responses - 2nd round - indicate to the extent available for each of fiscal years 2007, 2008 and 2009 the number of drivers who satisfy their debt owing to the applicant after having been refused renewal of their driver's licence.	

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MBA/MPI-2-20	Manitoba Bar Association's	
4		Information Requests and Manitoba	
5		Public Insurance's Responses -	
6		2nd round - explain the methodology	
7		that the applicant uses in calculating	
8		"anticipated legal costs and	
9		disbursements" in any particular case.	
10	MBA/MPI-2-21	Manitoba Bar Association's	
11		Information Requests and Manitoba	
12		Public Insurance's Responses -	
13		2nd round - does the applicant issue	
14		requests for proposals before engaging	
15		lawyers not in its employ?	
16	MBA/MPI-2-22	Manitoba Bar Association's	
17		Information Requests and Manitoba	
18		Public Insurance's Responses -	
19		2nd round - explain the anticipated	
20		increase of \$900,000 in regulatory/	
21		appeal costs from the 2010 fiscal	
22		year to the 2011 fiscal year.	
23			
24			
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1	LIST OF EXHIBITS		Page 186
2	Exhibit No.	Description	Page No.
3	MBA/MPI-2-23	Manitoba Bar Association's Information Requests and Manitoba Public Insurance's Responses - 2nd round - by way of a general overview, explain the changes that the business process review has brought to internal review and appeals, and set out any advantages that the applicant perceives will flow from those changes, including any reduction of expenses associated with internal reviews and appeals.	
15	MUCDA/MPI-2-1	Manitoba Used Car Dealers' Association's Information Requests and Manitoba Public Insurance's responses - 2nd Round - the effect of a reduction in federal GST (from 7 percent to 5 percent) to both historic losses and when estimating future losses	
23			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MUCDA/MPI-2-2	Manitoba Used Car Dealers'	
4		Association's Information Requests	
5		and Manitoba Public Insurance's	
6		responses - 2nd Round - why have loss	
7		trend selections been rounded to	
8		25 basis points.	
9	MUCDA/MPI-2-3	Manitoba Used Car Dealers'	
10		Association's Information Requests	
11		and Manitoba Public Insurance's	
12		responses - 2nd Round - have losses	
13		been adjusted for catastrophes	
14		and large (serious) losses before	
15		being used to trend	
16	MUCDA/MPI-2-4	Manitoba Used Car Dealers'	
17		Association's Information Requests	
18		and Manitoba Public Insurance's	
19		responses - 2nd Round - has the	
20		Corporation considered using a	
21		generalized linear model for loss	
22		trending	
23			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MUCDA/MPI-2-5	Manitoba Used Car Dealers'	
4		Association's Information Requests	
5		and Manitoba Public Insurance's	
6		responses - 2nd Round - would loss	
7		trend calculations differ when	
8		performed using quarterly and then	
9		using semi-annual data.	
10	MUCDA/MPI-2-6	Manitoba Used Car Dealers'	
11		Association's Information Requests	
12		and Manitoba Public Insurance's	
13		responses - 2nd Round - adjustment	
14		made for the effect of the recession	
15		on loss levels/trend?	
16	MUCDA/MPI-2-7	Manitoba Used Car Dealers'	
17		Association's Information Requests	
18		and Manitoba Public Insurance's	
19		responses - 2nd Round - the new law	
20		on restricted cell phone usage been	
21		incorporated into future loss levels	
22			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MUCDA/MPI-2-8	Manitoba Used Car Dealers'	
4		Association's Information Requests	
5		and Manitoba Public Insurance's	
6		responses - 2nd Round - do loss	
7		trend selections include an	
8		adjustment to account for the	
9		Immobilizer Incentive Program	
10	MUCDA/MPI-2-9	Manitoba Used Car Dealers'	
11		Association's Information Requests	
12		and Manitoba Public Insurance's	
13		responses - 2nd Round - what	
14		constitutes a serious loss	
15	MUCDA/MPI-2-10	Manitoba Used Car Dealers'	
16		Association's Information Requests	
17		and Manitoba Public Insurance's	
18		responses - 2nd Round - how are	
19		catastrophes identified from	
20		normal loss experience	
21			
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1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	MUCDA/MPI-2-11	Manitoba Used Car Dealers'	
4		Association's Information Requests	
5		and Manitoba Public Insurance's	
6		responses - 2nd Round - confirm	
7		whether or not the loss transfer	
8		method is being used when	
9		attributing losses in claims	
10		involving multiple classes of	
11		vehicles.	
12	MUCDA/MPI-2-12	Manitoba Used Car Dealers'	
13		Association's Information Requests	
14		and Manitoba Public Insurance's	
15		responses - 2nd Round - has loss	
16		transfer been used for any claims	
17		regarding the dealer plate class	
18	MUCDA/MPI-2-13	Manitoba Used Car Dealers'	
19		Association's Information Requests	
20		and Manitoba Public Insurance's	
21		responses - 2nd Round - if loss transfer	
22		has been used for dealer plate claims	
23		please identify those claims and how	
24		the loss transfer method was used.	
25			

1	LIST OF EXHIBITS		
2	Exhibit No.	Description	Page No.
3	PUB-10	Boards's book of documents	205
4	CAC/MSOS-4	Pre-ask to the Corporation	231
5	MPI-8	Second quarter financials	231
6	MPI-9	Response to PUB/MPI Third Round	
7		Information Request, or Pre-ask 3-6	231
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	UNDERTAKINGS		
	NO.	DESCRIPTION	PAGE NO.
1			
2			
3	1	MPI to provide the Basic variance	
4		analysis for quarter end	383
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1 --- Upon commencing at 9:03 a.m.

2

3 THE CHAIRPERSON: Okay, everyone. I, as
4 everyone knows, am Graham Lane, Chairman of the Public
5 Utilities Board.

6 And the 2011 Manitoba Public Insurance
7 Corporation's General Rate Application Hearing is called
8 to order.

9 MS. CANDACE EVERARD: Mr. Chairman,
10 sorry, I'm just going to interrupt you momentarily.

11 I note Ms. Kalinowsky just stepped out, so
12 maybe we'll just hold, if you don't mind, for one (1)
13 moment. I'm sure she'll come right back.

14 THE CHAIRPERSON: Okay. Fine.

15

16 (BRIEF PAUSE)

17

18 THE CHAIRPERSON: Okay. MPI's applied to
19 the Public Utilities Board for approval of premiums to
20 take effect March 1st, 2011. The Hearing will be as --
21 as it has in th past, conducted in accordance with the
22 provisions of the Crown Corporation's Public Review and
23 Accountability Act, the Public Utilities Board Act, and
24 the Board's rules of practice and procedure. The rules
25 are available on the Board's web site.

1 MPI seeks approval of rates to be charged
2 for compulsory vehicle insurance and driver premiums for
3 the 2011/'12 insurance year, and proposes an overall 4
4 percent rate decrease, and as well, approval of a 12.9
5 percent rebate, that to be paid in the Corporation's
6 2011/'12 fiscal year.

7 I am joined by one (1) other Board member
8 at this hearing, Dr. Len Evans, who is, to my
9 understanding at least, the only person in this room
10 that's had a major program and building given his name.
11 This last Friday the Len Evans Centre of Trades and
12 Technology was opened in Brandon. The building itself, I
13 understand, involved a cost of \$46 million, which is
14 pretty significant. I was saying to Len that he's
15 probably one (1) of the few people in the province that
16 has some structure and program of that nature named in
17 his honour, without having to give at least a million
18 dollars, so.

19 Also with us today is Gerry Gaudreau, the
20 Executive Director and secretary to the Board, also Kurt
21 Simonsen, the new associate Board secretary. Both Kurt
22 or Hollis Singh, also associate Board secretary, may
23 assist from time to time.

24 Board council is comprised of Candace
25 Everard and Nicole Hamilton of Pitblado LLP, assisted by

1 Walter Saranchuk. The Board has also retained the
2 services of two (2) other advisers well known to the
3 participants. They are Mr. Roger Cathcart, CA of
4 Cathcart advisors, who is in attendance, and Brian Pelly
5 of the actual for -- actuarial firm, Eckler Partners, and
6 he will be with us tomorrow.

7 Transcripts of this Hearing will be
8 recorded by Digi-Tran and made available on our website.

9 Our current expectation is that we will
10 sit today, tomorrow, and Thursday of this week, Tuesday
11 through Thursday of next week, and Monday through
12 Wednesday of the week following, which is October 18th to
13 the 20th. As well, participants may as well plan for
14 October 25th, 26th and 29th.

15 Generally we begin each morning at 9:00
16 a.m., although we will start on the 7th at 10:00 a.m. due
17 to another commitment. Each day we will have a break at
18 midmorning and an hour and a quarter for lunch. We
19 generally plan to adjourn at 4:00 p.m., although, again,
20 due to another commitment, we will adjourn today at 3:00
21 p.m.

22 Today we have six (6) presenters at last
23 count and we would start at 1:15 dealing with the
24 presentations. Following closing arguments we will
25 sequester our self and deliberate towards reaching a

1 determination on the matters before us. In the end, the
2 Board may accept, deny, or vary MPI's application.

3 In reaching our decision we will be guided
4 by the evidence, whether written or oral, and,
5 importantly, our determination of what represents the
6 public interest. The Board takes its obligation and
7 mandate of protecting the public interest very seriously.
8 And in reaching its conclusions its concerned not only
9 with the short-term economic impact of MPI's operations
10 on both ratepayers and MPI itself, but also the
11 reasonableness and fairness of that impact on MPI's long-
12 term fiscal and operational well being.

13 Given the ownership, purposes, and
14 circumstances of MPI and the fact that corporation
15 potentially affects everyone in the province, the Board
16 prefers transparency that with respect to the
17 Corporation's operations, financial positions, and
18 prospects. While transparency remains of extreme
19 importance in every rate hearing, that is even more so in
20 the pending application, given the extent of the rate
21 reduction being sought by MPI and the large rebate also
22 being applied for, and the continued broader market
23 uncertainty.

24 The Board notes that it's being asked to
25 decide on the Application before the decision of the

1 court in a related proceeding. To be specific as such,
2 and has been the case in the past, the Board will seek
3 full disclosure of MPI's financial situation and
4 prospects, not just limited to Basic. Though the Board
5 will consider accepting a court -- ahead of the court
6 decision, information that may be filed in confidence.
7 Any such information may also be cross-examined upon in
8 confidence. Of course, the Intervenors will have a view
9 on this and the Board is interested in hearing from them.

10 If the Board is in receipt of relevant
11 facts, taking into account the changing nature of MPI as
12 a corporation, as well as information with respect to
13 areas of crossover between the Corporation's lines of
14 business, the Board will be in a better position to make
15 a well reasoned decision. In the absence of adequate
16 evidence, the Board may find itself in a quandary.

17 We trust that the participants in this
18 Hearing, will, as they have in the past, be mindful of
19 the cost and time-effectiveness of their actions and that
20 all will employ a cooperative approach. The common goal
21 remains that of putting forward useful information to
22 assist the Board in reaching sound decisions to the
23 matters before it.

24 We have, as usual, weighty and complex
25 issues before us and remain confident that we will all

1 approach this process with continued civility, making the
2 process work for the benefit of all Manitobans.

3 With these brief comments, I not call on
4 Ms. Everard for her introductions, to be followed by the
5 introductions by MPI and the Intervenors. And then
6 following introductions, Ms. Everard will then be called
7 on to provide her introductory remarks, after which I
8 will call in the Intervenors and MPI to provide theirs.

9 Then we will proceed with the swearing in
10 of the MPI witness and commence the evidentiary portion
11 of the Hearing. Thank you.

12 Ms. Everard...?

13 MS. CANDACE EVERARD: Thank you, Mr.
14 Chairman. As you stated, I'm Candace Everard, Board
15 counsel from Pitblado LLP. With me to my immediate left
16 is Nicole Hamilton, who is joining our hearings for the
17 first time this year, and coming to learn the -- the
18 process and the detail relating to MPI.

19 To my far left is Roger Cathcart, of
20 Cathcart Advisors, who is the Board's accounting advisor.
21 Mr. Walter Saranchuk is also present with us in our back
22 row, for the first time in twenty (20) something years,
23 so I hope he likes his new perspective on the room. And
24 Brian Pelly is expected to be here tomorrow -- to join us
25 for tomorrow and Thursday in the hearings, and then again

1 later on. Thank you.

2 THE CHAIRPERSON: Okay. Just for
3 introduction, Ms. Kalinowsky?

4 MS. KATHY KALINOWSKY: For introduction
5 purposes, I'm Kathy Kalinowsky. I'm general counsel and
6 corporate secretary to Manitoba Public Insurance. On my
7 rig -- immediate right are three (3) individuals, of
8 course, well familiar to the Board, and they'll testify
9 on behalf of the Corporation at this General Rate
10 Application. They are Marilyn McLaren, the President and
11 Chief Executive Officer. To her right is Don Palmer, the
12 Vice President in Finance and Chief Financial Officer.
13 And then to his right is Mr. Ottmar Kramer, the Director
14 of Finance and Corporate Controller. At -- that -- the
15 three (3) of them will compose the witness panel for this
16 General Rate Application.

17 We also have a back row of support
18 individuals for this General Rate Application Hearing.
19 Immediately behind me is Mr. Mike Triggs, the Director of
20 Legal Services. To his right is Ms. Jeannine Savard,
21 Manager, Budgeting and Accounting Services. Sorry -- no,
22 that's Darlene Porter, sorry. Dar -- Ms. Darlene Porter,
23 Manager, Regulatory Affairs. Sitting next to her is Mr.
24 Luke Johnston, Manager, Actuarial Services. And sitting
25 next to him is Mr. Glenn Bunston, the Manager of

1 Investments. And then it's Ms. Jeannine Savard, Manager
2 of Budgeting and Accounting Services. And finally, it's
3 Mr. Steve Perlmutter, Manager of Financial Reporting.

4 I do have some opening comments, but I'll
5 leave them now if this is just introductions.

6 THE CHAIRPERSON: Yes, thank you very
7 much. And for the Consumers Association of Canada
8 Manitoba Inc., and the Manitoba Society of Seniors, Mr.
9 Williams.

10 MR. BYRON WILLIAMS: Yes, good morning,
11 Mr. Chairman and Dr. Evans. As you've noted, I'm Byron
12 Williams on behalf of CAC Manitoba and MSOS. Neither Ms.
13 DeSorcy or Ms. Wheiss are here this morning. They'll be
14 joining us a bit later in the Hearing. But I know,
15 certainly, that they would want to congratulate Dr. Evans
16 on his honour. And he may not have donated a -- a
17 million dollars, but my clients know that a lot of
18 thought, passion, and accordion playing went into his
19 contribution, and so I would like to pass on their
20 congratulations.

21 THE CHAIRPERSON: Thank you, Mr.
22 Williams. For the Coalition of Manitoba Motorcycle
23 Groups, just for introduction, Mr. Oakes.

24 MR. RAYMOND OAKES: Thank you, Mr.
25 Chairman, Dr. Evans. My name is Raymond Oakes, an

1 attorney with Booth Dennehy LLP. I'm joined to my right
2 by Ms. Sheila Farago, the new President of the CMG. I
3 think that Doug Houghton, our past president would agree
4 that Shelia puts a much more attractive face on the face
5 of motorcycling in Manitoba than he ever did.

6 I'm also joined by what I can refer to as
7 my back row. A number of motorcyclists have taken time
8 off work this morning to ride to this Hearing to indicate
9 their concerns with the matters that I'll refer to in my
10 opening statement.

11 THE CHAIRPERSON: Thank you, Mr. Oakes.
12 And from Manitoba Used Car Dealers, Mr. Robert.

13 MR. NICK ROBERTS: Thank you, Mr.
14 Chairman, ladies and gentlemen, and members of the Board.
15 For the record, my name is Nick Roberts. I'm the
16 Executive Director of the Manitoba Used Car Dealers
17 Association.

18 I -- I appear on behalf of the MUCDA to --
19 which this Board has kindly granted Intervenor status,
20 and we're ready to proceed.

21 THE CHAIRPERSON: Thank you, sir. Ms.
22 Peters for the Canadian Automobile Association Manitoba.

23 MS. LIZ PETERS: Yes, thank you, Mr.
24 Chairman. My name is Liz Peters. This is my first time
25 attending the hearings, but I'm also accompanied by Jerry

1 Kruk. We are representing CAA Manitoba.

2 THE CHAIRPERSON: Thank you. And, Mr.
3 Dawson, for the Manitoba Bar Association --

4 MR. ROBERT DAWSON: Good morning, Mr.
5 Chairman. My name is Robert Dawson. I appear on behalf
6 of the Manitoba Bar Association. We're ready to proceed.

7 THE CHAIRPERSON: Okay. We'll go back
8 then to our original plan and have opening remarks. And
9 again, we'll start with Ms. Everard.

10 MS. CANDACE EVERARD: Thank you, Mr.
11 Chairman.

12 Manitoba Public Insurance is applying to
13 this Board for approval of premiums to be charged with
14 respect to compulsory vehicle insurance for the insurance
15 year of 2011/12. These rates would take effect on March
16 1st, 2011 and are based on an overall 4 percent rate
17 decrease, and the Corporation also seeks approval for a
18 rebate in the amount of 12.9 percent or \$92 million.

19 The rates proposed affect average base
20 rate -- pardon me, average base vehicle premiums for each
21 major vehicle class as follows: For private passenger
22 vehicles, an overall 4.3 percent decrease; for commercial
23 vehicles, an overall 2.8 percent decrease; for public
24 service vehicles, an overall 8.2 percent decrease; for
25 motorcycles, an overall 1 percent increase; for trailers,

1 an overall 9.8 percent increase; and for off road
2 vehicles, an overall 15 percent decrease.

3 Actual vehicle premiums will vary,
4 depending on claims experience, driving record, insurance
5 use, territory, and vehicle rate group.

6 New driver licence premiums, and vehicle
7 premium discounts, are also applied for in respect of
8 DSR, or Driver Safety Rating, levels 11 through 14. A
9 new vehicle premium discount is also applied for in
10 respect of DSR level 15, and new driver's premiums are
11 applied for in respect of DSR demerit levels 4 through
12 20.

13 No changes are proposed to service and
14 transaction fees, or permit and certificate fees. The
15 Corporation proposes that late payment fees be replaced
16 with interest on overdue accounts in 2012/'13.

17 The Corporation also proposes a series of
18 rate adjustments for policies issued between March 1st,
19 2010, and February 28th, 2011.

20 With respect to the evidentiary exhibits
21 in this proceeding, I note that there were three (3)
22 entered on the record at the pre-hearing conference in
23 this matter, which was held June 25th, 2010. Those were:

24 Exhibit 1, the notice of Public Hearing
25 and pre-Hearing conference dated June 14th, 2010.

1 For Exhibit 2, the Board's Rules of
2 Practice and Procedure.

3 Exhibit 3 was the time table for this
4 General Rate Application, which I note, for the record,
5 has since been revised on account of changes to the
6 scheduled hearing dates, and a few other deadlines that
7 have now past.

8 I would also like to enter on the record
9 some additional exhibits, which already appear on the
10 exhibit list distributed by Mr. Gaudreau.

11 Firstly, PUB Exhibit 4, I'd ask to enter
12 the transcript of the pre-hearing conference held June
13 25th, 2010.

14 Exhibit 5, the Board's Procedural Order,
15 number 69 -- or /10, dated July 5th, 2010.

16 Exhibit 6, the reminder notice of this
17 Public Hearing, dated July 16th, 2010.

18 And PUB Exhibit 7 will consist of the
19 inter -- Information Requests posed by the Board in the
20 First Round, so those exhibits will number 7-1 through 7-
21 112. And those, of course, include the responses by the
22 Corporation to the requests made.

23 Exhibit 8, Mr. Chairman, would be the
24 questions posed by the Board, and the answers from the
25 Corporation in the Second Round, which number 8-1 through

1 8-61. I think the exhibit list actually reflects 8
2 through 61, but it -- it should be 8 through 62.

3 And then Exhibit 9 (sic), Mr. Chairman, I
4 would ask be the book of documents of the Board that was
5 distributed this morning. I do have an extra copy, if
6 anyone who needs one didn't get one.

7

8 --- EXHIBIT PUB-10: Boards's book of documents

9

10 MS. CANDACE EVERARD: With respect to
11 cross-examination that we intend to conduct over the next
12 number of days, we -- we will be addressing the following
13 major issues, as well as some other ancillary issues,
14 namely, the background to the rate reduction and rebate
15 that have been applied for; the revenue requirement with
16 reference to deal -- pardon me, with reference to net
17 income, including comparison of actual results to
18 forecasts, base premiums, and rate methodology in light
19 of the proposed 4 percent rate decrease; MPI's rate
20 stableze -- stabilization reserve, or RSR; MPI's
21 investment allocation and investment income; MPI's cost
22 allocation methodology; the incoming International
23 Financial Reporting Standards, or IFRS; the Corporation's
24 claims incurred, including claims forecasting; the
25 Corporation's claims expenses, operating expenses, and

1 capital expenditures, as well as any other topics that
2 may arise.

3 I will now refer for a moment to the
4 procedural outline that was distribute this morning, and
5 in particular, on the second page which reflects the
6 order of cross-examination under Section C, that's for
7 everyone's reference because we are expecting, in
8 addition to cross-examination of the panel, a cross-
9 examination of a witness called by one (1) of the
10 Intervenors, namely CMMG.

11 We'd noted at the top of page 2, Item 3 --
12 as you mentioned, Mr. Chairman, we will hear from some
13 presenters this afternoon at 1:15 -- it's expected that
14 on October 13th, which is next Wednesday, we'll hear from
15 Richard Olfert from Deloitte, called on behalf of the
16 Corporation. And then on Thursday the 14th we're
17 expecting to hear from Robert Kowalchuk and Neil
18 Parkinson from KPMG, also called on behalf of the
19 Corporation. And then lastly at number 6 is the CMMG
20 witness that I referred to, Michel Trudeau of Dion
21 Durrell, who we expect to hear from on October 20th, so
22 the Wednesday of the third week.

23 Those are my opening comments, Mr.
24 Chairman. Thank you.

25 THE CHAIRPERSON: Thank you. Mr.

1 Williams...?

2

3 OPENING COMMENTS BY CAC/MSOS:

4 MR. BYRON WILLIAMS: Thank you, Mr.
5 Chairman. If the Corporation's application for a \$92
6 million rate rebate is approved, by my count, that will
7 mark the fourth time in the last six (6) years consumers
8 will -- will receive a rebate. And the rebate of the --
9 the fas -- the past six (6) years, again, by my rough
10 count, totals somewhere in the range of \$275 million,
11 over a quarter of a billion dollars.

12 Depending on one's perspective, this could
13 be a very good news story. That \$92 million rebate,
14 coupled with a 4 percent rate reduction, can be expected
15 to bring a significant infusion of money into the pockets
16 of hard-pressed consumers. And it can also be seen as
17 representative of the success of the public insurance
18 model in Manitoba, in bringing relative rate stability to
19 auto ins -- to the auto insurance marketplace. And I'll
20 leave Mr. Oakes to comment on -- on motorcycles within
21 that context. But leaving aside motorcycles, I -- I
22 think one can make that argument.

23 On the other hand, by definition, a \$275
24 million rate rebate over six (6) years suggests that
25 there's been a significant over-collection of revenues

1 from consumers. Essentially, we've taken in more from
2 Manitoba consumers over recent years than the Corporation
3 reasonably needs to break even over the long-term. And
4 this reality, despite the good news of rebate and money
5 in our pockets, should be, in my client's respectful
6 submission, cause an opportunity for reflection for all
7 involved in the rate setting process.

8 Recognizing that we won't be perfect in
9 setting just and reasonable rates, are we getting it
10 reasonably right? And that leads us to the first issue
11 that our clients will be exploring in the context of this
12 proceeding, and that is can we reasonably rely on
13 Manitoba Public Insurance claims cost forecasts for the
14 purposes of rate setting?

15 And my clients note that over the last
16 five (5) years the results on average have differed from
17 forecast by minus 10 percent. And given this significant
18 variation, primarily perhaps exclusively in one (1)
19 direction, it becomes important to understand what is
20 driving these material deviations.

21 More importantly, from the perspective of
22 our clients, for the rate setting issue, the issue
23 becomes how, if at all, we can improve the forecasting
24 process. Our clients will be exploring the utility of an
25 independent review of the MPI forecasting model,

1 considering the possibility both of methodological and
2 structural changes.

3 A closely related issue, relative to the
4 material -- re -- relates to the material variation and
5 PIPP results from forecasts, P-I-P-P for the transcript,
6 and especially in terms of unpaid claims reserve
7 releases. And my clients note as well the first quarter
8 results from the current fiscal year, suggesting further
9 developments in that regard may be -- may be in the
10 offering. My clients have no doubt that Mr. Palmer will
11 be reminded of the statement he made in last year's
12 hearing regarding unpaid claims re -- releases. And,
13 again, the second issue becomes -- the question becomes
14 can the tribunal charged with setting rates reasonably
15 rely on the Corporation's forecast in this regard.

16 Staying with PIPP for a moment, my clients
17 note that the Corporation appears to have made
18 significant pro -- progress in the PIPP infrastructure
19 pro -- project. So the third area of my client's
20 inquiry, in that third area they'll seek to better
21 understand the baseline for performance management and
22 benchmarking in this regard. They also will begin to
23 test the degree to which the Corporation will realize the
24 potential benefits of this project, as compared to its
25 very considerable cost. And that's a dialogue we'll want

1 to follow for the next couple of years.

2 A fourth area of major inquiry relates to
3 cost control. And apropos of the opening statement of
4 the Chairman, my clients recognize the challenges of
5 regulating the basic element of this Corporation, in the
6 context of a corporation that's becoming increasingly
7 integrated between DVL, Extension, and Basic. And they
8 also recognize the challenges in the face of what appears
9 to be the Corporation's increasing reluctance to share
10 information which may be relevant to basic rate setting.

11 My clients are concerned about growths and
12 projected costs between 2009/10, that year, and the
13 projected 2011/12 year in a number of areas, and they'll
14 be exploring those in detail.

15 And similar to the approach that our
16 clients use with regard to other monopolies, they will
17 also be exploring the potential to establish internal
18 productivity targets for certain key indicators as a way
19 to better ensure the Corporation's fidelity in ensuring
20 that it's only incurring reasonably necessary and prudent
21 costs.

22 The fifth area my clients will canvas
23 relates to issues of fairness and the proper signalling
24 to drivers and vehicle owners of the consequences of --
25 of their behaviour, whether as drivers or as vehicle

1 purchasers. And my clients will ask: Does the
2 composition of the proposed rate change appropriately
3 reward good drivers, and signal poor drivers?

4 And they will also, with some trepidation,
5 consider the issue of whether it's possible to determine
6 an optimum way to divide revenues or premiums between
7 vehicle owners and drivers. And they'll be exploring
8 that issue with some caution, but some interest as well.

9 Two (2) areas that my clients will also be
10 exploring, which they'll leave most of the heavy lifting
11 to -- to Board council in this regard, but two (2) areas
12 where they'll at least do some tire kicking relates to
13 areas of investment as well as cost allocation. Again,
14 we expect my -- My Learned Friend, Ms. Everard, to do all
15 the hard work in that regard, but we'll -- we'll chip in
16 a little bit.

17 A final and sixth major issue that our
18 clients propose to address relates to what they note with
19 some sadness, is the recent deaths in rural Manitoba
20 associated with the absence of seatbelt use. And my
21 clients certainly will continue to explore the
22 Corporation's efforts with regard to road safety.

23 And my clients certainly would urge on the
24 Board and others in this room, a -- a truly entertaining
25 rereading of Section AI-10 of the -- of the Corporation's

1 filings. And in that section the Corporation discuss --
2 discusses the follow-up of its review to road safety best
3 practices.

4 And a careful reading of the follow-up
5 reviews -- reveals language such as:

6 "The formation of a committee to
7 continue the dialogue, the development
8 of a plan which will include a holistic
9 framework of best practices, and a
10 recent commitment to opening a regular
11 dialogue."

12 And, now, Mr. Chairman, and members of the
13 Board, perhaps my clients and I are just too cynical,
14 based on our experience with large bureaucracies over --
15 over time, but when they see language such as the
16 "formation of a committee, the development of a plan, a
17 holistic framework for best practice" and the "opening of
18 a regular dialogue," one has to consider carefully,
19 whether potentially empty words are being substituted for
20 action.

21 So our clients will look forward in
22 dialogue, in this discussion, in the holistic framework,
23 to explore how these committees, plans, holistic
24 frameworks, and regular dialogues are being transformed
25 into activities that focus on reducing the tremendous

1 social and economic costs of accidents in our province.

2 As always, our clients will work with our
3 -- our colleagues, Mr. Oakes, Ms. Peters, Mr. Dawson, and
4 -- and others to minimise duplication and assist the
5 Board in reaching a decision consistent with the public
6 interest. We note that there are some exhibits that we'd
7 certainly -- related to CAC/MSOS Information Requests
8 that -- that they'd certainly like to be marked on the
9 record. And there's a -- a lengthy series between pages
10 17 and -- and 48 of the exhibit list.

11 The First Round Information Requests of
12 CAC to Manitoba Public Insurance, they'd like to be
13 marked as Exhibit 1. They'd suggest, respectively, that
14 they be so.

15 The Second Round Information Requests to
16 Manitoba Public Insurance, they would ask that those be
17 marked as Exhibit 2, CAC/MSOS, Exhibit 2.

18 The pro -- the Inf -- Information Requests
19 of CMMG, and their actuaries, Dion Durrell, they would
20 ask be marked as Exhibit 3, CAC/MSOS Exhibit 3.

21 And we note, as well, that there's a pre-
22 ask to the Corporation. I'll -- I'll get the -- the
23 guidance from the -- the Board, but you may wish to mark
24 that as Exhibit CAC/MSOS Exhibit number 4.

25

1 --- EXHIBIT NO. CAC/MSOS-4:

2 Pre-ask to the Corporation

3

4 MR. BYRON WILLIAMS: Subject to any
5 questions, those are my -- my client's submissions at
6 this point in time, Mr. Chairman.

7 THE CHAIRPERSON: Thank you, Mr.
8 Williams. Mr. Oakes...?

9

10 OPENING COMMENTS BY CMMG:

11 MR. RAYMOND OAKES: Thank you, Mr.
12 Chairman. With respect to this year's Application, given
13 the double-digit increases over the past two (2) decades,
14 the Board might be forgiven if it thought that the CMMG
15 was coming forward without any concerns, or challenges,
16 to the Application, and I want to assure the Board that
17 that's not the case.

18 With respect to the Application, although
19 the rate increase sought is below that of other years,
20 the Board is asked to keep in mind that there are a
21 number of motorcyclists that will still face double-digit
22 increases in Territory 2, and -- with respect to their
23 specific rates. And even if the app -- if the
24 Application calls for a modest increase, given the
25 escalation of rates that we've had over the last two (2)

1 decades, even a 6 percent increase would be akin to a
2 double-digit increase, if we viewed it comparatively with
3 the rates half a dozen years ago.

4 So the -- any increase is a substantial
5 increase, given the amount of the premiums. And there
6 are a number of other areas, as the Board has seen from
7 our intervention to this point in the procedure, that
8 we'll be scrutinizing carefully.

9 We note one (1) of the fundamental
10 problems that motorcyclists have rallied against over the
11 past two (2) decades, as the CMMG has been an Intervenor
12 for the past eighteen (18) years in these proceedings,
13 and that relates to a flaw in the methodology, given the
14 very small vehicle population that motorcycles comprise.
15 With respect to that, we see in the Motorcycle Risk Study
16 update this year that ten (10) motorcycle claims account
17 for 50 percent of the annual claims. This is a -- a fact
18 that MPI purports to deal with by way of credibility
19 weighting, and we suggested for a number of years that,
20 given that distortion in the claims expenses that the
21 credibility weighting employed by MPI doesn't deal with
22 that significant problem.

23 We also note the effective DSR on the
24 motorcycle premiums. And I can tell you, Mr. Chairman,
25 the motorcyclists in this province are fed up with the

1 situation where every time there's a program change, the
2 motorcyclists wind up paying more.

3 Moving onto that, obviously by the calling
4 of the witness from Dion Durrell, wildlife collision
5 claims are a hot topic. It's a topic that was brought to
6 this Board's attention by the CMMG two (2) or three (3)
7 years ago. It's a very important topic to the consumers
8 in Manitoba, and the motorists. And I'm just going to
9 refer briefly to an excerpt from the Free Press article
10 Thursday, September 23rd, 2010. We'll submit it later in
11 evidence, but I just want to refer, just for context.

12 We recently saw a vehicle collision near
13 Brandon involving deer, injured nine (9) people. Last
14 year in Manitoba, more than three hundred (300) people
15 were injured in a wildlife -- in wildlife related
16 collisions, and between 2005 and 2009, three (3)
17 Manitobans were killed. And as we're aware, MPI pays out
18 more than \$30 million in wildlife collisions annually.

19 Mr. Chairman, it's a very important topic
20 for Manitobans, and even more important for
21 motorcyclists, given the severity of the losses involved
22 when motorcyclists and deer collide. We intend to
23 scrutinize this year the topic, and the Board can expect
24 more scrutiny in years to come, I expect.

25 We've been limited by the -- MPI's refusal

1 to answer questions, based on what their proposals and
2 plans to date in government. Mr. Chairman, I don't know,
3 but I'm sure people in this room know whether that's the
4 fault of the Corporation, its Board, or direction from
5 the government, but certainly the lack of transparency is
6 unacceptable in a public forum such as this. And I think
7 it would be very easy in that context to indicate what
8 discussions to date have produced, if they've produced
9 anything, and certainly indicate where the Corporation
10 plans to go from there.

11 Just also on that point relative to the
12 Corporation's materials put forward in this Application,
13 when we refer to AI.9, dealing with wildlife collisions,
14 really the material is just reprinted from last year. We
15 haven't seen anything new. We'll certainly be asking the
16 Corporation about their efforts and why -- given the fact
17 that they've been paying out this \$30 million for a
18 number of years, why there is -- hasn't been anything
19 concrete done. We've certainly heard about the efforts
20 of Conservation Manitoba. But where are the fences?
21 Where are the tunnels? Where are the wildlife corridors?
22 We'll be asking questions relative to those issues.

23 With respect to comparative fault
24 allocation, I think the Board should take a bow for the
25 excellent step that it has made with respect to the

1 introduction of comparative fault allocation, with
2 respect to the motorcycle loss experience. Given the
3 results of that since it was introduced, I think that
4 there's still improvement and refinement that the CMMG
5 would be looking for, something -- moving towards more of
6 a full loss transfer. And those are, again, issues that
7 we'll be dealing with on this Application.

8 With respect to the -- I don't want to be
9 entirely negative, Mr. Chairman. Certainly the -- if you
10 look at the pros in this Application, obviously the
11 Corporation has spent quite a bit more effort and giving
12 greater attention to identifying and quantifying the
13 motorcycle loss issues, and we saw that in the motorcycle
14 risk study update that was present in the materials. The
15 -- we see that the Corporation, as they do more research,
16 will certainly understand the issues better and hopefully
17 come with some initiatives that will address the
18 motorcycle loss experience.

19 Of course, by way of the cons in this same
20 Application, we have a situation where we see the
21 frequency in loss declining. We do not yet see rates
22 declining. The forecast, when we examine them for the
23 last five (5) or six (6) years, we see that the forecasts
24 of losses are unreliable. They're not met. In many
25 years, the loss experience is much more favourable than

1 that forecast, and yet we still see increases. We see a
2 sing -- a single vehicle accident experience which is
3 different than other jurisdictions and the motorcyclists
4 are penalized by some mere ten (10) claims a year.

5 Mr. Chairman, we look forward to an
6 opportunity to examine all of those issues. And, at this
7 point, I can deal with the exhibits, or deal with that
8 prior to the start of my cross-examination. Thank you.

9 THE CHAIRPERSON: Do you want to enter
10 the exhibits now?

11 MR. RAYMOND OAKES: Certainly can, Mr.
12 Chairman, if the Board secretary would be so kind as to
13 make that notation, and may wish to review them and just
14 comment on them prior to the start of my examination,
15 just for -- to ensure the full inclusion of all exhibits.

16 THE CHAIRPERSON: Thank you, Mr. Oakes.
17 Mr. Roberts...?

18 MR. NICK ROBERTS: Thank you, Mr.
19 Chairman. I don't have any opening remarks. In terms of
20 exhibits, we would ask the panel to enter as evidence the
21 Second Round Interrogatories, the Manitoba Used Car
22 Dealers Association, their MUCDA/MPI-2-1 to 2-13.

23 THE CHAIRPERSON: Thank you, sir.
24 Ms. Peters...?

25

1 OPENING COMMENTS BY CAA:

2 MS. LIZ PETERS: Thank you very much, Mr.
3 Chairman. We also don't have any specific comments, but
4 I would like to put on the record that we do share many
5 of the concerns of our fellow Intervenors, especially
6 pertaining to transparency of the Crown Corporation.
7 And, also, initiatives in terms of road safety are of
8 particular interest to CAA. We look forward to the
9 process and will be listening intently.

10 THE CHAIRPERSON: Thank you. And Mr.
11 Dawson...?

12

13 OPENING COMMENTS BY MBA:

14 MR. ROBERT DAWSON: Thank you, Mr.
15 Chairman. I remember in the early '80s I had attended a
16 performance in London of the musical Cats, and that was
17 before the Broadway musical caught everyone's attention.
18 And for those of you who have seen it, you know that it's
19 a series of cats who come out and sing, and they're
20 trying to compete in order to decide which one of them
21 will be given this new life.

22 Unfortunately before it became popular,
23 many people didn't catch onto that, and I remember
24 distinctly at the show that I went to see, sitting
25 directly in front of me was a woman with a heavy Texan

1 accent that I wouldn't try and replicate, who said to her
2 husband, "Well, that was cute, but I wish there had been
3 a story."

4 Over the years, the Bar Association has
5 appeared as an Intervenor here before this Board, and I
6 fear that, to some extent, there might not have been that
7 narrative that some people wanted to ask -- cause some
8 people to ask, "What's the story?"

9 Now, of course, we have this overarching
10 slogan that's printed on t-shirts that are not selling
11 well at all, as far as I'm concerned, that say, "No fault
12 is no good." And we know that this is not the body in
13 which to try and move toward amending the legislation,
14 and moving away from that policy.

15 But, nonetheless, it flows over the years,
16 and I'm going to suggest in four (4) areas how. That the
17 Bar Association has in turn looked at the problem, which
18 is those who make claims with the Corporation are
19 essentially trying to trigger their entitlement under the
20 statute, as well as the insurance contract that they have
21 made with MPI, to recover those entitlements to which
22 their allowed by law. And this Board, of course, in
23 part, figures out, or approves, rather, those numbers
24 that MPI puts forward as the amount of money that they
25 need in order to dispense those entitlements. And that's

1 primarily what this insurance scheme is about.

2 So the Bar -- Bar Association, from the
3 earliest times when I took over the file, at least,
4 focussed upon especially those who were victims of
5 personal injury. The reason why we chose that instead of
6 -- of victims who had simply suffered car accidents but
7 not suffered personal injury, was, of course, those who
8 suffer personal injury are -- are persons who are perhaps
9 more profoundly affected than persons who have -- simply
10 have property damage.

11 And as a result, in my first initial years
12 that I was here on behalf of the Bar Association, the
13 questions that I asked really were about the way in which
14 the applicant handles and considers the claims that come
15 to them. And we spent a considerable amount of time
16 exploring that. And in part, the PIPP infrastructure
17 study that has gradually come out is, to some extent, a
18 reflection of those initial inquiries.

19 When we look at the question of this
20 year's, shall we say, the beginnings of the
21 implementation of that business infrastructure study of
22 which the PIPP report is only part of it, my client
23 expresses at least an initial disappointment that perhaps
24 the applicant will be able to clear up. It does seem
25 that after years of waiting for a report, and an

1 implementation of that report, that what we have is a
2 scheme that certainly will improve the business
3 efficacies (phonetic) of the operations of the applicant,
4 but there seems to be very little on -- in the evidence
5 that we have before us as to how the work that's been
6 undertaken by the applicant over these years will in any
7 significant way affect the persons who are making the
8 claims.

9 Now some might say, Well, if the business
10 is more efficient and effective in its operations, that
11 inevitably should result in lower premiums. This has not
12 ever been a focus of the Bar Association. It's always
13 been a question of whether or not victims are receiving
14 the entitlement to which the law and the contract of
15 insurance allows them to claim. So there have been
16 benefits, but for whom have those benefits arisen?

17 Another area that the Bar Association has
18 looked at now and then over the years has been the
19 question of subrogation. And it's been a small area,
20 small subject area, that I think might be summarized, to
21 some extent, as even if the Bar Association were right,
22 that there are ways in which for the Corporation to
23 perhaps recover some of the losses that it currently
24 insures by subrogating, or pursuing drivers, or vehicle
25 owners that it currently does not, the amount of money

1 that might be spent in order to do that, together with
2 the net profit, might be so insignificant that it's not
3 worth pursuing.

4 That sort of an approach is -- is
5 troubling, because of course it leads to some sort of
6 cynicism on the part of the individual for whom millions
7 of dollars, the individual premium holder, for whom
8 million of dollars, of course, is a significant sum of
9 money. So to some extent, we'd like to return to that
10 topic, and have in -- to some extent, in our Information
11 Requests of this year, to reconsider whether or not the
12 Corporation can offer a better explanation as to why it
13 doesn't pursue subrogation, other than simply the money
14 is just not there for us.

15 And that sort of a disappointment extends
16 even more significantly and prominently to what I think
17 the storyline over the years has shown as a Corporation
18 that has become much more resistant, if not outright
19 confrontational with this Board. And that's a trouble
20 for my client, especially because it takes a public
21 policy and public interest approach to these hearings.

22 I'd like to start by simply saying that of
23 course my client is aware that there is a matter relating
24 to the relationship between this Board and the applicant
25 that's currently pending before the Court of Appeal. And

1 I'd like to assure everyone that it's not the intention
2 of my client to somehow consider those specific issues
3 and -- and somehow put the Board on the spot to make
4 decisions that relate to any issues that are currently
5 before the Court of Appeal.

6 Having said that, we note over the years
7 that there has been a growing reluctance by the
8 Corporation to comply with orders, especially in terms of
9 the spirit of the orders that this Board has made. We
10 note also that there has been a outright refusal to
11 pursue some of the recommendations that this Board has
12 made. And, to some extent, the excuses that are given
13 might flippantly be summarized as, simply: We don't want
14 to do it, and we think you're wrong.

15 And, of course, there are other problems
16 that arise in the context that I think every party before
17 this Board has suffered in its Information Requests, and
18 other attempts to ask questions of the Corporation, and
19 that is simply the refusal of the Corporation to disclose
20 information. And, again, we don't want to tread on the
21 question that's currently before the Court of Appeal, but
22 there are plenty of other instances in which the
23 Corporation has been less than forthright. And this, in
24 turn, undermines the ability, we submit, of this Board to
25 regulate, to discharge its statutory mandate, and to

1 function as the -- the catch phrase that's often come up
2 before this Board and in other circumstances, as -- as a
3 proxy for competition. After all, the Corporation is a
4 monopoly, and this Board is really the only thing that
5 prevents that monopoly from going off the rails.

6 So, if we'd look back in my narrative that
7 I'm suggesting has arisen over the years, we've really
8 looked at the notion of the way in which claims have been
9 handled by the Corporation, and we arise with a sort of
10 disappointment with the PIPP infrastructure study, in an
11 attempt this year to try and clarify the record, if the
12 Corporation's able to. And those disappointments
13 continue when we talk about the Corporation's approach to
14 subrogation, and especially the Corporation's
15 relationship with this Board.

16 Those are some of the issues that my
17 client primarily intends to focus on before -- in this
18 Hearing. We assure the Board that we'll work
19 cooperatively with Board counsel, as well as all of unter
20 -- other Intervenors to avoid any duplication.

21 On an administrative note, there are some
22 exhibits that should be tendered. Those exhibits would
23 be the Information Requests that the Bar Association
24 posed, and the answers that the Corporation gave to those
25 Bar -- Information Requests in the First and Second

1 Round, and they're set out in the circulated list of
2 proposed exhibits. And we'd ask, Mr. Chairman, that they
3 be entered as they appear on that list.

4 Subject to any questions, that concludes
5 my opening comments. Thank you, Mr. Chairman.

6 THE CHAIRPERSON: Thank you, Mr. Dawson.
7 Ms. Kalinowsky, after you have finished with your opening
8 introductions maybe we could swear in the panel and --
9 and get underway.

10 Ms. Kalinowsky...?

11

12 OPENING COMMENTS BY MPI:

13 MS. KATHY KALINOWSKY: Good morning. MPI
14 is pleased to be here for its 24th consecutive annual
15 general rate application before the Public Utilities
16 Board. I will note at the outset, as mentioned briefly
17 by Ms. Everard, that at the request of the PUB, MPI will
18 be providing two (2) additional witness panels.

19 Deloitte & Touche will be represented by
20 Mr. Richard Olfert, who will testify on the items of
21 IFRS, asset and liability allocation, and, if necessary,
22 any residual items from that last year that remain, with
23 respect to expense allocation. Mr. Olfert will be
24 available on October 13th.

25 KPMG, the auditors of MPI will testify on

1 October 14th, 2010, on the five (5) matters requested by
2 the PUB in its -- in its correspondence from Board
3 counsel to MPI, dated August 24th, 2010. Two (2)
4 partners from KPMG, Rob Kowalchuk and Neil Parkinson will
5 form the witness panel.

6 With regard to an issue on scheduling, the
7 Corporation notes that twelve (12) days of hearing have
8 been scheduled throughout the month of October, with the
9 last day scheduled for October 29th, 2010. The 2010 GRA
10 last year was eleven (11) days, nine (9) days of hearing
11 with two (2) days of argument. The Corporation would
12 respectfully request that the hearing days be extended in
13 length to ensure an expeditious hearing. Specifically,
14 the Corporation requests that lunch breaks be restricted
15 to forty-five (45) minutes, rather than the seventy-five
16 (75) minutes, and that the hearing day be extended beyond
17 four o'clock.

18 The reasons for this are several. The
19 lunch break is just too long to eat and discuss the
20 progress of the case, yet too short to permit MPI staff
21 to return to the office and undertake work.
22 Consequently, it's seen as largely time that is spent
23 waiting. The hearing days could be extended given that
24 there are already lengthy mid-morning and afternoon
25 breaks every day, in addition to the lunch.

1 While it is of course difficult and tiring
2 to listen at length to oral evidence, it is also
3 difficult to testify at length. However, the three (3)
4 witnesses from MPI that are testifying have stated that
5 they are willing to proceed further each day.

6 The MPI management finds it incre --
7 increasingly difficult to be away from the office for
8 such a large part of the month of October. We all find
9 it difficult to balance the requirements of this very
10 important hearing with the requirements of our equally
11 important regular duties back at the office, in managing
12 the Corporation.

13 In early November, key witnesses are not
14 available due to other commitments. For instance, we've
15 heard that the Board can only sit today until three
16 o'clock, and two (2) days from now it has to start
17 sitting at ten o'clock. We would ask perhaps that for
18 Wednesday and Thursday, instead of finishing at four
19 o'clock, the day be extended into the evening for at
20 least an hour or two (2) hours to make up for this time,
21 if not more.

22 The date of October 29th is preceded by a
23 two (2) day break. It is certainly the intention of the
24 Corporation to set aside this day for its closing
25 argument. Indeed, it will be near the impossible to

1 schedule our closing argument at anytime after that date
2 in early Nove -- into early November. This will also
3 provide the Board with a full month to write the Board
4 order, since the order is required on or about December
5 1st for rates to be implemented March 1st, 2011.

6 Our comments and our suggestions are
7 provided in the most respectful of manner. We sincerely
8 hope that the Board will take them in the spirit --
9 spirit in which they are preferred. As a courtesy, a
10 conversation was held with Board counsel prior to the
11 hearing to discuss these matters.

12 I now have several exhibits to tender.

13 As listed in the exhibit list, I do have
14 the PUB -- sorry, the -- the MPI Exhibit number 1, which
15 is the ad -- affidavit of Sharon Myshkowsky, sworn Decem
16 -- September 23rd, 2010.

17 As MPI Exhibit number 2 it's the affidavit
18 of Zdenka Melnyk, sworn September 7th, 2010.

19 And MPI Exhibit 3, affidavit of Zdenka
20 Melnyk, sworn September 7th, 2010.

21 Number -- Exhibits number 4, 5, and 6,
22 respectively, are Volumes I, II and III of the MPI Rate
23 Application.

24 And then Exhibit number 7 would be
25 MPI/CMMG Information Request of Dion Durrell.

1 --- EXHIBIT NO. MPI 7: MPI/CMMG Information Requests
2 of Dion Durrell
3

4 MS. KATHY KALINOWSKY: I also have the
5 second quarter financials which were tabled yesterday in
6 the Legislature. I'm trying to make things work that way
7 for -- so we could get it -- it was tabled at the end of
8 the day yesterday in the legislature even -- so that we
9 could deal with it forthright this morning. So I have
10 copies of those, and we request that that be marked as
11 MPI Exhibit number 8.
12

13 --- EXHIBIT NO. MPI-8: Second quarter financials
14

15 MS. KATHY KALINOWSKY: I also have MPI
16 Exhibit number 9, which is the response to PUB/MPI, and
17 we'll call it thir -- Third Round Information Request or
18 Pre-ask 3-6.
19

20 --- EXHIBIT NO. MPI-9: Response to PUB/MPI Third
21 Round Information Request, or
22 Pre-ask 3-6
23

24 MS. KATHY KALINOWSKY: Thank you very
25 much. And I can circulate those exhibits right now.

1 THE CHAIRPERSON: Please.

2

3 (BRIEF PAUSE)

4

5 THE CHAIRPERSON: Ms. Kalinowsky, do you
6 have any further opening remarks, or should we proceed to
7 swearing in the witnesses when Mr. Gaudreau finishes
8 distributing?

9 MS. KATHY KALINOWSKY: Swear in the
10 witnesses, please.

11

12 (BRIEF PAUSE)

13

14 THE CHAIRPERSON: We appreciate, by the
15 way, getting the second quarter financial statements. It
16 makes it a lot easier. There's an unfortunate history
17 with Crown agencies with very extensive delays before the
18 release of information, wherein the public sector or
19 private companies, generally speaking, thirty (30) days
20 after the month end, or, you know, quarter end if it's a
21 bank or whatever it is, usually the announcements come
22 out, so this is helpful.

23

24 MPI PANEL:

25

MARILYN MCLAREN, Sworn

1 DON PALMER, Sworn

2 OTTMAR KRAMER, Sworn

3

4 THE CHAIRPERSON: Thank you, sir.

5 Ms. Kalinowsky...?

6 MS. KATHY KALINOWSKY: A little bit of a
7 break with tradition, but I do have a very brief direct
8 examination of the witnesses that I'd like to run through
9 right now, prior to releasing them for cross-examination.

10 THE CHAIRPERSON: Please proceed.

11

12 EXAMINATION-IN-CHIEF BY MS. KATHY KALINOWSKY:

13 MS. KATHY KALINOWSKY: Ms. McLaren, would
14 you like to make some preliminary comments on the rate
15 making process MPI has used for the 2011 GRA?

16 MS. MARILYN MCLAREN: Yes, thank you. As
17 Ms. Kalinowsky mentioned, this is Manitoba Public
18 Insurance's 24th application to this Board for the
19 approval of basic compulsory Autopac rates. It's been
20 through this process that a robust, transparent, and
21 actuarially sound rate making methodology has been
22 developed by the Corporation and confirmed by this Board.

23 The forecasting process is far more
24 integrated, structured, and reliable than it was so long
25 ago. And the Corporation has developed the ability to

1 forecast all aspects of the compulsory insurance program
2 in a dependable way well into the future, largely given
3 the timelines of this that are inherent in this rate
4 approval process, as well as our staggered renewal
5 environment.

6 In short, as I've stated on the record
7 before, the Corporation sees real value in this public
8 rate approval process. Manitoba Basic insurance
9 ratepayers have been well served as the process itself
10 has fostered improved and strengthened forecasting and
11 rate making processes for the program.

12 It's worth taking a moment to reflect on
13 the response provided in PUB-1-1. In twenty-three (23)
14 rate applications the PUB approved the rates as applied
15 for seventeen (17) times. On five (5) occasions the
16 approved rates were 1 percent lower than applied for, and
17 once the Board approved rates 1.2 percent higher than
18 applied for. We think that's a strong record, indeed.

19 MS. KATHY KALINOWSKY: Ms. McLaren, what
20 do you have to say about the information that is before
21 the PUB to permit it to make its decision on the 2011/'12
22 rates?

23 MS. MARILYN MCLAREN: First, let me say
24 that the Corporation recognizes there are -- there are
25 significant matters on which this Board and the

1 Corporation disagree. The Board has taken its case to
2 the Court of Appeal, and for the record, the Corporation
3 does not see this as an unreasonable approach. The PUB
4 Act provides this opportunity for the Board to seek an
5 interpretation of law, and the Corporation looks forward
6 to its participation in the resolution of this matter in
7 2011.

8 But we're in the midst of a rate
9 application for rates to take effect on March 1, 2011,
10 and as the Corporation responded in PUB-2-3C, there was
11 no opportunity, given the restraints of time, and of
12 legislation, to do anything but complete this year's
13 application process with an order for rates on or about
14 December 1st, 2010.

15 The Corporation believes it's important to
16 take this opportunity in direct testimony to clearly
17 articulate the rationale for our position that the Board
18 has all the information required to rule on the
19 application before it.

20 Since the DSR order, Order 89/09, released
21 on May 25th, 2009, this Board has been expressing
22 uncertainty about the financial position of the Basic
23 compulsory program, expressing its interest in having
24 more information, and more jurisdiction. In addition,
25 the Board wrote in Order 161/09 at page 71, that it had

1 no real option but to accept the rates as filed.

2 Our goal here this morning is to review
3 the evidence previously provided, to demonstrate that
4 there is sufficient information on the record, and also
5 sufficient certainty about the Basic insurance program,
6 and its financial position and outlook, for the Board to
7 approve the Application, and provide its order by
8 approximately the 1st of December. The Corporation has
9 sought and received orders from this Board approving
10 rates in early December of every year since 1989.

11 Mr. Palmer will be reviewing the evidence
12 to demonstrate the completeness of the information the
13 Corporation has provided, and the absence of any
14 outstanding information that would affect, or influence,
15 the Basic compulsory auto insurance rates the Corporation
16 has applied for.

17 MS. KATHY KALINOWSKY: Mr. Palmer, what
18 is meant by rate making?

19 MR. DON PALMER: Rate making is the
20 process of establishing rates used in insurance.

21 MS. KATHY KALINOWSKY: And then what is a
22 rate?

23 MR. DON PALMER: A rate is an estimate of
24 the expected value of future costs associated with the
25 transfer of risk. Those costs are outlined in SM.2 of

1 the Application, and are claims incurred, claims
2 expenses, operating expenses, commissions, road safety
3 and loss prevention costs, premium taxes, and regulatory
4 and appeal expenses.

5 The cost used for rate making purposes are
6 the average of the expected incurred costs for the
7 2011/'12 and 2012/'13 fiscal periods. The total expense
8 from all of those costs for rate make -- making purposes
9 is \$884.9 million.

10 MS. KATHY KALINOWSKY: And other than the
11 list mentioned in SM.2, is there anywhere else in the
12 Application and subsequent Information Requests, that
13 describe those costs and process of estimating the
14 expected value of those costs?

15 MR. DON PALMER: Yes. All of those costs
16 are described. First, the largest and most important of
17 those costs are the expected claims incurred. Claims
18 costs are expected to be \$660 million, or 75 percent of
19 the total expenses.

20 Of course, before you can estimate the
21 cost you have to know what the coverage is. While not
22 under the jurisdiction of the Board, or the cor --
23 Corporation, the coverage is prescribed in legislation
24 under the Manitoba Public Insurance Corporation Act and
25 Regulations. A description of all of the coverage is

1 shown in Volume III, AI.1, of the Application. The
2 projections of the claim costs, and the assumptions
3 outlining those costs, are shown in TI.17, with the final
4 results shown in TI.4.

5 TI.17, also known as the Claims Forecast
6 Book, is divided into six (6) sections. The first
7 section provides a brief overview of economic assumptions
8 related to the claims cost forecast. The second section
9 contains the model, descriptions, and methodology
10 underlying those forecasts, And the subsequent sections
11 outline the forecast for each category of coverage,
12 namely PIPP and all perils.

13 These sections provide the cost drivers
14 for the various coverages. Let me add at this point that
15 the claims forecast is singularly the most important step
16 in the rate setting process. The Claim's Forecasting
17 Committee is a multi-disciplinary committee that utilized
18 both quantitative and qualitative methods to determine that
19 future claims costs payable under the basic Autopac
20 program.

21 Although some of the techniques and
22 assumptions have evolved over the years, the process is
23 essentially unchanged since the PUB process began for
24 MPI. The PUB has been part of the evolution, and we
25 believe the forecasts with the incorporation of

1 recommendations from the PUB have improved over the
2 years.

3 To ensure that claims costs are fair and
4 reasonable, the Corporation has a number of cost saving
5 initiatives underway to control both bodily injury and
6 all perils claims costs. These are outlined in SM.2.3
7 for bodily injury initiatives and SM.2.4 for all perils
8 initiatives.

9 We estimate that these initiatives save
10 the corporation nearly \$40 million annually. Since
11 claims incurred is the most important component of the
12 rate, claims costs, and claims cost forecasts were the
13 subject of a large number of Information Requests as
14 well, about a hundred and thirty (130). Although I will
15 admit that even though this is by far the largest part of
16 the rate, it only attracted about a quarter of the
17 questions.

18 Now, onto claims and operating expenses,
19 which total about \$147.9 million annually. These are
20 described in SM.2.5, and then outlined in much greater
21 detail in TI.7, which is a summary of basic expenses by
22 category; TI.8, compensation, because compensation is the
23 largest component of operating and claims expenses; TI.9,
24 staffing levels; and TI.10, capital expenditures.

25 The important added facet of these

1 expenses is the allocation methodologies that are used by
2 the Corporation to allocate expenses among the various
3 lines of business. Any business requires some allocation
4 of expenses in order to fully determine the cost of
5 producing products and services. But this is especially
6 important when determining the split for regulated and
7 non-regulated lines of business. Many industries have
8 regulated and non-regulated components, and these
9 methodologies are required to inform the regulators that
10 the allocation is fair and reasonable.

11 An extensive study was undertaken by
12 Deloitte last year to review MPI's allocation
13 methodologies, and that was given a lot of time and
14 energy at the 2010 GRA.

15 There was some additional research that
16 had to be finalized, and the updated methodology has been
17 presented in TI.6. We've taken the added step of having
18 an assessment of the allocation methodologies done by our
19 auditor, KPMG, to ensure that the proposals are
20 reasonable and result in fair allocation of costs and
21 asset and liabilities among the various lines of
22 business. Of the just over \$831 million in total costs
23 charged to Basic in the 2010/11 budget, excluding the BPR
24 initiatives, 142.46 million, or about 17 percent, are
25 assigned as a result of allocation.

1 As with claims costs, the expenses and
2 allocations of those expenses have been fully addressed
3 in numerous Information Requests from the Board and
4 Intervenors.

5 Next, the commission and prem -- premium
6 tax rates are prescribed in law. The rates are disclosed
7 in SM.2.5 and TI.19. Since the commission rates are
8 changing as a result of the new regulation, these have
9 been the source of a few Information Requests. In total,
10 commission and premium taxes are 7.8 percent of total
11 premium.

12 Road safety expenditures are shown in TI.7
13 and amount to \$13.2 million. There's extensive in --
14 evidence provided in the road safety programming in
15 AI.10, and numerous Information Requests. The regulatory
16 expenses are shown in TI.7.

17 Combined road safety and regulatory
18 expenses are about 2 percent of the premium, or about
19 \$16.4 million dollars.

20 MS. KATHY KALINOWSKY: And there are also
21 offsets to premium charges?

22 MR. DON PALMER: Yes. Investment income
23 and service fees, such as income from financing plans for
24 quarterly and monthly time payments, late payment fees,
25 et cetera.

1 MS. KATHY KALINOWSKY: And are those
2 disclosed anywhere?

3 MR. DON PALMER: Service fees are
4 described in SM.3.3, TI.18, Section 6, and in TI.19 .

5 Investment income is mentioned in SM.3.4
6 but more fully out -- outlined in Section 5 of TI.18.
7 That would be the revenue forecast book.

8 That section fully describes the forecast
9 for interest rates, equity returns, and the expected
10 returns of the new asset classes. Investment income is
11 forecast to \$94.8 million for the policy year period,
12 compared to \$85.7 million that we received in investment
13 income last year.

14 The Basic insurance program had cash
15 equities, fixed income securities, and real estate
16 totally \$1.89 billion as at February 28th, 2010. The
17 funds available for investment are primarily unearned
18 premium reserves and unpaid claims reserves. It also
19 important to note that since investment income is derived
20 from the assets, to the extent that assets are allocated,
21 investment income is allocated in the same manner.

22 A new asset liability allocathen -- cation
23 methodology is being presented this year. However, the
24 vast majority of the liabilities are direct assignments;
25 therefore the new allocation methodology has a minimal

1 impact on investment income, increasing Basic investment
2 income by about \$1 million.

3 However, the new asset allocation also
4 changes the allocation of customer receivables and in
5 turn the financing charges on those receivables. The
6 impact is a decrease in service fees to Basic of \$1.8
7 million. Therefore the total impact of the change in the
8 asset liability allocation is a decrease to Basic net
9 income of about eight hundred thousand (\$800,000)
10 dollars.

11 MS. KATHY KALINOWSKY: Before we leave
12 the topic of overall costs for the Basic Autopac Program.
13 Are there other considerations that the Board should
14 consider and that have been disclosed to the Board?

15 MR. DON PALMER: Yes, there are.
16 Firstly, the basis of the claims forecast are the
17 ultimate costs of prior accident years. These ultimate
18 costs are determined in the appointed actuaries review
19 from Jim Christie of Ernst & Young each year. These
20 reports are shown in AI.18. These reports are filed by
21 the external actuary and are prepared in accordance with
22 accepted actuarial practice.

23 There are a number of items that fall into
24 the category of risk management that should also be of
25 interest to the Board. The topic of the Rate

1 Stabilization Reserve, or RSR level, has largely been
2 under scrutiny the PUB. The Corporation has accepted the
3 Board's target of \$154 million for rate setting purposes,
4 and has based the applied for \$92 million rebate on the
5 PUB's target.

6 In addition, the Corporation purchases re-
7 insurance to mitigate risks. The details and costs of
8 these programs are outlined in section 8 of TI.18.

9 MS. KATHY KALINOWSKY: So from an overall
10 rate level perspective, is it your opinion that the Board
11 has enough information on the record to approve the
12 overall rate level of the Basic Autopac Program and the
13 12.9 percent rebate?

14 MR. DON PALMER: Absolutely. The costs
15 that I've described, offset by the revenue offsets that
16 are used to determine the overall net revenue that we
17 need to collect from our customers, this determines the
18 required overall rate level, the difference between what
19 we need and what would -- what we would receive without
20 any rate changes determines the indicated rate change.
21 This year that rate change is a decrease of 4 percent.

22 In addition, the determination of the
23 rebate is more res -- retrospective in nature. At March
24 1st, 2010, we had excess retained earning is basis --
25 Basic over PUB target and that makes up the surplus

1 rebate.

2 MS. KATHY KALINOWSKY: Now, rate making
3 is also concerning with the splitting of that overall
4 revenue requirement to customers based on the relative
5 risks of those customers, isn't it?

6 MR. DON PALMER: Yes. It is standard
7 industry practice to use a classification plan to assign
8 risk categories to different insurance risks. The
9 classifications are prescribed in regulation under the
10 Manitoba Public Insurance Act. The classification plans
11 for drivers and vehicles are found in AI.4 and 5,
12 respectively, of the application.

13 In effect, the classification plan
14 determines a set of buckets that vehicles and drivers are
15 placed in based on what they drive, where they drive, the
16 purpose they drive, and the risk that the driver brings
17 based on their individuals driving experience. The rate
18 making methodology to assign costs to these buckets is
19 fully disclosed in TI.19, the 2011/12 Basic Program rate
20 making methodology.

21 Essentially, the process is to eval --
22 evaluate the relative cost of all the classification
23 variables; that is, to compare the cost of private
24 passenger vehicles to motorcycles, pleasure rates to all
25 purpose rates, Winnipeg rates to rural rates, and so on.

1 Then we adjust the rates based on those comparises --
2 comparisons in order that the rates truly reflect the
3 risk for each classification bucket.

4 There have also been numerous Information
5 Requests regarding the methodology.

6 MS. KATHY KALINOWSKY: So, in your
7 opinion, is there adequate information on the record to
8 determine rates for each customer, based on the
9 classification categories as prescribed in the
10 regulations?

11 MR. DON PALMER: Yes. We have filed over
12 eight thousand (8,000) pages of evidence, including
13 answers to five hundred and fifty-nine (559) Information
14 Requests that were further divided into one thousand two
15 hundred and eighteen (1,218) sub-questions to provide
16 information in support of our Application.

17 We are very proud of our rate setting
18 methodologies, both in the determination of the overall
19 rate requirement, and the methodologies used to
20 distribute the rate to individual ratepayers. And
21 historically, the Board has endorsed these
22 methodologies. For example, Board Order 157/08 states,
23 and I quote:

24 "MPI's rate setting methodology is well
25 established, thoroughly tested at the

1 annual rate hearings, and actuarially
2 sound and statistically driven."

3 End quote. The Board has found that it
4 had the information to rule on the Basic Autopac rates
5 for the last twenty-three (23) years, and the infor --
6 information filed this year is consistent, if not even
7 more extensive, than it had in previous applications.

8 MS. KATHY KALINOWSKY: Thank you, Mr.
9 Palmer.

10 Ms. McLaren, back to you. Can you confirm
11 that the Corporation accepts that it carries the onus of
12 proving its case to substantiate its General Rate
13 Application?

14 MS. MARILYN MCLAREN: Yes. And the
15 Corporation believes it has provided the evidence to
16 support the Application. To reiterate what Mr. Palmer
17 said, the Corporation has filed over eight thousand
18 (8,000) pages of evidence this year. We've answered five
19 hundred and fifty-nine (559) Information Requests that
20 were broken down into numerous sub-questions. And we've
21 provided as much or more evidence as been done in twenty-
22 three (23) previous rate applications that the Board's
23 relied upon to determine Basic Autopac rates.

24 So yes, in determine -- in terms of
25 providing the Board with enough evidence to be able to

1 approve the Basic Autopac rates, we're convinced that
2 we've done that.

3 MS. KATHY KALINOWSKY: Thank you, Ms.
4 McLaren, and Mr. Palmer. That concludes my direct
5 examination. The witnesses are ready for cross-
6 examination at this point.

7 THE CHAIRPERSON: Thank you, Ms.
8 Kalinowsky. So we'll begin. Ms. Everard...?

9 MS. CANDACE EVERARD: Thank you, Mr.
10 Chairman. Before I begin the cross, I just want to point
11 out an error that I made when I was entering the exhibits
12 for the Board.

13 I indicated that the book of documents
14 submitted this morning would be Exhibit 9; actually, the
15 Information Requests posed to CMMG by the Board are
16 Exhibits 9-1 through 9-9, which would make our book of
17 documents Exhibit 10.

18 So I apologize for any confusion arising
19 from that.

20

21 CROSS-EXAMINATION BY MS. CANDACE EVERARD:

22 MS. CANDACE EVERARD: Ms. McLaren, you've
23 just indicated on direct that the Corporation accepts
24 that it carries the onus of proof in this proceeding, and
25 that it has to substantiate the GRA before the Board?

1 MS. MARILYN MCLAREN: Yes.

2 MS. CANDACE EVERARD: I take it that the
3 Corporation also agrees that it bares the onus of
4 establishing that the proposed rates are just and
5 reasonable? MS. MARILYN MCLAREN: Yes.

6 MS. CANDACE EVERARD: Now, we know that
7 the Corporation is seeking a -- an overall 4 percent rate
8 reduction, and as well is seeking approval for a 12.9
9 percent, or \$92 million rebate to ratepayers.

10 MS. MARILYN MCLAREN: Yes.

11 MS. CANDACE EVERARD: Now, the evidence
12 reflects, I believe, that the 4 percent overall rate
13 reduction stems from two (2) things: one (1) is
14 improvements to the vehicle discount aspect of the DSR
15 program, and the other is the standard experience based
16 adjustments?

17 MS. MARILYN MCLAREN: Yes, that's right.

18 MS. CANDACE EVERARD: The rebate, I
19 believe, according to your pre-filed testimony, Ms.
20 McLaren, stems from a number of factors, including the
21 pending implementation of IFRS, or International
22 Financial Reporting Standards?

23 MS. MARILYN MCLAREN: Yes, that's one (1)
24 of the aspects -- one (1) -- one (1) component.

25 MS. CANDACE EVERARD: Can you advise the

1 Board of the other components?

2 MR. DON PALMER: The other components
3 would be an excess in retained earnings above the PUB
4 target of \$154 million. As at February 28th, 2010, we
5 had a balance in the RSR of about \$224 million. So
6 that's \$70 million excess, which would normally be the
7 rebate, and then added to that the \$21 million in the
8 IFRS adjustment that you mentioned.

9 MS. CANDACE EVERARD: In looking at the
10 reasons that the Corporation has put forward, and I
11 appreciate the -- the evidence that's just been given, we
12 want to ensure that the Board understands what the rebate
13 stems from. And I note that there was an -- an article
14 in the media published in mid-June, right after the
15 application was filed with the Board, and, Ms. McLaren,
16 you were quoted in that article. Apparently the -- the
17 statement that you had made was that the -- the RSR was
18 sitting at around 240 million, that even though the
19 Corporation was proposing a \$92 million rebate, the fund
20 would remain at a comfortable level.

21 Do you remember that article?

22 MS. MARILYN MCLAREN: Yes.

23 MS. CANDACE EVERARD: You also stated,
24 apparently, that there were several factors driving the
25 surplus. You cited fewer crashes, and therefore, fewer

1 damage and injury claims paid out, thanks to a short and
2 milder winter, also, that auto theft was down 75 percent
3 from its peak in 2004 to 2006?

4 MS. MARILYN MCLAREN: Yes, that's right.
5 I think we've answered a number of Information Requests,
6 and Mr. Palmer can speak in more detail about the extent
7 to which the net income last year was driven by lower
8 PIPP costs. But in addition to that, we were
9 significantly under, as well, on some of our collision
10 claims, largely because it was such an unusual winter.
11 Even for the first of -- the first quarter of this fiscal
12 year, March and April were behind, but once we got into
13 May things picked right back up again and we're basically
14 right on budget in terms of that.

15 But I think one (1) of the things that
16 we've said through many years here in these proceedings
17 is that weather is a significant factor, and it did not
18 cost as much last winter, because it was short and -- and
19 milder than normal.

20 MS. CANDACE EVERARD: The article also
21 makes reference to -- and again, this is a statement
22 attributed to you that the -- that the proposed rebate
23 was due in part to the PUB's decision that reigned in the
24 DSR program?

25 MR. DON PALMER: I don't recall that

1 specifically, but when we made application for the DSR
2 program, we had included a -- effectively a rate decrease
3 of about 2.4 percent in increased discounts and -- and
4 lower driver premiums. That was disallowed by the Public
5 Utilities Board at that time, based on a number of
6 uncertainties that they had. When we came forward to the
7 regular General Rate Application, which was only -- we
8 filed that only two (2) months later, those uncertainties
9 largely had not gone away, and -- and we did not apply
10 for a further rate decrease at that time.

11 Now, that would have been effective March
12 1st of 2010. So it really didn't affect our RSR balance
13 for -- as at March 1st, 2010, but would have been
14 included in our six (6) months earnings to the end of
15 August that has been tabled in the second quarter
16 results.

17 MS. MARILYN MCLAREN: So maybe just to
18 close the loop. If I was quoted as saying that it was
19 part of the rebate, that would have been incorrect. I --
20 what I have -- I -- I clearly know I have said, since
21 that time, is that we are on track to have some
22 significant positive net income this year in no small
23 part, because we know we have 2.4 percent more in the
24 rate than we thought we needed for this year.

25 MS. CANDACE EVERARD: Thank you. There's

1 just one (1) other statement from that article that I
2 wanted to ask you about, Ms. McLaren, which was a -- a
3 statement that's attributed to you, that as another
4 factor dealing with extra money in the Corporation that
5 stock and investment markets have rebounded, which helps
6 MPI's bottom line.

7 Is that something that you would have
8 said?

9 MS. MARILYN MCLAREN: Clearly, if
10 investment income is greater than expected when rates are
11 set, then that helps the bottom line for sure.

12 And as we've talked about here, especially
13 in the last couple of years, equity markets have been
14 particular volatile. They have recovered significantly
15 in the last while. I don't think that there was an
16 expectation, you know, when we were sitting here a year
17 ago thinking about rates for 2010. Equity markets are
18 probably doing a bit better than we thought they may have
19 been that long ago.

20 So part of this is related to -- to the
21 delays inherent in the process; we're setting rates well
22 into the future. And when investment income varies from
23 what's predicted, it either helps or hurts the bottom
24 line at the end of the year.

25 MS. CANDACE EVERARD: So is it the

1 Corporation's view at this point that stock and
2 investment markets have rebounded from the events in late
3 2008?

4 MR. DON PALMER: Largely, yes. The
5 investment income that we have this year is ahead of
6 budget. Some of that is due to equity markets. Some of
7 that is also due to the following -- the falling interest
8 rates, which make our fixed income portfolio worth more,
9 so that's also inherent in the increased investment
10 income this year.

11 But compared to where we were in the
12 2008/'09 year in our investment income, subject to check,
13 but I think we were at about \$4 million, which -- and
14 that was up on Basic to \$85 million last year, and we're
15 looking at something higher than that for 2010/'11.

16 MS. CANDACE EVERARD: We'll be getting
17 into a lot of questions about investment income and --
18 and where that all sits in due course. But just, again,
19 coming back to the general idea that the Corporation
20 feels that, I think you said, largely stock and
21 investment markets have rebounded, is there anything else
22 in particular that the Corporation's relying on, or is
23 the -- the evidence that you've just given to support
24 that position?

25 MR. DON PALMER: Part of it is also our -

1 - our conservative investment portfolio. And, again, I
2 know whether we'll -- we'll get that -- into that much
3 further. But we do rely on investment income as an
4 offset in the rate, as I mentioned in my direct
5 testimony, so, yes, we're -- we're happy with our
6 portfolio.

7 We have some changes in the asset mix that
8 we are continuing to -- to implement in a -- in a
9 controlled manner, but, no, we're -- we're happy with
10 that.

11 MS. CANDACE EVERARD: The Corporation
12 would agree though that the market always represents some
13 extent of uncertainty?

14 MR. DON PALMER: Sure, to the extent that
15 -- especially in -- in equity markets. Equity markets go
16 up and down. On the interest rate side, the way that
17 we've classified our fixed income securities with largely
18 an immunization strategy because our liabilities are also
19 interest rate sensitive, that has been -- a lot of that
20 variability has been taken out over the last number of
21 years. Equities comprise about 20 percent of our
22 investment portfolio, so there is uncertainty there, but
23 the other 80 percent is fairly -- fairly set.

24 MS. CANDACE EVERARD: Okay. Thank you.
25 Now, I understand that rate stability as a concept is

1 something that is important to the Corporation.

2 Would that be fair to say?

3 MR. DON PALMER: That's fair to say, yes.

4 MS. CANDACE EVERARD: That's why the
5 Corporation has the RSR, or the rate stabilization
6 reserve?

7 MR. DON PALMER: That's correct.

8 MS. CANDACE EVERARD: And the purpose of
9 the RSR is to protect vehicle owners from rate increases
10 caused by unexpected events or losses resulting from
11 nonrecurring events or factors.

12 That's the definition that I've taken out
13 of the annual report, but I think it's been the same for
14 some period of time.

15 MR. DON PALMER: And it's the definition
16 I have written in my notes, so, yes, we're -- we're bang-
17 on with that.

18 MS. CANDACE EVERARD: Great. I'll ask
19 you then to take a look at PUB/MPI-1-1. That's the IR
20 that deals with rate applications and rate orders
21 granted.

22

23 (BRIEF PAUSE)

24

25 MR. DON PALMER: That one's easy to find.

1 MS. CANDACE EVERARD: Yes. So this
2 reflects a table from 1988 to 2010 of the applied for
3 rate and then the ultimately granted rate by the Board.

4 That's right?

5 MR. DON PALMER: That's correct.

6 MS. CANDACE EVERARD: Now, it looks like
7 since about 1998 -- so if we leave aside for the moment
8 1988 through '96/'97, since '98 the rate changes have
9 been fairly gradual.

10 Would you agree with that?

11 MR. DON PALMER: I would agree with that.
12 There are some ups and there are some downs, but,
13 certainly, smaller numbers that we -- than we saw in the
14 late '80s and early '90s, yes.

15 MS. CANDACE EVERARD: Sure. And there's
16 a range. I mean, we see in 2000 the Corporation applied
17 for a 4 percent decrease, the Board granted at 5 percent
18 decrease. And then we see the opposite swing in a rate
19 increase in '04 when the Corporation applied for a 2.5
20 percent and was given three point seven (3.7).

21 MR. DON PALMER: And just to add some
22 clarification to that 4 percent rate decrease that was
23 increased to five (5); at that point in time we did have
24 a provision built into our rates to rebuild the rate
25 stabilization reserve, and that was as the rate

1 stabilization reserve was built to -- to then levels as
2 prescribed by the Board, that provision was taken out of
3 the rate.

4 So it wasn't really part of the rate
5 requirement, but, rather, the removal of that RSR
6 provision. MS. CANDACE EVERARD: Thank you. And
7 that would relate to the note in the far right-hand
8 column that reads, for that year, "elimination of RSR
9 contribution"?

10 MR. DON PALMER: Yes.

11 MS. CANDACE EVERARD: Now, if we go back
12 to the top part of the table that relates to 1988 through
13 to the late '90s, we see some pretty dramatic or wild
14 numbers in a -- in a couple of the -- the years.

15 Would that be fair to say?

16 MR. DON PALMER: I was in the back row
17 then, and "wild" might be an accurate description, yes.

18 MS. CANDACE EVERARD: And I -- I take it
19 that any kind of dramatic swings are something that the
20 Corporation would like to avoid, and since the late 90s
21 has successfully avoided.

22 MR. DON PALMER: Yes. There -- there was
23 -- and just to -- to correct the record, in the '90s
24 there weren't real swings. They were all up.

25 MS. CANDACE EVERARD: Fair. And I -- I

1 didn't mean the -- the word "swing" to imply an increase
2 or decrease. I simply meant a large rate change year
3 over year. MR. DON PALMER: That's better.

4 MS. CANDACE EVERARD: Now, I take it that
5 the Corporation wishes to avoid large swings or sudden
6 changes in rates because of the risk that those represent
7 to motorists.

8 MR. DON PALMER: I...

9 MS. MARILYN MCLAREN: I think we don't
10 want to put too fine a point on the word "risk". I think
11 it's just -- when we talk about rate stability we always
12 talk about it together with predictability. That's what
13 it really comes down to for motorists. And it's hard to
14 say that -- that a 9.7 percent increase, like we had in
15 1993, poses risk to them necessarily, but it's really --
16 we feel the responsibility to have predictability in the
17 cost of auto insurance on a -- on a regular basis.

18 MS. CANDACE EVERARD: I -- I understand.
19 And I think what the Corporation is saying is that
20 steady, gradual change is best.

21 MR. DON PALMER: Best, but also to the
22 extent that we're covering the expected value of the
23 future costs. So, if there were situations -- all of a
24 sudden some hyperinflation or something of that nature,
25 we would have to adjust the rates to meet that. We still

1 have to cover the costs.

2 So, to the extent that we have forecasting
3 in place, we do have claims control mechanisms in place
4 to control those future costs. We do everything we can,
5 but there may be some external factors that we wouldn't
6 be able to control.

7 MS. CANDACE EVERARD: Definitely. And
8 there would always be elements of uncertainty in the
9 future, whether it's due to market conditions like
10 inflation that you mentioned, or hailstorms, or whatever
11 the case may be?

12 MR. DON PALMER: Not so much hailstorms.
13 In terms of -- we do set our rates to -- to have an
14 average hail year. We do have reinsurance that we
15 purchase to mitigate the cost of any large claims. So
16 that kind of one (1)time past occurrence, it could affect
17 our RSR to a level that we might need a rebuilding plan,
18 but, generally, on a going forward basis, that probably
19 wouldn't affect us that much.

20 The other one you mentioned was in --
21 inflation. Yes, we do include a provision for expected
22 inflation in -- in the forecast period. If it's
23 different than we have forecast, then there would be some
24 -- some variances in that, but -- so that is built into
25 our forecast. The inflation environment in Canada has

1 been very stable over the last twenty (20) years probably
2 now.

3 So we do incorporate that stability into
4 our forecast, yes.

5 MS. MARILYN MCLAREN: But I guess the
6 other thing I would add to that is that, you know, it's
7 the nature of the beast. Of course there's uncertainty,
8 because we're setting rates based on a forecast. Unlike
9 many other products in the marketplace, insurance is
10 priced well before you know the cost of actually
11 delivering the product.

12 So there will always be uncertainty from -
13 - and -- and there will always be variations from the
14 forecast because you're setting rates based on things
15 that haven't happened yet.

16 MS. CANDACE EVERARD: Right. I -- I
17 think we're saying the same thing, that basically there
18 are elements of uncertainty in forecasting or doing
19 projections both on the revenue side and on the expense
20 side because we're crystal balling a little bit.

21 MS. MARILYN MCLAREN: Agreed.

22 MS. CANDACE EVERARD: Now, we'll get into
23 some more detailed questions about the forecasting and
24 projections a little bit later on. But just in general
25 terms for the moment, I understand that forecast and

1 projections done by the Corporation are, in -- in some
2 cases, at least, underlain by assumptions.

3 Is that correct?

4 MR. DON PALMER: That's correct, yes.

5 MS. CANDACE EVERARD: And as we've been
6 talking about, the forecast or projections that are done
7 on a particular issue at a particular time will not
8 always be borne out in reality once time moves ahead and
9 we see actual results in a -- in a particular category?

10 MR. DON PALMER: There will all be --
11 always be variances between forecasts and actual results,
12 yes.

13 MS. CANDACE EVERARD: So I take it then
14 that that would be at least one (1) reason why it's a
15 good idea to make rate changes gradual.

16 Would that be fair to say?

17 MR. DON PALMER: I would not characterise
18 it that way. Rate changes have to be set in order to
19 cover the expected costs -- future costs of the loss
20 transfer. So to the extent that we're in a stable
21 environment, that we have some economic stability, that
22 we have some predictability in our costs, we have sound
23 adjusting methods that control cost to a certain extent,
24 we have various claims control items that I mentioned
25 saved the Corporation about \$40 million, from that

1 standpoint, we try to make them as controllable as we
2 can. But to -- to say that we would gradually change
3 rates as we had a changing economic period or something
4 like that, I don't think that that's necessarily true.

5 MS. MARILYN MCLAREN: Further to that
6 point, we've had a small number of instances over the
7 last few years in these proceedings when the Corporation
8 has had a rate making methodology that has been basically
9 found by this Board to be actuarially sound and
10 statistically driven, the Corporation has come forward
11 with a Rate Application that was not based on the pure
12 actuarial indicator. To use the vernacular, we took a
13 fair bit of flack for that.

14 So we believe that we have a reliable
15 approved, rate making methodology. We believe rates
16 needs to be set based on the actuarial indicator. It was
17 really last year for the first time coming out of some
18 major worldwide economic upheaval and a number of other
19 issues that the Board determined led to uncertainty that
20 they felt comfortable leaving an extra 2.4 percent in the
21 rate. I don't know of another time over twenty-four (24)
22 years that that's happened.

23 So the practice really has been that we
24 rely on the actuarial indicator. There's an expectation
25 of the participants that we bring forward rate

1 applications that rely on the actuarial indicator.

2 MR. DON PALMER: And -- and just to put a
3 finer point on that -- gradual increases. There was one
4 (1) year, 2000 -- for the 2007 GRA -- sorry, 2004 GRA,
5 that we did try to -- your approach of -- of gradually
6 increasing, and had some expected rate increases, and --
7 and had something less than the actuarial indicator, and
8 that was rejected by the Board.

9 So from that standpoint, it's the full
10 expected cost that we would be looking to apply for.

11 MS. CANDACE EVERARD: Thank you. I'm
12 going to ask you then to turn to the Application in
13 Volume I.

14

15 (BRIEF PAUSE)

16

17 MR. DON PALMER: I have it.

18 MS. CANDACE EVERARD: You probably know
19 all this stuff without having to look at it, but it's
20 probably helpful for some to have the reference in front
21 of them, including me.

22 So if we look at page 1 of the
23 Application, near the bottom of the page, we see the
24 beginning of some numbered paragraphs, which seemingly
25 reflect the -- the high points of what it is that the

1 Corporation is applying for.

2 We see under the heading of, "Number 1,"
3 Vehicle Premiums, that the Corporation is:

4 "...applying to use experienced based
5 rate adjustments largely ranging from
6 negative 15 percent to positive 15
7 percent, as shown in AP.2, and based on
8 the adjustment rules also included in
9 AP.2."

10 That's right?

11 MR. DON PALMER: That's correct.

12 MS. CANDACE EVERARD: And then in the
13 next subparagraph, we see that the Corporation:

14 "...is seeking to apply combined
15 classification offset adjustments for
16 all vehicles except for off road
17 vehicles, to achieve revenue neutrality
18 in implementing rate group, rate line,
19 and classification changes for 2011."

20 MR. DON PALMER: That's correct.

21 MS. CANDACE EVERARD: With respect to
22 driver licence premiums and vehicle premium discounts, we
23 know that previously DSR levels 11 through 14 were not in
24 use. So the Corporation is seeking to approve, or have
25 approved driver premiums, and vehicle premium discounts,

1 for those levels?

2 MR. DON PALMER: We are seeking -- could
3 you repeat the question, please?

4 MS. CANDACE EVERARD: Just simply that
5 last year, or I guess in the current year, DSR levels 11
6 through 14 didn't have any people within them, and didn't
7 have specific numbers assigned, and now the Corporation
8 is looking to do that both on the driver premium side,
9 and the vehicle premium discount side?

10 MR. DON PALMER: Yes.

11 MS. CANDACE EVERARD: And then for DSR
12 level 15, the Corporation is looking to increase the
13 vehicle premium discount -- I think it's an increase
14 anyways, but we -- the -- the Corporation would like that
15 to be 30 percent, and then working downward from level 15
16 all the way to a 26 percent discount at level 11?

17 MR. DON PALMER: Yes. It is an increase
18 in discount. We previously had a maximum discount at DSR
19 level 15, and -- of 25 percent. So we are increasing for
20 all of those levels, 11 through 15, as you've mentioned.

21 THE CHAIRPERSON: Ms. Everard, if you
22 don't mind, we're just going to have our break now.
23 We'll be back at 11:00.

24

25 --- Upon recessing at 10:46 a.m.

1 --- Upon resuming at 11:01 a.m.

2

3 THE CHAIRPERSON: Ms. Everard, whenever
4 you're ready.

5 MS. CANDACE EVERARD: Thank you, Mr.
6 Chairman.

7

8 CONTINUED BY MS. CANDACE EVERARD:

9 MS. CANDACE EVERARD: Okay. So Mr.
10 Palmer, we were speaking about, at the top of page 2
11 under the Application, we just spoke about the higher DSR
12 levels on the positive side. And then next subparagraph
13 relates to the demerit side of the scale, that the
14 Corporation is seeking to increase driver licence
15 premiums for DSR demerit levels negative 4 through
16 negative 20 to a maximum of fifteen hundred dollars
17 (\$1,500).

18 That's right?

19 MR. DON PALMER: That's correct,
20 depending on the specific demerit level, yes.

21 MS. CANDACE EVERARD: And we find and --
22 well, again, we'll go through this in more detail later,
23 but we find at AP-1 -- actually, the second-last page of
24 AP-1, the chart or the -- the actual scale that the
25 Corporation is seeking be implemented, and the

1 Corporation has bolded or put in bold font the changes?

2 MR. DON PALMER: Yes.

3 MS. CANDACE EVERARD: Okay. Thank you.

4 Going back to the Application, Item 5 on the list, and
5 just as an aside, is there a particular reason why it
6 skips from paragraph 3 to paragraph 5?

7 MR. DON PALMER: 'Cause we can't count.
8 We -- we just noticed that this morning, as you were
9 going into it, with -- with great chagrin and despair,
10 but there's no reason.

11 MS. CANDACE EVERARD: Don't despair. I -
12 - I a -- asked the question just because sometimes things
13 are done in correspondingly numbered paragraphs, so I was
14 giving you the benefit of the doubt in thinking that
15 maybe there was a reason. But we're -- we're keeping you
16 honest, I guess, 'cause you could have told me that and I
17 -- I would have believed you.

18 So, paragraph 5, relating to service and
19 transaction fees, confirms that the Corporation is not
20 seeking changes with respect to those items in this
21 Application?

22 MR. DON PALMER: That's correct.

23 MS. CANDACE EVERARD: And this -- other
24 than the Corporation is proposing that the late fee
25 structure or late -- late payment fee structure be

1 replaced with interest, and we'll be exploring that more
2 later, and that would take effect in 2012/'13?

3 MR. DON PALMER: That's correct. Just
4 because of the system requirements, we need just a longer
5 time to -- to do that change.

6 MS. CANDACE EVERARD: Thank you.
7 Paragraph 6 relates to permits and certificate fees, and
8 I note that the overall rate change would be applied and
9 that there will be some resulting decrease in permit
10 premiums.

11 Is that right?

12 MR. DON PALMER: That's correct.

13 MS. CANDACE EVERARD: And just so that we
14 all know what we're talking about when we talk about
15 permit and certificate fees, these are the fees that are
16 paid to the Corporation for interim or temporary
17 registration permits?

18 MR. DON PALMER: Yes.

19 MS. CANDACE EVERARD: Okay. And then
20 lastly on the Application under the heading of
21 "Miscellaneous," we so -- we note that the Corporation is
22 not seeking a change in the forty dollar (\$40) discount
23 provided to customers with the IC approved, after-market,
24 or manufactured dealer-installed anti-theft devices?

25 MR. DON PALMER: That's correct.

1 MS. CANDACE EVERARD: Okay. So, with
2 that bird's eye view of what the Corporation is asking
3 for, I'm going to ask you to go, Mr. Palmer, to SM-3.1,
4 because I want to provide the Board with an overview of
5 the rating factor changes that the Corporation is putting
6 forward.

7 So we see on page 2 of SM-3, in particular
8 SM-3.1.A.1 dealing with rate group, under the heading of
9 "Passenger Vehicles and Light Trucks," confirmation --
10 and this is reflected in the -- the first paragraph --
11 that changes to rate group assignments by CLEAR result in
12 revenue changes.

13 That's right?

14 MR. DON PALMER: That's correct, and
15 CLEAR being the Canadian Loss Experience Automobile
16 Rating.

17 MS. CANDACE EVERARD: That was going to
18 be my next question, so thank you.

19 Can you confirm that offset adjustments
20 are applied to ensure revenue neutrality for each of
21 private passenger vehicles and light trucks?

22 MR. DON PALMER: I'll confirm that, yes.

23 MS. CANDACE EVERARD: And this is at the
24 second paragraph in SM-3.1.A, that after the application
25 of these offsets, some two hundred and seventy-one

1 thousand (271,000) vehicles or 38.5 percent of passenger
2 vehicles, light trucks, and heavy trucks rated as light
3 trucks will receive lower rates due to rate group
4 reassignments by CLEAR?

5 MR. DON PALMER: Yes.

6 MS. CANDACE EVERARD: Four hundred and
7 thirty-three thousand (433,000) or 61.3 percent of
8 vehicles will receive higher rates, while about sixteen
9 hundred (1,600) vehicles, less than 1 percent, will
10 remain unchanged?

11 MR. DON PALMER: Yes.

12 MS. CANDACE EVERARD: And of those that
13 will receive rate increases, 64 percent of them are
14 twenty dollars (\$20) or less?

15 MR. DON PALMER: Yes.

16 MS. CANDACE EVERARD: 34 percent, almost
17 35 percent, will increase by between twenty (20) and
18 fifty dollars (\$50)?

19 MR. DON PALMER: Yes.

20 MS. CANDACE EVERARD: And 1.3 percent of
21 the increases, or some fifty-five hundred (5,500)
22 vehicles will increase by between fifty (50) and a
23 hundred dollars.

24 MR. DON PALMER: Yes. And just let me
25 add that these are the results of only the rate group

1 changes and the offsets. So those are not the final
2 changes that we're applying for.

3 MS. CANDACE EVERARD: Understood. Thank
4 you for pointing that out. On the next page, page 3 of
5 SM.3, we see a section entitled, "Motorcycles". And we
6 see that for the year of the Application, 2011/12, and
7 this is for the first time, the Corporation is applying
8 for rates -- for rate groups zero (0) to nine (9) for all
9 motorcycles, mopeds, and mobility vehicle. That's right?

10 MR. DON PALMER: That's correct.
11 Previously the rate groups for small motorcycles, less
12 than a hundred (100) ccs, from mopeds and mobility
13 vehicles, were limited to six (6). And we're just adding
14 the rate groups to fill out that table.

15 MS. CANDACE EVERARD: And what is a
16 mobility vehicle, for the record?

17 MR. DON PALMER: Like an automated --
18 auto -- or a power wheelchair.

19 MS. CANDACE EVERARD: Like a scooter?

20 MR. DON PALMER: Yes.

21 MS. MARILYN MCLAREN: There are some
22 larger ones that are specifically required to be
23 registered under the -- under the HDA. Those are the
24 ones we're talking about.

25 There's lots of power wheelchairs and lots

1 of scooters that -- that people use as mobility that are
2 not required to be registered, and we don't -- therefore,
3 it's not part of the pul -- compulsory insurance program.
4 Those are not what we're talking about.

5 MS. CANDACE EVERARD: Yeah, I actually
6 didn't think that those were required to be registered,
7 so I -- I thank you for pointing that out. Okay.

8 And with respect to this particular
9 change, and this is reflected here as well, that this is
10 driven by the Corporation's expectation of the entry of
11 higher value vehicles into the market?

12 MR. DON PALMER: Sorry, could you -- you
13 repeat that question? I -- I was just checking on the --
14 just a little more on that mobility question -- vehicle.
15 We have one (1) registered in the province.

16 MS. CANDACE EVERARD: Okay. Let's not
17 spend any more time talking about that then.

18 In the -- in the paragraph that's
19 entitled, "Motorcycle", this is coming back to my next
20 question, on the fourth line, this is to do with the --
21 the change that we're talking about and it says that:

22 "Rates were not provided previously for
23 higher value mopeds, mobility vehicles,
24 and motorcycles under a hundred (100)
25 ccs, but are now required due to the

1 expected entry of higher value vehicles
2 into the market."

3 And so my question would be: What is it
4 that leads the Corporation to have that expectation or
5 anticipation?

6 MR. DON PALMER: Well, the one (1)
7 mobility vehicle is valued over eight thousand dollars
8 (\$8,000), so that -- that's one (1). We have to have a
9 ra -- rate for every vehicle.

10 Some of the -- the scooters that are
11 coming on board now are a little more expensive. I don't
12 know that they've reached eight thousand dollars (\$8,000)
13 yet, but they're getting close. So just in preparation
14 for ensuring that there's a classification for every
15 vehicle out there.

16 MS. CANDACE EVERARD: Thank you. Those
17 are my questions with respect to the rate group
18 adjustments.

19 With respect to rate line adjustments, we
20 move into the next section, SM.3.1.A.2. And the
21 Corporation is applying for rate line adjustments to
22 passenger vehicles and light trucks, heavy trucks,
23 motorcycles, motorhomes and trailers with declared values
24 of between twenty-five hundred (2,500) and fifty thousand
25 dollars (\$50,000).

1 Is that right?

2 MR. DON PALMER: That's correct.

3 MS. CANDACE EVERARD: And the purpose of
4 these adjustments is to modify the relative differences
5 between rates charged across the rate group spectrum?

6 MR. DON PALMER: That's correct. The
7 first adjustment is to get them in -- into the right
8 bucket, the CLEAR, and then the second part of that is to
9 adjust the rates in accordance with Manitoba experience.

10 MS. CANDACE EVERARD: Thank you. As
11 reflected on page 4, the next page, as a result of these
12 adjustments - and I -- I appreciate it's only these
13 adjustments, not overall - passenger vehicles and light
14 trucks, 41 percent of them are almost three hundred
15 thousand (300,000) will receive a rate decrease while 53
16 percent, or about three hundred and seventy-seven
17 thousand (377,000) vehicles would receive a rate
18 increase?

19 MR. DON PALMER: Yes.

20 MS. CANDACE EVERARD: Of those receiving
21 increases, the vast majority, some 96 percent would have
22 an increase of less than twenty dollars (\$20)?

23 MR. DON PALMER: Yes, and that's just
24 because we've been doing these rate line adjustments for
25 some time now, and they -- from year to year they don't

1 change much.

2 MS. CANDACE EVERARD: And only about a
3 hundred and thirty (130) vehicles would have an increase
4 in the range of fifty (50) to eighty dollars (\$80) as a
5 result of these adjustments.

6 MR. DON PALMER: Yes.

7 MS. CANDACE EVERARD: And I understand
8 that similar adjustments would be applied to heavy
9 trucks, motorcycles, motorhomes, and trailers, is that
10 right?

11 MR. DON PALMER: Yes.

12 MS. CANDACE EVERARD: But there would not
13 be rate line adjustments applied to mopeds, motor
14 scooters, or mo -- mobility vehicles for the year of the
15 Application and -- is that correct?

16 MR. DON PALMER: That's correct.

17 MS. CANDACE EVERARD: And what's the
18 reason behind that?

19 MR. DON PALMER: Essentially, the reason
20 is that they are -- or require large increases. We've
21 been capping those increases at 25 percent. So until you
22 get the overall rate level adequate, it doesn't make much
23 sense to -- to tweak them further than that because we
24 know we're -- we're capped at the 25 percent anyway.

25 So until we get something closer to rate

1 adequacy for the -- for the mopeds, there likely wou --
2 wouldn't be any further changes.

3 MS. CANDACE EVERARD: Okay. If we
4 continue on to page 7 of SM.3 we have a section on
5 motorcycle body styles. And we see that for the year of
6 the Application the Corporation is introducing sixteen
7 (16) new motorcycle body styles.

8 These are from the Insurance Bureau of
9 Canada, is that right?

10 MR. DON PALMER: Yes.

11 MS. CANDACE EVERARD: Now, the
12 Corporation is still applying for rates using only the
13 current five (5) rating classifications, which are motor
14 scooter, other, sport, sport touring, and touring, is
15 that right?

16 MR. DON PALMER: We are mapping those
17 sixteen (16) into the five (5) existing categories, yes.

18 MS. CANDACE EVERARD: That's for this
19 year. But I note that the Corporation expects to vary
20 future applications based on these new body styles.

21 MR. DON PALMER: Yes. As we get more
22 experience on some of those additional sixteen (16), if
23 we do notice that -- some that are currently combined
24 together into an existing rate group, if there are
25 differentials, then we will recognize that with different

1 rates, yes.

2 MS. CANDACE EVERARD: So the reason that
3 that wasn't done this year was due to lack of experience
4 because these are new?

5 MR. DON PALMER: Yes.

6 MS. CANDACE EVERARD: Okay. If we turn
7 ahead to section SM.3.1.D, which is on page 12 of SM.3,
8 we find the section of the Application dealing with
9 experience adjustments.

10 And we see in the third paragraph that
11 based on the financial forecast method, the overall
12 required or indicated rate change was a decrease of 3.8
13 percent for policies issued during the upcoming year.

14 MR. DON PALMER: Yes.

15 MS. CANDACE EVERARD: And, hence, the
16 Corporation is applying for a 4 percent overall rate
17 decrease?

18 MR. DON PALMER: Yes.

19 MS. CANDACE EVERARD: And we spoke a
20 little bit earlier about the factors behind that. And
21 just to put a bit more precision on it, we see here that
22 about 2.1 percent of that decrease is as a result of
23 changes to the DSR scale, and that is specifically the
24 vehicle premium discounts.

25 MR. DON PALMER: Yes.

1 MS. CANDACE EVERARD: And the remaining
2 1.9 percent of the rate decrease being applied comes
3 through the experience-based adjustments.

4 MR. DON PALMER: Yes.

5 MS. CANDACE EVERARD: Now, if we look at
6 the table on page 13 in SM.3 we see the results of the
7 rate adjustments by major class. So looking at the
8 financial method for private passenger we see an overall
9 proposed decrease of 1.9 percent.

10 MR. DON PALMER: Yes, that's correct.

11 MS. CANDACE EVERARD: For commercial it's
12 a decrease of 2.6 percent, and for public it's a decrease
13 of 8.2 percent.

14 MR. DON PALMER: Yes.

15 MS. CANDACE EVERARD: This reflects an
16 increase for motorcycles of 6 percent and an increase for
17 trailers of 12.7 percent.

18 MR. DON PALMER: Yes.

19 MS. CANDACE EVERARD: And then a decrease
20 in off-road vehicles of 58 percent, which brings us to
21 the overall number of 1.9 percent decrease.

22 MR. DON PALMER: And, again, those are
23 the indicators. That's not what we've actually applied
24 for.

25 MS. CANDACE EVERARD: These calculations

1 are subject to the experienced-based adjustment rules.
2 That's right?

3 MR. DON PALMER: Yes.

4 MS. CANDACE EVERARD: And moving on to
5 those, there have been no changes in those rules since
6 last year.

7 MR. DON PALMER: No.

8 MS. CANDACE EVERARD: And the
9 experienced-based adjustment rules include a 15 percent
10 cap on the positive side, and as well on the negative
11 side?

12 MR. DON PALMER: Yes, except in some
13 specific cases, but, yes.

14 MS. CANDACE EVERARD: Yeah, and I'm --
15 I'm coming to that. There are four (4) exceptions listed
16 to the rules, which are probably what you're referring
17 to. Those are listed on page 14 and 15 of SM-3.

18 In particular, I note that the rules are
19 not applicable to antique vehicles, drive-aways, dealer
20 mopeds, and U-Drive mopeds?

21 MR. DON PALMER: That's correct.

22 MS. CANDACE EVERARD: Also for certain
23 vehicles within the motorcycle major class, including
24 mopeds and motor scooters, there are exceptions.

25 MR. DON PALMER: Yes.

1 MS. CANDACE EVERARD: Namely moped and
2 motor scooter rate increases have been capped at 25
3 percent by the Board in a previous Order, which is Board
4 Order 156/06.

5 MR. DON PALMER: That's correct.

6 MS. CANDACE EVERARD: And if I'm right,
7 in the current Application, and these numbers come out of
8 your pre-filed testimony, the increase proposed for
9 mopeds for the year of the application would have been
10 something between 39 and 64 percent?

11 MR. DON PALMER: Yes, and that's also
12 indicated in -- on page 14 of SM-3.

13 MS. CANDACE EVERARD: Yes, thank you,
14 under 1(a).

15 MR. DON PALMER: Yes.

16 MS. CANDACE EVERARD: And all of the
17 other rates are subject to an overriding 20 percent cap,
18 which was provided for in Board Order 148/04. That's
19 right?

20 MR. DON PALMER: That's correct.

21 MS. CANDACE EVERARD: And can you
22 confirm, sir, that the experience adjustment rules that
23 we've been speaking about are intended to be revenue
24 neutral?

25 MR. DON PALMER: No, I wouldn't confirm

1 that. The experience rules in aggregate come to the
2 negative 1.9 percent. That's the actuarial indicated,
3 and that's what we balance the rates to.

4 MS. CANDACE EVERARD: Okay. Thank you.
5 On page 15 of SM-3, we have a section dealing with
6 special rate adjustments, which is the next piece.

7 And the Corporation has provided there
8 that it uses relative ranking rules to ensure that less
9 restrictive rating categories do not have lower rates
10 than more restrictive ones, which results in special rate
11 adjustments.

12 MR. DON PALMER: Yes. Sometimes with the
13 -- in the small categories you come up -- the -- the
14 numbers give you a rate, or a relativity that intuitively
15 just doesn't make sense.

16 So from that standpoint, as you mentioned,
17 if you have a less restrictive category with a lower
18 rate, we have to fix that.

19 MS. CANDACE EVERARD: And these are
20 adjustments that are done after all of the classification
21 and experience adjustments are done.

22 MR. DON PALMER: Yes.

23 MS. CANDACE EVERARD: And for the year of
24 the Application, the special rate adjustments would
25 affect only about six hundred (600) vehicles.

1 Is that right?

2 MR. DON PALMER: There aren't many,
3 that's correct.

4 MS. CANDACE EVERARD: Okay. If we move
5 then to page 17 of SM-3, we see the revenue adjustment
6 overall impact and, as we know, the Corporation is
7 applying for an overall 4 percent rate decrease.

8 So if we look at what that is comprised
9 of, we see in the top table on page 17 for private
10 passenger, an overall percentage decrease of some four
11 two -- 4.27 percent?

12 MR. DON PALMER: That's correct. That's
13 incorporation of the experience adjustment rules, and the
14 change in the DSR levels.

15 MS. CANDACE EVERARD: For commercial
16 class, it's a decrease of 2.28 percent, and for public
17 it's a decrease of 8.21 percent?

18 MR. DON PALMER: Yes.

19 MS. CANDACE EVERARD: For motorcycles we
20 see an increase of 1.02 percent, and for trailers on
21 increase of 9.81 percent?

22 MR. DON PALMER: Yes.

23 MS. CANDACE EVERARD: And then off road
24 vehicles, we see an applied for decrease of 15 percent,
25 which brings us to the overall 4 percent.

1 MR. DON PALMER: That's correct.

2 MS. CANDACE EVERARD: Okay. So if we go
3 then to the overall effect of that Application and some
4 statistics on what's being applied for, we look at page
5 18 and we see that the rate modelling process for the
6 year of the application deals with about nine hundred and
7 sixty-four thousand (964,000) vehicles, which includes
8 about fifty-one thousand (51,000) off-road vehicles?

9 MR. DON PALMER: Yes.

10 MS. CANDACE EVERARD: And after all of
11 the adjustments that we've spoken about, at the end of
12 the day, sixty -- six hundred and fifty-thousand
13 (650,000) vehicles, or about 68 percent, would get a rate
14 decrease?

15 MR. DON PALMER: Yes.

16 MS. CANDACE EVERARD: And of those
17 decreasing about two hundred and fourteen thousand
18 (214,000), which is about 33 percent, would get a
19 decrease of something less than twenty dollars (\$20)?

20 MR. DON PALMER: Yes.

21 MS. CANDACE EVERARD: About a hundred and
22 ninety-six thousand (196,000), or 30 percent, would get a
23 decrease of between twenty (20) and fifty dollars (\$50)?

24 MR. DON PALMER: Yes.

25 MS. CANDACE EVERARD: About a hundred and

1 eighty-three thousand (183,000), or 28 percent of those
2 getting a rate decrease, would get a decrease of between
3 fifty (50) and a hundred dollars?

4 MR. DON PALMER: Yes.

5 MS. CANDACE EVERARD: And about forty-
6 four thousand (44,000), which is about 7 percent of those
7 getting a decrease, would get a decrease of between a
8 hundred and a hundred and fifty dollars (\$150)?

9 MR. DON PALMER: Yes.

10 MS. CANDACE EVERARD: The remaining
11 twelve thousand (12,000) or so vehicles would get a
12 decrease of more than a hundred and fifty dollars (\$150)?

13 MR. DON PALMER: That's -- that too is
14 correct. Now, those numbers come from our rate modelling
15 exercise, so that's the population of vehicles at a given
16 point in time if we applied the rate changes at that
17 specific time. So the actual numbers as we evolved
18 through the year would -- would be somewhat different
19 than that.

20 MS. CANDACE EVERARD: Probably not
21 materially different?

22 MR. DON PALMER: That's correct.

23 MS. CANDACE EVERARD: Okay. So with that
24 proviso, if we talk about rate increases, it would be
25 about two hundred and six thousand (206,000) vehicles, or

1 21 percent, that would get rate increases?

2 MR. DON PALMER: Yes.

3 MS. CANDACE EVERARD: Of those, about a
4 hundred and forty-seven thousand (147,000) or 72 percent,
5 would have an increase of less than twenty dollars (\$20)?

6 MR. DON PALMER: Yes.

7 MS. CANDACE EVERARD: About forty-eight
8 thousand (48,000), or 23 percent of those with increases,
9 would have an increase of between twenty (20) and fifty
10 dollars (\$50)?

11 MR. DON PALMER: Yes.

12 MS. CANDACE EVERARD: About eight
13 thousand (8,000) vehicles, or 4 percent of those getting
14 increases, would have an increase from between fifty (50)
15 and a hundred dollars?

16 MR. DON PALMER: Confirmed.

17 MS. CANDACE EVERARD: And about eleven
18 hundred (1,100) vehicles, which is only 1 percent of
19 those getting increases, would have an increase of
20 between a hundred and a hundred and fifty dollars (\$150)?

21 MR. DON PALMER: Yep.

22 MS. CANDACE EVERARD: Leaving only about
23 eight hundred and sixty (860) vehicles that would have
24 increases of more than a hundred and fifty dollars
25 (\$150)?

1 MR. DON PALMER: That's correct as well.

2 MS. CANDACE EVERARD: And that leaves
3 about a hundred thousand (100,000) vehicles -- or a
4 hundred and six thousand (106,000) vehicles, which is 11
5 percent of the vehicle population that would have no
6 change in rates?

7 MR. DON PALMER: That's correct.

8 MS. CANDACE EVERARD: Okay. Thank you
9 for that. We'll talk about the Driver Premium piece a
10 little bit later on.

11 So what I'm going to turn to then is a
12 discussion on revenue requirement. So I'm going to take
13 you to the book of documents. You can also go to the
14 TI's if you wish, but we put them in the book of
15 documents just to be a little bit more convenient.

16 So I'll ask you then to start at TI.11,
17 which is at Tab 6 of the book of documents. Do you have
18 it?

19 MR. DON PALMER: We have it.

20 MS. CANDACE EVERARD: Is this going to be
21 Mr. Kramer, so I know who to look at?

22 MR. DON PALMER: Mr. Kramer is anxiously
23 ready at the mic, so yes.

24 MS. CANDACE EVERARD: Okay. So, Mr.
25 Kramer, it's my understanding that TI.11 reflects the

1 forecast from the last GRA compared with the actual
2 figures for the 2009/10 fiscal year, is that right?

3 MR. OTTMAR KRAMER: Yes, for the basic
4 line of business, correct.

5 MS. CANDACE EVERARD: So that would be
6 the fiscal year that ended just in February, about six
7 (6) months ago?

8 MR. OTTMAR KRAMER: Correct.

9 MS. CANDACE EVERARD: Okay. So if we
10 take a look through the schedule, we see with respect to
11 total net premiums written that the expectation, as of
12 last year's GRA, was some 742.3 million, and the actual
13 was about 739 million less than anticipated?

14 MR. OTTMAR KRAMER: Yes, that's correct.

15 MS. CANDACE EVERARD: If we go to motor
16 vehicle premiums on the -- the next line down, we see
17 that the expectation was some 703.5 million, and that the
18 actual result was 702.6 million.

19 So, a different of less than a million?

20 MR. OTTMAR KRAMER: Yes, that's correct.

21 MS. CANDACE EVERARD: With respect to
22 driver premiums, again, we see a fairly slight change
23 from the expectation of 36.4 million to the actual of
24 37.2 million, although in this case the Corporation
25 experienced an increase of just under a million rather

1 than a decrease?

2 MR. OTTMAR KRAMER: Yes, that's correct.

3 MS. CANDACE EVERARD: Next, reinsurance
4 seated was expected as of the last GRA to be a negative
5 of some 10.2 million. It ended as a negative of 12.8
6 million. So about 2.6 million less. Is that right?

7 MR. OTTMAR KRAMER: Yes, that's correct.
8 And that's due to the hailstorm that happened in 2009.

9 MS. CANDACE EVERARD: Thank you. And I
10 was just about to ask you about that, so you beat me to
11 it.

12 Next we see, with respect to service fees
13 and other revenues the Corporation's expectation as of
14 the last GRA was some 13.2 million, and the actual was
15 about 16.5. So an increase of about 3.4 million?

16 MR. OTTMAR KRAMER: Yes, that's correct.

17

18 (BRIEF PAUSE)

19

20 MS. CANDACE EVERARD: Now if we go to
21 earned revenue, we see -- that is the total earned
22 revenue, we see the summary of the pieces that we've just
23 been discussing, resulted at last year's GRA and a
24 forecast of some 742.9 million, and then the actual was
25 about seventy (70) -- 743.6 million.

1 So an increase of about seven hundred
2 thousand dollars (\$700,000). Is that right?

3 MR. OTTMAR KRAMER: Yes, that's correct.

4 MS. CANDACE EVERARD: We see with respect
5 to net claims incurred, in the third section of the
6 document, that at the last GRA the Corporation was
7 expecting some 595.7 million. The actual result there
8 was about 515.7 million. So about eighty thousand
9 (80,000) -- or pardon me, \$80 million less were paid out
10 in claims incurred.

11 Is that right?

12 MR. OTTMAR KRAMER: Yes, that's correct.

13 MS. CANDACE EVERARD: And this was due, I
14 gather, primarily to favourable claims runoff. Is that
15 right?

16 MR. OTTMAR KRAMER: There -- there's
17 several factors influencing it, but that's -- that's one
18 (1) of the factors.

19 MS. CANDACE EVERARD: Do you want to tell
20 us about the other factors while we're talking about
21 this?

22

23 (BRIEF PAUSE)

24

25 MR. OTTMAR KRAMER: Okay. There --

1 there's three (3) main factors that are influencing it,
2 and some of them going in the opposite direction. The --
3 the first factor that I'll -- I'll speak about is
4 interest rates. The interest rate, market rates
5 decreased in the '09/'10 year. And that decrease in the
6 market rates would lower the discount rate on the claims
7 liability, henceforth increase our claims liability and
8 increase our expenses. That was about \$83 million.

9 The second thing, review of our
10 liabilities by the -- by our actuary, and confirmed by
11 the external actuary released about \$88 million of
12 actuarial claims liabilities. Offsetting that was actual
13 experience in the year that was favourable by about \$75
14 million.

15 And those experience gains were split
16 between physical damage that we saw some positive
17 experience due -- as Ms. McLaren had indicated earlier,
18 due to the favourable winter driving conditions, physical
19 damage was about \$22 million under budget.

20 And also we had favourable experience in
21 our -- our PIPP costs, and they were favourable by 53
22 million. The fifty-three (53) plus the twenty-two (22),
23 the seventy-five (75), that's overall experience in gains
24 that we saw. So each of those factors are -- are large.
25 You could, you know, summarize the -- each one (1) of

1 those factors coul -- are looked at independently.

2 The -- the experience gain of \$75 million
3 overall is fairly close to the net claims incurred, a
4 reduction of 80 million, but there's other offsetting
5 factors also that I'd indicated.

6 MS. CANDACE EVERARD: Okay. Thank you.
7 We'll come back to those in the future, but if we go back
8 to TI.11 for a moment, we see with respect to investment
9 income that there was, essentially, no change at the 84.1
10 million from that expected at the last GRA and that which
11 was actually receive by the Corporation.

12 Is that right?

13 MR. OTTMAR KRAMER: Yes. That was very
14 close to the forecast.

15 MS. CANDACE EVERARD: And, so, taking
16 this altogether then, if we look at the net income line,
17 we see that the Corporation was expecting at last year's
18 GRA net income of some 9.5 million. The actual net
19 income was 87.8 million driven, in the most part, by the
20 claims incurred line that we see here.

21 Is that right?

22 MR. OTTMAR KRAMER: Yes, that's correct.
23 There's other minor off-setting factors, but the largest
24 piece that's driving the \$78 million is the claims
25 incurred.

1 MS. CANDACE EVERARD: Thank you. I'll
2 get you to flip over the tab then in the book of
3 documents which will take you to TI.12. That's at Tab 7
4 of the book of documents.

5 Now, TI.12, if I understand it, Mr.
6 Kramer, is a document that reflects figures for the
7 current year, so the 2010/'11 year, and it provides us
8 with a comparison between the numbers for the current
9 year that were given to the Board at the last GRA a year
10 ago versus a revised forecast that the Corporation has
11 been ab -- been able to prepare at the time of the filing
12 of this Application in June.

13 Is that right?

14 MR. OTTMAR KRAMER: Correct, yes. That's
15 -- the revised forecast is based on the time of the
16 application.

17 MS. CANDACE EVERARD: So we see if we
18 look at the net income line at the bottom of the table
19 that as of the time of filing the Application, the
20 Corporation shows a revised net income of some 13.8
21 million, which is about 5.3 million more than what the
22 Corporation thought it would have last year.

23 Is that right?

24 MR. OTTMAR KRAMER: Yes, that's correct.

25 MS. CANDACE EVERARD: And if we look at

1 what appears to be driving that change, we see probably
2 three (3) factors that offset it the most.

3 The first two (2) -- if we look at total
4 net premiums written and total earned revenues, we see
5 offsets in -- in opposite directions of 1.3 million,
6 which would be fairly equal and probably don't really
7 affect the bottom line here.

8 Is that fair to say?

9 MR. OTTMAR KRAMER: Yes, the -- the total
10 earned revenue is changed by 1.3 million.

11 MS. CANDACE EVERARD: If we look at total
12 claims costs, we see that the Corporation was expecting
13 some 733.9 million last year compared with 724.6 million
14 in this GRA, so it's about \$9.3 million less.

15 Is that right?

16 MR. OTTMAR KRAMER: Yes, that's correct.

17 MS. CANDACE EVERARD: We see that
18 investment income is down a little bit by about 2.6
19 percent.

20 Is that right?

21 MR. OTTMAR KRAMER: The 2.6 million or
22 almost 3 percent.

23 MS. CANDACE EVERARD: Pardon me, I
24 apologize. I meant to say "2.6 million".

25 And that, I understand, is primarily due

1 to lower-than-forecasted long-term bond interest rates.

2 MR. OTTMAR KRAMER: Yes, that's correct.

3 MS. CANDACE EVERARD: And then we also
4 see a slight change in the total expenses just a bit
5 higher on the table. The revision from 115.8 million to
6 118.6 million, so an increase of about two point seven
7 (2.7).

8 Is that right?

9 MR. OTTMAR KRAMER: Yes, that's correct.
10 Just -- just for information, we've also in -- in -- this
11 morning we filed our -- our Q2 results. We had updated
12 the -- the forecast for 2010/'11 and that was filed this
13 morning.

14 MS. CANDACE EVERARD: Thank you, and we -
15 - we will have some questions on that. We're just in the
16 process of reviewing it and preparing those.

17 So -- just a moment...

18

19 (BRIEF PAUSE)

20

21 MS. CANDACE EVERARD: If we -- sticking
22 with TI.12, we see on the net claims incurred line that
23 there was somewhat of a decrease between last year's GRA
24 and the filing of this GRA of about 8.1 million.

25 And if we look at the schedule that

1 accompanies this document, the Claims Variance Analysis
2 Schedule 1, we see the derivation of that \$8.1 million
3 decrease. Is that right?

4 MR. OTTMAR KRAMER: Yes, that's correct.
5 I believe that's on page 2. I've got a hole punched
6 through that, but I -- I think that's page 2 of TI.12.

7 MS. CANDACE EVERARD: I agree, it is page
8 2. And we see from that that the -- the \$8.1 million
9 reduction in claims cost is driven by decreases in PIPP,
10 decreases in collision, and then offset by an increase in
11 comprehensive.

12 Is that right?

13 MR. OTTMAR KRAMER: Yes, that's correct.

14

15 (BRIEF PAUSE)

16

17 MS. CANDACE EVERARD: Okay. I'm going to
18 ask you to turn over one more tab in the book of
19 documents to Tab 8, which will take us to TI.13.

20 This is a document dealing with the year
21 of the Application, the 2011/'12 insurance year, and sets
22 out a comparison in the numbers expected by the
23 Corporation for that year in last year's GRA compared
24 with the updated projections.

25 Is that right?

1 MR. OTTMAR KRAMER: TI.13 compares the
2 2010/'11 forecast as at time of Application compared to
3 2011/'12 forecast based on the various methodologies.

4 MS. CANDACE EVERARD: Yes, thank you. I
5 -- I misspoke. I appreciate you pointing that out.

6

7 (BRIEF PAUSE)

8

9 MS. CANDACE EVERARD: Just speaking with
10 Mr. Cathcart briefly, I think the questions that I had
11 for this were prepared before we had the -- the Q2
12 report, so let's -- I think we're just going to leave
13 this for the moment, and we'll prepare some questions so
14 we are working with the most current information; that
15 probably makes more sense.

16 I'll ask you then to turn to TI.15.A,
17 which you'll find in the book of documents at Tab 10,
18 right after TI.15.

19

20 (BRIEF PAUSE)

21

22 MS. CANDACE EVERARD: And if we look at
23 TI.15.A, we'll focus on the right-hand side of the page,
24 which deals with the outlook period from the year of the
25 Application through to 2014/'15.

1 You're with me?

2 MR. OTTMAR KRAMER: Yes, I am.

3 MS. CANDACE EVERARD: Now, it's my
4 understanding that when the Corporation prepares the
5 figures that we see here through the outlook period, it
6 does not include, or contemplate in preparation of those
7 numbers, any rate changes.

8 That's right?

9 MR. OTTMAR KRAMER: That's correct.
10 There are no rate changes as shown on page 3 under the
11 motor vehicle's premium section.

12 MS. CANDACE EVERARD: But those figures
13 do reflect what the numbers would be for these four (4)
14 years if the current Rate Application for the 4 percent
15 rate reduction is granted.

16 MR. OTTMAR KRAMER: That -- that's only
17 for three (3) years. The fourth year would be the
18 '11/'12, which is the year under Application, which we do
19 have a rate in -- decrease for, but it's '12/'13 to
20 '14/'15, which is three (3) years for which there's no
21 rate increase/decrease.

22 MS. CANDACE EVERARD: Right. No changes
23 in those years from the year of the Application, but the
24 year of the Application is presented as though the
25 applied for reduction was granted.

1 MR. OTTMAR KRAMER: Correct.

2 MS. CANDACE EVERARD: Okay. So we see,
3 if we look at the motor vehicle premium line, that the
4 Corporation is expecting increases in the motor vehicle
5 premiums in each of those years.

6 Are those increases due to the volume in
7 vehicle upgrade factors, or are there any other factors
8 that would play into those expectations?

9 MR. DON PALMER: That would include the
10 volume upgrade that you indicated; also, anticipated
11 changes in the DSR program, specifically, not with regard
12 to vehicle premium, but with regard to increased
13 surcharges on the demerit side. Those are built into
14 that.

15 MS. CANDACE EVERARD: And are -- are
16 those the increased surcharges on the demerit side that
17 are part of the pending Application, or are there other
18 ones as well?

19 MR. DON PALMER: We have a -- a four (4)
20 year plan to increase those demerits so they would
21 include what's in the current Application and then going
22 forward.

23 MS. MARILYN MCLAREN: And these go back
24 to the DSR Application where we had a four (4) year plan
25 of increasing demerit point premiums slowly. So this

1 contemplates the four (4) year plan that was initially
2 discussed and proposed, but not formally applied for and
3 approved.

4 So what is formally applied for are just
5 the '11/'12 changes, but the forecast does include the
6 plan we put before the PUB back at the DSR Hearing last
7 year.

8 MS. CANDACE EVERARD: And so the plan is
9 the same as it was at the time of the DSR Hearing?

10 MS. MARILYN MCLAREN: Yes; in terms of
11 demerit points, yes.

12 MR. DON PALMER: And just one (1) other
13 change; we -- we talked about upgrade. That does include
14 a drift in the DSR Plan as well. We -- we do expect more
15 drivers to move up into the higher discount levels.
16 That's included in this as part of the upgrade
17 calculation where previously it wouldn't have been there.

18 MS. CANDACE EVERARD: Okay, thank you.
19 Now, looking at the same document, TI.15.A, we see on the
20 line entitled "Total Claims Costs", at the far left, the
21 forecast for the current year as of the -- the time of
22 filing the Application was some 724 million, and that is
23 set to increase -- or the Corporation expects that it may
24 increase fairly significantly over the years up to about
25 842 million in 2014/'15.

1 Is that right?

2 MR. OTTMAR KRAMER: Yes, that's correct.

3 MS. CANDACE EVERARD: And we know that
4 rates -- the proposed rates put forward by the
5 Corporation are not designed to recover all of the claims
6 costs. Rather, there is consideration given to
7 investment income hoped to be earned as well.

8 MR. OTTMAR KRAMER: Yes, investment
9 income fore -- or in -- in -- is incorporated into the
10 rates.

11

12 (BRIEF PAUSE)

13

14 MS. CANDACE EVERARD: It does appear
15 though, from looking at TI.15.A, if we look at the total
16 earned revenues' line compared with the total claims
17 costs' line, that there is sufficiency there to offset
18 the growth in total claims costs.

19 Is that correct?

20 MR. OTTMAR KRAMER: Yes, that's generally
21 the -- the revenues are growing faster than the claims'
22 costs.

23 MS. CANDACE EVERARD: Now, we see with
24 respect to total expenses that the -- there is an
25 expected dip and a little bit of variation throughout the

1 outlook period with the -- the number changing from about
2 114 or 115 million in 2012/'13 down to a hundred and
3 thirteen (113) in the following year and then up to about
4 116 million in 2014/'15.

5 Is that right?

6 MR. OTTMAR KRAMER: Yes, that's correct.

7 MS. CANDACE EVERARD: Now, given those
8 anticipated -- and I appreciate that they're projections
9 but given those numbers for total expenses through the
10 outlook period, can you advise of why there is still a
11 net income shown, a positive net income, within that
12 three (3) year period given that there are no rate
13 increases included in those years?

14 MR. DON PALMER: A couple of things.
15 First, we are including in these forecasts the change in
16 the commission structure, so that does have a -- an
17 impact going forward. That's going -- and I don't have
18 the exact dates in front of me, but we're now at 4
19 percent, that's going down to 3 percent, and then
20 eventually to 2 1/2 percent in the outlook period, so
21 that is -- is in these numbers.

22 With the upgrade and -- and volume growth
23 that you talked about, those do generate additional
24 premium, so we're right now forecasting that the claims
25 growth won't match that up -- upgrade. So given these

1 forecasts we're probably in the thirteen (13), fourteen
2 (14) time -- timeframe if -- if all holds as expected, we
3 would be coming forward with a rate decrease based on
4 these numbers.

5

6

(BRIEF PAUSE)

7

8 MS. CANDACE EVERARD: Would you be in a
9 position to give us an idea of what that rate decrease
10 might be at this stage, or not?

11 MR. DON PALMER: Not really. I guess
12 what -- what one could do is -- is just take average of
13 successive years, look at what the -- the net income is.
14 Eight million dollars is about a point, so from that
15 standpoint -- I mean, a real ballpark, but other than
16 that in -- we have not done that full rate mockup from
17 that perspective.

18 MS. CANDACE EVERARD: Thank you. Now, I
19 have with me a copy of TI.15.A that was filed last year
20 and I'm happy to provide that to you, if it would be of
21 some assistance. I know you probably don't remember
22 offhand what was in there. Unless you have your own copy
23 of it handy I can ...

24 MR. DON PALMER: It's probably faster if
25 you provide me with a copy.

1 MS. CANDACE EVERARD: I will give you my
2 copy and we'll just put a few figures on the record.

3 If you look at the 2012/13 year reflected
4 in last year's TI.15.A you see, I believe, a projected
5 net income for that year of some 40.4 million, is that
6 right?

7 MR. DON PALMER: That's correct.

8 MS. CANDACE EVERARD: And in the current
9 year's TI.15.A the same figure for the same year has
10 decreased to about 6.7 million, is that right?

11 MR. DON PALMER: Yes, that would be
12 reflective of the 4 percent rate decrease that we're
13 currently applying for.

14 MS. CANDACE EVERARD: Thank you. That's
15 what I was expecting you to say.

16 And the same would be true for the next
17 year, the 2013/14 year, which we see a decrease from
18 about 60 million down to thirty-three point four (33.4).

19 MR. DON PALMER: Yes. And again, rule of
20 thumb, that's about \$33 million decrease in net income.
21 We said 1 -- 1 percent was \$8 million, so 4 percent, \$32
22 million, you get pretty close.

23 MS. CANDACE EVERARD: And are there any
24 other factors that would be driving those decreases from
25 last year to this year?

1 MR. DON PALMER: Well, that includes the
2 whole claims' forecast exercise that we go through on an
3 annual basis. As some of the claims costs have emerged
4 that were less than we expected, we would look at that
5 and adjust our forecasts accordingly, depending on the
6 evolving trends, so that certainly would be part of that.

7 In any of those you actualize the forecast
8 going forward. Our premium growth and our upgrade
9 wouldn't be exactly as we forecast, so those would work
10 themselves through the forecasting period as well, so --
11 so that's probably not material. The change in the
12 claims forecast is probably more material than premium
13 forecast.

14 MS. CANDACE EVERARD: So if I understand
15 your evidence correctly, in the main it's the 4 percent
16 rate decrease and the other factors are ancillary. Is
17 that fair to say?

18

19 (BRIEF PAUSE)

20

21 MR. DON PALMER: I -- I would say the 4
22 percent is the biggest part of that, yes.

23 MS. CANDACE EVERARD: Those are the only
24 questions that I have on last year's TI.15.A, so if
25 everyone's agreed, I won't enter it as an exhibit. Is

1 that okay, Mr. Chairman?

2 Okay. Now, if we go back to this year's
3 TI.15.A we see some fairly significant operating profits
4 anticipated in 2013/'14 and 2014/'15, and you've already
5 commented on what may happen at that point pending how
6 things go.

7 And you've also told us that there are
8 built into these figures driver licence premium increases
9 arising from DSR, as well as the volume factor and
10 vehicle upgrade factors, and the fact that broker
11 commissions are decreasing.

12 Is there anything else that you can think
13 of that's a significant factor that would contribute to
14 those profits being anticipated at this time?

15 MR. DON PALMER: I think that covers the
16 waterfront, so to -- so to speak.

17 MS. CANDACE EVERARD: I take it then that
18 these forecasts do not include or contemplate any savings
19 that the Corporation may enjoy following on the business
20 process review?

21 MR. DON PALMER: No, there are some
22 savings that are incorporated on a going-forward basis.
23 We do anticipate some operating expense savings that are
24 included in that. We do have some anticipated claim
25 savings on the PIPP side that are incorporated into that.

1 They are all built into the forecast.

2 The -- the biggest savings that comes out
3 of the business process review, essentially, is the --
4 sort of indirectly is the change in commission, so that
5 is all part of that as well.

6 MS. CANDACE EVERARD: Okay. Now, we've
7 spoken a little bit about the volume factor and the
8 vehicle upgrade factor.

9 I take it that there have been no changes
10 in the methodology used to determine the volume factor
11 from last year, is that right?

12 MR. DON PALMER: That's correct.

13 MS. CANDACE EVERARD: And perhaps, since
14 we've just been talking about it as the volume factor,
15 you can give a brief explanation of what that is for the
16 purposes of the record, what it in -- includes.

17 MR. DON PALMER: As population grows,
18 there are more cars on the road, so that's just a
19 forecast of how many more cars or -- or vehicles there
20 will be on the road next year than there are this year.

21 MS. CANDACE EVERARD: So more vehicles on
22 the road contributes to the overall premium revenue of
23 the Corporation even in the absence of a rate change; is
24 that right?

25 MR. DON PALMER: That's correct. And

1 that is also incorporated into the claims forecast
2 because those new claims -- or new vehicles on the road
3 also have accidents, so that volume factor is translated
4 into higher claims costs as well.

5 MS. CANDACE EVERARD: Now, I understand
6 that in the last year that -- that finished in February,
7 the 2009/'10 year, that the volume factor was a little
8 bit higher than actually expected. It was anticipated to
9 be about a 2.25 percent increase, and it came in at about
10 2.31.

11 Does that sound about right?

12 MR. DON PALMER: Subject to check, yes.

13 MS. CANDACE EVERARD: Sure. It's in a
14 couple places. One is TI.11, and the other is PUB/MPI-1-
15 7. I'll ask you to go to TI.13 for a moment, which we
16 have looked at a little bit. This reflects in the
17 comments that -- this is -- I'm looking on page 2 of
18 TI.13. It's reflected for the year of the Applic -- or,
19 pardon me, for the current year, that the volume factor
20 being built in is 2 percent.

21 Is that correct for the current year?

22 MR. DON PALMER: We're thinking that that
23 was a typo. It should have been 2 1/4, and I --

24 MS. CANDACE EVERARD: I think so, too.

25 MR. DON PALMER: -- and I think there was

1 a subsequent Information Request -- Request that
2 corrected that.

3 MR. OTTMAR KRAMER: But that Information
4 Request didn't change the amount. It was just a typo in
5 the -- in the -- in the description there, saying 2
6 percent. It should have been at the 2 1/4 that Don had -
7 - Mr. Palmer had indicated.

8 MS. CANDACE EVERARD: Thank you. And you
9 can confirm as well that the Corporation is using a
10 volume factor of 2.25 percent going forward and through
11 the outlook period?

12 MR. OTTMAR KRAMER: That is correct.

13 MS. CANDACE EVERARD: Okay. With respect
14 to the vehicle upgrade factor, you can confirm that there
15 have been no changes in the methodology from last year?

16 MR. DON PALMER: I'll confirm that.

17 MS. CANDACE EVERARD: And can you give us
18 a brief description of what the vehicle upgrade factor
19 represents?

20 MR. DON PALMER: Sure. Generally, the
21 upgrade factor is that people get rid of old cars and buy
22 new cars. So, the new cars come in at higher value and
23 higher rate group than the old ones, so that in itself
24 drives a higher premium revenue. That's the bulk of it.

25 There -- there are some other, more subtle

1 is now forecasting 2.5 percent for the current year, and
2 as well for the year of the application?

3 MR. DON PALMER: Yes.

4 MS. CANDACE EVERARD: Now, the Board
5 asked the Corporation in an IR on volume and upgrade
6 factors, and it's at Tab 15 of the book of documents.
7 And what the Board asked the Corporation to do was to
8 rerun some of the financial schedules, including TI.15
9 and TI.15.A, for different percentage scenarios, what the
10 -- what the numbers would look like if a different volume
11 or upgrade factor was included.

12 And we see, if we look at the -- for the
13 premium upgrade -- so I'm in attachment B to this IR, so
14 it's 1-7(b), attachment B, and it's the rerunning of
15 TI.15 and TI.15.A. That's probably actually the -- the
16 better one to look at, is the rerunning of TI.15.A. So
17 this is page 6.

18 We see that there are some changes in
19 anticipated net income, and if we compare that to the
20 actual TI.15.A that the Corporation filed with the
21 Application, which is back at Tab 10, we see that the --
22 the changes in net income at the end of the day, with
23 that half-percent increase for upgrade factor, are not
24 particularly significant. And what I'm pointing to is if
25 we look at the forecast for the current year, 2010/11, we

1 see a net income of 13.8 million increasing to some 14
2 million, as an example.

3 Is that correct?

4 MR. DON PALMER: That's correct.

5 MS. CANDACE EVERARD: And that -- would
6 you agree that sort of across the board for all of these
7 years, the increase isn't particularly substantial?

8 MR. DON PALMER: And that goes down based
9 on the assumptions that I talked about earlier, that if
10 you have different growth assumptions, or upgrade
11 assumptions, that also leads to different claims
12 assumptions; more cars on the road that have accidents.
13 If you have more expensive cars on the road, you'll have
14 more expensive accidents.

15 So those increases or -- or changes that
16 not only work through the premium forecast, but also
17 through the claims incurred forecast as well. So that's
18 -- the two (2) are offsetting, and that's why there
19 really isn't significant changes, as you have pointed
20 out.

21 MS. CANDACE EVERARD: Thank you. And if
22 we go to the last page of that IR, 1-7(d), which is the
23 last page at Tab 15 of the book of documents, we see a
24 historical analysis of what the Corporation put forward,
25 (a) at the GRA, and then at -- at -- as a revised

1 forecast with respect to both upgrade and volume factors,
2 and that is compared with -- for both pieces, the actual
3 experience. So here's the -- the two point three (2.3)
4 and the two point eight (2.8), Mr. Palmer, that I was
5 asking you about before.

6 But we see, with respect to the upgrade
7 factor, if we look in the actual column, and look under
8 the "financial model" heading, that there has been a
9 fairly marginal decline in the upgrade factor over the
10 last ten (10) years or so. We see 4 and 5 percents in
11 the early 2000s, and that coming down to about 2 or 3
12 percent in the last five (5) years.

13 Is that right?

14 MR. DON PALMER: That's correct. And
15 that's due to a couple of factors. For -- first there's
16 -- there has been a bit of an economic slow down and less
17 people buying new vehicles. That's part of it.

18 The other part of it may be more so going
19 back four (4) or five (5) years, is it really slowed down
20 when we changed the rate line. We talked about that
21 earlier. That we've changed the slope of the -- the top
22 of -- top end of that rate line, so there isn't as much
23 difference in rate group in those new vehicles coming in
24 as -- as there used to be. So that's -- it's not only a
25 number of veh -- new vehicles coming in, but it was the -

1 - it's the actual rates that are being charged to those
2 vehicles as well.

3 MS. CANDACE EVERARD: Thank you. And
4 just one (1) final question on this topic. I asked you
5 about the current year, and the year of the Application,
6 and the upgrade factor being used was 2.5 percent.

7 It's my understanding that that is also
8 the case throughout the outlook period.

9 MR. DON PALMER: Yes.

10 MS. CANDACE EVERARD: Thank you. Mr.
11 Chairman, I note the time and I'm about to move into a
12 new area, so perhaps this would be a -- a good time for
13 lunch. And I think we're returning at 1:15 for the
14 presenters.

15 THE CHAIRPERSON: That's fine, Ms.
16 Everard. Thank you.

17

18 (MPI PANEL RETIRES)

19

20 --- Upon recessing at 12:05 p.m.

21 --- Upon resuming at 1:17 p.m.

22

23 THE CHAIRPERSON: Okay, welcome back. We
24 have a session now for presentations to the Board. We
25 have one (1) written letter that I was just inquiring on,

1 and it seems like the simplest way of dealing with it is
2 to just read it in the record.

3 Ms. Everard...?

4 MS. CANDACE EVERARD: Thank you, Mr.
5 Chairman. This is a letter received from a member of the
6 public. His name is Edward Tokar (phonetic), and the
7 letter will be entered onto the record in this
8 proceeding, but it reads as follows:

9 "To Whom This May Concern: I have just
10 three (3) questions the Board should
11 ask MPI on behalf of disgruntled,
12 dismayed, and captured prisoners.
13 Number 1. Does MPI have the regulatory
14 or statutory power to close a multi-
15 million dollar property, and donate it
16 as they please? To my mind, this is
17 conversion of funds, and borders on
18 criminality.

19 Number 2. Why doesn't MPI properly
20 notify us poor premium payers of the
21 total cost of our/their operations?

22 Number 3. If 1 and 2 above are
23 legitimate, and I, and thousands others
24 like myself, question their tactics, I
25 would submit that a public inquiry must be

1 ordered."

2 And then it's signed, Respectively, Edward
3 Tokar.

4 THE CHAIRPERSON: Thank you, Ms. Everard.
5 Now we'll move to the presentations. I understand
6 there's four (4) of the registered presenters are
7 available, so we'll start with Mr. Forman of the Manitoba
8 Association of Automobile Clubs.

9 Mr. Forman, if you want come here, you
10 could speak directly into the mic.

11 As you know, our -- our jurisdiction is
12 relatively limited, so we would appreciate it if you
13 could restrict yourself to no more than fifteen (15)
14 minutes, if you wouldn't mind.

15 Please proceed, sir.

16

17 PRESENTATION BY MR. GORDON FORMAN:

18 MR. GORDON FORMAN: Thank you very much.
19 I'm here to make a request of MPI for a -- a plate
20 program. I represent the Manitoba Association of
21 Automobile Clubs, which is MAAC.

22 We are requesting that the Manitoba Public
23 Insurance Corporation institute changes to allow a
24 collector plate, and a year of manufacturer plate, and
25 that under these programs, only one (1) plate be

1 required.

2 In cooperation with the Antique Motorcycle
3 Club of Manitoba, Inc., the Bison Chapter of the Antique
4 Motorcycle Club of America, the Canadian Vintage
5 Motorcycle Group, and the Prairie Command Military
6 Vehicle Association, we ask that motorcycles and military
7 vehicles be included in this request.

8 MAAC represents over sixty-two (62) car
9 clubs in Manitoba. Each year, MAAC organizes their
10 calendar of fund raising events, and charity benefits.
11 Every year, a local advertiser publishes over eight-eight
12 (88) events in booklet form in quantities of over forty
13 thousand (40,000) that are distributed throughout the
14 province.

15 Almost every summer weekend is full of
16 automotive events. Manitoba has always had a love of the
17 automobile, and the car culture is bigger here than most
18 other places in Canada.

19 Many businesses depend on this hobby that
20 generates millions in sales each year. Nearly one
21 hundred thousand (100,000) Manitobans are actively
22 involved in this hobby in one (1) way, or the other.

23 Manitoba takes pride in being the birth
24 place of movie stars, home of sports greats, literary and
25 music celebrities. What about promoting our reputation

1 for the automobile?

2 Our polls indicate that some six thousand
3 (6,000) collector cars, and four hundred (400) collector
4 trucks are eligible for registration in Manitoba. Our
5 polls also note that some fifteen hundred (1,500) owners
6 have more than one (1) vehicle register at one (1) --
7 registerable at one (1) time.

8 Few provinces can boast of such
9 participation. In all, the Manitoba car hobbyists total
10 more than twenty-four thousand (24,000). At any of the
11 events hosted by the Club, you can expect to see
12 thousands of people appreciating the amazing quality of
13 the automobiles. These hobbyist connect with many
14 Manitobans, and leave a lasting, good, impression.

15 Most clubs raise money for charities.
16 This is the way this hobby is expressed. We love to show
17 off our automobiles. The Children's Foundation, the
18 United Way, Rainbow Society, Heart and Stroke Foundation,
19 Manitoba Brain Injury Association, and the Manitoba Lung
20 Association, to name even but a few, have benefit greatly
21 -- benefited greatly from this love of our cars.

22 Our present licensing system poses several
23 problems for the car hobbyist and MPI. Registering our
24 vehicles by an agent is fraught with confusion and error
25 due to either lack of knowledge of the system or

1 classification of the vehicles.

2 Owners of more than one (1) vehicle are
3 resorting to the Dealer Plate Program to facilitate their
4 use of one (1) vehicle at a time. Some owners of the --
5 used the Vintage Plate Program improperly with some
6 registrants driving their vehicle outside the intended
7 conditions of the plate because of inadequacies of the
8 current plate system.

9 There is a solution for these problems.
10 We would like MPI to adopt a specialty plate program, the
11 same as the one used in British Columbia, BC. This
12 solution has had several years of testing now and will be
13 in harmony with that other province.

14 BC provides special consideration for
15 these cars with a Collector Plate/Insurance Program. The
16 Insurance Corporation of British Columbia, ICBC, offers
17 three (3) kinds of registrations under the Collector
18 Plate Program. One (1) is for collector cars, vehicles,
19 which must be at least twenty-five (25) years old, or
20 fifteen (15) years old and a limited production model, or
21 made by a manufacturer out of business for at least five
22 (5) years.

23 A second is for a modified collector
24 vehicle, which is a manufacturer's make of 1958 or older
25 whose body, chassis or power train have been altered by

1 someone so that the vehicle resembles but no longer is
2 identical to the original vehicle.

3 The third is for modified vehicles whose
4 body, chassis, power train, steering and/or brakes
5 components ha -- may have come from various manufacturers
6 and may have been altered by someone so that the vehicle,
7 again, resembles but no longer is identical to an
8 original vehicle. These vehicles cannot be driven to
9 work.

10 Another facet of the ICBC Program is the
11 ability to register more than one (1) vehicle under one
12 (1) plate number. This relieves the misuse of the dealer
13 plate licence.

14 A collector plate provides other benefits.
15 With the Collector Car Plate Program these cars would be
16 easily identified and recognized for automotive history.
17 Should future regulations affect these heritage vehicles,
18 these classifications will identify the vehicles for
19 separate considerations. Nearly every province and state
20 has granted various program exemptions to heritage
21 vehicles.

22 Law enforcement will also benefit. Those
23 who enter Ontario, where the Clean Drive Program mandates
24 out-of-province vehicles are subject to spot checking but
25 the collector type is exempt, will appreciate the

1 distinction.

2 Manitoba for -- enforcement officers will
3 recognize the classification for equipment issues. The
4 collector plate will immediately identify the vehicle as
5 having a se -- specific set of regulations.

6 Part of the ICBC Program is a collector
7 motor vehicle agreed value policy. This does have
8 implications for MPI, namely evaluations. Affiliated
9 with the National Association of Automobiles Clubs
10 Canada, NAACC, we anticipate their standardized format
11 for vehicle appraisals will allow clear and accurate
12 appraisals that will hold up to scrutiny in any province
13 in Canada.

14 The NAACC Program is aimed at keeping
15 appraisals professional and reliable from province to
16 province. Additionally, both the consumer and MPI will
17 be protected to a greater degree.

18 We would ask that MPI update its list of
19 current independent appraisers and that MPI follow, or
20 even rely on, the listing of the appraisers per province
21 as per the NAACC website. These appraisers have agreed
22 to follow the established appraisal guidelines.

23 Through NAACC we have, as a consult, Nigel
24 Mathews, the original architect of the ICBC programs. We
25 proposed to work together with MPI as we have done so

1 well in the past, to implement these changes with as few
2 complications as possible.

3 Also, for consideration is the
4 implementation of a year of manufacturer plate. For an
5 older vehicle nothing works better to advertise this era
6 than displaying a numbered plate from the year of its
7 manufacturer. Several US states, including our
8 neighbouring state of Minnesota, along with Alberta and
9 the Yukon support a program -- this program.

10 In addition, we ask that only one (1)
11 plate displayed on the rear of the vehicle be required
12 under this program. Many vintage vehicles were not
13 designed to display a front plate. Alberta,
14 Newfoundland, Labrador, Northwest Territories, Yukon,
15 Nova Scotia, Nunavut, Prince Edward Island, Quebec,
16 Saskatchewan, do not require a front mounted plate.
17 Other than Manitoba, only BC, New Brunswick, and Ontario
18 do.

19 As well, our neighbouring state Minnesota
20 does not require a front plate on speciality vehicles.
21 If a year of manufacture plate is allowed, this will
22 alleviate the difficulty of finding a match set of
23 numbered plates for the year. Details of the Collector
24 Car Plate Program, from ICBC are readily available at the
25 ICBC.com website, and as always, MAAC is ready and

1 willing to work with MPI on final details for Manitoba.

2 In the first week of August, our Minister
3 of Culture, Heritage and Tourism, Flor Marcelino, greeted
4 the owners of some one hundred (100) plus vintage
5 vehicles participating in the coast-to-coast 2010 cross
6 Canada tour. Mrs. Marcelino indicated that Manitoba, in
7 particular, was especially proud of the heritage of the
8 automobile. The collector plate will further identify
9 that pride for Manitobans.

10 We look forward to working with MPI on
11 these requests. Thank you very much.

12 THE CHAIRPERSON: Thank you, Mr. Forman.
13 Now the usual outcome of presentations is that MPI would
14 write you and -- and copy the Board with a response to
15 your presentation. So thank you for attending. It's
16 very interesting information that you provided. Thanks
17 again.

18 MR. GORDON FORMAN: Very good. Thanks
19 for hearing me.

20 THE CHAIRPERSON: Mr. Evans...

21

22 (BRIEF PAUSE)

23

24 DR. LEN EVANS: I wonder if I could take
25 half a minute and direct a question to MPI. People asked

1 to have licence plates with special names on them or a
2 special word, and I'm wondering, do you check out these
3 requests, these names, or these words to ensure they
4 don't cause anyone else harm or problems?

5 MS. MARILYN MCLAREN: Yes, we do.
6 Occasionally, after the fact, someone will express a
7 concern. On occasion, authorization for a personalized
8 licence plate has been withdrawn based on a complaint
9 that surfaced after the plate was on the street, but most
10 of it we were able to identify on the front end and --
11 and just disallowed from the beginning.

12 DR. LEN EVANS: A couple of weeks ago a
13 friend of mine was driving on Main Street. She happened
14 to have her camera with her and she took a picture of the
15 vehicle ahead of her. And the licence plate said, L
16 EVANS (phonetic). L EVANS, have you heard of him? L
17 EVANS. I don't know who it is. I'm not overly
18 concerned, but I thought, Gee it's strange, wouldn't --
19 do you -- you know, do you check out whether you're
20 duplicating other person's names?

21 I'm sure this -- he may be a good -- he or
22 she may be a very good person, but he or she wanted my
23 name, their name, I guess, on their licence plate. So
24 they're driving around Winnipeg, L EVANS at the back of
25 their -- I think it was a van.

1 MS. MARILYN MCLAREN: I'm quite confident
2 in assuring you that their name would need to also be L
3 EVANS. We wouldn't issue -- we would not allow a plate
4 like that for M MCLAREN (phonetic).

5 DR. LEN EVANS: Yeah. Well that's fine,
6 as long as he or she doesn't get into any trouble with
7 the vehicle and suddenly, Who's this L. Evans person.
8 Okay. Thanks.

9 THE CHAIRPERSON: Thank you. Thank you,
10 Mr. Evans and Ms. McLaren.

11 The second presenter would be a -- a Ms.
12 Jill Ruth. Are you here? If you wouldn't mind coming
13 up, you can -- the microphone is at the front here.

14

15 (BRIEF PAUSE)

16

17 THE CHAIRPERSON: You could begin at any
18 time.

19

20 PRESENTATION BY MS. JILL RUTH:

21 MS. JILL RUTH: Thank you, Mr. Chairman,
22 members of the Board, ladies and gentlemen. My name is
23 Jill Ruth, and I am the President of Headingley Sport
24 Shop Limited, a power sports dealership just outside of
25 Winnipeg. Our dealership has been selling and servicing

1 motorcycle, all terrain vehicles, snowmobiles, and
2 related safety gear in Manitoba for forty-one (41) years.

3 I'm also the chairperson of a newly formed
4 power sports committee inside of the Mid-Canada Marine
5 Dealers Power Sports Dealer Association (phonetic). This
6 committee was formed to address several issues related
7 specifically to the power sports industry, and our
8 association currently has seventy (70) dealer and
9 associate members.

10 We understand to date that the dealer base
11 of the motorcycle industry has gone mostly unheard. We
12 admit to being negligent by allowing only the CMMG, a
13 not-for -- for-profit user group, to make their concerns
14 heard, with the hopes that they, the people, would have
15 more impact on the industry.

16 There has been little cooperation amongst
17 our rather immature industry to address the continued
18 prejudicial treatment of motorcyclists in Manitoba by
19 MPIC. We have stood by watching various groups present
20 rational arguments to the Board and MPIC, with very
21 little results.

22 We believe that the MCMPDA, the Mid-Canada
23 Marine and Power Sports Dealer Association, has found its
24 voice and, with the support of our members, want to plead
25 our case to the Public Utility Board about the

1 prejudicial treatment of the motorcycle user and
2 therefore the industry.

3 In reading the documents, there's several
4 points that we want to make today; all the documents that
5 are on the MPIC site and that are here for the -- at the
6 Public Utility Board to read. We understand that the
7 driver safety rating, MPIC is making application to --
8 for a decrease of 4 percent and a two (2) -- twelve point
9 nine (12.9) rebate through a number of internal cost
10 savings and restructuring, but we motorcyclists are still
11 the -- the target of prejudicial practices by not
12 offering the same discount levels in the diver safety --
13 safety rating. Why would motorcyclists only be offered
14 up to a -- a rating of nine (9) when an automotive driver
15 can earn a rating of up to fifteen (15)?

16 In regard to annual rebates, we argue that
17 continued annual rebates to all ratepayers comes in part
18 to the overcharging of premiums and that -- that
19 motorcyclists contribute to, in a larger portion, by
20 these overcharged premiums. We also want it -- want it
21 to -- to be known that we resent any extra monies being
22 funnelled out of the reserve to areas other than that
23 related to the insured and their rates.

24 The third topic that I wanted to bring up
25 was single-user discounts. We were thinking that what --

1 we would like to ask why this type of discount structure
2 is not in place for motorcycles. If a ratepayer owns
3 more than one vehicle, including a motorcycle, he or she
4 cannot operate more than one vehicle at one time; yet we
5 are charged individually for each vehicle.

6 As the premium is related to risk, and if
7 the ratepayer signed a single user agreement, we would
8 suggest that he or she should then qualify for a multiple
9 vehicle rate decrease.

10 The fourth item would be singling out a
11 user group, and therefore an industry. The continued
12 increase of premiums on this sector is methodically
13 forcing our customer base to drop out of motorcycling.
14 We all know that insurance industry relies on the
15 collection of premiums from a body of users to cover the
16 costs of claims. As the total premiums collected from
17 this user group shrink due to the declining users,
18 economies of scale skew data to make it become more and
19 more necessary to increase premiums. This cycle has been
20 perpetuated year after year.

21 Does MPIC not have the responsibility to
22 provide the service to those who wish to purchase it
23 without bias? It appears to us that the singling out of
24 one (1) user group and mandating consistent rate hikes
25 comes from the will to eliminate risk and, therefore, the

1 motorcycle industry.

2 If MPIC does not want risk, then they
3 should consider getting out of the insurance business,
4 or, more specifically, if they do not wish to insure
5 motorcycles in Manitoba, please allow us to shop
6 elsewhere.

7 The fifth item I wanted to bring up was
8 business and mandatory government controls. A motorcycle
9 dealer not only has to contend with the competition in
10 the marketplace, making their name known, providing
11 exemplary service, staffing, taxes and all the usual
12 challenges of business in these times, only to find their
13 prospective customer chooses to not purchase their goods
14 because of another mandatory body who has deemed that
15 this product is not in their best interest to serve -- a
16 mandatory body who claims to be fair and who claims to
17 serve the public. How does this -- how does a business
18 compete with that?

19 A sixth item that we have to address would
20 be the motorcycle industry and its contribution to the
21 economy in Manitoba. The motorcycle industry has much to
22 offer the economy of Manitoba through employment, and tax
23 revenues. According to the 2009 Annual Can -- Canadian
24 Dealer Survey Report, the average dealer in this industry
25 employs approximately seventeen point three (17.3) people

1 on a year round basis, spends approximately seventy-nine
2 thousand (79,000) annually on advertising, generates
3 approximately 4.9 million in retail, or four hundred and
4 thirty-three thousand (433,000) in provincial taxes each
5 year.

6 We do not have -- we do have a following
7 of consumers, albeit shrinking, that have continued to
8 support us. It is our responsibility to be vigilant in
9 making the Public Utilities Board aware that we cannot
10 sustain our business -- businesses with the continued
11 signal -- signalling out of our particular user group.

12 And all the information I provided here is
13 re -- is available to be viewed on the Manitoba -- M --
14 MMIC.ca site.

15 The seventh item I wanted to bring up was
16 efficient vehicle use, and sustainable transportation.
17 If MPIC is truly interested in the promotion of efficient
18 vehicle use, and sustainable transportation, why then do
19 they not support the success of our industry?
20 Motorcycles are well known to offer excellent fuel
21 efficiencies, and many other agencies in many other
22 countries embrace this type of transportation.

23 The eighth item would be MPIC's mandate to
24 offer affordable insurance for all. In Ms. McLaren's
25 pre-filed testimony, she states that one (1) of MPIC's

1 mandates is to provide universally available mandatory
2 insurance protection against the cost of automobile
3 accidents, rates lower than those charged by private
4 insurance companies for comparable coverage, affordable
5 insurance for all at a rate that is better, or
6 comparable. We argue that MPIC has -- has up -- has not
7 upheld this mandate, and is in fact not charging rates
8 lower than those offered by private insurance companies
9 for -- for comparable coverage.

10 Further, the rates for motorcycles are
11 neither affordable, better, or comparable. Please find
12 the rates I found online by using can -- a Canadian
13 address with relative ease through Goggle from -- from a
14 premium insurance company. And I -- there's -- there's
15 four (4) items there. They're all Kawasaki motorcycles,
16 that's what we sell, and I just picked a random mixture.

17 Ninja 250, a very small displacement
18 motorcycle, for premium, their rate is four hundred and
19 ninety-seven dollars (\$497) a year; MPIC is two thousand
20 and forty-eight dollars (\$2,048) a year. The difference
21 is 412 percent higher.

22 For a 2010 KLR650, seven hundred and
23 sixty-four (764) compared to sixteen eighty-eight (1,688)
24 by MPIC, 220 percent higher.

25 A 2010 Vulcan 900, nine hundred and ten

1 dollar (\$910) premium, MPIC is 95 percent higher.

2 A ZX10, the premium -- premium -- premium
3 is sixteen seventy-three (1,673), MPIC is 70 percent
4 higher.

5 And I -- and every case I used the million
6 dollar third party liability, five hundred dollar (\$500)
7 deductible, and took the absolute best premium I could
8 from Autopac with a 25 percent discount level in an all
9 purpose environment.

10 And unfortunately, I didn't bring my
11 attachments. I had trouble with my copier at the last
12 moment, so I can provide them if -- if we need them.

13 The nin -- ninth item I wanted to address
14 was poor service for motorcycle claims. Ms. McLaren also
15 states in her pre-filed testimony that MPIC's mandate is
16 to minimize, or -- the public insurance -- public in --
17 inconvenience, pardon me, in insurance claim procedures.
18 We argue that MPIC pra -- provides poor service when it
19 comes time to take -- make a motorcycle claim. MPIC has
20 made no effort to understand our in -- industry, or to
21 adjust hourly allowances to be in line with our
22 industry's hourly rate.

23 Generally, motorcycle dealerships take a
24 40 percent cut in pay to work with a claim -- a client
25 who has an MPIC claim. Claims adjusters routinely are

1 unavailable, and take three (3) to four (4) days to
2 return calls. Both the repair depot and the customer are
3 frustrated with the level of service compared to the
4 premium collected. Just another way that MPIC chooses to
5 make it less attractive to own a motor -- a motorcycle in
6 Manitoba.

7 The eleventh -- the tenth item is the MPIC
8 directives. The question is as -- as to how MPIC
9 receives its direction is somewhat unclear to me, the
10 organizations that I represent, and also many of my
11 customers. I have heard many assumptions as I interact
12 with our motorcycle customers.

13 One (1) theory I've heard is that MPIC
14 only reacts to votes. It's the voters that they want to
15 appease, and therefore they have chosen the largest voter
16 group to build their lowest rates for. I'm concerned
17 about the small voter group who will be forced to give up
18 their chosen hobby or passion.

19 I am sure that this theory would be denied
20 by the highest level of admi -- administration with MPIC,
21 but no matter whether this is true or not, I believe that
22 the Public Utilities Board has the authority to stop the
23 continued persecution of the motorcycle industry and can
24 give Manitobans, including mot -- motorcyclists back the
25 right to universally affordable mandatory insurance, as

1 was the true intention of MPIC when it was formed in
2 1971.

3 And the eleventh item I'd like to bring up
4 is working with industry when implementing mandatory
5 services. We would be remiss in not taking this
6 opportunity to mention that the mandatory safety course
7 that MPIC has in -- instated, when it was -- prior to its
8 implicat -- implementation, no dealer groups were
9 approached to cons -- to consider how the implementation
10 of such a product would immediately affect their
11 businesses, as the backlog of untrained users had to wait
12 as they slowly worked themselves through the newly
13 mandated and understaffed training facility.

14 We understand that consultation did go on
15 between MPIC and CMMG, who is a user group that was
16 grandfathered out of taking mandatory training. The
17 motorcycle industry adapted, once again, to another
18 mandatory obstacle to -- in doing business in Manitoba,
19 and the immediate problem of driver's not being able to
20 get licensed eventually worked its way through the
21 system.

22 Training, however, is -- is always
23 valuable, and we respect that MPIC has taken tep -- steps
24 to help the new rider to become more aware.

25 We would ask that we be approached in

1 future to offer our concerns on the topics directly
2 related to our industry.

3 I thank the Board for hearing our
4 concerns, and hope that both MPIC and the Public Utility
5 Board appreciate that the motorcycle industry is
6 comprised of residents and taxpayers, working to make a
7 living for themselves and their staff, and struggling to
8 maintain our business under the weight of heavy and
9 overzealous regulation. Respectfully submitted. Thank
10 you.

11 THE CHAIRPERSON: Thank you, Ms. Ruth,
12 and thank you for taking the time to come today. If you
13 provide us with those attachments, we'll make sure they
14 get distributed to MPI as well.

15 MS. JILL RUTH: Okay.

16 THE CHAIRPERSON: I found your
17 presentation quite interesting. Thank you.

18 MS. JILL RUTH: You're welcome.

19 THE CHAIRPERSON: Is there a Mr. Craig
20 Steiben here? There you are.

21

22 (BRIEF PAUSE)

23

24 PRESENTATION BY MR. CRAIG STEIBEN:

25 MR. CRAIG STEIBEN: Good afternoon, all.

1 My name is Craig Steiben, and I'm facing extermination.
2 As you can guess from my attire, I'm a motorcyclist, and
3 I'm here to let you know my story.

4 I started riding motorcycles in 1990,
5 although my interest in them grew much sooner than that.
6 Actually, I was probably quite a bit younger. Anyway, my
7 primary reason for getting into motorcycles at the time
8 was as a cost effective method of getting -- for
9 transportation, getting to and from the University of
10 Manitoba campus, from northwest Winnipeg. Starving
11 students do have to save where they can.

12 So at the time I purchased a 200cc
13 motorcycle and I believe the bike only cost me about four
14 hundred and fifty dollars (\$450). And it only cost me
15 about four hundred dollars (\$400) to insure.

16 Anyway, it was really nice and cheap on
17 fuel. Getting around was fantastic with it. Little did
18 I know that I had put myself on the -- on the slope of a
19 full blown addiction. So, over the next twenty (20)
20 years my passion for motorcycles has grown by leaps and
21 bounds. The only thing that has surpassed this growth
22 has been the effect the insurance has had on my wallet.

23 That initial passion ultimately led to a
24 career in the motorcycle industry. For the last seven
25 (7) years I've had the honour of bringing this amazing

1 activity to hundreds of other Manitobans. Today I can
2 tell you I sit here before -- before you, having -- no
3 longer having a job, having been laid off from the
4 industry I love. MPI's monopoly has destroyed my
5 livelihood, and obviously I'm quite -- quite a bit upset
6 about that. Having an opportunity to pursue your passion
7 and then having that taken away from you is disturbing to
8 say the least.

9 I cannot describe to you how incredibly
10 depressing it is to see an individual come into the
11 showroom, being excited about this activity, and then
12 have their hopes deflated when you tell them how much
13 it's going to cost to insure their motorcycle.

14 Now, they leave the lot -- they leave the
15 showroom with the look of a crushed five (5) year old on
16 their face. You know, you tell them that their loan
17 payment is going to be two hundred and twenty-five
18 dollars (\$225) on their bike, but their insurance payment
19 is five hundred dollars (\$500). How do you tell that to
20 a young individual only make twenty (20) to -- to thirty
21 thousand dollars (\$30,000) a year? It's simply not
22 possible for them to -- to -- to act -- to take part in
23 this activity.

24 You know, MPI's methodology and
25 institutional hatred has led to this -- this -- this

1 situation with motorcycling being on death's door in
2 Manitoba, in my opinion.

3 I was once told that MPI's mandate, upon
4 creation, was to provide fair and equitable insurance for
5 Manitobans. Clearly, in this instance, this is no longer
6 the case, and nor has it been for a long time. Let me
7 elaborate.

8 Handling of claims:

9 Ms. Ruth kind of maybe touched a little
10 bit on some of these topics, but I'm going to run down
11 the typical motorcyclist's claims experience when it
12 comes to even a no-injury situation.

13 Let's meet Marilyn. Marilyn's been riding
14 for a few years with no problems, but one day she gets
15 into an accident. Let's assume it is something as simple
16 as and as common as her losing control of her bike to
17 avoid a left-turning car driver. Of course the driver
18 leaves the scene, unaware of even their fault.

19 Now, because there is no other witness, or
20 someone unaware or unwilling to volunteer to come forward
21 as a witness, Marilyn's already at fault for the
22 accident. She's just bruised, however, because she was
23 wearing good protective apparel, and she makes
24 arrangements to have her bike towed to the closest claims
25 centre. It's unridable.

1 not make more economic sense to have adjusters and
2 estimates at a few specific locations trained
3 specifically on how to handle motorcycle claims? This
4 would reduce the use or the need for a road adjuster that
5 delays the process. It would also reduce towing costs
6 when a close to written-off motorcycle has to be towed
7 from a dealership back to MPI's location to go to
8 auction. I have seen some people's machines sit as long
9 as six (6) weeks due to delays that could have been
10 prevented or significantly reduced.

11 Cost of gear versus injury. I rode in
12 today wearing almost thirty-five hundred dollars (\$3,500)
13 worth of protective apparel. I do this because I value
14 my skin and my life, despite the fact that some people
15 believe motorcyclists have a death wish. Now, if I have
16 an accident, I'm likely going to have to provide a whole
17 raft of receipts and proof to have my gear covered. I've
18 often heard many different stories of riders having
19 inconsistent claims experience and arguments over
20 coverage for their gear.

21 I will likely walk away with some
22 bruising, maybe some broken bones from an accident.
23 However, the rider out there wearing a t-shirt, shorts,
24 flip-flops, and a helmet will be subject to much more
25 severe injury and will receive a cheque for their scars

1 from the road rash.

2 Why are we funding their new motorcycle
3 purchase for their stupidity when I can't even get a
4 break for making an effort to protect myself and MPI from
5 higher injury costs? How is this fair and equitable?

6 Personal injury protection:

7 MPI continues to insist that personal
8 injury protection is the major factor in cost increases
9 over the years. However, I paid PIPP coverage twice --
10 twice, once for my motorcycle and once for my car.
11 However, I'm only one (1) person. I can only drive one
12 (1) vehicle at a time.

13 I suppose the argument MPI will make is
14 that someone else can drive my vehicle. My statement to
15 that would be, if somebody else is driving my vehicle,
16 it's stolen and they don't deserve coverage.

17 In many other insurance jurisdictions,
18 people receive a discount for multiple vehicles. This
19 leads to the question of why can MPI not offer a product
20 for owners of multiple motorcycles? Unfortunately, as
21 the gentleman earlier spoke about a collector's plate,
22 some of us do have multiple motorcycles and would like to
23 have them insured.

24 I would suggest a collector plate, where
25 the plate insures the rider, and one (1) bike up to a

1 maximum value for the collision coverage, and then a
2 comprehensive coverage for other serialized units within
3 his garage, and he can move his plate from unit to unit
4 accordingly.

5 As some of you might have discerned from
6 my riding gear, I actually ride one of those dreaded,
7 evil, dangerous, murderous, sport bikes. I'm here to
8 tell you that they are nothing like that. If anything,
9 they are the safest, best handling, and with the best
10 braking capability of any vehicle on the road today.

11 However, they are over-represented in the
12 accident statistics. Why? Very simple, really. They
13 appeal to a younger demographic, typically, the younger
14 male. These riders often are new and inexperienced as
15 well. Interesting enough, that correlates with data
16 across the world that chose them to be overrepresented in
17 accident causality.

18 Now if you go to any other insurance
19 jurisdiction, these individuals will often pay very high
20 prices to insure a vehicle. The problem with MPI's
21 entire system is that it does not do enough to get at the
22 root of the problem. We have approximately twenty-five
23 (25) years of sport bikes overrepresented in the claims
24 data due to the fact that instead of targeting the nut
25 attached to the handlebars, we have been going after the

1 vehicle class that happens to appeal to them.

2 This has created a horrible situation for
3 the experienced and smart rider who happens to enjoy this
4 type of motorcycle. The new inexperienced riders proceed
5 to have a higher claims experience, because they are
6 rapidly forced out of the insurance pool due to their
7 accident costs and lower income levels. The experienced
8 riders are left holding the bag.

9 I was recently told my bike in my rating
10 category is faced with a further 69 percent increase over
11 the coming years, a bike which has already been insured
12 with MPI since brand new for the last ten (10). I've not
13 paid for that motorcycle twice.

14 I have a friend, Vince, who has been
15 riding sporting motorcycles for over thirty-five (35)
16 years. He's in his fifty's, and simply no longer rides a
17 motorcycle in the street. Because he is a tradesman and
18 cannot even use his bike for work, his passion has been
19 reduced to occasional rides on friend's bikes.

20 It is impossible to justify thirty-five
21 hundred dollars (\$3,500) for twenty (20) weekends of
22 riding. That works out to almost ninety dollars (\$90)
23 per day of riding for just the insurance alone. I myself
24 have started looking at the options for moving out of
25 province, where there is the least competition to keep

1 insurance rates honest.

2 I'd like to touch on one (1) other topic.
3 Despite the value of -- of the community recipient in
4 this case, I do hope the Board asks the very serious
5 question of why MPI was allowed to donate a building that
6 belongs to all Manitobans to a community group, instead
7 of divesting itself of the asset and using the proceeds
8 to lower all Manitoban's insurance. I thought we fixed
9 this problem a few years ago when they attempted to give
10 away money to the universities.

11 In twenty (20) years of riding I've
12 managed to accumulate over three hundred and fifty
13 thousand (350,000) kilometres of relatively trouble free
14 riding. I've been to the east coast of Canada twice, to
15 Key West, Florida, to California twice, all over
16 Manitoba, Saskatchewan, Alberta, Ontario. I've visited
17 over thirty (30) states. Everywhere I go motorcyclist's
18 jaws drop universally when the topic of what I pay to
19 ride comes up. My response in turn is typically tears
20 when I see how badly we were discriminated against.

21 Up till this year I have had a motorcycle
22 insured for twenty (20) continuous years. Cut me a break
23 for what -- being years of being raked over the coals
24 without any major claims experience.

25 The new driver safety rating is a poor

1 excuse to reward anyone for good habits. My current
2 rating is seven (7). I'll -- I get -- currently receive
3 a full 25 percent discount. I will save a whole ten (10)
4 more dollars for another three (3) years of accident free
5 claim driving, yet I'll lose five (5) spots on the scale
6 if I have the misfortune of one (1) claim.

7 Here's a quote from MPI's website in its
8 founding principles section:

9 "We've been accountable and customer
10 focussed since day 1."

11 Well I can tell you as a customer and as a
12 tax paying Manitoban, you have been neither to me nor to
13 all of the other motorcyclists of Manitoba. Thank you
14 for your time.

15 THE CHAIRPERSON: Thank you, Mr. Steiben.
16 Thank you for coming and expressing your views on it.
17 Thank you very much.

18 MR. CRAIG STEIBEN: Thank you.

19 THE CHAIRPERSON: Is there a Mr. Grant
20 Parsons? I see there is.

21

22 (BRIEF PAUSE)

23

24 PRESENTATION BY MR. GRANT PARSONS:

25 MR. GRANT PARSONS: Hi. I'll be talking

1 about three (3) main areas: how I've been affected
2 personally by MPI's motorcycle rates, comparison with
3 Saskatchewan's SGI, and three (3) suggestions for
4 improvement.

5 My recent challenge of the category rating
6 of my Suzuki V Strom motorcycle, more of a lower cost --
7 cost class touring motorcycle was incorrectly initially
8 classified by MPI as a sport bike, coincidentally, the
9 highest cost insurance there is. After my own research
10 and an eighteen (18) page letter to MPI in April 2010,
11 they concurred and changed the rating category of my
12 motorcycle for one (1) year only at the time to touring,
13 which lowered my insurance premium by approximately five
14 hundred dollars (\$500).

15 I should not have to do MPI's research for
16 them, and neither should any other owners of that
17 particular motorcycle, and the doubtless other incorrect
18 rating errors out there who have all been similarly
19 overcharged.

20 Am I now to assume that MPI is going to do
21 the right thing and advise all the other owners of that
22 particular motorcycle, or others, about their incorrect
23 rating categories or that the PUB will order such a
24 refund? Sadly, I think not.

25 In my research, using MPI's own website

1 information, I discovered numerous inconsistencies and
2 errors. For example, motorcycles that were listed
3 examples -- as examples of sport touring did not meet
4 even MPI's own published criteria for that category.

5 Other MPI errors on the website are too
6 numerous to mention in this short time I have been
7 allotted here. However, I can supply a copy of that old
8 letter to PUB upon request that does document those
9 errors.

10 A quick example, however, of MPI's
11 thoroughness and knowledge about motorcycles can be
12 summed up with their website definition of the touring
13 motorcycle category. And I quote:

14 "A touring motorcycle with additional
15 features, such as GPS navigation
16 system, air bags, and airconditioning,
17 et cetera, is commonly known as a full
18 dressed touring motorcycle."

19 Unquote.

20 I, for one, and hopefully you as well,
21 would be interested to learn of the specific motorcycle
22 that MPI is referring to in its touring body style
23 definition that has airconditioning.

24 Comparison to Saskatchewan Government
25 Insurance, SGI, for similarly sized cities and

1 populations, roads and climate, Saskatchewan compares
2 closely to Manitoba. Compared to SGI, however, MPI's
3 motorcycle rates are significantly higher.

4 On the website using -- MPI website using
5 Winnipeg as a comparative Manitoba location for all-
6 purpose motorcycle insurance, for one of my current
7 motorcycles, a 2005 Harley Davidson Sportster, the
8 comparative figures are one thousand five hundred and
9 eighty dollars (\$1,580) versus a thousand and eighty-four
10 (1,084) or two thousand and eighty-two dollars (\$2,082)
11 versus thirteen hundred and forty-three (1,343) for fully
12 discounted versus non-discounted annual rates. I just
13 did them both. I'll let you guess who's the more
14 expensive.

15 But wait, it gets even better. As SGI's
16 rates reflect a twelve (12) month premium to equate to
17 MPI's grossly restricted five (5) month riding season,
18 SGI's true month -- true rate is only five-twelfths
19 (5/12ths) of that compared to equivalent MPI.

20 Therefore, the -- the amount becomes four
21 hundred and fifty-two dollars (\$452) with a full
22 discount, or five hundred and sixty dollars (\$560) with
23 no discount. MPI, in this specific example, is eleven
24 hundred and twenty-eight dollars (\$1,128) or 250 percent
25 more expensive at the fully discounted rate and fifteen

1 hundred and twenty-two dollars (\$1,522) or 272 more
2 expensive at the non-discounted rate.

3 For my other motorcycle, a 2009 Suzuki V
4 Strom, the comparative figures are sixteen hundred and
5 seventy-three dollars (\$1,673) versus eight hundred and
6 ninety four (894) and two thousand one hundred and
7 ninety-seven (2,197) versus eleven-o-five (1,105) for
8 fully discounted versus non-discounted annual rates.

9 Again, at the five-twelfths (5/12fths),
10 three hundred and seventy-three dollars (\$573) would be
11 the full discount rate at SGI versus four hundred and
12 sixty (460) with no discount. MPI in this specific
13 example is thirteen hundred dollars (\$1,300), an
14 unbelievable 349 percent more expensive at the fully
15 discounted rate, and seventeen hundred and thirty-seven
16 dollars (\$1,737) or 378 percent more expensive at the
17 non-discounted rate.

18 Note the above figures were obtained after
19 MPI updated their website rate calculator. And I do give
20 them credit for that, because their initial website rates
21 in May 2010 were even more egregious. Even with this
22 though the current rates remain extremely offensive.

23 At MPI's rates, between three (3) to five
24 (5) Saskatchewan motorcycles can be insured for the same
25 amount of money as one (1) can in Manitoba. This is

1 sadly not unbelievable, but the reality for motorcyclists
2 living in Manitoba, and it is bordering on outright
3 criminal theft or fraud by MPI.

4 We are not that different from
5 Saskatchewan. The only difference is in the fanciful
6 just-so rating system, that the only ones in the world
7 who seem to be using it is Manitoba. According to MPI,
8 black is white and white black. There is no inherent
9 unfairness in their rate calculation methods, no
10 discrimination; therefore, every other insurer in the
11 world is calculating their motorcycle premiums
12 incorrectly and MPI stands alone as a saviour of fairness
13 and democracy.

14 From MPI's website:

15 "All motorists and vehicles are treated
16 similarly and equitably."

17 Hardly true, when the first part versus a
18 loss transfer system is prejudiced against motorcycles.
19 It relieves the guilty at fault. Automobile driver's
20 pool from their responsibility and passes the costs of
21 the collision to the victim, the motorcycle pool.

22 According to MPI, this is perfectly fine,
23 as quote:

24 "The possible impact of assigning all
25 claims costs to this class, e.g., the

1 responsible automobile pool, could be a
2 future increase in AutoPac premiums for
3 owners of vehicles in this class."

4 End quote. Why shouldn't the party or
5 pool responsible for the collision, have to pay? Where
6 is common sense any more? Black becomes white.

7 The truth behind discriminatory motorcycle
8 rates finally begins to emerge. Punish the victim until
9 they cannot afford to ensure their motorcycle, and reward
10 the guilty party who caused the accident by keeping the
11 premiums of the majority of automobile owners even lower
12 as a result.

13 From the MPI web site, the comment:

14 "It ensures that motorists have a say
15 in their AutoPac rates by using their
16 ability to choose to own vehicles
17 assigned lower risk in claim costs."

18 By pricing out the average consumer from a
19 motorcycle affordable -- affording motorcycle insurance,
20 MPI alone dictates to a great extent what consumers do,
21 and what they buy. No government should have that power
22 over its people.

23 From the MPI web site:

24 "We believe the system is fair and
25 equitable for all vehicle owners, and

1 it has been supported by the PUB in
2 past years."

3 That the PUB has supported this blatantly
4 discriminatory practice in the past is a stain on this
5 Board's reputation.

6 It is worth noting here that comparative
7 auto
8 rates between SGI and MPI are much closer, further
9 evidence in the systemic anti-motorcycle prejudice that
10 exists within MPI.

11 For my family's own two (2) passenger cars
12 MPI rates are between 24 to 34 percent higher for one (1)
13 car, depending on the no discount versus full discount,
14 and between 15 to 25 percent more for the other car,
15 hardly the 250 percent to 378 percent range more for the
16 motorcycles, in my earlier examples.

17 Are we to believe only Manitoba's
18 motorcyclists, and not their automobile drivers, are so
19 much different than Saskatchewan's counterparts, or is it
20 MPI's rate setting bureaucracy itself that is so
21 different from the norm? Truly the emperor has no
22 clothes.

23 Maybe it is time for not only the PUB, but
24 all citizens of Manitoba to ask, no, to demand an answer
25 to why we are continually objected to some of the highest

1 vehicle insurance rates in the country.

2 Perhaps PUB has to look beyond the package
3 of rate information simply handed to them by MPI, and
4 investigate lower cost alternatives, and actually stand
5 up for the people of Manitoba, and start demanding those
6 same answers from MPI, and hold them accountable to start
7 lowering their outrageous insurance premiums.

8 If lower motorcycle premiums can work
9 everywhere else, why not here? Holding a gun to
10 someone's head while they rob you year after year after
11 year tends to make you cynical; however, I'll try to end
12 on a more positive note here by making three (3)
13 suggestions for improvement for MPI that would save
14 motorcyclists' lives, as well as premiums.

15 One, partner with the City of Winnipeg to
16 institute changes to the current diamond lanes to HOV, or
17 high occupancy vehicle lanes. Although not high
18 occupancy in the strictest sense of the word, motorcycles
19 use far less fuel, and pollute less than cars.

20 They also ease traffic congestion and
21 parking problems. Less impact on the environment is a
22 goal of HOV in general, and motorcycles are less harmful
23 than cars in that sense.

24 Numerous cities within the more
25 progressive of USA, and beginning now also in Canada, are

1 recognizing and promoting those benefits of motorcycling,
2 and rewarding motorcyclists by allowing motorcycles to
3 use these HOV lanes.

4 The number of motorcycles in congested
5 rush hour traffic lanes would be reduced; therefore,
6 accidents would also be reduced as a familiar refrain of,
7 I didn't see the motorcycle when I ran him over, would be
8 far less likely due to motorcycles being more visible in
9 the less populated HOV lanes.

10 As the ratio of motorcycles to cars is
11 still greatly unequal, allowing motorcycles in HOV lanes
12 would also not put an undue burden on such lanes, and
13 would not impede the flow of other traffic using these
14 lanes, such as buses.

15 It's time for the pendulum to swing, to
16 recognize the rights of motorcyclists, and the benefits
17 they bring to the economy, to the environment, and reward
18 them for choosing this method of transportation, rather
19 than continually repressing them through restrictive laws
20 and prohibitive insurance rates.

21 Two -- excuse me. Two, partner with the
22 City of Winnipeg to institute changes to fully coordinate
23 the traffic lights to enable the continuous and safe flow
24 of traffic. What a concept.

25 The current practice of our traffic

1 lights, for the most part, are they are intentionally
2 coordinated to stop you. This increases the likelihood
3 of a collision for all vehicle categories.

4 As MPI's web site states:

5 "Increased safety is the best
6 solution."

7 Then the time to stop this ridiculous
8 practice of constant starting and stopping is now.
9 Obviously, with some of the highest insurance rates in
10 the country, current thinking re constant stopping and
11 starting, the keeping of small clusters of traffic, like
12 herds of cattle, from one (1) light to the next, akin to
13 manufacturing traffic jams, has clearly not been working
14 and never will.

15 The familiar parroting of the party line
16 of just slow down doesn't seem to be applicable to a city
17 in which you cannot even get up to the posted speed limit
18 in the first place before you are yet again stopped by
19 the next traffic control device. This hap -- often
20 happens at shopping mall exits located on the main
21 thoroughfares.

22 By the way, Winnipeg traffic control did
23 not need millions of dollars of interlinked computers to
24 coordinate the traffic lights to intentionally stop you.
25 It is doubtful they truly need them now to coordinate

1 them correctly.

2 Three, and lastly, institute a
3 transferable licence plate for owners of more than one
4 (1) motorcycle.

5 It's interesting to note that all the
6 presenters here, all unrelated as far as I know, here
7 today have mentioned this same concept. Motorcycles are
8 not exactly like cars in that the people who enjoy them
9 usually like to own and ride a number of them if they can
10 afford to insure them.

11 Insuring them shouldn't be the prime
12 factor in deciding to buy a motorcycle or not, but it is
13 in Manitoba. This is killing the motorcycle industry, of
14 which I will state for the record, I am not a part of.
15 My solution is to have a transferable motorcycle plate.
16 A motorcycle plate is easily removable and transferable
17 from one (1) bike to another. And insured motorcyclists
18 can only ride one (1) of their motorcyclists --
19 motorcycles at one (1) time.

20 Currently, if paying for insurance on
21 separate bikes, however, of course several different
22 people could theoretically be riding those several bikes
23 at the same time. That, however, is not the norm. The
24 norm is one (1) rider being forced by MPI to insure all
25 motorcycles they own if they want to have a choice in

1 which to ride on any particular day. Why?

2 A realistic workable solution is a
3 transferable plate. The rate could be based on the
4 highest rate category of the various -- various bikes
5 owned. I'd even allow MPI a small carrot in the form an
6 add -- additional low reasonable fee for the burden of
7 administering such a complex system. The rider is not
8 physically able to ride more than one (1) bike at a time
9 and is unable to do so, as well, due to having only one
10 (1) -- one (1) transferable plate.

11 There is no additional risk. The
12 motorcyclist benefits by paying for only one (1)
13 insurance premium for the one (1) motorcycle they ride at
14 a time, and so doe the motorcycle industry through
15 increased sales, as well, and the environment
16 additionally. The only party who may not see an
17 incentive to do this, unfortunately, is our own MPI.
18 Like so many other things in life, the phrase "follow the
19 money" may yet trump this common sense scenario.

20 However, there is no good excuse to not be
21 able to come up with a workable solution to this
22 suggestion. The only reason why they would not -- MPI
23 would not do this is because they would get less money in
24 their coffers. Step up to the plate, MPI, do the right
25 thing and change your motorcycle insurance rate

1 calculations.

2 After all, the first step in any recovery
3 is admitting you have a problem in the first place.

4 Thank you.

5 THE CHAIRPERSON: Thank you, Mr. Parsons.
6 Thank you for coming and taking the time to express your
7 views on this topic, and also thank you for taking the
8 time to develop some thoughts for optional approaches to
9 the ones that are currently being carried out. Thank you
10 again.

11 MR. GRANT PARSONS: Thank you.

12 THE CHAIRPERSON: Is there -- is there a
13 Mr. Robert Cullings (phonetic), or Collings present?

14 What about a Mr. Robyn Gray?

15 Okay. If not, then we'll return to the
16 cross-examination. Ms. Everard...?

17 MS. CANDACE EVERARD: Thank you, Mr.
18 Chairman.

19

20 MPIC PANEL, Resumed:

21 MARILYN MCLAREN, Resumed

22 DON PALMER, Resumed

23 OTTMAR KRAMER, Resumed

24

25 CONTINUED CROSS-EXAMINATION BY MS. CANDACE EVERARD:

1 MS. CANDACE EVERARD: We had a chance to
2 look at the second quarter report over the lunch hour, so
3 we're going to have some questions, a few questions about
4 the first quarter report, and then some about the second
5 quarter, as well. So I'll ask you to go to the first
6 quarter report, which is at AI.6, and we'll do a couple
7 of comparisons between first and second quarter.

8 If we go to AI.6, which is the first
9 quarter report, on page 6, we have here the statement of
10 operations for the Corporation for the first quarter of
11 the current fiscal year, period ending May 31st of 2010.
12 Is that right?

13

14 (BRIEF PAUSE)

15

16 MR. DON PALMER: I have it.

17 MS. CANDACE EVERARD: Thank you. We see
18 in the first quarter report, on page 6, that for that
19 particular quarter there was net income reflected of some
20 102.9 million for that quarter, is that right?

21 MR. DON PALMER: That's corporate wide,
22 yes.

23 MS. CANDACE EVERARD: Yes. And if we
24 look at the same schedule in the second quarter report,
25 which is also on page 6, we have the -- the update to

1 that, and that 102.9 million has been revised for the
2 second quarter as of August 31st of 2010 to some 67.3
3 million, is that right?

4 MR. OTTMAR KRAMER: Yes, that's correct.

5 MS. CANDACE EVERARD: And that's a
6 difference of about 35 1/2 million.

7 MR. OTTMAR KRAMER: Tha -- that's
8 correct, a loss of thirty-five and a half (35 1/2) in the
9 second quarter.

10 MS. CANDACE EVERARD: Okay. And if we
11 look at, for a moment, page 8 of the first quarter
12 report, we see that the Corporation at that time was
13 forecasting for Basic -- or, sorry, not was forecasting,
14 but had for Basic a net income of 90.7 million for the
15 first quarter in 2010/'11, is that right?

16 MR. OTTMAR KRAMER: Yes, that's correct.

17 MS. CANDACE EVERARD: Just before we go
18 back to the second quarter report, I note that the --
19 that 90.7 million of net income recorded was \$12 million
20 less than the number we looked at on page 6, and that
21 would be because that was the net income to Basic rather
22 than for the whole Corporation?

23 MR. OTTMAR KRAMER: Correct. On page 6
24 is for the entire Corporation versus on page 8. The RSR
25 was just for the Basis operations.

1 MS. CANDACE EVERARD: Thank you. If we
2 go back to then the second quarter report and we look on
3 page 5 for a moment, we see that the Corporation -- this
4 is in the narrative part, although I supposed it's also
5 on page 8 in the financial statement, but we see that the
6 Corporation is expecting to realize net income of
7 approximately 42.2 million during the current fiscal
8 year. That's the updated outlook, is that right?

9 MR. OTTMAR KRAMER: Yes, that is correct.

10 MS. CANDACE EVERARD: And this is
11 significantly less than what the Corporation was
12 projecting at the first quarter report, which was about
13 90.7 million, also on page 5, is that right?

14 MR. OTTMAR KRAMER: Yes, that's correct.

15 MS. CANDACE EVERARD: And what is it
16 that's driven that reduction in the expected net income
17 for the year?

18 MR. DON PALMER: Fir -- first of all,
19 those net income projections are basically taking the
20 actual to that date plus the budget amount. So those
21 amounts that you -- that you compared are basically just
22 driven off the second quarter results and that loss of
23 \$35 million that you had identified.

24 MS. CANDACE EVERARD: Okay. Now, we see
25 in the first quarter report on page 4 in the narrative

1 under heading "Current year and last year," the
2 Corporation had indicated that it -- there was a
3 significant decrease in bodily injury claims incurred
4 which was mainly attributable to claims of prior years
5 which declined by about \$71 million due to favourable
6 developments. Are you with me?

7 MR. OTTMAR KRAMER: Yes, that's correct.

8 MS. CANDACE EVERARD: And that runoff
9 figure has now decreased to about \$28.2 million per the
10 second quarter report, is that right?

11 MR. OTTMAR KRAMER: Yes.

12 MS. CANDACE EVERARD: Now if we look at
13 some of the additional schedules that have been provided,
14 I'll ask you to go to tab 42 of the Board's book of
15 documents. This was the IR posed by the Board where we
16 asked the Corporation to update TI.13, 14, and 15 as per
17 the first quarter report.

18

19 (BRIEF PAUSE)

20

21 MS. CANDACE EVERARD: So if we look at,
22 for the moment -- if we look at, for -- sorry. I'm just
23 having trouble finding my reference point here.

24

25 (BRIEF PAUSE)

1 MR. OTTMAR KRAMER: Just as a
2 clarification, in -- in the -- in the Q1 report on page
3 4, we -- you mentioned the 71 million due to favourable
4 development. In addition, it's favourable development
5 and a rise in interest rates used to discount unpaid
6 claims.

7 So it isn't just favourable developments;
8 also in the first quarter, interest rates did increase,
9 and an increase in interest rates will -- will decrease
10 the claims liabilities, which then decreases the claims
11 expense.

12 MS. CANDACE EVERARD: Can you give us an
13 indication of the breakout between those two (2) factors
14 in calculating the 71 million? And then I'd ask the same
15 question for the second quarter, the 28.2.

16 MR. OTTMAR KRAMER: We're just looking
17 that up.

18 MS. CANDACE EVERARD: That's fine. You
19 do that, and I'll figure out the other thing that I was
20 looking for that I couldn't put my hands on.

21

22 (BRIEF PAUSE)

23

24 MR. OTTMAR KRAMER: Okay. I don't have
25 the exact figures, but the 71 million, approximately \$25

1 million -- oh, okay. Well, I do now have the figures.
2 About \$13 million was related to the interest component,
3 and \$58 million was related to development.

4 MS. CANDACE EVERARD: Thank you. And do
5 you have the numbers from the second quarter report, that
6 is, the breakdown of the twenty-eight point two (28.2)?

7 MR. DON PALMER: The -- the twenty-eight
8 point two (28.2) --

9 MS. CANDACE EVERARD: I appreciate that
10 the second quarter report references the 28.2 million due
11 to favourable development. There isn't, that I can see,
12 a note referring to interest rates.

13 So is that factor no longer applicable in
14 the second quarter?

15

16 (BRIEF PAUSE)

17

18 MR. OTTMAR KRAMER: It -- on the twenty-
19 eight (28), approximately \$33 million is related to
20 favourable development.

21 The -- the key that we also have to
22 remember in this is, this is always comparison into --
23 against the prior year's favourable development and
24 claims. So I -- I've given the absolute -- the -- the
25 absolute numbers, but it's the prior year that also

1 impacts it, because this discussion is this year over the
2 last year, not over a budget or a forecast. It's this
3 year over last year.

4 So to the extent that there was interest
5 rate changes or favourable development in the previous
6 years, that will impact that analysis.

7 MS. CANDACE EVERARD: Okay. Thank you.

8 Okay. So continuing with some questions
9 about the second quarter report, we've spoken about the
10 overall corporate loss in that quarter of 35 1/2 million,
11 which was referenced on page 6, and we see from page 8
12 that there's a \$42.9 million loss for the quarter
13 attributable to Basic.

14 Is that right?

15 MR. OTTMAR KRAMER: Yes, that's correct.

16 MS. CANDACE EVERARD: And that loss is
17 offset by income in the competitive lines of some 7.3
18 million, which gives us -- gives rise to the \$35.5
19 million loss overall.

20 Is that right?

21 MR. OTTMAR KRAMER: Correct.

22 MS. CANDACE EVERARD: Okay. And again,
23 if we go back to page 4, there's reference in the very
24 first paragraph on that page that the Corporation as a
25 whole reported net income of 67.3 million for the six (6)

1 months ended August 31st, 2010, and that that net income
2 included 47.8 million in Basic, and, by doing the math,
3 about 19 1/2 million in the competitive lines. Is that
4 right?

5 MR. OTTMAR KRAMER: Yes, that's correct,
6 and it's found on page 8 of the report.

7 MS. CANDACE EVERARD: Thank you. Now it
8 would appear that there have been no forecasts provided
9 on the competitive lines in the -- in this quarterly
10 report. That's right?

11 MR. OTTMAR KRAMER: We just forecast the
12 total corporate in this report.

13 MS. CANDACE EVERARD: Now in speaking
14 about the loss that we've been discussing for the second
15 quarter, we see in the narrative on page 4 that there's a
16 discussion of the causes that gave rise to that loss.

17 We see that claims costs decreased, but
18 then there's reference to physical damage claims rising
19 by some 15 million. Are -- are you with me?

20 MR. OTTMAR KRAMER: Yes, I see that.

21 MS. CANDACE EVERARD: And if we look a
22 little further down the paragraph, there's reference to
23 the rise in physical damage claims costs being related in
24 part to increased hailstorm activity in the current year.
25 That's right?

1 MR. OTTMAR KRAMER: Yes, that's correct.

2 MS. CANDACE EVERARD: The note continues
3 to reference a reference a major hailstorm from August of
4 2009, striking southern Manitoba, resulting in over ten
5 thousand (10,000) claims, and an estimated value of 35
6 million.

7 Do you see that?

8 MR. OTTMAR KRAMER: Yes, I see that.

9 MS. CANDACE EVERARD: And it's further
10 provided here that the Corporation holds reinsurance
11 coverage against this loss which limited its exposure, or
12 will limit it -- its exposure, to 13.3 million. And this
13 loss, we assume, was recorded in the prior year's
14 results, given that we're talking about 2009 events?

15 MR. OTTMAR KRAMER: Yes, that's correct.

16 MS. CANDACE EVERARD: And that \$13.3
17 million loss would not be included in the financials
18 within the second quarter report.

19 This -- this is just narrative that's
20 provided, but the -- that number is not included in these
21 financials. Is that right?

22 MR. OTTMAR KRAMER: It was in -- it was
23 included in the 2000 -- the six (6) months ended 2000, in
24 August 2009, not the August 2010 numbers.

25 MS. CANDACE EVERARD: This narrative is

1 provided just for context or for background?

2 MR. OTTMAR KRAMER: It -- it's for
3 comparison purposes, to indicate what happened last year
4 relative to what happened this year. And that's what --
5 that was my previous comment, is that this is comparing
6 year over year, not year over this year over budget or
7 forecast.

8 MS. CANDACE EVERARD: The paragraph
9 continues to reference a hailstorm in August of 2010,
10 just fairly recently, that struck in Winnipeg resulting
11 in over four thousand (4,000) claims with an estimated
12 value of 13 million.

13 Now, obviously, this second quarter report
14 has just been released, but would there be any change to
15 today in that estimate or would that 13 million still be
16 an accurate estimate of the claims costs arising from
17 that hailstorm?

18 MR. OTTMAR KRAMER: Tha -- that is still
19 our current estimate.

20 MS. CANDACE EVERARD: And what is the
21 retention under reinsurance?

22 MR. OTTMAR KRAMER: We had \$15 million
23 retention, so that was one (1) of the points here, is
24 that we did not go into our reinsurance layer at all.

25 MS. CANDACE EVERARD: So that hailstorm

1 will not affect the reinsurance restatement premium costs
2 at all?

3 MR. OTTMAR KRAMER: Correct. There is no
4 reinsurance restatement as there was in the prior year.

5 MS. CANDACE EVERARD: In addition, we see
6 at the last sentence of that paragraph on page 4 that in
7 the current year a rise in minor hailstorm activity has
8 resulted in an increase in claims incurred of some 8.8
9 million. So I take it that that is hailstorm activity
10 that's distinct from the August 2010 event.

11 MR. OTTMAR KRAMER: Yes, that's correct.
12 That's additional hail damage that happened in Manitoba
13 in the summer.

14 MS. CANDACE EVERARD: And so the total
15 then of hailstorm related damage in the current year so
16 far is about 21.8 million?

17 MR. OTTMAR KRAMER: No, that's
18 additional. The -- the eight point eight (8.8) is --
19 eight (8) is additional hailstorm. There is -- there is
20 more hail damage than that, but that's additional in
21 comparison to the prior year. That's -- that was my
22 comment, that this is relative to the last year, not a
23 total.

24 MS. CANDACE EVERARD: Understood. Thank
25 you.

1 (BRIEF PAUSE)

2

3 MS. CANDACE EVERARD: Okay. Now on page
4 5 of the second quarter report there is reference to the
5 fact that the Corporation is expecting to realize net
6 income of approximately 42.2 million during the current
7 fiscal year. And I appreciate that that's corporate
8 wide.

9 MR. OTTMAR KRAMER: Yes, I see that.

10 MS. CANDACE EVERARD: And the following
11 sentence reads:

12 "This has increased from the projected
13 net income of 5.6 million that was
14 expected at the beginning of the fiscal
15 year."

16 Which would be March 1st of 2010, right?

17 MR. OTTMAR KRAMER: Correct.

18 MS. CANDACE EVERARD: And looking at the
19 filings that were originally made with the GRA in terms
20 of the -- certainly the net income to Basic that was
21 anticipated at the time of the GRA filing was some 13.8
22 million, is that right?

23 MR. OTTMAR KRAMER: Yes, that's correct,
24 I've been told.

25 MS. CANDACE EVERARD: Okay. Now we see

1 that the net income that the Corporation is now
2 projecting for the current year per the second quarter
3 report of the -- the 42.2 million that we just spoke
4 about is quite a bit less than the 90.7 million that the
5 Corporation was expecting as of the end of the first
6 quarter.

7 And I -- I gather then that that \$48
8 million or so decline is due to changes in the PIPP prior
9 claims evaluation?

10 MR. OTTMAR KRAMER: It -- it's due to
11 numerous factors, the hail activity as we had talked
12 about. It's also due to a change in the interest rate
13 environment that impacts the claims liabilities and also
14 impacts the -- the market value of -- of our investment
15 portfolio.

16 So there are -- there are numerous factors
17 driving that change. There was also some actuarial
18 review of our liabilities which we perform on a -- on a
19 quarterly basis. So there's numerous factors driving
20 that.

21 MS. CANDACE EVERARD: Thank you. We'll
22 turn then to the new projections, just for Basic, which
23 would be MPI Exhibit 9, the answer to one of the pre-
24 asks, number 6, that was provided and entered into
25 evidence this morning.

1 So if we look at TI.15, which is part of
2 Exhibit 9, we see the most current projections that we
3 have for the current year, and we see that the corp --
4 the Corporation is now projecting for Basic net income in
5 the current year, 2010/'11, of some 29.1 million. Is
6 that right?

7 MR. OTTMAR KRAMER: Yes, twenty-nine
8 point two (29.2).

9 MS. CANDACE EVERARD: You say po-tay-to,
10 I say po-tah-to. And that is compared with the thirteen
11 point eight (13.8) that we spoke of a moment ago that was
12 in the original filing in June of this year?

13 MR. OTTMAR KRAMER: Correct.

14 MS. CANDACE EVERARD: So, in other words,
15 that's an increase of about 15.3 million?

16 MR. OTTMAR KRAMER: Yes, that's correct.

17 MS. CANDACE EVERARD: Okay. Now if we
18 look at Tab 42 of the book of documents, this is the IR
19 that was asked that we referred to a little bit earlier,
20 where the Corporation reran some of these financial
21 schedules, including the first quarter report, so we're
22 sort of going in -- in time and in the middle of what
23 we've just looked at.

24 And we see that, looking at that -- and
25 I'm looking at, I guess, what would have been TI.15 -- in

1 that particular schedule, for the same year that we're
2 speaking about, which is the current year, 2010/'11, we
3 see a projected net income of some 88.3 million?

4 MR. OTTMAR KRAMER: Correct.

5 MS. CANDACE EVERARD: So just so that
6 we're clear and I make sure that I'm understanding this
7 correctly, we have, at the time of the filing of the GRA,
8 projected net income of 13.8 million, goes up to eighty-
9 eight point three (88.3) as of the end of the first
10 quarter, and now back down to twenty-nine point one
11 (29.1) as at the end of the second quarter?

12 MR. OTTMAR KRAMER: Yes, that's correct.

13 MS. CANDACE EVERARD: Okay. So the
14 decrease from the end of the first quarter to the end of
15 the second quarter is about 59 million, is that right?

16 MR. DON PALMER: Yes, approximately.

17 MS. CANDACE EVERARD: Now, we've already
18 spoken about the overall corporate results, that that was
19 the change from the anticipated ninety point seven (90.7)
20 at the end of the first quarter to the forty-two point
21 two (42.2) at the end of the second quarter, compared
22 with this fifty-nine (59).

23 I take it that the difference is the net
24 result in the competitive lines?

25 MR. DON PALMER: The difference between

1 the eighty-eight (88) and the ninety (90) -- the ninety-
2 one (91)?

3 MS. CANDACE EVERARD: I guess what I'm
4 saying is, if we look at the -- the corpor -- corporate
5 wide numbers, the projection has changed by about 48
6 million in the case of Basic, and that's from quarter 1
7 to quarter 2. In the case of Basic from quarter 1 to
8 quarter 2, the number has changed by about 59 million,
9 and that, I'm assuming, is due to an adjustment that
10 plays in from the competitive lines?

11 MR. DON PALMER: Yes.

12

13 (BRIEF PAUSE)

14

15 MS. CANDACE EVERARD: So just getting
16 into a little bit of the details that give rise to these
17 changes in the -- the three (3) sets of numbers that we
18 have from different points in time, I'll ask you to look
19 at the original TI.15 from the filing, which is in the
20 book of documents at Tab 7, I believe -- Tab 8, pardon
21 me, thank you -- compared with the TI.15 at Tab 42, which
22 is as of the end of the first quarter, and the TI.15 that
23 was provided as part of Exhibit 9 this morning.

24 Oh, sorry. It's Tab 10 in the book of
25 documents.

1 the first quarter, and then went down to about 15.3
2 million as of the end of the second quarter, so a
3 difference of about 1.2 million. Is that right?

4 MR. OTTMAR KRAMER: Yes, that's correct.

5 MS. CANDACE EVERARD: If we move to the
6 second section of the statements, the one (1) entitled,
7 "Net Claims Incurred", we see in the original GRA filing
8 there was an expectation of some 619.1 million. That
9 dropped significantly at the end of the first quarter to
10 544 1/2 million, which gave rise to that big number for
11 net income.

12 And now that's been revised to about 621
13 million, so an overall change from GRA to end of second
14 quarter of about 1.8 million. Is that right?

15 MR. DON PALMER: That's correct. The --
16 the overall hasn't changed very much. The -- let me also
17 say that the first quarter results were aberrant. There
18 was a number of -- of factors that sort of added up
19 together into a -- a perfect storm of net income, so to
20 speak.

21 We did have no winter in March, which is
22 unusual. So when you're talking forecasts, I think that
23 was something like 15 to \$20 million that was positive
24 for us.

25 We had some movement in -- in interest

1 rates, and we're about 80 percent immunized. We've had
2 that on the evidence, and I'm sure we'll talk about it
3 later on as well, but so there -- there still was a -- a
4 net income -- a net income because of that change in
5 interest rates.

6 On top of that, just the way that the
7 discounting and evaluation of the assets work, and -- and
8 it has to do with our MUSH bonds, that there was a short
9 term increase in the -- the weight of mutt -- MUSH bonds
10 in our portfolio, which doesn't aff -- doesn't affect
11 your net income on the investment income side, but does -
12 - you still have to take account for that in your
13 discount of liabilities. So we got another boost from --
14 in the first quarter because of that short-term jump in
15 the weight of -- of MUSH bonds.

16 So all of those things added together to
17 provide this net income corporate wide in the quarter of
18 \$102 million, so much so to the fact that in our news
19 release, we did point out that, Yeah, we made \$102
20 million but there was a lot of unusual events that
21 happened, and its just not going to sustain itself
22 throughout the year, and that was in our news release.

23 What we've seen in the second quarter is
24 essentially exactly what -- what we thought was going to
25 happen. The mix of investments returned to kind of its -

1 - its steady state. Interest rates came back a little
2 bit. Unfortunately, we had some hail claims that offset
3 the no winter in March. So collision claims are -- are
4 back to normal, as well. All of those things get us back
5 to essentially where our original estimate was.

6 So the -- the concern is that the -- the
7 first quarter, you can't take too much stock in that.
8 We're -- we're back status quo, where -- where we
9 essentially expected to be.

10 MS. CANDACE EVERARD: Thank you. I do
11 want to go through a few more of the numbers just so --
12 because they are on the record and those are what the
13 numbers are, but I appreciate the -- the explanations
14 that you've given for the Board to -- to know the -- the
15 whys behind -- behind these figures.

16 What you've described in the -- the
17 numbers being fairly similar from the GRA filing to
18 second quarter results also seem to be borne out on the
19 road safety and loss prevention line, where we see a
20 forecast initially of some 14.3 million, and that has
21 increased to fifteen point seven (15.7), so it's a change
22 of about one and a half (1 1/2) from point A to point B,
23 is that right?

24 MR. OTTMAR KRAMER: That's correct.

25 MS. CANDACE EVERARD: And, again, the

1 total claims costs, the -- the overall for the little
2 pieces that we've just been talking about, started out at
3 about 724.6 million in June, went down significantly to
4 648.7 million. It's now back up to around the levels of
5 the -- at the time of the GRA filing, namely the 726.2
6 million, is that right?

7 MR. OTTMAR KRAMER: That's correct.

8 MS. CANDACE EVERARD: And just a couple
9 more. We'll look at operating expenses. At the time of
10 the GRA filing the projection was 50.2 million. That
11 went down a little bit at the end of the first quarter to
12 forty-eight point eight (48.8) and actually remains at
13 that new forty-eight point eight (48.8) level, so an --
14 an overall decrease of about 1.4 million, is that right?

15 MR. OTTMAR KRAMER: That's correct.

16 MS. CANDACE EVERARD: And on the next
17 line with respect to commissions, again we see it
18 beginning in the GRA filing at some 45 million,
19 increasing by about a half a million as of the end of the
20 first quarter, and then increasing again so that we see
21 it at 46.8 million, so an overall increase of about one
22 point six (1.6) from GRA filing to end of second quarter,
23 is that right?

24 MR. OTTMAR KRAMER: That's correct.

25 MS. CANDACE EVERARD: Next we'll just

1 look at the investment income line. We see at the time
2 of the GRA filing the forecast for the current year was
3 some 85.7 million. That went down a little bit at the
4 end of the first quarter to eighty-four point four (84.4)
5 and has now grown fairly significantly to about 106
6 million. So that's about a \$20 million increase from the
7 time of the GRA filing to the end of the second quarter,
8 is that right?

9 MR. OTTMAR KRAMER: That's correct.

10 MS. CANDACE EVERARD: And does that
11 increase reflect realized gains?

12 MR. OTTMAR KRAMER: That -- that's both
13 realized and unrealized gains, and that was some of the
14 discussion we had earlier. Interest rates decreased in
15 the quarter; therefore, our claims liabilities increased
16 but also did our investment income. And the investment
17 income, as I just earlier indicated, is both realized and
18 unrealized on our held for trading portfolio, which is
19 now much larger than our available for sale portfolio;
20 therefore, the -- it's both the realized and unrealized
21 that go through the income statement.

22 MS. CANDACE EVERARD: Can you give us a
23 breakdown between the realized and unrealized gains that
24 are in that 20 million?

25 MR. DON PALMER: As he's -- as Mr. Kramer

1 is -- is looking into that, again that realized and
2 unrealized gain in -- in the held for trale -- tra --
3 trading is just fixed income securities. Our equity
4 portfolio continues to be completely in available for
5 sale.

6 So none of the realized or unrealized
7 gains that were re -- or none of the unrealized gains
8 that were referenced were with regard to our equity
9 portfolio. It's all in fixed income.

10 MR. OTTMAR KRAMER: I -- I don't have the
11 realized and unrealized. I have the split between
12 available for sale and held for trading that's on the
13 income statement. And the held for trading is at \$17
14 million, and that would be a mix of realized and
15 unrealized, and the available for sale of 14 million is
16 just realized gains, but I don't have the held for
17 trading split between realized and unrealized on me right
18 now.

19

20 (BRIEF PAUSE)

21

22 MS. CANDACE EVERARD: Does the
23 Corporation do a variance analysis periodically
24 throughout the year, like at the end of the second
25 quarter, for example?

1 MR. DON PALMER: Variance analysis in
2 what way? Essentially everything that we've been doing
3 right now is a variance analysis. So I'm not sure that I
4 fully understand what you're getting at.

5

6 (BRIEF PAUSE)

7

8 MS. CANDACE EVERARD: I -- I think what
9 we're getting at, Mr. Palmer, is the -- the variance
10 analysis schedule that typically accompanies the original
11 TI.15 filing, for example, the -- the couple pages that
12 follows that explains differences.

13 Does the Corporation do anything like that
14 at quarter end?

15 MR. DON PALMER: We -- we would have a --
16 a schedule explaining all the differences, as I've
17 outlined, for instance, my discussion on -- on the change
18 in investment mix between MUSH and -- and non-MUSH. We --
19 -- yes, we do that kind of an analysis, the difference in
20 claims costs, higher collision costs, or lower collision
21 costs of budget to actual -- the PIPP claims, investment
22 income. All of that, yes.

23 MS. CANDACE EVERARD: If you have that
24 for the second quarter, would you be able to provide it,
25 given that we have Exhibit 9, which has all the numbers?

1 If we could get the -- the schedules that go with them
2 that would be helpful.

3 MR. DON PALMER: The variance analysis
4 that we typically do at a quarter end would be corporate,
5 but we can take that as an undertaking to provide that
6 for Basic.

7 MS. CANDACE EVERARD: Thank you.

8

9 (BRIEF PAUSE)

10

11 MR. DON PALMER: So -- so just to
12 clarify, that's the Q2 results, actual to forecast, or
13 that's the -- the total year forecast to forecast?

14 MS. CANDACE EVERARD: The total year.

15 MR. DON PALMER: Okay. So -- so
16 essentially, breaking down the difference between the net
17 income of thirteen (13) and the net income of twenty-nine
18 (29)?

19 MS. CANDACE EVERARD: Yeah, like GRA
20 filing to completion of second quarter.

21 MR. DON PALMER: Yes, we can do that.

22

23 --- UNDERTAKING NO. 1: MPI to provide the Basic
24 variance analysis for quarter
25 end

1 CONTINUED BY MS. CANDACE EVERARD:

2 MS. CANDACE EVERARD: Okay. I'm just
3 going to ask you to turn your attention for the moment to
4 TI.14, and in particular, the revised TI.14 that we have
5 at Tab 42 of the book of documents. This was the updated
6 TI.14 that incorporated the first quarter results as well
7 as the IFRS adjustment. And, as well, I'll ask you to
8 look at the revised TI.14 that the Corporation provided
9 this morning as part of Exhibit 9, which includes the
10 second quarter results.

11 So we see if we look at the TI.14 at tab
12 42, which I realize it doesn't actually say TI.14 on it,
13 it's the second last sheet at Tab 42 of the Board's book
14 of documents. That version provides for Basic retained
15 earnings projected through to the end of 2010/'11 of
16 about 240 million, is that right?

17 MR. OTTMAR KRAMER: That's the Q1 that
18 you just referenced? Yes --

19 MS. CANDACE EVERARD: Yes.

20 MR. OTTMAR KRAMER: -- that's correct.

21 MS. CANDACE EVERARD: And we see, looking
22 at the quarter -- the second quarter update that was
23 filed this morning as Exhibit -- part of Exhibit 9, for
24 the same year, 2010/'11, the current year we see total
25 Basic retained earnings projected to be about 183

1 million, is that right?

2 MR. OTTMAR KRAMER: That's correct.

3 MS. CANDACE EVERARD: Now, we see on the
4 first version -- when I say "first," the first quarter
5 version of TI.14, there's an IFRS adjustment listed for
6 the current year of about 18.8 million, and that's been
7 revised to 21.1 million in the new filing.

8 Are you with me?

9 MR. OTTMAR KRAMER: Yes, I see that, and
10 I can explain that. In that IR filing 2-39, it was
11 requested the IFRS adjustment have the impact of
12 reclassification of bonds, vacation accrue and any other
13 adjustments.

14 So what was included in there was the
15 adjustment related to the available for sale bonds that
16 will be transferred to fair value through profit and
17 loss, and also the -- the sick leave estimate, 3 million
18 on a corporate basis, 2.25 on a -- for Basic.

19 For this filing that we would -- pre-ask
20 3-6, all we included with the IFRS adjustment of the
21 bonds from available for sale to help for -- or fair
22 value through profit and loss, because that's the way we
23 initially filed our Rate Application, was to include the
24 \$21.1 million. And so that 21.1 was included for
25 illustrative purposes to show where the Corporation would

1 be at, based on the proposed rebate of \$92 million.

2 MS. CANDACE EVERARD: Thank you, and I
3 will have some questions about that adjustment for
4 tomorrow, and I -- I won't get into it further at the
5 moment.

6 But my next question is: If we look at
7 the -- the second quarter results then, and the
8 projection of about 183 million in the RSR, and that
9 factors in as is shown, a -- an approval of the \$92
10 million rebate, we still see an RSR balance that is over
11 the Board's range of 154, is that right?

12 MR. OTTMAR KRAMER: That's correct, and
13 that's due to the income in year, the sixth month plus --
14 plus budget of the \$29 million. If you take the 183
15 million less 29 million, the forecasted in year, I arrive
16 at the Board's \$154 million.

17 MS. CANDACE EVERARD: And I take it that
18 the Corporation isn't intending on proposing any more
19 significant rebate than it already has, based on this
20 projection?

21 MR. DON PALMER: No. It's -- it's always
22 been our practice to provide rebates when the money is in
23 the bank. This is still a -- a forecast, so at this
24 point in time, we're not looking at adjusting that
25 estimate for the rebate for the current application.

1 MS. CANDACE EVERARD: Thank you.

2

3 (BRIEF PAUSE)

4

5 MS. CANDACE EVERARD: Going back to the
6 second quarter report for a moment that's been filed
7 today, and in particular page 8, I just want to confirm a
8 few additional numbers that are shown there.

9 This is the statement of retained earnings
10 for the Corporation, and it reflects a breakdown of basic
11 as well as the competitive lines, is that right?

12 MR. OTTMAR KRAMER: That's correct.

13 MS. CANDACE EVERARD: We see, for the six
14 months ending August 31st of 2010, Basic retained
15 earnings for the end of the period of about 272 1/2
16 million, is that right?

17 MR. OTTMAR KRAMER: That's correct.

18 MS. CANDACE EVERARD: And if we add to
19 that the retained earnings shown for the competitive
20 lines for the same period of -- of about 153.1 million,
21 we get a total balance of retained earnings for the
22 Corporation as a whole for the period ending August 31st,
23 2010 of \$425.7 million.

24 Is that right?

25 MR. OTTMAR KRAMER: Yes, that's correct.

1 MS. CANDACE EVERARD: Mr. Chairman, if I
2 can just have one (1) moment to consult. And I know
3 we're close to our end-time. I just -- I just need one
4 (1) moment, if you don't mind.

5

6 (BRIEF PAUSE)

7

8 THE CHAIRPERSON: It would appear that
9 Board counsel and advisors are conferring, and we're
10 almost at 3:00 anyway. I just wanted to respond to Ms.
11 Kalinowsky's desire for the Hearing to move on as quickly
12 as possible and to provide those present with a sense of
13 the Board's realities.

14 Along with this proceeding, we have a
15 Manitoba Hydro oral proceeding related to diesel rates
16 that's going, plus we have ongoing preparation for a
17 major oral hearing dealing with Manitoba Hydro that has
18 several components, which is quite time consuming, to put
19 it mildly. We also have approximately three hundred
20 (300) water and sewer files, Highway Traffic Board
21 appeals, Centra Gas, another gas distributor, along with
22 a propane distributor to deal with.

23 And the Board is also dealing currently,
24 or about to begin a consultation process relating to
25 bereavement legislation, which involves public hearings

1 and things of this particular nature.

2 At the same time, we have three (3) staff
3 officers and three (3) administrative staff. All I can
4 say is that the reality of the workload of the Board and
5 the schedule, however it may appear, the Board treats all
6 the files that are in front of it in a very conscientious
7 fashion, and we take the MPI proceeding as being
8 extremely important. But on the other hand, as I'm sure
9 MPI would understand, you wouldn't expect the Board to
10 not pay attention to other processes that are ongoing
11 simultaneously and concurrently.

12 Right at this point in time, we have one
13 (1) full-time Board member and we issue fifteen (15)
14 orders a month. There's no complaint involved in this.
15 I'm just trying to provide the reality. We have five (5)
16 part-time Board members that are assigned to various
17 panels.

18 So there's some restrictions and realities
19 created by our own situation. So with that, we will
20 adjourn for today, and we will start again tomorrow at
21 nine o'clock. Thank you.

22

23 (PANEL RETIRES)

24

25 --- Upon adjourning at 3:00 p.m.

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Certified Correct,

Cheryl Lavigne, Ms.