



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re :

PUBLIC HEARING

RE: MANITOBA PUBLIC INSURANCE

GENERAL RATE APPLICATION

FOR THE 2013/14 INSURANCE YEAR

Before Board Panel:

Regis Gosselin - Board Chairman

Karen Botting - Board Member

Anita Neville - Board Member

HELD AT:

Public Utilities Board

400, 330 Portage Avenue

Winnipeg, Manitoba

October 25, 2012

Pages 1739 to 1849

1 APPEARANCES

2 Candace Grammond) Board Counsel

3

4 Kathy Kalinowsky) MPI

5 Michael Triggs (np))

6

7 Byron Williams (np)) CAC

8

9 Raymond Oakes (np)) CMMG

10

11 Liz Peters (np)) CAA

12

13

14

15

16

17

18

19

20

21

22

23

24

25

		1741
1	TABLE OF CONTENTS	
2		Page No.
3	List of Exhibits	1742
4		
5	Closing Submissions by MPI	1743
6		
7	Questions by the Board	1831
8		
9		
10	Certificate of Transcript	1849
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

LIST OF EXHIBITS		
NO.	DESCRIPTION	PAGE NO.
1		
2		
3	MPI-33 Copy of MPI's closing argument	1743
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 --- Upon commencing at 9:28 a.m.

2

3 THE CHAIRPERSON: I think we're --
4 we're ready to start early again. Is there any
5 business to attend to before we -- we commence the
6 proceeding? So over to you, Ms. Kalinowsky.

7

8 CLOSING SUBMISSIONS BY MPI:

9 MS. KATHY KALINOWSKY: Good morning
10 very much. I passed around a paper copy of closing
11 argument. I hope that the Board members will -- and
12 others will appreciate that. And it's often easier to
13 remember things when -- at least for me, when I both
14 hear and see at the same time, rather than just hearing
15 it orally and then later on visual -- visually looking
16 at a transcript.

17 So I hope the Board members do
18 appreciate that and it help -- assists them. I also
19 suggest that it should be marked as MPI Exhibit number
20 33, and that's the number that the Board secretary has
21 suggested.

22

23 --- EXHIBIT NO. MPI-33: Copy of MPI's closing
24 argument

25

1 MS. KATHY KALINOWSKY: I would also
2 note that you'll notice that Mr. Johnston is not here
3 today. Mr. Johnston is attending, as the chief
4 actuary, Aon Ren -- Rendezvous, which is the meeting
5 with all of the reinsurers. It's commonly referred to
6 as speed dating with reinsurers, so let the excitement
7 begin there for him. But -- but he does send his
8 regrets that he was not able to attend for this.

9 Also as a precursor to starting the
10 closing argument, just a little vignette from my
11 personal life, but it's one -- I've got a little -- two
12 (2) little boys. And one day -- I guess, that is, in
13 the morning -- Okay, hurry up, you know, got to get to
14 school, mom's got a hearing to go to.

15 So the little one said, Well, what's a
16 hearing? So I explained as best as a could to a child
17 that's in grade 3 what a hearing is. And then he just
18 looked up to me with his big eyes and said, Well, mommy
19 you just do your very best. So here I am trying to do
20 my very best.

21 THE CHAIRPERSON: Before you start
22 though, you should let us know about London School of
23 Economics. I'm intrigued by that.

24 MS. KATHY KALINOWSKY: I attended the
25 London School of Economics and have my graduate degree

1 in law from London School of Economics. I'd attended
2 Osgoode Hall Law School first and got my undergraduate
3 degree in law, which is the standard LLB that Ms.
4 Everard and most lawyers have. And that's what you
5 actually need to receive prior to going into the Law
6 Society for the bar admission course and taking your
7 bar exams.

8 But I also decided to specialize in an
9 area, and so went to the London School of Economics and
10 did my master's in law there. And the area in which I
11 specialized was called public law, so I actually have
12 on my degree that I have on the wall it says, "Master's
13 of Law in Public Law Specialization."

14 And public law is the -- very much the
15 intersection of government and the economy. And so I
16 studied regulation there as one of the courses that I
17 took, regulatory law. So I'm probably one of the few
18 people from that area that actually practises almost
19 exclusively in regulatory law and in public law, so
20 it's served me quite well. It's a great intellectual
21 background with which I work with and apply almost
22 daily, so.

23

24

(BRIEF PAUSE)

25

1 MS. KATHY KALINOWSKY: Okay, with that
2 I'll start into the closing argument, and you can see
3 application. In this GRA, MPI has applied for four (4)
4 specific items. It reiterates those four (4) items
5 here.

6 Number 1, no approval in change in
7 rates, no -- number 2 is approve the final step in the
8 DSR demerit surcharges. Number 3, approve the new cost
9 allocation methodology for rate-making purposes.
10 Number 4, adopt the DCAT methodology to determine the
11 Basic Autopac RSR target and for 2013/'14 an RSR target
12 of \$200 million.

13 Rates, this is the fourteenth time in
14 fifteen (15) years that MPI has held the line or
15 reduced rates. The financial condition of the Basic
16 compulsory program is sound and will continue to be
17 through the use of a rate-making methodology that is
18 actuarially sound and statistically driven along with
19 strong and transparent forecasting processes.

20 Out of the 25 rate applications
21 submitted, the PUB has approved nineteen (19) overall
22 rate levels sought. In a further five (5) applications
23 the amount approved has been less than 1.2 percent from
24 that sought by MPI.

25 In the one (1) remaining rate

1 application the PUB granted a higher rate than that
2 applied for by MPI. This is an incredibly strong
3 record and it should be something that the Board, that
4 the Intervenors, and that the Corporation are proud of.

5 It shows that all parties have achieved
6 a certain level of consensus and convergence in rate
7 setting and that the applications brought before this
8 Board have satisfied the criteria of fairness, they're
9 actuarially sound, and they're statistically based. So
10 no overall chan -- rate changes.

11 The Corporation is seeking no overall
12 change in premium revenue for rates effective March
13 1st, 2013. This has been determined by the long-
14 standing, PUB approved rate-making methodology as
15 encompassed in the rate filing.

16 The goal accepted by all parties,
17 including the PUB, is for Basic to break even
18 financially. Break even financially means averaging
19 out two (2) years of net income for 2013/'14 and
20 '14/'15, recognizing the effect of the staggered
21 renewals, and forecasting a net income of plus or minus
22 \$10 million out of a total earned revenues of 793
23 million in 2013/'14 and 833 million in 2014/'15.

24 The Board heard forthright evidence of
25 the potential variability of that forecast due to hail,

1 investments, and claims costs, amongst other things.
2 How is the zero percent change in rates determined? In
3 an abbreviated explanation the Corporation forecasts
4 its expected costs and revenue for the future period
5 covered by the rating year, and then determines the
6 impact of those costs and revenues on net income with
7 no rate change.

8 The difference between the required
9 income from rates and what would have been received
10 without a change determines the indicated rate change.
11 This year the actuarially indicated rate change is
12 minus 0.3 percent, which was rounded to zero percent.

13 TI.14 indicates that the Basic retained
14 earnings are forecast to be 205 million in 2012/'13,
15 199 million in 2013/'14, and 208 million in 2014/'15.
16 As indicated in the hearing, this projection is without
17 future rate decreases and therefore indicates an RSR
18 level that aligns closely with the DCAT target of \$200
19 million within this period.

20 Looking at the net income for those
21 respective years at TI.15, those numbers are minus \$4.6
22 million in 2012/'13; minus 5.6 million, 2013/'14,
23 that's the year of the -- the application; a positive
24 8.3 million in 2014/'15; and a positive 22.5 million in
25 2015/'16.

1 The years with the minus 5.6 and \$8.3
2 million net in -- income are basically break-even,
3 followed by a healthy year. And that starts three (3)
4 years out from now of \$22 million projected net income.

5 For rate-setting purposes we must add
6 the net income from the two (2) fiscal years covered by
7 the applied-for rates and then divide by two (2). So
8 we're looking at a small positive net income over the
9 two (2) years, 2013/'14 and '14/'15, affected by the
10 2013 rates that we've applied for.

11 This is what drives that minus zero
12 point three (0.3) actuarially indicated rate. MPI
13 could have applied for minus 0.3 percent rate decrease
14 but chose not to due to the very small amount. And
15 that's from transcript pages 386 to 387.

16 In looking at what is break even, it's
17 necessary to keep in mind that a 1 percent change in
18 overall rates yields a revenue change of \$7.8 million.
19 Of course, rate stability is paramount for Manitobans,
20 and that necessitates a long-term view of the net
21 income and retained earnings.

22 In 2015/'16, with a forecast net income
23 of \$22 million, the Corporation would not, according to
24 Ms. McLaren, seek approval of rates that would generate
25 \$22 million net income. And that's transcript page

1 387. That is, of course, with all other things being
2 equal. The same, she indicated, would be reflected of
3 the retained earnings; namely, MPI would not likely
4 apply for a rebate one year and then seek an increase
5 the next year.

6 Based upon the rate-making processes
7 that have been long established, along with the
8 stability of the outlook which has been exhibited over
9 a number of years, it is submitted the PUB should
10 approve this zero percent rate change.

11 Let's address the idea of fresh start
12 that CAC counsel put forward. The Corporation
13 appreciates the comments from CAC with respect to its
14 desire for a regulatory fresh start. In our minds,
15 this hearing was indeed a fresh start in many ways, and
16 we appreciated the tone of questions from Board counsel
17 and inter -- and Intervenors. We appreciated sticking
18 to the jurisdictional mandate of the PUB as per the
19 Crown Corporation's Public Review and Accountability
20 Act. And we appreciated the appropriate nature of the
21 questions and, of course, the challenges to the
22 evidence.

23 At MPI, we also highly value the
24 questions from the Chair and would welcome any from
25 other panel members. It is extremely important for the

1 MPI witnesses to understand how the Board is thinking
2 about the evidence, and we can help address any
3 concerns, issues, or doubts that the members might
4 have. Better information yields a better order.

5 In making that statement, you might
6 notice use of the word "better" to describe
7 information. I did not use the word "more"
8 information, and that is where MPI differs from CAC
9 fundamentally. Does process matter?

10 The title of CAC's argument is, "Does
11 Process Matter: A Regulatory Leap of Faith." The
12 consistent theme throughout Mr. Williams' argument is
13 for process. Indeed, he even states at the beginning
14 of his argument that the biggest issue is to get the
15 process right.

16 With all due respect, I would have
17 thought that the biggest issue was to set rates, which
18 is why we are here, as the legislation dictates.
19 Apparently, until this emphasis on process is
20 satisfied, MPI is to live in this regulatory limbo, or
21 no man's land, in which nothing is seemingly approved
22 by the PUB.

23 While MPI is certainly pleased with the
24 CAC recommendations to support MPI's application of no
25 overall change in rates and no rate rebate to be

1 issued, there has to be finality to the issues the
2 Board has been dealing with for years now.

3 Let's discuss the variety of issues and
4 topics for which CAC wants to expand and extend the
5 process.

6 1. More process relating to review of
7 unpaid claims liabilities. Ostensibly, this is for fer
8 -- further refinement and review. What we can say is
9 that every year, there will be differences in the
10 review of unpaid claims liabilities. Actuaries get new
11 processes and standards. The data is viewed
12 differently. Interest rates go up or down. The PIPP
13 program changes. There will be ENR releases. There
14 will be shortfalls. We expect that every year, the
15 review of unpaid claims liabilities should be analyzed
16 in this forum.

17 2. More processes required to address
18 concerns on the interest rate PFAD and accident
19 benefits other, which is a component of the unpaid
20 claims liabilities. The previous issues I mentioned
21 apply to this too.

22 Number 3. Obtain data from other no-
23 fault insurers or WCB, and have that reviewed within
24 the PUB process because CAC indicates there is
25 uncertainty and material impact of uncertainty on

1 ratepayers until this is accomplished. We disagree.

2 4. Focus on developments in terms of
3 productivity performance indicators. MPI is to propose
4 a productivity benchmark. This is in the context of
5 operating and claims expenses. Again, CAC wants a
6 process to establish productivity indicators and then
7 review and test these afterwards.

8 With all due respect, although
9 productivity indicators might be an interesting item
10 for the Board to review, ultimately it factors very
11 little into rate-making and is really a tool for
12 management to review the operations of the Corporation,
13 not the PUB. Nevertheless, CAC is actually
14 recommending the 'M' -- MPI propose a productivity
15 benchmark in the next GRA, which, I argue, then CAC
16 will likely critique in some fashion and pick away at
17 over the next several years of GRA hearings, as per the
18 process.

19 5. Revise the DCAT, since it's not
20 ready for prime time. The DCAT has now been prepared
21 in-house from a true Basic Autopac perspective for
22 three (3) years. This is now Professor Simpson's third
23 appearance before the PUB on the RSR methodology. The
24 operational risk analysis was first prepared in 2000
25 and has been the subject of almost every hearing since

1 then.

2 This process to determine an adequate
3 RSR has occupied likely more time than any other topic
4 since the PUB has commenced rate-setting in 1989. I
5 know this to be true since 1994 for sure, my first GRA
6 with MPI as an articling student, when I was actually
7 junior board counsel. Now, CAC wants even more process
8 on the methodology.

9 6. Host a technical conference on the
10 DCAT, another process.

11 7. Cost allocation is to be further
12 reviewed. The PUB directed MPI to review its cost
13 allocation methodology in 2006. Since the panel
14 members are relatively new, I'll give you an idea of
15 how much time and money has been spent on that. There
16 have been 812 pages of transcripts in the PUB. The
17 Board has heard twice from Richard Olfert of Deloitte
18 and twice from Messrs. Kowalchuck and Parkinson on the
19 issue of cost allocation. They're from KPMG.

20 MPI has already paid Deloitte
21 approximately two hundred and eighty thousand dollars
22 (\$280,000) for their work on cost allocation. The
23 Board has heard ad nauseam from the MPI panel members
24 on this over the past four (4) GRA hearings. Yet Mr.
25 Williams argues that, quote, "MPI's analysis continues

1 to be impoverished," quote -- end quote. And Mr.
2 Williams wants to still fill more transcript pages on
3 cost allocation when the difference between the two (2)
4 methodologies is now down to 0.075 percent of a rate.
5 That's not a typo.

6 8. For road safety, MPI is to produce a
7 baseline survey of who is doing what in the data
8 available along with a number of proposal for future
9 developments. While all very interesting, my comment
10 in that regard is: What does this have to do with the
11 approval of basic rates and why should the Board and
12 Intervenors be engaged in this at all? Ultimately, the
13 government will address and decide the future direction
14 of road safety within the province.

15 So does process matter? Of course
16 process matters. But not process for the sake of
17 process in which there's no finalities, matters are
18 reviewed and debated endlessly, and the Corporation is
19 left in a state of uncertainty, and the hearings expand
20 every year to fill an increasing number of days and
21 endless information requests.

22 Now is the time for the Board to make
23 decision on the above issues and put them to rest, so
24 to speak, and take MPI out of this regulatory limbo in
25 which MPI's proposals are endorsed but cannot be

1 utilized for rate-setting purposes. In particular, the
2 cost allocation and the DCAT methodology ought to be
3 approved.

4 I'm just going to slightly deviate from
5 the script and mention one other thing that I did want
6 to say thank you to the Board and Board counsel and the
7 Board advisors. And at the pre-hearing conference, I
8 had spoken at some length with respect -- respect to
9 the number of information requests and the dramatic
10 increase over the past number of years. And I don't
11 have the statistics here with me but I can say that the
12 information from -- requests from the Board
13 dramatically decreased this year, so thank you very
14 much. Appreciate the focus that was provided this
15 year.

16

17 (BRIEF PAUSE)

18

19 MS. KATHY KALINOWSKY: Forecasting in
20 general. The forecast is, of course, integral to the
21 prospective rate-making process. To determine its
22 forecast, MPI undertakes many different approaches.

23 To forecast interest rates, MPI relies
24 upon the median forecasts of various major banks and
25 professional forecasters. It does not attempt to

1 forecast this itself. Transcript pages 939 to 942.

2 Estimating the future claims is
3 incredibly hard and must take into account weather, for
4 instance, since winter has the highest frequency or,
5 conversely, several summer hail storms that can wreak
6 havoc on those vehicles in its path. The claims
7 forecast book is located at TI.17 and lists the
8 economic assumptions and model descriptions and
9 methodology employed in the claims forecast.

10 There is the PIPP, or bodily injury
11 forecast and projections in which costs are projected
12 on the different lines of coverage. So that's income,
13 personal care assistance, rehabilitation costs, et
14 cetera. Sometimes out for forty (40), fifty (50),
15 sixty (60) years. And the physical damage forecast
16 contains projections for coverage as disparate as
17 collisions between autos, wildlife collisions, fire,
18 theft, vandalism, et cetera.

19 Even with all these challenges the net
20 claims incurred forecast has remained very stable over
21 the past year with an average increase of approx --
22 approximately 0.75 percent over the rating period. The
23 stability of the claims forecast is the key reason for
24 the overall zero percent rate indication in 2013/'14.
25 And that's from Luke Johnston's pre-filed testimony,

1 page 3.

2 For physical damage claims of vehicles,
3 MPI pays to body shops to repair, and for vehicles
4 rendered total losses, approximately \$450 million per
5 year. This is less than 1 percent -- or there is less
6 than 1 percent variance between the forecast and the
7 actual. That's transcript page 152. It's an
8 incredibly high degree of accuracy in the forecast.

9 Of course, as acknowledged by Ms.
10 McLaren there are what is known as -- these are what
11 are known as short-tail claims, whereas the long-tail
12 claims -- twenty (20), thirty (30), sixty (60), seventy
13 (70) year bodily injury claims -- are obviously much
14 more difficult to forecast. And that's transcript
15 pages 152 to 153.

16 For the forecast period, the Corporation
17 has revised its forecasting methodology for volume and
18 upgrade. The projected volume and upgrade factors will
19 now be based on the Highway Traffic Act, or HTA, units
20 and upgrade rather than the overall volume and upgrade.

21 Non-HTA units, which are made up of
22 trailers and off-road vehicles, or ORVs, represent 21
23 percent of units but only 1 percent of vehicle
24 premiums. So there's a huge number of trailers and
25 ORVs within the fleet that Manitoba Public Insurance

1 insures.

2 This increasing number of non-HTA units
3 was distorting the Corporation's upgrade and volume
4 calculations. This year's forecast assumes that the
5 combined growth from volume and upgrade excluding DSR
6 is 4.29 percent per year, so that's 2.5 percent HTA
7 upgrade and 1.75 percent HTA volume, compared to 4.81
8 percent per year which was two (2) -- compo -- composed
9 of 2.25 percent upgrade and 2.5 percent volume last
10 year.

11 This change translate into approximately
12 \$8 million less revenue in 2013/'14, and \$14 million
13 less revenue in 2014/'15, compared to using last year's
14 assumptions. And that's from Luke Johnston's pre-filed
15 testimony page 4.

16 You heard testimony that the incredibly
17 high growth in trailers and ORVs was distorting the
18 volume growth numbers, especially when these types of
19 vehicles only contribute 1 percent of premiums written
20 due to their low rates relative to other vehicles.

21 The inclusion of the trailers and ORVs
22 meant that the actual volume factor was consistently
23 higher than MPI's projection. Removing the trailers
24 and ORVs should enhance significantly the Corporation's
25 forecasting in this regard. And that's from transcript

1 page 389 to 392.

2 The effect of this on net income at the
3 end of the day is pretty minimal. Recasting the volume
4 factor from 1.75 to 2.25 percent would only yield an
5 additional five hundred thousand dollars (\$500,000) in
6 net income. And that's transcript page 395.

7 MPI pulled the non-HTA vehicles out of
8 the upgrade factor, noting that it was also having the
9 same effect, and that's transcript page 397. Again,
10 the evidence is to have the upgrade factor retained at
11 2.25 percent.

12 Whether you change upgrade or volume
13 factor, then the TI.2 will still be applicable since
14 they are set on a bak -- break-even basis. If the
15 individual rates are set on a break-even basis, the net
16 income will be the same regardless of the number of
17 vehicles or the composition of the fleet.

18 If the -- if the upgrade factor were
19 altered from 2.5 percent to 3 percent, because
20 approximately 5 percent is erroneous, because it
21 excludes the impact of claims incurred, which, of
22 course, would not be the case. And that's from
23 transcript page 407 to 413.

24 I spent a fair bit of time on this right
25 here in my closing argument, because Board counsel

1 addressed this in quite a bit of detail and there was
2 some confusion at the time with a -- an IR that I just
3 mentioned there. So it happened an awfully long time
4 ago, I guess probably October -- or sorry, September
5 26th. So I just wanted to refresh the Board members on
6 that because it was something of -- a lot of time was
7 spent on in cross-examination.

8 Move forward now to the review of unpaid
9 claims liabilities. The unpaid claims liabilities are
10 set out in the external actuary's report. It might be
11 difficult for the Board members to believe, but up
12 until last year the review of unpaid claims liabilities
13 attracted very few questions or attention.

14 As shown in AI.10, the October 31st,
15 2011, appointed actuary's report resulted in a
16 reduction in claims liabilities of 43.1 million or 3.2
17 percent of total claims liabilities relative to the
18 Corporation's book value.

19 The main reason for the reduction was
20 due to the removal of an assumed tail load for weekly
21 indemnity coverage, i.e., assumed additional growth in
22 premiums incurred for lifetime injury claimants beyond
23 the Corporation's observed experience.

24 The Corporation lived up to its
25 commitment made at last year's hearing and reconsidered

1 whether the 6 percent load on weekly indemnity was
2 required, took the position that it was not, and this
3 was val -- validated by the appointed actuary.

4 All parties have to agree this
5 eliminated a material source of conservatism. With
6 respect to the 6 percent load in accident benefits
7 others, I believe Ms. McLaren was quite clear when she
8 testified that she is not entirely convinced that Mr.
9 Johnston and the appointed actuary haven't gone too far
10 and swung the opposite way.

11 Mr. Johnston told you that significant
12 numbers of catastrophically injured claimants are
13 receiving no personal care today, and just as many that
14 are receiving payments are receiving a fraction of
15 their entitlement. There is simply no justification
16 for Mr. Williams' view that there is unwarranted
17 conservatism in accident benefits other.

18 Another significant change in the
19 October appointed actuary's report was to increase the
20 Corporation's interest rate provision for adverse
21 deviation from 1 percent to 1.25 percent. The
22 appointed actuary based his decision on the current
23 inflation rate and the current average yield of our
24 bond portfolio as of October 31st, 2011. His -- his
25 view on this relationship between low yields and

1 inflation that is relevant.

2 The impact was an increase in unpaid
3 claims liabilities of \$34 million. As noted by Mr.
4 Johnston in cross-examination the external actuary made
5 a case for this, laid out his reasons, and it was seen
6 as reasonable by MPI's chief actuary. That's cran --
7 transcript page 2 -- 526.

8 Mr. Cheng noted in his October 31st
9 review at AI.10 that the 0.67 percent real return was
10 the lowest ever experienced at time of evaluation.

11 The interest rate PFAD for actuaries
12 must be between 0.25 percent and 2 percent. 1.25
13 percent is still in the mid-range of this provision,
14 and that's from the pre-filed testimony of Mr.
15 Johnston.

16 The impact of all other changes and
17 assumptions from the October 2011 appointed actuary's
18 report was a \$21 million decrease in liabilities
19 relative to book values. The majority of this impact
20 was due to updating the loss development assumptions to
21 be reflective of the latest experience. There were no
22 changes to assumptions in the February 2012 appointed
23 actuary's report other than to update the report for
24 the latest observed data.

25 The February report indicated a decrease

1 in unpaid claims liabilities of approximately \$1
2 million. With respect to PIPP forecasting, Mr.
3 Johnston acknowledged a need for an improvement in
4 forecasting to show a much more consistent relationship
5 between actual and forecast in PIPP. Especially after
6 the last few years of IBNR releases. That's transcript
7 page 427. Measures have been put in place to ensure
8 improved forecasting, transcript pages 921 to 922.

9 To summarize this exchange, Mr. Johnston
10 did admit that there was a bias in the past three (3)
11 years based on the undeniable evidence of favourable
12 incurred outcomes. He stated this problem has been
13 fixed over the past few years through the very
14 significant adjustments made to claims liabilities.

15 The large actuarial releases were also
16 the subject of extensive cross-examination last year,
17 of course. What we can say now, is that new data
18 exists, new methods have been deployed, and there are
19 new actuaries both internally within MPI and the
20 external appointed actuary.

21 Finally, there is no level of undue
22 conservatism in the review of unpaid claims
23 liabilities. When questioned by Board counsel as to
24 the level of confidence the Corporation has in the most
25 recent evaluation estimates of unpaid claims

1 liabilities, Mr. Johnston answered, quote:

2 "I mentioned earlier about how we
3 changed our reserving methodology in
4 2005. I'm very comfortable with the
5 emerging experience coming out of
6 those changes. We do have an IR that
7 shows strong -- clearly that the
8 reporting has been much more
9 consistent under the new methodology.
10 I do strongly believe that we have
11 selected best estimates based on the
12 available data that we have. I don't
13 anticipate any of those numbers
14 changing significantly,"

15 Close quote, transcript page 484. We
16 urge the Board to accept this approach now based upon
17 the evidence.

18 CAC tried to make much of the
19 possibility of a future release from unpaid claims
20 liabilities. However, this was disputed by Mr.
21 Johnston. The most recent evidence counteracts this
22 allegation.

23 Undertaking number 3 provided the most
24 recent runoff of claims liabilities. For the liability
25 review, as at April 30th, 2012, there was an increase

1 in PIPP unpaid claims liabilities of \$16.8 million. In
2 other words, the indicated IBNR -- PIPP IBNR was \$16.8
3 million higher than booked, meaning that there was no
4 undue conservatism here.

5 For the liability review as at July
6 31st, 2012, there was an additional increase in PIPP
7 unpaid claims liabilities of \$13.8 million, i.e., the
8 PIPP IBNR was \$13.8 million higher than booked again.

9 A review of the July review of unpaid
10 liabilities was provided by way of undertaking and
11 filed as Exhibit 19. The policy liability evaluation
12 resulted in an increase in PIPP unpaid claims
13 liabilities of \$13.8 million, i.e., the indicated PIPP
14 IBNR was \$13.8 million higher than booked. That was
15 using the same assumptions and methodologies as with
16 the February 2012 evaluation.

17 In conclusion, there's no evidence for
18 the PUB to find anything but that this actuary review
19 is reasonable and forms the basis for just and
20 reasonable rates.

21

22 (BRIEF PAUSE)

23

24 MS. KATHY KALINOWSKY: Cost allocation
25 methodology. Every organization that operates more

1 than one (1) line, makes more than one (1) product, or
2 has more than one (1) location, necessarily uses cost
3 allocation to property divide its costs, assets, and so
4 on.

5 In particular, rate-setting regulators
6 everywhere in the -- in all industries rely on
7 allocation policy to ensure the costs charged in the
8 lines of businesses, subject to the regulatory
9 oversight, are appropriate. Nothing that MPI is doing
10 is that unique.

11 The National Energy Board, the CRTC, the
12 Ontario Energy Board, the British Columbia Utilities
13 Commission, all deal with regulated entities that have
14 multiple lines of business.

15 The Deloitte methodology is much
16 superior than the pre-existing methodology. It offers
17 a more robust way to examine costs and it uses the
18 beneficiary of the services to determine the
19 allocation. The PUB endorsed it as a methodology in
20 the recent past, yet declined to implement it. So the
21 Corporation has resorted to preparing the rate filing
22 on the basis of the less desirable PUB-approved cost
23 allocation methodology.

24 Net claims incurred should be used as
25 the allocator of shared claims handling costs instead

1 of gross premiums written; more reflectly -- more
2 fairly reflects the costs of providing Basic insurance
3 service, and provides reasonable results that are more
4 readily understood.

5 The prof -- particular benefits of net
6 claims incurred are: meets the criteria set by
7 Deloitte. It's an objective easily obtained --
8 objective easily-obtained driver of costs; more closely
9 aligned with the expenses it's allocating from a timing
10 perspective. It's reflective of the activity generated
11 in handling the claim. Will not fluctuate based on
12 rate-setting policies. Not impacted by policy
13 decisions on the profit margin to be earned on
14 competitive lines of business. And if it increases,
15 it's because of the higher severity of the claims
16 and/or higher frequency of claims, both of which impact
17 the effort and expense in administering the claim.

18 As stated by Ms. Reichert, quote:

19 "We believe the new methodology is
20 the most fair and reasonable
21 allocation methodology, and it
22 appropriately reflects cost causality
23 by using net claims incurred. The
24 use of a four (4) year rolling
25 average for the customer contact

1 ratio in net claims incurred will
2 ensure that future allocations do not
3 swing significantly from one year to
4 another."

5 Close quote. And that's transcript page
6 298-99.

7 While it's difficult to disagree with
8 Mr. Williams that reasonable arguments could be made
9 for and against any particular decision at a detailed
10 level, and that reasonable persons could come to
11 different conclusions -- that's transcript page 1,027,
12 two (2) preeminent national accounting firms -- and
13 that's Deloitte and KPMG -- agree that net claims
14 incurred is the more appropriate and reasonable
15 allocator.

16 As KPMG stated in their October 2010
17 assessment of the Deloitte methodology using net claims
18 incurred, quote:

19 "We did not observe any bias in the
20 application of the cost allocation
21 methodology. This means we found no
22 evidence that the allocation of cost
23 is skewed to achieving a particular
24 result or outcome. This is an
25 important element of our assessment

1 of reasonableness."

2 Close quote. The net claims incurred
3 allocator therefore more fairly reflects the cost to
4 providing the Basic insurance service and provides
5 reasonable results that are more readily understood.

6 As stated in the Deloitte June 30th,
7 2009, report, net claims incurred by line of insurance
8 were selected as a reasonable allocator, as it provided
9 the most reasonable comparator of actual business
10 activity required to service customers under each
11 insurance line of business. And that -- those -- both
12 those quotes are from AI.16, pages 6 and 7.

13 In Mr. Williams' argument he clearly
14 encouraged the -- this Board to disregard what is most
15 reasonable and instead use premiums written as, quote:

16 "It more accurately captures the
17 overall relationship than the cost
18 allocator. And it does so because at
19 least to a certain degree it takes
20 into account the benefits inuring to
21 Extension from the Basic monopoly in
22 terms of the revenues."

23 Close quote. Transcript page 1,727.
24 Not only is that contrary to principles of cost
25 allocation, it ignores the reality as explained by Ms.

1 McLaren.

2 On page 82, CAC Exhibit number 13, Mr.
3 Williams has only included one (1) part of a response
4 Ms. McLaren made in reference to the synergistic
5 relationship between Basic and Extension operations.

6 In his closing argument, he quoted Ms.
7 McLaren, quote:

8 "Autopac Extension particularly does
9 have ram -- new generating advantages
10 by being associated with Basic."

11 Close quote. That's from transcript
12 page 1,042.

13 The rest of Ms. McLaren's response,
14 which he did not include, went on to say, quote:

15 "I will not agree that they have any
16 real cost-saving opportunities. I
17 think that Extension business would
18 run fundamentally differently if it
19 was not part of this larger system,
20 but it does have revenue-generating
21 opportunities."

22 Close quote, transcript page 1,042.

23 Ms. McLaren then continued later on,
24 quote:

25 "But I would really make the case

1 that that also helps basic
2 ratepayers. We've more than doubled
3 the size of the Extension book of
4 business, which has a significant
5 cost allocation impact, which means
6 that Basic is not paying anywhere
7 near as much as it used to."

8 And that's transcript page 1,042.

9 So in reality, this becomes a circular
10 argument: Basic gets advantages from Extension,
11 Extension gets advantages from Basic. And I tried to
12 get the computer to put little arrows there going back
13 and forth, but I couldn't, so I just gave up at that
14 point.

15 It's important for the Board members to
16 recall that out of the more than \$1 billion worth of
17 expenses incurred by MPI annually, only \$220 million of
18 those expenses are subject to some form of allocation.
19 To provide you with the specifics on this, the total
20 normal costs of the Corporation are one billion, sixty-
21 eight million (1,068,000,000) for twenty thir --
22 '12/'13, out of which 686 million is directly
23 assignable to Basic. That's from extension 11. Only a
24 hundred -- or, sorry, from Exhibit 11.

25 Only 170 million, or about 20 percent,

1 is allocated to Basic. Of the 170 million allocated to
2 Basic, only about 75 percent would be allocated on the
3 basis of net claims incurred.

4 The financial effect on Basic, if the
5 PUB were to adopt the new methodology, would be less
6 than 0.1 percent, AI.16 Attachment B, which is not a
7 lot of money.

8 The GRA net income is forecast to be
9 minus five point six (5.6) -- minus -- negative five
10 million, six hundred and fourteen thousand dollars
11 (\$5,614,000) compared to a net income of negative six
12 million, one hundred and thirty-seven thousand dollars
13 (\$6,137,000) if the new methodology were to be applied.

14 MPI can assure the Board that if it was
15 to order that the 2013/'14 rates be based on the
16 Deloitte methodology with net claims incurred, not only
17 would the Corporation fully welcome such direction, it
18 could implement that direction quickly and effectively
19 in time for the March 1st, 2013, rates.

20

21 (BRIEF PAUSE)

22

23 MS. KATHY KALINOWSKY: Operating
24 expenses and capital expenditures. The Corporation
25 does not judge the expend -- expenses it incurs based

1 on a profit margin or on consumer price indexes. The
2 Corporation judges its expenditures based on its value
3 equation. And the value equation was mentioned by Ms.
4 McLaren in the beginning of the hearing, but it's
5 something that governs all of MPI, and its price plus
6 coverage plus service plus access equals value. If the
7 expenditure results in value for Manitobans, there is
8 value in the expense being incurred.

9 The Corporation is concerned with
10 providing easily attainable coverage and services that
11 do not discriminate. Manitobans' coverage is based on
12 residency first and foremost. Coverage is not on
13 arbitrary, discriminatory factors such as age, gender,
14 marital status, or education, which occurs in other
15 provinces -- some -- some other provinces.

16 No matter where you live in Manitoba,
17 you must have access to the same service that is
18 available to other Manitobans. Ninety percent of all
19 Manitobans live within an hour of a service or a claim
20 centre, and that's from the annual report, page 11.

21 The Corporation recognizes that
22 Manitobans' needs and expectations continually change,
23 and we pride ourselves on constantly evolving to
24 deliver high levels of service and value that meet
25 those needs.

1 To be relevant to Manitobans' changing
2 needs, the Corporation has to change as well. 92
3 percent of Manitobans who have completed transaction
4 with the Corporation are satisfied with the service
5 they received, from the annual report, page 11.

6 The Corporation recognizes it must
7 constantly improve. The coverage the Corporation
8 provides is set by the legislature. It's listed in the
9 MPIC Act and all its regulations.

10 The Corporation believes that Basic
11 Autopac insurance is among, if not the most,
12 comprehensive and generous coverage in Canada.
13 Moreover, all the access, service, and coverage is
14 accomplished within the component of the Corporation's
15 value equation that it -- that is within the
16 jurisdiction of the Board, namely price.

17 The Corporation provides access,
18 service, and coverage to all Manitobans at an
19 affordable price. This equals value for Manitobans.
20 Since 1994 the national average for the cost of
21 insurance coverage has risen two point four (2.4) times
22 higher than in Manitoba. That's from the annual report
23 in 1994.

24 The Corporation will provide continued
25 value to all Manitobans without the necessity of

1 seeking a rate increase. The total projected cost for
2 2013/'14 fiscal year excluding capital expenditures is
3 eight hundred and eighty-seven million and ninety-five
4 thousand dollars (\$887,095,000). That's from TI.15-18.

5 Manitobans are only being asked to pay
6 seven hundred and ninety-three thousand, two hundred
7 and forty-seven thousand (793,247) -- or, million --
8 sorry, nine (9) hund -- or sorry, seven hundred and
9 ninety-three million, two hundred and forty-seven
10 thousand dollars (\$793,247,000), that's from TI.15A, in
11 the form of projected premiums to cover those costs.

12 The majority of those costs, six hundred
13 and thirty-eight million, a hundred and forty-two
14 thousand (638,142,000), TI -- from TI.15A, will be in
15 the form of claims payments.

16 Operating expenses which allow the
17 Corporation to provide coverage through access and
18 service to all Manitobans is projected to be a hundred
19 and ninety-four million, nine hundred and twenty-three
20 thousand dollars (\$194,923,000).

21 The Corporation continues to manage all
22 operating, maintenance, and capital expenditures. MPI
23 believes it has shown in the evidence, both written and
24 oral, that it makes these expenditures with the
25 appropriate degree of fiscal prudence, whether it's

1 staffing numbers, compensation amounts, benefits, data
2 processing, or postage. The test is whether the
3 expenditure is a positive contributor in the
4 Corporation's value equation.

5 It's important to remember that MPI is a
6 Crown corporation and all that that entails, especially
7 in regards to direction. The government did not direct
8 MPI to increase expenses. Neither did it direct MPI to
9 constrain or contract expenses, with the exception of
10 the mandate for collective bargaining.

11 The government has been well aware of
12 the initiatives underway at MPI and has supported their
13 continuation. Although the initiatives cost money they
14 add value in the Corporation's value equation. The
15 single largest component of the Corporation's operating
16 expenses is the compensation paid to its staff. The
17 Corporation is in the final stages of collective
18 bargaining and so cannot advise as to the outcome. But
19 the Corporation can advise that the forecast includes a
20 zero percent change in compensation amount for the next
21 two (2) years, and there is no need to alter this.

22 As was indicated in the hearing, the
23 Minister of Finance has provided direction to all
24 government management that there are to be no increases
25 in negotiated collective agreements. Within MPI, the

1 zero percent change in compensation will apply to staff
 2 that are both in scope and out of scope of the
 3 collective agreement.

4 The Corporation clearly demonstrated
 5 that it actively manages its expenditures in a fiscally
 6 prudent manner, constantly seeking ways to find greater
 7 value for Manitobans. This is no more evident than the
 8 solution the Corporation found for its IT optimization.

9 Last year the Corporation was
 10 anticipating having to spend \$71 million in IT
 11 optimization. Subsequent to last year's GRA, the
 12 Corporation found a solution by partnering with IBM
 13 that would result in a \$26 million savings for the IT
 14 optimization project. That's at AI.12, page 7.

15 The Corporation exercises the same
 16 rigour in constantly seeking improvements throughout
 17 its operations to improve the value Manitobans receive
 18 for the expenses the Corporation incurs.

19

20 (BRIEF PAUSE)

21

22 MS. KATHY KALINOWSKY: Investments. As
 23 all are aware, the Department of Finance has
 24 responsibility for the investments of the Corporation.
 25 Ms. McLaren provided evidence in her direct examination

1 that the Minister of Finance, and in particular the
2 Assistant Deputy Minister, controls the investment
3 portfolio of MPI.

4 Perhaps the extent of that control was
5 surprising to the Board members. For instance, Finance
6 decides on the classes of investments it will place
7 MPI's monies into. Finance hires and fires the equity
8 managers. Finance makes the decisi -- decisions to,
9 and actually does, invest MPI monies into
10 infrastructure investments. Finance is the bond
11 manager for the Corporation. And the Corporation
12 actually forwards its monies to Finance, for Finance to
13 invest. That's all from transcript pages 158 to 167.

14 In response to a question of Board
15 counsel, it was noted that it was the decision of the
16 Minister of Finance to not invest MPI's monies into
17 EAFE investments. That's from transcript page 593.

18 This is just a few of the examples of
19 the total control the Minister of Finance, largely
20 delegated to the Assistant Deputy Minister, exercises
21 over the investment monies of the Corporation. The
22 Corporation has full confidence in the Minister of
23 Finance and the Assistant Deputy Minister in the
24 management of the investment fund.

25 The PUB should note that the fund has

1 performed better than most; that in particular, the
2 bond manager has provided great values. In the past
3 ten (10) year period both the MPI total portfolio and
4 the MPI marketable bond portfolio were in the first
5 quartile, where the first quartile is the top 25
6 percent of funds in MPI's peer group. And that's from
7 PUB-1-8.

8 Near to the end of the proceedings, the
9 Chair asked the question as to whether Manitobans would
10 support a rate increase made necessary by investment
11 decisions made by the government. We suspect
12 Manitobans would have little patience for rate
13 increases made necessary by anyone's poor investment
14 cho -- decisions: decisions made by government,
15 decisions made by MPI.

16 One of the issues that led to the
17 creation of Manitoba Public Insurance was the constant
18 outflow of capital from Manitoba to the head offices of
19 insurance companies elsewhere in Canada and the world.

20 For forty (40) years the government has
21 ex -- exercised its discretion and retained tight
22 control over the investment assets of the Crown
23 corporation. Not only is this unlikely to change, but
24 I would argue that the government believes that it will
25 wear any investment mistakes regardless of whether it

1 retains legislative authority. And that may very well
2 be why it intends to keep such legislative authority.

3 Asset/liability matching. The primary
4 purpose of MPI's investment por -- portfolio is to fund
5 the Corporation's short- and long-term liabilities as
6 they come due. An asset/liability modelling study
7 models the assets and liabilities of MPI and determines
8 the optimum mix for the portfolio in order to mirror
9 the changes in values of the liabilities.

10 This ensures that the assets are able to
11 fund the liabilities even when the interest rates or
12 the economy change significantly. The Corporation has
13 gone a step further by specifically matching its bond
14 assets with its claims liabilities, both of which are
15 highly interest rate sensitive.

16 As explained by Mr. Johnston at
17 transcript page 657, this really acts to limit the
18 variability in the net income considerably. This
19 stability is crucially important for rate-setting
20 purposes. The more stable net income is projected to
21 be, the more stable rates will be.

22 Cash being held. Evidence was provided
23 during the hearing that the investment portfolio
24 currently contains a higher amount of cash than the
25 desired or target allocation. Ms. McLaren explained

1 the dual and sometimes competing priorities of purely
2 matching assets and liabilities versus working to
3 maximize returns. And I'll quote:

4 "Unlike the people at MPI who worry
5 about our claims liabilities, our
6 bond manager is hoping for one of
7 those big spikes in interest rates
8 that you talk about. And one of the
9 things he's thinking about is the
10 extent to which it makes sense to
11 continue to sit on more cash than we
12 would normally have in anticipation
13 of an upward movement in interest
14 rates.

15 "It's a difficult question and
16 something that we do talk about and
17 consult with, because we really take
18 great comfort from the fact that we
19 have this matching to about 80
20 percent that you've mentioned. So
21 one could take the position that,
22 Well, if you're matched to that
23 extent, don't even worry about what
24 return you're going to get on the
25 bonds that you've purchased, because

1 they're matching your liabilities.
2 "But Mr. Gibson is still the
3 investment fund manager. He's
4 responsible for it, and he really
5 wants to balance that perspective
6 with really, really trying to
7 anticipate how to possibly get the
8 best returns. Corporately, we're
9 comfortable with the matching, but
10 there's always that kind of dual side
11 to it."

12 That's transcript pages 531 to 532.

13 It was explained to the PUB that the
14 Department of Finance was holding on to that cash in
15 anticipation at some point interest rates will rise.
16 At that point, the Department of Finance would be in a
17 position to buy more bonds because it would have
18 foregone purchasing them today at lower interest rates.

19 As Ms. McLaren pointed out, that while
20 the fund foregoes some income for holding extra cash,
21 that would be more than exceeded by purchasing bonds
22 after an, even, small interest rate increase.

23 In other words, the gain and higher
24 returns, it is believed, will quickly outweigh the
25 opportunity cost of holding a bit more cash -- cash

1 for a short period of time.

2 Accumulated other comprehensive income.
3 AOCI reflects the accumulated income or loss from
4 unrealized gains or losses on available, for sale
5 equities. Once a gain or loss is actually realized,
6 the gain or loss is transferred to regular income. It
7 is for this reason that only excess retained earnings
8 above the RSR and not the AOCI should be considered
9 when decision are made regarding rebates or surcharges.

10 Positive AOCI does not represent cash in
11 the bank, nor does negative AOCI warrant a surcharge to
12 replenish it. However, as suggested by the external
13 actuary, when assessing the financial strength of Basic
14 and whether it has sufficient assets to meet its
15 liabilities, then including AOCI is appropriate from an
16 accounting perspective. Because AOCI does not
17 represent that cash in the bank, it would not be
18 appropriate to consider it when deciding upon any
19 potential rebate.

20 Investment income forecast. What is
21 important for the PUB not to lose sight of for rate-
22 making purposes of is the forecast of investment
23 income. In my direct examination, I asked Ms. McLaren,
24 quote:

25 "In your opinion, with respect to

1 investments, Ms. In -- McLaren, what
2 does a PUB require knowledge about
3 for the purposes of setting rates for
4 Basic insurance?"

5 Ms. McLaren responds:

6 "I believe the answer to that aligns
7 really well with what MPI is
8 responsible for when it comes to its
9 investments, and that's really the
10 investment forecast. That's not
11 something the Department of Finance
12 plays much role in. It's our
13 responsibility to understand the
14 investments well enough to be able to
15 under -- to build a reasonable
16 forecast of investment income.
17 "This is a critical part of the
18 revenues flowing into the Basic
19 Autopac program, because it's a
20 system designed to break even,
21 because it's a system that's not
22 expected to pray -- pay to provide
23 any sort of return to the
24 shareholder. The investment income
25 is a critical part of the revenue as

1 much as driver's licence premiums and
2 vehicle premiums.

3 "So we need to have strong, robust
4 processes for forecasting investment
5 income. And, in turn, that would be
6 what this Board would really, I
7 believe, would need to assure itself
8 of, that our forecast investment
9 income is reasonable and actually
10 constitutes a reasonable basis, as
11 with the other forms of revenue and
12 claims forecasting, of predicting the
13 revenue that we need, the rates that
14 we'll need to charge and, therefore,
15 be able to approve the rates that we
16 submit to the Board."

17 That's from transcript pages 168 to 169.

18 The Corporation is satisfied with the
19 current rate of return of its investment portfolio and
20 has forecast investment income of \$88 million for
21 2013/'14. At this point, there's no evidence in the
22 markets that would cause MPI to revise this forecast.

23 Diversifying risk in the investment
24 portfolio. CMMG was straight forward in its argument
25 that since the Minister of Finance was responsible for

1 the investment portfolio, then if he made a mistake --
2 ostensibly, an unforeseen market decline -- then the
3 government should, in -- in effect, reimburse MPI.

4 CAC was more subtle in pointing out,
5 quote:

6 "The irony, MPI is claiming the RSR
7 needs to be over \$200 million to
8 protect ratepayers against the risks
9 flowing from equities, which it
10 asserts the Province has control
11 over, begs question of whether
12 ratepayers should be on the hook for
13 risk allegedly created by choices of
14 the Province."

15 And that's from page 76 of the CAC's
16 argument.

17 Let's turn that argument on its head for
18 a moment. There has been ample evidence brought
19 forward to the PUB that the MPI investment fund has
20 been well served by its manager at the Department of
21 Finance. In particular, the bond portfolio has
22 performed in the first quan -- quartile in the last
23 year, last five (5) years, and last ten (10) years,
24 compared to its peers.

25 I suspect the Intervenors are not

1 equally arguing that this money should belong to the
2 Province. This argument of using taxpayer dollars to
3 make ratepayers whole for declining equity markets is
4 wrong on so many fronts.

5 The Minister of Finance has set a
6 prudent course for MPI's investments. And just as MPI
7 ratepayers are beneficiaries of investment income in
8 good years through healthy investment income that is
9 used to keep rates down or is even rebated to the
10 ratepayers, those same ratepayers must bear the
11 downside of the equity markets.

12 THE CHAIRPERSON: I would suggest that
13 we take a few breaks, because I'm worried about your
14 voice. So why don't we take ten (10) minutes or so?

15

16 --- Upon recessing at 10:27 a.m.

17 --- Upon resuming at 10:40 a.m.

18

19 MS. KATHY KALINOWSKY: Okay. So let's
20 resume now, and speak about the methodology for
21 calculating the RSR. MPI welcomed last year's PUB
22 order that indicated it would reconsider the
23 methodology for calculating the RSR. After hearing all
24 this evidence, the PUB might be reconsidering its
25 offer, however.

1 No confusion in the purpose of the RSR.
2 The purpose of the RSR is to protect customers from
3 rate increases made necessary by unexpected events or
4 losses arising from nonrecurring events or factors.
5 Period.

6 This definition has remained constant
7 for quite a number of years, and all have been well
8 served by it. Contrary to CAC's argument, there's no
9 confusion amongst the MPI witnesses. There are many
10 permutations, combinations of how and when the RSR
11 could be used, which are merely elaborations on the
12 above-defined purpose of the RSR.

13 MPI panel members did not think it would
14 be helpful to answer every question on the use of the
15 RSR with a robotic recital of the defined purpose and
16 so tried to thoughtfully discuss and elaborate on the
17 RSR. There's no confusion. MPI is not having -- is --
18 MPI is not seeking to have the defined purpose
19 revisited.

20 Over the past several years, MPI and the
21 PUB have had differing perspectives on the appropriate
22 target amounts of the Basic RSR. This year the
23 Corporation sincerely hopes that both MPI and the PUB
24 will finally share the same perspective.

25 I think everyone here agrees that the

1 greatest current risk faced by the Corporation for the
2 purposes of the RSR is the equity markets. Ms. McLaren
3 explained, quote:

4 "But it's very, very rare, if it
5 happens at all, for an automobile
6 insurance company to have annual pre
7 -- premium of -- I guess the Basic
8 plan is about seven (7), \$800 million
9 annual revenue, when our outstanding
10 liabilities for that program are over
11 \$2 billion.

12 Ever year the liabilities will get
13 bigger for probably another thirty
14 (30) years or so until we actually
15 get to a steady state, which is not
16 expected to happen for as much as
17 fifty (50) years after the no-fault
18 program started back in 1994.

19 So the liabilities continue to grow,
20 which means our investments will
21 continue to grow, which means that if
22 you have any equity investments, for
23 example, there will be more dollars
24 invested in equities every year even
25 if we don't change the percent of

1 allocation that goes toward equities.
2 So we have some challenges. We --
3 everyone in this room have challenges
4 dealing with improperly balancing the
5 impact of such a large pool of
6 outstanding liabilities. The
7 Minister of Finance has
8 responsibility to balance the
9 investments that offset those
10 liabilities. We have no unfunded
11 liabilities in this program.
12 So it is strong. It is fully funded.
13 But the balance -- and that's one of
14 those points you'll hear from Mr.
15 Johnston later on in these
16 proceedings. When you look at the
17 methodologies to determine what bas -
18 - basis you establish an RSR and the
19 Corporation says, Well, percent of
20 premium is completely irrelevant.
21 If what you need to establish is a
22 reserve to deal with unexpected
23 future events, your risk is in your
24 liabilities. Your risk is this
25 continuing for a decade or two (2) to

1 go, a continuing growing liability
2 and growing investments to offset
3 that liability that far, far exceeds
4 our annual revenue."

5 That's from transcript pages 153 to 155.

6 I then continued:

7 "MS. KATHY KALINOWSKY: To calculate
8 the percentage of premiums written is
9 an extremely simple and transparent
10 task. Why shouldn't the PUB stick to
11 this approach to calculate the RSR?
12 And in the context of the RSR, can
13 you explain whether there is a
14 relationship between premium written
15 and risk?

16 MR. LUKE JOHNSTON: You're correct.
17 The percent of premium method is def
18 -- definitely simple. It will
19 produce consistent outcomes, and it's
20 very easy to apply. It will produce
21 consistent -- out of all the RSR
22 methodologies, it's definitely the
23 most simple, consistent, and easy to
24 apply.

25 However, when it comes to

1 establishing a rate stabilization
2 reserve, I don't necessarily see
3 these features as benefits. I
4 believe, at a min -- minimum, an
5 appropriate RSR methodology would
6 have the following features:
7 1. It would include a detailed
8 assessment of the Corporation's key
9 risk areas.
10 2. It would provide the Board with
11 an understanding of the key risks and
12 potential ranges of outcomes for
13 these risks.
14 3. It would explain to the Board and
15 the public why the Corporation needs
16 an RSR at a particular level. So in
17 the case of the DCAT this year,
18 equities are the main risk factor.
19 4. It would appropriately adjust the
20 RSR target for changes in the
21 Corporation's risk level.
22 In my opinion the percentage of
23 premium method does not have any of
24 these features. And these are
25 essentially the main reasons why the

1 Corporation has requested that the
2 Board discontinue using the
3 percentage of premium method for
4 setting the Corporation's RSR
5 targets."

6 And that's from transcript pages 249 to
7 251.

8 We think these are compelling arguments
9 and urge the PUB members to try to match the purpose of
10 the RSR and the risks faced with the appropriate
11 methodology.

12 So DCAT, chosen as the preferred
13 methodology. The Corporation has chosen the DCAT as its
14 preferred methodology to calculate the amount of the
15 RSR target. It's main benefits are:

16 1. Assists management and the Public
17 Utilities Board in the identification, measurement, and
18 mitigation of key risk factors faced by the
19 Corporation.

20 2. It creates a forward-looking measure
21 of risks; i.e., it's not a retrospective measure like
22 other tests.

23 3. Uses company-specific assumptions
24 for adverse scenarios, ripple effects, and management
25 actions, as opposed to prescribed rules that are the

1 same for every company.

2 4. Produces an opinion that is based on
3 the RSR target set by the Manitoba Public Utilities
4 Board.

5 5. Creates a clear linkage between the
6 required RSR and the amount of risk faced by the
7 Corporation.

8 The Corporation now has prepared the
9 DCAT for three (3) years in-house and achieved a
10 sophistication with this tool that warrants its
11 adoption. Mr. Johnston spent time in his direct
12 evidence walking through -- the Board members through
13 the pros and cons of each of the methodologies to
14 calculate the RSR. I'm not going to repeat that here,
15 but I did want to comment on the other methodologies.

16 Operational Risk Analysis/Value at Risk.
17 The Operational Risk Analysis this year yields an
18 indicated RSR of 193 to 291 million. Let's check out
19 what this methodology has yielded in the past few
20 years.

21 In the 2007, GRA it had a range of 50 to
22 80 million. In the 2010 GRA, its range exploded up to
23 96 to \$241 million. And then in this GRA, it yielded
24 193 to 291 million. This is hardly the rate stability
25 that Manitobans desire.

1 By contrast, the DCAT, since completed
2 internally at MPI, has yielded 180 million, 210
3 million, and now \$200 million. This is the type of
4 stability that Manitobans want, and the rate-setting
5 process can deliver this if the DCAT is adopted by the
6 PUB.

7 Percent of premium methodology.

8 "The percentage of premium method
9 assumes that the Corporation's
10 overall risk level is directly
11 related to overall annual premium.
12 This method does not apply -- attempt
13 to identify, analyze, assess any of
14 the underlying risks of the
15 Corporations. In other words, it is
16 not a risk-based method."

17 And that's from transcript page 174.

18 Further on this point, Mr. Johnston said
19 that the percentage of premiums approach was easy to
20 calculate but not easy to understand. Quote:

21 "I don't think anyone has an
22 understanding of why 10 percent, or
23 why 20 percent, or why the given
24 range that's produced. In terms of
25 cons, the method assumes the

1 Corporation's risk level is, again, a
2 function of its annual premium level.
3 This assumption is false. The
4 Corporation's main risks are, as
5 noted here, are from the changes to
6 the assets and liabilities, which are
7 significantly larger than the annual
8 premiums.
9 Assets are currently two point five
10 (2.5) times greater than the annual
11 premiums. Claims liabilities are one
12 point eight (1.8) times annual
13 premiums, and these ratios have
14 increased substantially over time as
15 the Corporation has built up its pool
16 of PIPP claimants.
17 When the percentage of premium method
18 was first used to set the RSR
19 targets, the Corporation did not even
20 invest in equities, and that is what
21 we're identifying in the DCAT as the
22 main risk factor. Finally, another
23 key point is that the percentage of
24 premium method does not assist
25 management or the Board in the

1 identification, measurement, or
2 mitigation of key risks."

3 And that's transcript page 185.

4 The percentage of risk premium method
5 cur -- currently indicates a 2013 RSR range of 81
6 million to 162 million. Board counsel elicited a line
7 of questioning and answers from Professor Simpson,
8 which established that assets and liabilities are
9 growing faster than premiums. So over time the
10 percentage of premiums approach becomes smaller
11 relative to the risks the RSR is supposed to protect
12 against.

13 This disconnect between the percentage
14 of premiums methodology and the risks of the assets and
15 liabilities is certainly not sustainable and does not
16 form the basis for an adequate RSR target. I don't
17 know what to make of Professor Simpson's, quote, "power
18 of incumbency," unquote, being the major rationale for
19 sticking to the percentage of premiums approach. I was
20 not convinced, and I don't think the PUB should be
21 either.

22 The DCAT decline in equity scenario.
23 The most important adverse scenario identified by the
24 DCAT is the decline in equities. Quote:

25 "This scenario will test the impact

1 of a 40 percent decline recognized
2 over the next two (2) fiscal years,
3 beginning in '13/'14 and '14/'15.
4 The justification for this scenario
5 is what we looked at. The cumulative
6 four (4) year returns of the -- on
7 the Toronto Stock Exchange, the TSX,
8 form 1999 to present. And based on
9 this data approximately 5 percent of
10 these four (4) year returns had a
11 loss of negative 43 percent or worse.
12 We use this as a justification for
13 one (1) in twenty (20) year event
14 required by the DCAT. And we
15 selected a 40 percent decline in
16 modelling. As recently as February
17 2009 the TSX experienced a two (2)
18 year total return of negative 40.8
19 percent. So in other words, we don't
20 have to look far into our history to
21 observe such significant changes.
22 The Corporation was able to withstand
23 such a significant decline largely
24 because of the previously noted
25 reductions in claims liabilities that

1 occurred at the -- approximately the
2 same time. If it were not for this
3 the Corporation's RSR would have been
4 significantly below the minimum RSR
5 target and would truly have generated
6 a rate surcharge.
7 As per the table on page 19, you'll
8 see in the very last table in '14/'15
9 it indicates that scenario produces a
10 decline in retained earnings of \$200
11 million relative to the base
12 forecast. And this is essentially
13 the basis of the DCAT recommendation
14 as this is the most adverse
15 scenario."

16 Transcript pages 235 to 236. Professor
17 Simpson also testified that the pre 1956 data should be
18 given no weight, and that's transcript page 1,459.
19 This was notwithstanding Board counselling asking this
20 several times in several different way -- manners.

21 His rationale was that macroeconomic
22 stabilization policy demonstrates that we can now
23 address economic shocks and provided the fact that
24 Presidents Bush and Obama had exercised such policies
25 in the past and, if elected, Mr. Romney he, quote,

1 "suspects," unquote, would do the same and listen to
2 his advisors. That's from transcript page 1,461.

3 I could argue that, given Mr. Romney has
4 said repeatedly that he will not do so, that's an
5 awfully big assumption Professor Simpson is making and
6 certainly is exactly the type of risk that Mr. Johnston
7 has included in the DCAT in choosing to give some
8 weight to pre-1956 TSX data.

9 We heard on the day that Professor
10 Simpson last testified in 2008 the TSX experienced an
11 eleven hundred (1,100) point drop. In that year,
12 2008/'09, the investment income was \$4 million. That's
13 \$100 million less than was budgeted. But for an
14 actuarial release from the unpaid claims liabilities,
15 the RSR, if it would have been the \$81 million of the
16 lower range of the percentage premiums, would have been
17 totally depleted with a net loss of \$18 million, all
18 other -- all other things being equal.

19 A rate increase would have been required
20 in conjunction with an RSR rebuilding surcharge,
21 something that would not have met with much public
22 support from a public that had also experienced
23 investment losses and recession. Do the PUB members
24 really think this is an appropriate way to set rates?

25 This is not something that occurred

1 before 1956. It was just a few years ago, and could
2 happen again soon especially with uncertainty
3 surrounding some European union countries debt levels.
4 The Chair of the panel asked a really very good
5 question, quote:

6 "Why would you expect us to believe
7 that you would sell that position out
8 after a 40 percent drop?"

9 Close quote, in equities. Transcript
10 page 553. The response was that the DCAT assumed the
11 regular turnover rate of the equity portfolio is about
12 one-third (1/3) per year based on internal information.

13 The DCAT also assumed in the first year
14 that, given the significant level of the decline, MPI
15 would also write down about one-third (1/3) of the
16 invest -- equity investments. Furthermore, the
17 experience in 2008/'09 is that certain equity managers
18 did continue to buy and sell with frequency.

19 Another question by the Chair was on
20 whether, quote:

21 "If you're holding that equity
22 portfolio for extended periods of
23 time, your exposure from equity
24 variations on the stock portfolio is
25 not as dramatic as the DCAT is

1 suggesting."

2 Close quote. And the response was,

3 quote:

4 "The first is that, in our
5 experience, very, very few equity
6 managers hold anything for any length
7 of time, so the fact that they are
8 turning over the equity portfolios
9 and the accounting rules about having
10 to recognize losses, gains, whatever,
11 when its turned over like that
12 negates what you're saying about the
13 fact that we don't really need the
14 equities and we're not cashing them
15 in to pay for claims.

16 So the reality of holding that
17 equity, having the equity
18 investments, given the accounting
19 rules and given the reality that
20 these equity managers are turning it
21 over, and if they sell it for more,
22 we recognize the gain. If they sell
23 it for less, we'd recognize the loss.
24 It flows right into income."

25 And that's transcript page 1,287 to

1 1,288.

2 So sticking with this concept of
3 variability, in slide 2 of Professor Simpson's
4 presentation, he shows what's commonly known as the
5 bell curve. And the bell curve shows the variability
6 around the mean of a distribution.

7 So using equity returns as an example,
8 the left side of the distribution would provide the
9 range of outcomes below the mean, e.g., a 40 percent
10 decline, for example. And the right side would be the
11 range of outcomes above the mean, e.g. a 40 percent
12 equity return.

13 We've had a lot of debate about poor
14 equity returns, but how are favourable equity returns
15 used by the Corporation? Don't these good equity years
16 simply offset the bad equity years? Well, in general,
17 the majority of equity returns from good years are not
18 saved to offset bad years.

19 If the Corporation has an adequate RSR
20 balance, then any additional equity investment income
21 over budget will, in general, be rebated to policy
22 holders, making it unavailable to the Corporation for
23 offsetting future equity losses.

24 So basically, policy holders receive the
25 benefit of favourable returns through rebates, but the

1 Corporation must absorb the impact of unfavourable
2 equity returns through the RSR. In other words, the
3 bell curve does not work for the concept of the RSR
4 when MPI simply refunds the equity returns from the
5 right-hand side of the bell curve.

6 The exception to these comments is when
7 the stock market experiences a significant decline but
8 then subsequently recovers. In this case, the
9 Corporation definitely uses the profits from favourable
10 equity returns to rebuild the RSR and offset the
11 previous equity losses, i.e., doesn't go to policy
12 holders for rebates.

13 This is one of the key reasons why the
14 Corporation used a four (4) year cumulative --
15 cumulative equity return period in the DCAT. If the
16 equity returns do not recover relatively quickly, then
17 the RSR will be depleted, and this will likely require
18 a rate sarge -- surcharge within the first several
19 years.

20

21 (BRIEF PAUSE)

22

23 MS. KATHY KALINOWSKY: The need for a
24 \$200 million RSR. In the DCAT, the actuarial standards
25 of practice require the actuary to provide an opinion.

1 Mr. Johnston provides his opinion in an explanation to
2 the PUB. Quote:

3 "Most importantly, the opinion in the
4 last paragraph is that the future
5 financial condition of Basic is not
6 satisfactory, because there are
7 plausible adverse scenarios that
8 result in reductions to retained
9 earnings that are greater than the
10 regulator's maximum allowable rate
11 stabilization reserve.

12 So what I mean here is that, as we've
13 looked at earlier, there's at least a
14 couple of scenarios that the
15 reductions that would have occurred
16 to RSR is greater than our current
17 RSR target, which is shown as
18 approximately 162 million in
19 2013/'14. And that's on page 12.

20 So in this report, I didn't assume
21 that, even though MPI has more than
22 \$200 million of retained earnings
23 right now, I didn't feel it
24 appropriate to assume that MPI would
25 continue to have that money, given

1 that the existing RSR maximum is
2 based on percentage of premium method
3 and -- and is 162 million. In prior
4 years, amounts significantly greater
5 than the upper limit would be
6 rebated."

7 Transcript page 241. Mr. Johnston
8 continued, quote:

9 "I believe the Corporation and this
10 Board have strong processes in place
11 that ensure the potential range of
12 results produced by different
13 actuarial judgements in the DCAT is
14 limited. These processes include:
15 1. The DCAT report is prepared based
16 on actuarial standards of practice.
17 Therefore, my judgements are confined
18 by actuarial -- by accepted actuarial
19 practice.
20 2. The DCAT report is peer-reviewed
21 by our appointed actuary, which
22 provides independent third-party
23 actuarial review.
24 3. The DCAT report is reviewed and
25 critiqued by this Board, which

1 provides independent third-party
2 review from a regulatory perspective
3 and independent third-party review by
4 actuarial and non-actuarial experts.
5 4. The key risk factors in the DCAT
6 are strongly supported by historical
7 data as we've discussed previously.
8 This should limit serious --
9 significant changes and assumptions.
10 And finally, the report is prepared
11 internally, which improves
12 transparency of the processes and
13 provides improved understanding for
14 the Board and other parties."

15 Close quote, and that's from transcript
16 pages 252 to 253.

17 Though I could highlight a number of
18 points from Professor Simpson's evidence, I only with
19 to say that the -- that the Board heard from Prs --
20 Professor Simpson much of his praise of the DCAT and
21 some of the problems with the other models.

22 This was elicited during the cross-
23 examination by MPI counsel of Professor Simpson. I
24 with to say, and this might not be apparent to the PUB
25 members, since three (3) of you have been appointed

1 over the past year and a half, but there has been
2 considerable convergence or arriving at consensus on
3 the DCAT as the tool for calculating the RSR since it
4 was brought forward to the PUB four (4) years ago.

5

6 (BRIEF PAUSE)

7

8 MS. KATHY KALINOWSKY: So the S-word,
9 solvency. MPI does not use the DCAT as a solvency
10 test, period. Mr. Johnston takes the actuarial
11 standard DCAT and fits it into MPI's circumstances.

12 In a question to the MPI panel at the
13 end of the hearing on the issue of an adequately funded
14 RSR. The Chair hit the nail on the head when he said,
15 quote:

16 "We'll be hearing from Dr. Simpson in
17 a few days' time. And, you know,
18 part of his submission involves the
19 notion that monies that are beyond
20 what is required by MPI -- MPIC, more
21 importantly, belong back in the
22 pockets of Manitobans where they can
23 be spent by Manitobans."

24 Close quote. And that's from the
25 transcript, 1,265.

1 I can say that since 2001 MPI, under the
2 rect -- direction of the PUB has given the excess
3 monies back to Manitobans in the form of numerous
4 rebate cheques. And that is the beauty of the system
5 of rate-setting to a target of an adequately funded
6 RSR.

7 However, Professor Simpson seems to
8 advocate that the DCAT assessed RSR can be artificially
9 discounted because the province can simply add monies
10 to the RSR in the event that the RSR is depleted.
11 Therefore, the RSR may not be adequately funded.

12 That simply is not so. I can't be
13 anymore emphatic in stating that MPI disagrees with
14 Professor Simpson's assumption wholeheartedly. Just to
15 give the panel members some history on previous Board
16 orders, in Order 122/'10 the PUB approved the 10
17 percent rebate rather than the 12.9 percent MPI applied
18 for. And this 12 -- 2.9 percent was in excess of the
19 Board target. The PUB said, Perhaps for a road safety
20 fund.

21 In Order 162/'11 the Board was unwilling
22 to order a rebate in excess of the Board-approved
23 target of percentage of premiums written. The PUB said
24 that given the various risk factors faced by MPI in the
25 revisiting of the RSR methodology, no rebate would be

1 provided at that time.

2 We don't know if whether this seems to
3 be a trend, set a low target RSR but then not refund
4 monies in excess of that low RSR, because the PUB is
5 uncomfortable with the low level of retained earnings.
6 We very strongly urge the Board to choose a methodology
7 that is intellectually disciplined and transparent, a
8 methodology that will yield an adequate RSR that MPI,
9 Intervenors, the Board, and, most importantly,
10 ratepayers can rely upon.

11 I want to deal straight up with CAC's
12 issue that the Province of Manitoba supposedly ensuring
13 MPI solvency and general financial condition. The PUB
14 should reject this rationale for the following sound
15 reasons:

16 1. To even enter into such thoughts
17 could be an argument of an RSR of zero.

18 2. It's not about solvency, period.

19 3. MPI is a Crown corporation owned by,
20 but separate from, government.

21 4. It is about the appropriate level of
22 retained earnings to give Manitobans a semblance of and
23 confidence in rate stability from unexpected and non-
24 recurring events.

25 5. Rate stability is highly value --

1 valued by Manitobans.

2 6. The purpose of the RSR is well
3 established for many years. It's not under debate.
4 And to throw solvency into this is a red herring.

5 7. This is about financial security.
6 We know that if we run into negative retained earnings,
7 which happened last in the 1990s, that neither the
8 banks nor the government will shut down MPI. That's
9 transcript page 269 to 270.

10 Although somewhat overly simplistic, if
11 MPI has large negative retained earnings just where is
12 the government going to get money from to assist MPI?
13 Take money away from hospitals and schools? Transcript
14 page 1,502.

15 Professor Simpson's evidence. Professor
16 Simpson's evidence was puzzling to MPI. He approves
17 that the DCAT is being scientific in its approach, it's
18 evidence-based, it's statistical in its use of data.
19 But then he simply throws the DCAT away in the last two
20 (2) paragraphs on page 20 of his report, and he
21 advocates a repor -- an approach that's not scientific,
22 not based on evidence, and does not statistically
23 analyze data.

24 This was absolutely perplexing to MPI
25 and did not follow from his discussion in the previous

1 twenty (20) pages of his evidence. Indeed it was most
2 disappointing as very little in the previous twenty
3 (20) pages seemed to build up to the final two (2)
4 bullet-point recommendations.

5 As you can tell from Mr. Johnston's
6 rebuttal testimony, MPI was rather horrified that an
7 expert would come forward to the PUB with a back of the
8 envelope calcula -- rough calculation that would
9 decrease the DCAT by \$100 million. The Corporation
10 doesn't make \$100 million decisions based on, quote,
11 "rough or back of envelope," unquote, calculations, and
12 neither should the PUB.

13 The most surprising piece of testimony
14 heard in this hearing was from Dr. Simpson when he
15 provided his candid view of how he views the DCAT was
16 formed. Quote:

17 "Let me elaborate on this point.
18 Here's my concern in a very candid
19 fashion. With the Kopstein approach
20 it's just rule of thumb. With the
21 RA/VaR approach you get actual
22 forecasting. You can replicate those
23 numbers, you get an answer. With the
24 DCAT approach I think the suspicion,
25 until it is eliminated, is that you

1 start out with a number you want to
2 get for the RSR and then you find
3 scenarios that justify it. And that
4 is going to be a concern until that
5 is put to bed. That's what I said,
6 not at that -- this time."

7 And that's -- end quote, transcript page
8 1,499. This was not just a slip of the tongue as Dr.
9 Simpson responded again two (2) questions later.

10 Quote:

11 "I suggested that the nature of the
12 DCAT analysis, and in particular the
13 choice of scenarios, is that there
14 are risk with very low probabilities
15 that would generate extremely high
16 RSRs. And until there is consensus
17 on how to resolve the suspicion that
18 the scenario choice is driven by the
19 size of the RSR that you want, that
20 the DCAT remains problematic."

21 Close quote, transcript page 1,500.

22 This even prompted the Chair to ask
23 twice if Professor Simpson really believed that the
24 DCAT could be, quote, "gamed," unquote, to use the
25 terms of the Chair. And that's from transcript page

1 1,534 to 1,536.

2 The essence of his response was that the
3 use of TX data was so implausible that it must be
4 gaming. Quote:

5 "I have some concerns about a process
6 that would admit to the kind of
7 decline in equities scenario that was
8 proposed in the amended DCAT report."

9 Close quote, transcript page 1,539.

10 Although this was surprising for us, so
11 was a comment by CAC counsel at the end of his cross-
12 examination of Mr. Johnston. Although muted, it may
13 have even gone unnoticed. Following a response from
14 Mr. Johnson, Mr. Williams stated, quote:

15 "I have no doubt that you could come
16 up with the scenarios to justify a
17 \$200 million RSR."

18 Close quote, transcript page 1,340.

19 CAC's counsel just made the same allegations as did
20 Professor Simpson, namely that the DCAT is a contrived
21 exercise with an end result determined prior to its
22 preparation.

23 Nothing could be further from the truth.
24 To be true, this astonishing allegation would, in
25 essence, have MPI management directing the chief

1 actuary and appointed external actuary to sign opinions
2 that could be contrary to their professional standards.

3 Perhaps Professor Simpson did not
4 realize that he was calling into question the
5 professional integrity of the chief actuary and the
6 appointed actuary, but also extended to the actuarial
7 profession and likely even extended to other
8 professions, such as chartered accountants who sign
9 audit opinions and lawyers who sign legal opinions on
10 corporate transactions.

11 We'll have to trust the PUB on
12 acknowledging the integrity of MPI management on not
13 interfering with the DCAT process, the independence of
14 the chief actuary has in preparing the DCAT, and the
15 independence of the appointed actuary in the peer
16 review.

17 For the chief actuary, Mr. Johnston,
18 this was his first time ever testifying. He testified
19 in a credible manner, an open manner, on the DCAT. And
20 the gravitas of his testimony should be taken into
21 account and weighed by the PUB.

22

23 (BRIEF PAUSE)

24

25 THE CHAIRPERSON: We can take five (5)

1 minutes, if you'd like.

2 MS. KATHY KALINOWSKY: I can proceed.
3 Professor Simpson on the decline in equities scenario.
4 In his rebuttal evidence, Mr. Johnston identified a
5 number of critical faults with the Simpson approach.
6 Professor Simpson, who admitted never preparing a DCAT
7 calculation, provides a slide that suggests that the
8 estimated impact of a four (4) year equity decline of
9 20 percent is \$100 million.

10 The Corporation would for -- forego \$108
11 million of equity investment in this four (4) year
12 period, however, relative to budget. You'll note that
13 this figure is already greater than the 100 million
14 presented from Professor Simpson. A 20 percent decline
15 on the equity assets would be a further 75 percent
16 decline in the investment portfolio. And that's from
17 the rebuttal of Mr. Johnston.

18 A full DCAT review of this scenario
19 would, of course, include the consideration of
20 management and regulatory action. There were no
21 assumptions prepared by Professor Simpson in this
22 regard. These assumptions are also, obviously, very
23 important, in terms of how the Board responds to a \$183
24 million loss.

25 MPI would strongly recommend that the

1 Board does not consider, quote, "rougher, back of
2 envelope," quote -- unquote, calculations for
3 determining the appropriate RSR target.

4 In regards to this significant decline
5 in equities that occurred in 2008/'09 and after,
6 Professor Simpson said, quote:

7 "Over time, and it -- it rebuilt
8 pretty fast once stocks recovered.
9 At least my pension fund did."

10 Close quote.

11 Well, have MPI's equities recovered
12 since 2008/'09? As per the Corporation's response to
13 undertakings 16 and 17, page 2, the Corporation's
14 equity investment income has been \$150 million under
15 budget in total over the last four (4) years, including
16 33.6 million under budget in last year, 2011/'12. This
17 is not what I would call a recovery.

18 Again, as previously mentioned, unlike
19 Professor Simpson, the Corporation does not get to keep
20 the equity returns from the good years to offset the
21 bad years. Excess equity returns are rebated to policy
22 holders to the extent that the Corporation is
23 significantly above the Board's RSR target.

24 So peer review of DCAT. The peer review
25 of DCAT was filed as Exhibit 31. As the external

1 appointed actuary, Mr. Cheng, appoined -- opined: 1)
2 the work of the chief actuary is within the range of
3 accepted actuarial standards of practice of Canada;
4 and, 2), the assumptions and methods employed are
5 appropriate. And there's a number of other opinions
6 there too.

7 But this peer review is what both Mr.
8 Pelly, the Board's ex -- actuarial advisor, and Ms.
9 Sherry, CAC's actuarial advisor, are familiar with.
10 The external appointed actuary occupies a position that
11 is somewhat analogous to an independent auditor in
12 writing their opinion on the sign -- soundness of the
13 financial statements. We urge the PUB to take great
14 comfort on the fact that two (2) actuaries have issued
15 their professional opinions on the DCAT.

16 CAC's missing actuary. Another
17 perplexing aspect was the choice of CAC to bring
18 forward Professor Simpson to file evidence and testify.
19 Given that CAC now has retained an advisor that is an
20 actuary who actually prepares DCATs and is familiar
21 with actuarial concepts of risks for insurers, perhaps
22 Ms. Sherry could have been a better choice.

23 We don't know why the CS -- CAC actuary
24 was not chosen to testify. We don't know if she, like
25 other actuaries, uses TSX data back to 1919. We don't

1 know if she agreed with Professor Simpson's rougher,
2 back of the envelope suggested \$100 million DCAT. And
3 that's from transcript pages 1436 and 1470 to 1475.

4 Instead, CAC produced an economist to
5 provide an economic analysis of an actuarial review.
6 Not all that helpful for the Corporation or, indeed,
7 for the Board. It does, however, help with Mr.
8 Williams lobbying for more process, greater discussion,
9 and multi-disciplines.

10 This lends itself to a number of
11 questions, none of which can be answered. Does the CAC
12 actuary use TSX data from 1919 in the preparation of
13 her own DCAT? Does the CAC actuary approve of the
14 assumptions and methodology in the DCAT prepared by MPI
15 that yields \$200 million? Does the CAC actuary support
16 the \$100 million DCAT of Professor Simpson?

17

18 (BRIEF PAUSE)

19

20 MS. KATHY KALINOWSKY: The \$200 million
21 DCAT/escrow account, that's the title that CAC gave to
22 -- their recommendation in this regard. Though CAC did
23 not agree in implementing the DCAT right now, its
24 witness, Professor Simpson, advocated both a 100
25 million DCAT and a 100 million RSR.

1 Yet, CAC recommends an RSR upper limit
2 of \$150 million. However, CAC then paused and
3 recommended the PUB not issue a rebate, even though
4 there's currently \$210 million in the RSR now.

5 CAC spent an awful lot of time trying to
6 get the D -- the DCAT down to a low number, but then
7 doubles the indicated amount for the RSR in the end
8 anyways. MPIC is pleased that CAC agreed, in its own
9 fashion, that the RSR should be, at a minimum, \$200
10 million and thanks CAC for the endorsement.

11 The position of CAC raises a number of
12 issues and questions that are really interesting.
13 First, why try to drive the DCAT down to \$100 million
14 but then set the minimum RSR at 150 percent of the
15 DCAT?

16 Second, why have the DCAT at \$100
17 million, a minimum RSR at \$150 million, but then set
18 the rep -- rebate threshold at a minimum of \$200
19 million?

20 Third, why set the rebate threshold at
21 more than 200 percent of the DCAT?

22 And fourth, has CAC abandoned support
23 for its own witness, who advocated \$100 million RSR and
24 \$100 million DCAT?

25 What this comes down to is that an

1 enormous amount of time, money, and effort was consumed
2 to argue the plausibility of the decline in equity
3 scenario and the data utilized therein.

4 But at the end of the day, CAC is not
5 anywhere near to comfortable with \$100 million RSR.
6 MPI is not comfortable, to say the least, with a \$100
7 million RSR either. Mr. Johnston's table in the
8 rebuttal evidence showed just how hard and long it
9 takes to rebuild the RSR if there is a major decline in
10 equities.

11 Mr. Johnston also used, for illustrative
12 purposes only, a 15.6 percent one (1) year surcharge
13 followed by a second 7.25 percent surcharge. A
14 surcharge of such magnitude is, of course, unlikely.
15 But if it were a smaller amount of, let's say, 4
16 percent, and if the 4 percent surcharge yielded
17 approximately \$30 million, then it would take several
18 years to rebuild the RSR, and hopefully MPI does not
19 suffer any other adverse, or there are no concurrent
20 rate increases at the same time.

21 Based on some of the questions asked by
22 Mr. Gosselin, there may be a notion that the Basic RSR
23 could be inadeq -- could be inadequately funded because
24 there's other lines of business, could simply transfer
25 monies over.

1 I strongly encourage the Board members
2 to reread Ms. McLaren's response to the Chair at pages
3 1,581 to 1,585 of the transcript, where she provided a
4 number of very compelling reasons that the Board ought
5 to not take that approach.

6 So finally, at the RSR and DCAT
7 conclusion here, ultimately, in the quest for the
8 methodology for determining an adequately funded RSR,
9 the PUB should believe in the DCAT. It's reflective of
10 the risks faced by MPI, which is what the intended
11 purpose of the RSR is. And it's a clearly documented
12 process which adheres to professional standards and
13 methodology that is both peer reviewed by the appointed
14 actuary and revealed -- and reviewed in detail at these
15 hearings, including by the PUB's actuarial advisor,
16 amongst other benefits.

17 At the end of the day, the PUB should
18 buy into the DCAT and submit it to determine an
19 adequately funded RSR. The PUB should not, as the PUB
20 has done in previous years, determine an RSR target but
21 then be unwilling to set rates based on that RSR
22 target.

23 So in summary, the Corporation
24 recommends that the DCAT be adopted as the method to
25 calculate the required RSR. The DCAT explicitly

1 measures the financial -- the potential financial
2 impact from the Corporation's key risk factors and
3 produces an RSR target that is directly related to the
4 Corporation's risk level and directly responsive to the
5 purpose of the RSR.

6 In other words, it's the only method
7 that truly identifies the risks faced by MPI and
8 produces a target that is directly related to the
9 purpose of the RSR.

10 And that's transcript page 256. MPI has
11 also indicated it's willing to be more con -- it's
12 willing to be more consensus in preparing the DCAT and
13 can commence the DCAT process earlier.

14 One (1) final item that MPI asks the PUB
15 to support the DCAT is the sole methodology to
16 calculate the RSR and that the other two (2) methods,
17 the percentage of premiums and the risk analysis, need
18 not be prepared in the future.

19 Of course, in any Board order that the
20 Board will provide and comments on the DCAT, remember
21 the framework that ultimately it's Mr. Johnston who has
22 to prepare his professional opinion on the DCAT, and
23 the assumptions have to be plausible for him to render
24 that opinion. That was said numerous times in direct
25 evidence and in cross-examination. So the RSR minimum

1 of \$200 million is required.

2 The record clearly indicates that, in
3 response to a question from the Chair at the end of the
4 hearing, retained earnings need to be in excess of \$200
5 million for Mr. Johnston to state in his opinion the
6 Corporation is in a satisfactory financial condit --
7 condition. That's from transcript page 1,258.

8 Finally, Ms. McLaren provided some
9 advice for the Board with respect to a range around the
10 \$200 million that ought to be established. Quote:

11 "I think it's my job to make the
12 point that according to actuarial
13 standards, the minimum target really
14 does need to be \$200 million,
15 according to the DCAT that's in front
16 of the Board right now. So for
17 example, if the Board chose to have a
18 range around 200 million of one-
19 seventy (170) to two-thirty (230),
20 something like that, when we're
21 sitting around one-seventy (170),
22 one-eighty (180), that would not meet
23 the actuarially -- the actuarial test
24 of satisfactory financial condition,
25 because it would be significantly

1 under the \$200 million.
2 My advice is really that the Board
3 would stay away from a range. The
4 target is based on a methodology that
5 produces a number as opposed to a
6 range, and I think it's really
7 important that we all understand that
8 things evolve, things change, and
9 what is the target for. What would
10 it be the range for? The target is
11 really to give this Board a sense as
12 to when it would pull the trigger on
13 rebates and, alternatively, when it
14 could pull the trigger to order
15 surcharges on top of Basic Autopac
16 premiums to rebuild an RSR."

17 And that's from trans -- transcript
18 pages 258 and 259. And I just can't say how important
19 the end part of that quote is.

20 So moving away from RSR now and into
21 DSR, just changing one (1) letter, there but totally
22 different concept. MPI is also proposing that the
23 driver premiums for the driver safety rating demerit
24 sys -- demerit levels 1 to 20 will increase to a
25 maximum of twenty-five hundred dollars (\$2,500) for

1 2013/'14, the change in the third year of the three (3)
2 year phased-in increases to driver premiums for the DSR
3 demerit levels which was originally presented to the
4 PUB in April 2009.

5 This is the final stage of the multi-
6 year plan to transition to DSR. And the PUB has been
7 an instrumental partner with MPI and the government in
8 setting up this import -- important new system to rate
9 drives and encourage and reward, financially, good
10 driving behaviour.

11 As noted in MPI Exhibit number 17,
12 should a driver at minus twenty (20) in 2012 who pays
13 two thousand dollars (\$2,000) have one (1) clean year
14 of driving, then in 2013 that same driver would pay
15 eleven hundred dollars (\$1,100) for their next driver's
16 licence in 2013, as proposed. That driver would not go
17 from two thousand (2,000) to two thousand five hundred
18 dollars (\$2,500) unless they had further infractions in
19 the 2012 driving year.

20 The evidence is clear that the driver
21 has been provided with notice of DSR movement since the
22 introduction of DSR three (3) years ago, which is
23 updated annually at the time of the renewal of the
24 driver's licence. And that clean driving clearly is
25 reflected in quick positive movement up the DSR scale.

1 Motorcycle rates. CMMG argued that
2 motorcycle rates are still not fair and just and, over
3 the past decade, have had higher rate increases than
4 have other vehicles. What CMMG did not say was that
5 motorcyclists receive the same rebate cheques as other
6 rate -- ratepayers due to the conservatism in the
7 forecast. The rebated amounts were not included in the
8 premiums collected as set out in CMMG-2-8 that was
9 referred to in both cross and in his closing.

10 Motorcycle rates are set by a rolling
11 ten (10) years of claim experience to allow for
12 smoothing due to the relatively small pool with a
13 number of large losses. CMMG's counsel recommended a 5
14 percent decrease in motorcycle rates. However, there
15 was no exploration of the extensive information in the
16 Application, including the rate-setting calculations
17 for motorcycles. This material's in the Application
18 and was not reviewed before the Board orally.

19 MPI submits there's no merit in a 5
20 percent decrease at this time. In the event that
21 motorcycle claims incurred decreases, it will be
22 reflected in decreased rates, subject to the rolling
23 ten (10) years of data.

24 I'm just going to talk very briefly
25 about the flat PIPP rate. CMMG brought forward a new

1 argument this year calling for a flat PIPP rate to be
2 attached to the driver's licence and not to the
3 vehicle. I think Ms. McLaren provided a really fine
4 response, lifting -- listing how this fundamentally
5 changes the entire insurance scheme within Manitoba and
6 should not be adopted.

7 Similar to CAC, I'll point to the
8 transcript of this response and urge the Board to
9 review those pages. And that's at transcript pages
10 1,231-34.

11 So, finally, in conclusion, there's four
12 (4) items. First, the Corporation submits the
13 indicated no overall change in rates should be
14 approved. No evidence was adduced to suggest anything
15 but that this is appropriate.

16 Second, MPI submits the PUB should
17 approve the final step in the DSR implementation by
18 increasing DSR level minus one (1) to minus twenty (20)
19 to a maximum of twenty-five hundred dollars (\$2,500).
20 These are outlined in AI.1 of the application.

21 Third, MPI submits the new cost
22 allocation methodology should be approved for rate-
23 making purposes. You might want to jot down a further
24 note here, but it should also include using net claims
25 incurred instead of gross premiums written as an

1 allocator. It should also include using a four (4)
2 year rolling average for the weighted customer call
3 centre contact ratio. And third, it should also
4 include using a four (4) year rolling average for net
5 claims incurred allocator. And I wrote -- wrote those
6 off -- read those off fairly quickly, but the
7 transcript will have that -- that detail in it for you.

8 Fourth, the Corporation submits the PUB
9 should adopt the DCAT methodology to determine the
10 Basic Autopac RSR and, for the 2013/'14, set an RSR
11 target of \$200 million. There's no evidence that the
12 Intervenors' suggested rate decreases -- or, sorry,
13 rates are appropriate, actuarially sound, or
14 sustainable or based on anything tangible.

15 In closing, MPI submits that it has
16 satisfied the onus that its rates are -- as applied
17 for, are just and reasonable and requests the PUB
18 approve them. The Corporation has placed sufficient
19 evidence on the record for the PUB to approve the rates
20 as applied for. As usual, the Corporation requires an
21 order on or about December 1st, 2012.

22 In the above line, it says the
23 Intervenors' suggested rate decreases. It should have
24 been "rate rebates", and that's in respect of the CAA
25 suggestion for a rebate of \$50 million. Sorry, I

1 didn't make that clear.

2 So with that, I've concluded my argument
3 and would like to thank, of course, the panel members.
4 And I do note that it was both Mr. Johnston and Ms.
5 Reichert's first time ever testifying -- testifying in
6 front of any forum, and particularly this forum. And I
7 think they are to be commended for an excellent job.

8 I want to thank the Intervenors for, as
9 always, the challenges that they present to us. Very
10 much value this forum in which different ideas can be
11 brought together and discussed.

12 And, of course, thank the Board counsel
13 and Board advisors. And a special thanks to Mr. Hollis
14 Singh for his assistance as the Board's secretary.

15 And, finally, in the words of my son, I
16 want the Board members to make sure they do their very
17 best now with the Board order. So thank you very much.

18

19 QUESTIONS BY BOARD:

20 THE CHAIRPERSON: Thank you very much
21 for your comments. And, yes, we strive to do our very
22 best every day, although, unfortunately, my kids are
23 too old now to tell me that before I go to work. But
24 my grandkids are starting to tell me that, so.

25 I believe we have some questions, and I

1 -- I will ask Ms. Neville if she could start, please.

2 MS. ANITA NEVILLE: It's amazing the
3 wisdom of small children. I have a question regarding
4 the investment process, and I -- I must say that the
5 testimony this morning did not clar -- clarify it for
6 me. In fact, it made it even more fuzzy.

7 Can you just elaborate a little bit on
8 the roles of the Department of Finance and MPI in the
9 decision-making processes that go into the investments
10 as they are made or -- or are not made?

11 I understand that there is an internal
12 process, there is a manager of investments at MPI, but
13 you indicate that the Department of Finance has
14 responsibility for all investments. What is the
15 decision-making process? That I really would like some
16 clarity on, please.

17 MS. KATHY KALINOWSKY: Sure, I was just
18 looking over to Board counsel, because usually in this
19 event I don't provide any kind of testimony and I
20 didn't know if you had any guidance or can I just
21 provide that in argument and that's fine then?

22 MS. CANDACE GRAMMOND: My take on the
23 question is that it is directed to you as counsel as a
24 clarification of your argument. So if you want to
25 refer to evidence that has already been put on the

1 record in the normal fashion, then I think that would
2 be the -- the way to deal with it.

3 MS. KATHY KALINOWSKY: Sure. What I
4 can say is that I spent a fair bit of time in my direct
5 evidence right at the beginning of the hearing and had
6 Ms. McLaren, in particular, out -- outline what the
7 delineation is between the Department of Finance and
8 the -- MPI with respect to its investment portfolio.

9 The MPIC Act actually says something to
10 the effect, around Section 16, I think it is, that MPI
11 is to hand over its monies that are surplus to the
12 Minister of Finance for investments. And -- and so
13 actually MPI does that. We send money over to the
14 Department of Finance and the -- it's delegated down
15 from the Minister of Finance down to this Assistant
16 Deputy Minister, Mr. Gary Gibson, and he acts as the
17 investment manager for the -- for the Corporation.

18 He makes the decisions on whether to
19 hire equity managers. Equity managers that the
20 Corporation uses are, let's say -- I won't name any of
21 them, but they're standard professional equity managers
22 that reside throughout North America for US investments
23 or Canadian investments, and they run different parts
24 of the equity portfolio for MPI. And that is kind of
25 outsourced to the equity managers there.

1 Mr. Gibson himself, as the Assistant
2 Deputy Minister is actually the bond manager on behalf
3 and for the -- the Corporation. So he makes decisions
4 himself with -- on -- you know, under the -- under the
5 guise of being the Minister of Finance, but he makes
6 decisions himself on which bonds to invest.

7 So, you know, what kind of MUSH bonds,
8 Municipal Schools and Hospitals, what type of MUSH
9 bonds we should enter into, whether we should enter
10 into provincial bonds, Canadian bonds, different things
11 of -- of that nature. He actually does that himself.

12 With respect to MPI, we have a very
13 small investment department ourselves. And that
14 investment department, with our own investment manager,
15 seeks to monitor and provide background data for the
16 Assistant Deputy Minister of Finance. So we can crunch
17 numbers, we can run reports, we can do different types
18 of analysis that way, but they have no decision-making
19 authority whatsoever. And they provide kind of this
20 back room -- I won't call it back office, because that
21 has a special connotation for investments, but a back
22 room support for Mr. Gibson, the Assistant Deputy
23 Minister of Finance.

24 So I'm just -- and one final aspect that
25 Ms. McLaren mentioned quite extensively in her direct

1 evidence is there's an investment committee working
2 group. And that is a collaborative effort between the
3 Department of Finance and MPI with respect to its
4 investment portfolio. It is co-chaired by Ms. Reichert
5 and Mr. Gibson, and Ms. McLaren indicated that she
6 attends the meetings though she's not an official
7 member of this.

8 There are other people that attend --
9 that are members of it, and there's I think two (2) or
10 three (3) of them from the Department of Finance in
11 addition to Mr. Gibson, and then there's two (2) or
12 three (3) from MPI in addition to Ms. Reichert that are
13 also members.

14 What -- I don't have my materials here,
15 but the purpose of this investment committee working
16 group would be to provide advice ultimately to the
17 Minister of Finance with respect to investments. And
18 they're looking collaboratively between what the needs
19 are of MPI and so that the Minister of Finance has a
20 really good idea.

21 So we talk about this matching strategy,
22 this immunization strategy, matching, you know, when to
23 time the entrance into the markets and so on like that.
24 That's the kind of advice that's worked through by this
25 joint kind of brain trust of the investment

1 individuals, and they provide that advice ultimately to
2 the Minister of Finance who makes those decisions.

3 I'm just going to pause here and seek
4 any further clarifications or comments from my
5 colleagues here.

6

7 (BRIEF PAUSE)

8

9 MS. KATHY KALINOWSKY: In my closing
10 comments I had discussed at some length the importance
11 of the forecasting of investment income. That's done
12 internally by the MPI investment department. And
13 that's a really important input into this rate-making
14 process.

15 With respect to the ICWG, at the end of
16 the day what it does is it seeks consensus
17 recommendations between finance and MPI to give to the
18 Minister of Finance on investment decisions. Do we do
19 this? Do we do that? Do we change the asset
20 allocation classes? Do we want to invest in this
21 equity manager or that equity manager? Do we want to
22 go into, you know, more bonds, less bonds? So what
23 about infrastructure?

24 So the ICWG seeks consensus
25 recommendations on those types of recommendations that

1 are then given to the Minister of Finance. And it's
2 the Minister of Finance who has that authority, which
3 he often delegates down to the -- the Deputy --
4 Assistant Deputy Minister.

5 It's not the ICWG that has any kind of
6 authority or any kind of power. The ICWG can only make
7 recommendations. Sometimes those recommendations are
8 accepted, sometimes they're not. And I mentioned, for
9 instance, in one example where the ICWG made a
10 recommendation to go into EAFE and -- investments, and
11 that was stopped by the Minister of Finance. The
12 Minister of Finance at that time said, No, we're not
13 going to proceed into that market. And that's just one
14 (1) example. There are a number of examples that could
15 be provided.

16 So I hope with that you have a bit of a
17 better understanding, but I think Ms. McLaren's direct
18 testimony there will be quite clear as to who exercises
19 the decision making authority, which is the person on
20 Broadway.

21 MS. ANITA NEVILLE: Thank you.

22

23 (BRIEF PAUSE)

24

25 THE CHAIRPERSON: I have a question in

1 relation to page 8 of your -- of your document. And
2 this has to do with the -- the discussion -- the tenure
3 of the discussions about process. And I think you made
4 your views pretty clear about the significance of
5 processes generally.

6 But my question is in relation to road
7 safety and, you know, you -- you suggest that the
8 government will address and decide the future of
9 direction of road safety within the province. And I
10 think what you're getting at there is a notion that --
11 that road safety is beyond the jurisdiction of this
12 particular Board.

13 Could you -- could you expound on that a
14 little bit more? Is that too bold a statement on my
15 part?

16

17 (BRIEF PAUSE)

18

19 MS. KATHY KALINOWSKY: Yes. With
20 respect to road safety, road safety ultimately at the
21 highest levels is codified in the Highway Traffic Act,
22 and the Drivers and Vehicles Act. The Highway Traffic
23 Act is, I'm guessing, five (5), six (6), seven hundred
24 (700) pages long. It's probably -- it's the largest
25 provincial statute that exists. And it has

1 regulations, again, that are absolutely enormous, and
2 it covers every possible item that you would want to
3 think about with respect to driving laws.

4 There's also the Drivers and Vehicles
5 Act, and it has regulations also, and that sets out
6 requirements for the licensing of drivers and the
7 registration of vehicles.

8 So at the highest level, these types of
9 decisions are made by government, meaning the
10 legislature. They make decisions ultimately on road
11 safety.

12 In terms of what the role of the PUB is,
13 the role of the PUB is, as per the Crown corporation's
14 accountability -- Public Review and Accountability Act,
15 it's to approve changes and rates. So what does that
16 mean? Well, you look at different expenditures, you
17 look at forecasts, you look at a whole bunch of --
18 number of things there. Well, one of the expenditures
19 is road safety.

20 But road safety is something where so
21 many different actors come into play on this. There's
22 police. Well, it's not just City of Winnipeg police,
23 it's RCMP. There's also some different rural areas,
24 particular on reserves, have their own policing
25 departments, too. So police have a very, very

1 important role in road safety.

2 There's...

3

4 (BRIEF PAUSE)

5

6 MS. KATHY KALINOWSKY: There's also the
7 CCMTA, the Canadian Council of Motor Transport
8 Administrators. These are individuals that are -- it
9 sounds like it's one (1) person, but it's departments
10 of every government across the province and territories
11 that have depart -- mini-departments that deal with
12 road safety. And there's Transport Canada at the
13 federal level. There are so many different actors in
14 road safety.

15 Yes, it's something very interested --
16 interesting for the Board to learn about. Yes, of
17 course, enhanced road safety can, at times, be used
18 quite successfully to decrease claims, which is --
19 ultimately bears into rates. But ultimately, that's a
20 dis -- road safety as an overall encompassing
21 discussion is something that occurs in different forums
22 with different actors rather than in the rate-setting
23 forum that we're in right here.

24 So I'm just being very respectful in
25 some of my wording that the jurisdictional aspect of

1 the PUB is to set rates. And I'm just going to get
2 some further instructions here from my client.

3

4 (BRIEF PAUSE)

5

6 MS. KATHY KALINOWSKY: So if I could
7 just elaborate a little bit more on that. With respect
8 to discussions that we see as very much appropriate in
9 this forum on road safety, it's going to be as to
10 whether MPI should be funding large-scale improvements
11 to the high school driver ed program with Basic
12 ratepayers' monies.

13 Now, it's not going to be an analysis of
14 the curriculum of high school driver ed program, but
15 whether it's an appropriate use of Basic ratepayers'
16 money to put a lot of money into this high school
17 driver ed program that's picked up by so many new
18 drivers in Manitoba.

19 Another aspect that we can very much see
20 being debated in this forum is whether it's again
21 appropriate to use Basic ratepayers' money to pay for
22 infrastructure improvements if those infrastructure
23 improvements can be seen to decrease claims costs and
24 have a reasonable payback over a reasonable period of
25 time.

1 So that's the type of discussion that we
2 envisage here on road safety, but -- I'll just leave it
3 at that at this point.

4 THE CHAIRPERSON: I'm struggling with
5 the -- you know, with the -- your statement that road
6 safety is beyond the purview of -- of this Board,
7 particularly when monies are being spent on road safety
8 and -- and being paid for by Basic ratepayers. You
9 understand the dilemma.

10 And I think clearly within our purview
11 to -- to examine whether or not those monies could be
12 better spent. And also within our purview to decide
13 that we would be prepared to fund additional
14 initiatives in the road safety area.

15 And there may be some parties that would
16 like to tell you how to run your business, but I don't
17 think that's the intention of this Board. The
18 intention of this Board is to make sure that -- that
19 the monies that are being spent by MPIC are being spent
20 effectively. And clearly, we want to make sure that if
21 additional dollars can be spent, that they will have a
22 measurable impact on the safety of Manitobans.

23 So I'd like to hear what -- I'd like to
24 hear your reaction to my comments, please.

25 MS. KATHY KALINOWSKY: Yeah, we very

1 much agree that -- with your comment that the PUB
2 should be looking to make sure that monies are being
3 spent effectively. And I think I gave you two (2)
4 examples there of the high school driver's ed program
5 and the infrastructure. If we plan to go into a road
6 infrastructure improvements, that that will very much
7 be in front of this forum.

8 THE CHAIRPERSON: Bear with me a
9 second. I'll just check my notes again.

10

11 (BRIEF PAUSE)

12

13 THE CHAIRPERSON: On page 42, in the
14 middle of that page, there's a paragraph after number -
15 - after subparagraph (4):

16 "And finally, the report is prepared
17 internally, which improves the
18 transparency of the process and
19 provides improved understanding for
20 the Board and other interested
21 parties."

22 Now, I think -- I think the statement
23 suggests to me that -- that -- I think the -- my
24 perspective is that the fact that it's prepared
25 internally is probably one of the issues. I mean, the

1 issue is that in the absence of sort of oversight by --
2 by the parties, that it isn't a transparent process.

3 Now could you -- are you in a position
4 to extra -- to explain that sentence to me, in
5 particular?

6 MS. KATHY KALINOWSKY: Sure. I think I
7 -- I can. When we mention that the report is prepared
8 internally and that improves the transparency of the
9 process, what we mean very much is that as opposed to
10 previously, when it was prepared externally, it was
11 prepared externally by the appointed actuary, and it
12 was a document that was simply then presented to the
13 PUB. Questions couldn't really be asked about it. All
14 we could say is, Well, our external actuary said this,
15 and that's it.

16 We now have the -- the internal -- our
17 chief actuary preparing the actual document, working
18 with the data, making those assumptions, and then
19 showing up here and testifying about why he chose those
20 assumptions, why he's using that selection of data.
21 Does that help?

22

23 (BRIEF PAUSE)

24

25 THE CHAIRPERSON: Again, on page 53 --

1 pardon me, I don't think "again". Sorry, page 53
2 instead of 52, in -- roughly in the middle of the page,
3 the paragraph starts by:

4 "So in summary, the Corporation
5 recommends the DCAT be adopted."

6 And so on. The last sentence of that
7 paragraph say -- suggests:

8 "MPI has also indicated it is willing
9 to be more consensus based in
10 preparing the DCAT and can commence
11 the DCAT process earlier."

12 Could you -- could you ventilate that a
13 little bit, please?

14

15 (BRIEF PAUSE)

16

17 MS. KATHY KALINOWSKY: Mr. Johnston's
18 not here, and I certainly don't want to contradict any
19 of his testimony here. But it's our intention next
20 year, first of all, that there not be an error in the
21 DCAT which necessitates an amended DCAT being filed,
22 but certainly to file it early on in the process.

23 And what we're looking at is,
24 ultimately, from this order -- although it would be
25 nice if you just approve the -- the DCAT perfectly. If

1 that doesn't happen, you might ask us to look at some
2 new scenarios, you know, just tinker and tweak some --
3 some of the aspects.

4 So what we'll likely be doing is taking
5 those into account and filing it early on with the rest
6 of the application. And then through the IR process,
7 especially after being through this hearing, I think
8 both the Board and the Intervenors will have much more
9 focus on what, maybe, alternative scenarios could be
10 run.

11 So for instance, maybe if Mr. Johnston
12 had some opportunity to run, let's say, a different
13 decline in equity scenario or, you know, something
14 different with hail storms or something like that, he
15 could do that in the IR process. And then we would
16 have that data, which would be available from -- for
17 the Board and the -- to make their decision on, and
18 also for the Intervenors to provide their arguments on.

19

20 (BRIEF PAUSE)

21

22 MS. ANITA NEVILLE: One (1) further
23 question. On -- on page 52 of the -- at the very top
24 paragraph, you indicate that Mr. Johnston used, for
25 illustrative purposes, fifteen point six (15.6)

1 surcharge, et cetera. I'm not going to read it all.
2 But you go on to say a surcharge of such magnitude is
3 unlikely. I thought of it when Mr. Johnston was here
4 and probably should have asked the question then.

5 But why did he use these scenarios,
6 given the fact that you view it as unlikely?

7

8 (BRIEF PAUSE)

9

10 MS. KATHY KALINOWSKY: Putting it in --
11 into one (1) year of 15 percent just shows that's the
12 amount of money that's required. So it's that 15.6
13 percent. Do you do that 15 percent -- it's the money
14 that's required. Do you do that in one (1) year, which
15 was the 15.6? Do you do it in, let's say, two (2)
16 years, which would be seven point five (7.5), you know,
17 approximately seven point five (7.5), seven point five
18 (7.5). Do you do it -- do you spread it out over three
19 (3) years?

20 It just shows that if this is what
21 happens in the loss of equity scenario, a 15.6 percent
22 rate surcharge is required.

23

24 (BRIEF PAUSE)

25

1 THE CHAIRPERSON: I believe we've
2 completed the questions from the Board.

3 I would like to thank the -- all of you
4 from MPIC for your work and support of this hearing. I
5 know you've worked extensively. Perhaps not as much as
6 last year, but -- but you have worked extensively. And
7 I also thank the staff from MPIC who work in the back
8 room and work back at the -- at the office.

9 So thank you very much to -- to all of
10 you on our behalf. And I appreciate the fact that the
11 senior staff of MPIC have been present throughout the
12 process, so thank you very much. I know it -- it's a
13 burden for all of you, but I appreciate the fact that
14 you have demonstrated your commitment to this process.
15 So thank you very much for that.

16 I also want to thank the advisors,
17 including the advisors from CAC, and -- representing
18 CAC as well, so thank you very much. So perhaps you
19 could extend our thanks to Mr. Williams. I know he's
20 very committed to the hearings involving MPIC.

21 And I want to thank the advisors for
22 acting on behalf of PUB itself and the staff of PUB who
23 are -- who are not numerous in total, but who
24 nonetheless contribute extensively. And I also want to
25 thank the staff of Digi-Tran for their contribution to

1 this process. So thank you very much.

2 So all the best to -- I'm sorry. All
3 the best to you, and we will endeavour to deliver a
4 decision as promptly as possible. Thank you.

5

6 --- Upon adjourning at 11:57 a.m.

7

8

9

10 Certified Correct,

11

12

13

14 _____

15 Cheryl Lavigne, Ms.

16

17

18

19

20

21

22

23

24

25

\$	\$21 1763:18	0.67 1763:9	1800:18	1772:22
\$1 1764:1 1772:16	\$210 1821:4	0.75 1757:22	1,461 1801:2	122/'10 1810:16
\$1,100 1827:15	\$22 1749:4,23, 25	<u>1</u> 1 1746:6,25	1,499 1814:8	13 1771:2
\$10 1747:22	\$220 1772:17	1749:17	1,500 1814:21	13/'14 1799:3
\$100 1801:13 1813:9,10 1817:9 1820:2,16 1821:13,16 ,23,24 1822:5,6	\$241 1795:23	1752:6	1,502 1812:14	14/'15 1747:20 1749:9 1799:3 1800:8
\$108 1817:10	\$26 1778:13	1758:5,6,2	1,534 1815:1	
\$13.8 1766:7,8,1 3,14	\$280,000 1754:22	3 1759:19	1,536 1815:1	
\$14 1759:12	\$30 1822:17	1762:21	1,539 1815:9	
\$150 1818:14 1821:2,17	\$34 1763:3	1767:1,2	1,581 1823:3	1436 1820:3
\$16.8 1766:1,2	\$4 1801:12	1771:3	1,585 1823:3	1470 1820:3
\$18 1801:17	\$4.6 1748:21	1793:7	1,727 1770:23	1475 1820:3
\$183 1817:23	\$450 1758:4	1794:16	1.2 1746:23	15 1746:14 1847:11,13
\$194,923,000 1776:20	\$5,614,000 1773:11	1799:13	1.25 1762:21	15.6 1822:12 1846:25 1847:12,15 ,21
\$2 1790:11	\$50 1830:25	1807:15	1.75 1759:7	150 1821:14
\$2,000 1827:13	\$500,000 1760:5	1811:16	1.75 1759:7	152 1758:7,15
\$2,500 1826:25 1827:18 1829:19	\$6,137,000 1773:13	1819:1	1.8 1797:12	153 1758:15 1792:5
\$200 1746:12 1748:18 1787:7 1796:3 1800:10 1805:24 1806:22 1815:17 1820:15,20 1821:9,18 1825:1,4,1 0,14 1826:1 1830:11	\$7.8 1749:18	1822:12	1/3 1802:12,15	155 1792:5
	\$71 1778:10	1824:14	10 1780:3	158 1779:13
	\$793,247,000 1776:10	1826:21,24	10:27 1788:16	16 1818:13 1833:10
	\$8 1759:12	1827:13	10:40 1788:17	162 1798:6 1806:18 1807:3
	\$8.3 1749:1	1829:18	100 1817:13	162/'11 1810:21
	\$800 1790:8	1837:14	11 1772:23,24 1774:20 1775:5	167 1779:13
	\$81 1801:15	1840:9	11:57 1849:6	168 1786:17
	\$88 1786:20	1846:22	12 1806:19	169 1786:17
	\$887,095,000 1776:4	1847:11,14	12.9 1810:17	17 1818:13 1827:11
	<u>0</u> 0.075 1755:4	1,027 1769:11	12/'13	170 1772:25 1773:1 1825:19,21
	0.1 1773:6	1,042 1771:12,22 1772:8		1739 1739:24
	0.25 1763:12	1,068,000,00 0 1772:21		
	0.3 1748:12 1749:12,13	1,100 1801:11		
		1,231-34 1829:10		
		1,258 1825:7		
		1,265 1809:25		
		1,287 1803:25		
		1,288 1804:1		
		1,340 1815:18		
		1,459		

174 1796:17	1807:20	1795:22	235 1800:16	31 1818:25
1742 1741:3	1811:18	2011 1761:15	236 1800:16	31st 1761:14
1743 1741:5	1812:20	1762:24	241 1807:7	1762:24
1742:3	1813:3	1763:17	249 1794:6	1763:8
180 1796:2	1814:9	2011/'12	25 1739:23	1766:6
1825:22	1818:13	1818:16	251 1794:7	33 1743:20
1831 1741:7	1819:4,14	2012 1739:23	1746:20	33.6 1818:16
1849 1739:24	1824:16	1763:22	1780:5	330 1739:21
1741:10	1835:9,11	1765:25	251 1794:7	386 1749:15
185 1798:3	1843:3	1766:6,16	252 1808:16	387 1749:15
19 1746:21	1847:15	1827:12,19	253 1808:16	1750:1
1766:11	2,000	1830:21	256 1824:10	389 1760:1
1800:7	1827:17	2012/'13	258 1826:18	392 1760:1
1919 1819:25	2.25 1759:9	1748:14,22	259 1826:18	395 1760:6
1820:12	1760:4,11	2013 1747:13	269 1812:9	397 1760:9
193	2.4 1775:21	1749:10	26th 1761:5	
1795:18,24	2.5 1759:6,9	1773:19	270 1812:9	<hr/>
1956 1800:17	1760:19	1798:5	291	4
1802:1	1797:10	1827:14,16	1795:18,24	<hr/>
1989 1754:4	2.9 1810:18	2013/14	298-99	4
199 1748:15	20 1758:12	1739:9	1769:6	1746:3,4,1
1990s 1812:7	1772:25	2013/'14	<hr/>	0 1753:2
1994 1754:5	1796:23	1746:11	3	1754:24
1775:20,23	1799:13	1747:19,23	3 1744:17	1759:15
1790:18	1812:20	1748:15,22	1746:8	1768:24
1999 1799:8	1813:1,3	1749:9	1749:3	1793:19
1st 1747:13	1817:9,14	1757:24	1752:22	1795:2
1773:19	1826:24	1759:12	1753:22	1799:6,10
1830:21	1827:12	1773:15	1758:1	1805:14
<hr/>	1829:18	1776:2	1760:19	1808:5
2	200 1821:21	1786:21	1764:10	1809:4
2 1744:12	1825:18	1806:19	1765:23	1811:21
1746:7	2000 1753:24	1827:1	1793:14	1817:8,11
1747:19	2001 1810:1	1830:10	1794:23	1818:15
1749:6,7,9	2005 1765:4	2014/'15	1795:9	1822:15,16
1752:17	2006 1754:13	1747:23	1807:24	1829:12
1755:3	2007 1795:21	1748:15,24	1808:25	1830:1,4
1759:8	2008 1801:10	1759:13	1811:19	1843:15
1763:7,12	2008/'09	2015/'16	1827:1,22	4.29 1759:6
1769:12	1801:12	1748:25	1835:10,12	4.81 1759:7
1777:21	1802:17	1749:22	1847:19	40 1757:14
1791:25	1818:5,12	205 1748:14	3.2 1761:16	1780:20
1793:10	2009 1770:7	208 1748:15	30 1758:12	1799:1,15
1794:20	1799:17	21 1758:22	1790:14	1802:8
1799:2,17	1827:4	210 1796:2	30th 1765:25	1804:9,11
1804:3	2010 1769:16	22.5 1748:24	1770:6	40.8 1799:18
		230 1825:19		400 1739:21
				407 1760:23

413 1760:23	686 1772:22		1816:21	1768:10
42 1843:13		<u> </u>	1820:21	1770:10
427 1764:7		<u> </u>	1846:5	actors
43 1799:11	<u> </u>	a.m 1743:1	accountabili	1839:21
43.1 1761:16	7 1754:11	1788:16,17	ty 1750:19	1840:13,22
484 1765:15	1770:12	1849:6	1839:14	acts 1781:17
	1778:14	abandoned	accountants	1833:16
	1790:8	1821:22	1816:8	actual
	1812:5	abbreviated	accounting	1758:7
<u> </u>	7.25 1822:13	1748:3	1769:12	1759:22
5	7.5	able 1744:8	1784:16	1764:5
5 1746:22	1847:16,17	1781:10	1803:9,18	1770:9
1753:19	,18	1785:14	accumulated	1813:21
1760:20	70 1758:13	1786:15	1784:2,3	1844:17
1787:23	700 1838:24	1799:22	accuracy	actually
1795:5	75 1773:2	above-	1758:8	1745:5,11,
1799:9	1817:15	defined	accurately	18 1753:13
1811:25	76 1787:15	1789:12	1770:16	1754:6
1816:25	793 1747:22	absence	achieved	1779:9,12
1828:13,19	793,247	1844:1	1747:5	1784:5
1838:23	1776:7	absolutely	1795:9	1786:9
5.6 1748:22		1812:24	achieving	1790:14
1749:1	<u> </u>	1839:1	1769:23	1819:20
1773:9	8	absorb	acknowledged	1833:9,13
50 1757:14	1755:6	1805:1	1758:9	1834:2,11
1790:17	1838:1	accept	1764:3	actuarial
1795:21	8.3 1748:24	1765:16	acknowledgin	1764:15
52 1845:2	80 1782:19	accepted	g 1816:12	1801:14
1846:23	1795:22	1747:16	across	1805:24
526 1763:7	81 1798:5	1807:18	1840:10	1807:13,16
53 1844:25	812 1754:16	1819:3	Act 1750:20	,18,23
1845:1	82 1771:2	1837:8	1758:19	1808:4
531 1783:12	833 1747:23	access	1775:9	1809:10
532 1783:12		1774:6,17	1833:9	1816:6
553 1802:10	<u> </u>	1775:13,17	1838:21,22	1819:3,8,9
593 1779:17	9	1776:17	,23	,21 1820:5
	1776:8	accident	1839:5,14	1823:15
	9:28 1743:1	1752:18	actually	1825:12,23
	92 1775:2	1762:6,17	1746:18	actuarially
	921 1764:8	accomplished	1747:9	1746:18
	922 1764:8	1753:1	1748:11	1747:9
	939 1757:1	1775:14	1749:12	1748:11
	942 1757:1	according	1825:23	1749:12
	96 1795:23	1749:23	1830:13	1825:23
		1825:12,15	actions	1830:13
		account	1794:25	actuaries
		1757:3	actively	1752:10
		1770:20	1778:5	1763:11
			activity	1764:19
				1819:14,25
657 1781:17				

actuary 1744:4 1762:3,9,2 2 1763:4,6 1764:20 1766:18 1784:13 1805:25 1807:21 1816:1,5,6 ,14,15,17 1819:1,2,1 0,16,20,23 1820:12,13 ,15 1823:14 1844:11,14 ,17	1811:8 adequately 1809:13 1810:5,11 1823:8,19 adheres 1823:12 adjourning 1849:6 adjust 1793:19 adjustments 1764:14 administerin g 1768:17 Administrato rs 1840:8 admission 1745:6 admit 1764:10 1815:6 admitted 1817:6 adopt 1746:10 1773:5 1830:9 adopted 1796:5 1823:24 1829:6 1845:5 adoption 1795:11 advantages 1771:9 1772:10,11 adverse 1762:20 1794:24 1798:23 1800:14 1806:7 1822:19 advice 1825:9	1826:2 1835:16,24 1836:1 advise 1777:18,19 advisor 1819:8,9,1 9 1823:15 advisors 1756:7 1801:2 1831:13 1848:16,17 ,21 advocate 1810:8 advocated 1820:24 1821:23 advocates 1812:21 affected 1749:9 affordable 1775:19 afterwards 1753:7 against 1769:9 1787:8 1798:12 age 1774:13 ago 1761:4 1802:1 1809:4 1827:22 agreed 1820:1 1821:8 agreement 1778:3 agreements 1777:25 AI.1 1829:20 AI.10 1761:14	1763:9 AI.12 1778:14 AI.16 1770:12 1773:6 aligned 1768:9 aligns 1748:18 1785:6 allegation 1765:22 1815:24 allegations 1815:19 allegedly 1787:13 allocated 1773:1,2 allocating 1768:9 allocation 1746:9 1754:11,13 ,19,22 1755:3 1756:2 1766:24 1767:3,7,1 9,23 1768:21 1769:20,22 1770:25 1772:5,18 1781:25 1791:1 1829:22 1836:20 allocations 1769:2 allocator 1767:25 1769:15 1770:3,8,1 8 1830:1,5 allow 1776:16	1828:11 allowable 1806:10 already 1754:20 1817:13 1832:25 alter 1777:21 altered 1760:19 alternative 1846:9 alternativel y 1826:13 am 1744:19 amazing 1832:2 amended 1815:8 1845:21 America 1833:22 among 1775:11 amongst 1748:1 1789:9 1823:16 amount 1746:23 1749:14 1777:20 1781:24 1794:14 1795:6 1821:7 1822:1,15 1847:12 amounts 1777:1 1789:22 1807:4 1828:7 ample 1787:18 analogous
---	--	---	---	---

1819:11	anticipating	1747:7	1813:19,21	1757:22
analysis	1778:10	applied	,24 1817:5	1758:4
1753:24	anticipation	1746:3	1823:5	1759:11
1754:25	1782:12	1747:2	approaches	1760:20
1795:17	1783:15	1749:10,13	1756:22	1764:1
1814:12	anymore	1773:13	appropriate	1799:9
1820:5	1810:13	1810:17	1750:20	1800:1
1824:17	anyone	1830:16,20	1767:9	1806:18
1834:18	1796:21	applied-for	1769:14	1822:17
1841:13	anyone's	1749:7	1776:25	1847:17
Analysis/	1780:13	apply	1784:15,18	April
Value	anything	1745:21	1789:21	1765:25
1795:16	1766:18	1750:4	1793:5	1827:4
analyze	1803:6	1752:21	1794:10	arbitrary
1796:13	1829:14	1778:1	1801:24	1774:13
1812:23	1830:14	1792:20,24	1806:24	area
analyzed	anyways	1796:12	1811:21	1745:9,10,
1752:15	1821:8	appointed	1818:3	18 1842:14
and/or	anywhere	1819:1	1819:5	areas 1793:9
1768:16	1772:6	appointed	1829:15	1839:23
Anita	1822:5	1761:15	1830:13	argue
1739:17	AOCI	1762:3,9,1	1841:8,15,	1753:15
1832:2	1784:3,8,1	9,22	21	1780:24
1837:21	0,11,15,16	1763:17,22	appropriatel	1801:3
1846:22	Aon 1744:4	1764:20	y 1768:22	1822:2
annual	apparent	1807:21	1793:19	argued
1774:20	1808:24	1808:25	approval	1828:1
1775:5,22	Apparently	1816:1,6,1	1746:6	argues
1790:6,9	1751:19	5	1749:24	1754:25
1792:4	appearance	1819:1,10	1755:11	arguing
1796:11	1753:23	1823:13	approve	1788:1
1797:2,7,1	APPEARANCES	1844:11	1746:7,8	argument
0,12	1740:1	appox	1750:10	1742:3
annually	applicable	1757:21	1786:15	1743:11,24
1772:17	1760:13	appreciate	1820:13	1744:10
1827:23	application	1743:12,18	1829:17	1746:2
answer	1739:8	1756:14	1830:18,19	1751:10,12
1785:6	1746:3	1848:10,13	1839:15	,14
1789:14	1747:1	appreciated	1845:25	1760:25
1813:23	1748:23	1750:16,17	approved	1770:13
answered	1751:24	,20	1746:21,23	1771:6
1765:1	1769:20	appreciates	1747:14	1772:10
1820:11	1828:16,17	1750:13	1751:21	1772:10
answers	1829:20	approach	1756:3	1786:24
1798:7	1846:6	1765:16	1810:16	1787:16,17
anticipate	applications	1792:11	1829:14,22	1788:2
1765:13	1746:20,22	1796:19	approves	1789:8
1783:7		1798:10,19	1812:16	1811:17
		1812:17,21	approximatel	1829:1
			y 1754:21	1831:2

1832:21,24	1817:15	1815:24	1755:8	1777:10,18
arguments	assignable	attached	1765:12	bas 1791:17
1769:8	1772:23	1829:2	1774:18	base 1800:11
1794:8	assist	Attachment	1784:4	based 1747:9
1846:18	1797:24	1773:6	1846:16	1750:6
arising	1812:12	attainable	Avenue	1758:19
1789:4	assistance	1774:10	1739:21	1762:22
arriving	1757:13	attempt	average	1764:11
1809:2	1831:14	1756:25	1757:21	1765:11,16
arrows	Assistant	1796:12	1762:23	1768:11
1772:12	1779:2,20,	attend	1768:25	1773:15,25
articling	23 1833:15	1743:5	1775:20	1774:2,11
1754:6	1834:1,16,	1744:8	1830:2,4	1795:2
artificially	22 1837:4	1835:8	averaging	1799:8
1810:8	assists	attended	1747:18	1802:12
aspect	1743:18	1744:24	aware	1807:2,15
1819:17	1794:16	1745:1	1777:11	1812:22
1834:24	associated	attending	1778:23	1813:10
1840:25	1771:10	1744:3	away 1753:16	1822:21
1841:19	assume	attends	1812:13,19	1823:21
aspects	1806:20,24	1835:6	1826:3,20	1826:4
1846:3	assumed	attention	awful 1821:5	1830:14
asserts	1761:20,21	1761:13	awfully	1845:9
1787:10	1802:10,13	attracted	1761:3	baseline
assess	assumes	1761:13	1801:5	1755:7
1796:13	1759:4	audit 1816:9	<hr/>	basic
assessed	1796:9,25	auditor	B	1746:11,15
1810:8	assumption	1819:11	background	1747:17
assessing	1797:3	authority	1745:21	1748:13
1784:13	1801:5	1781:1,2	1834:15	1753:21
assessment	1810:14	1834:19	bad	1755:11
1769:17,25	assumptions	1837:2,6,1	1804:16,18	1768:2
1793:8	1757:8	9	1818:21	1770:4,21
asset	1759:14	automobile	bak 1760:14	1771:5,10
1836:19	1763:17,20	1790:5	balance	1772:1,6,1
asset/	,22	Autopac	1783:5	0,11,23
liability	1766:15	1746:11	1791:8,13	1773:1,2,4
1781:3,6	1794:23	1753:21	1804:20	1775:10
assets	1808:9	1771:8	balancing	1784:13
1767:3	1817:21,22	1775:11	1791:4	1785:4,18
1780:22	1819:4	1785:19	bank	1789:22
1781:7,10,	1820:14	1826:15	1784:11,17	1790:7
14 1782:2	1824:23	1830:10	banks	1806:5
1784:14	1844:18,20	autos	1756:24	1822:22
1797:6,9	assure	1757:17	1812:8	1826:15
1798:8,14	1773:14	available	bar 1745:6,7	1830:10
	1786:7		bargaining	1841:11,15
	astonishing			,21 1842:8
				basically
				1749:2
				1804:24

basis 1760:14,15 1766:19 1767:22 1773:3 1786:10 1791:18 1798:16 1800:13	1775:10 1776:23 1780:24 bell 1804:5 1805:3,5 belong 1788:1 1809:21 benchmark 1753:4,15 beneficiarie s 1788:7 beneficiary 1767:18 benefit 1804:25 benefits 1752:19 1762:6,17 1768:5 1770:20 1777:1 1793:3 1794:15 1823:16 best 1744:16,19 ,20 1765:11 1783:8 1831:17,22 1849:2,3 better 1751:4,6 1780:1 1819:22 1837:17 1842:12 beyond 1761:22 1809:19 1838:11 1842:6 bias 1764:10 1769:19 bigger 1790:13 biggest	1751:14,17 billion 1772:16,20 1790:11 bit 1760:24 1761:1 1783:25 1832:7 1833:4 1837:16 1838:14 1841:7 1845:13 board 1739:3,14, 15,16,17,2 0 1740:2 1741:7 1743:11,17 ,20 1747:3,8,2 4 1750:16 1751:1 1752:2 1753:10 1754:7,17, 23 1755:11,22 1756:6,7,1 2 1760:25 1761:5,11 1764:23 1765:16 1767:11,12 1770:14 1772:15 1773:14 1775:16 1779:5,14 1786:6,16 1793:10,14 1794:2,17 1795:4,12 1797:25 1798:6 1800:19 1807:10,25 1808:14,19 1810:15,19 ,21 1811:6,9 1817:23	1818:1 1820:7 1823:1,4 1824:19,20 1825:9,16, 17 1826:2,11 1828:18 1829:8 1831:12,13 ,16,17,19 1832:18 1838:12 1840:16 1842:6,17, 18 1843:20 1846:8,17 1848:2 Board- approved 1810:22 Board's 1818:23 1819:8 1831:14 bodily 1757:10 1758:13 body 1758:3 bold 1838:14 bond 1762:24 1779:10 1780:2,4 1781:13 1782:6 1787:21 1834:2 bonds 1782:25 1783:17,21 1834:6,7,9 ,10 1836:22 book 1757:7 1761:18 1763:19 1772:3 booked 1766:3,8,1	4 Botting 1739:16 boys 1744:12 brain 1835:25 break 1747:17,18 1749:16 1785:20 break-even 1749:2 1760:14,15 breaks 1788:13 BRIEF 1745:24 1756:17 1766:22 1773:21 1778:20 1805:21 1809:6 1816:23 1820:18 1836:7 1837:23 1838:17 1840:4 1841:4 1843:11 1844:23 1845:15 1846:20 1847:8,24 briefly 1828:24 bring 1819:17 British 1767:12 Broadway 1837:20 brought 1747:7 1787:18 1809:4 1828:25
--	---	--	--	---

1831:11	1815:11	1832:22	1849:10	1829:13
budget	1819:17,19	candid	cetera	1836:19
1804:21	,23	1813:15,18	1757:14,18	changed
1817:12	1820:4,11,	capital	1847:1	1765:3
1818:15,16	13,15,21,2	1773:24	Chair	changes
budgeted	2	1776:2,22	1750:24	1747:10
1801:13	1821:1,2,5	1780:18	1780:9	1752:13
build	,8,10,11,2	captures	1802:4,19	1763:16,22
1785:15	2 1822:4	1770:16	1809:14	1765:6
1813:3	1829:7	care 1757:13	1814:22,25	1781:9
built	1848:17,18	1762:13	1823:2	1793:20
1797:15	CAC's	case 1760:22	1825:3	1797:5
bullet-point	1751:10	1763:5	Chairman	1799:21
1813:4	1787:15	1771:25	1739:15	1808:9
bunch	1789:8	1793:17	CHAIRPERSON	1829:5
1839:17	1811:11	1805:8	1743:3	1839:15
burden	1815:19	cash	1744:21	changing
1848:13	1819:9,16	1781:22,24	1788:12	1765:14
Bush 1800:24	calcula	1782:11	1816:25	1775:1
business	1813:8	1783:14,20	1831:20	1826:21
1743:5	calculate	,25	1837:25	charge
1767:14	1792:7,11	1784:10,17	1842:4	1786:14
1768:14	1794:14	cashing	1843:8,13	charged
1770:9,11	1795:14	1803:14	1844:25	1767:7
1771:17	1796:20	catastrophic	1848:1	chartered
1772:4	1823:25	ally	challenges	1816:8
1822:24	1824:16	1762:12	1750:21	check
1842:16	calculating	causality	1757:19	1795:18
businesses	1788:21,23	1768:22	1791:2,3	1843:9
1767:8	1809:3	cause	1831:9	Cheng 1763:8
buy 1783:17	calculation	1786:22	chan 1747:10	1819:1
1802:18	1813:8	CCMTA 1840:7	change	cheques
1823:18	1817:7	centre	1746:6	1810:4
Byron 1740:7	calculations	1774:20	1747:12	1828:5
	1759:4	1830:3	1748:2,7,1	Cheryl
	1813:11	certain	0,11	1849:15
	1818:2	1747:6	1749:17,18	chief 1744:3
	1828:16	1770:19	1750:10	1763:6
	Canada	1802:17	1751:25	1815:25
	1775:12	certainly	1759:11	1816:5,14,
CAA 1740:11	1780:19	1751:23	1760:12	17 1819:2
1830:24	1819:3	1798:15	1762:18	1844:17
CAC 1740:7	1840:12	1801:6	1774:22	child
1750:12,13	Canadian	1845:18,22	1775:2	1744:16
1751:8,24	1833:23	Certificate	1777:20	children
1752:4,24	1834:10	1741:10	1778:1	1832:3
1753:5,13,	1840:7	Certified	1780:23	cho 1780:14
15 1754:7	Candace		1781:12	
1765:18	1740:2		1790:25	
1771:2			1826:8	
1787:4			1827:1	

choice 1814:13,18 1819:17,22	2 1767:24,25 1768:6,15, 16,23 1769:1,13, 17	1827:24 1842:10,20	1836:5	1842:24
choices 1787:13		client 1841:2	collected 1828:8	Commission 1767:13
choose 1811:6	1770:2,7 1773:3,16	Close 1765:15 1769:5	collective 1777:10,17 ,25 1778:3	commitment 1761:25 1848:14
choosing 1801:7	1776:15 1781:14 1782:5	1770:2,23 1771:11,22 1802:9	collisions 1757:17	committed 1848:20
chose 1749:14 1825:17 1844:19	1786:12 1797:11 1799:25 1801:14 1803:15	1803:2 1808:15 1809:24 1814:21 1815:9,18	Columbia 1767:12	committee 1835:1,15
chosen 1794:12,13 1819:24	1828:21 1829:24 1830:5	1818:10	combinations 1789:10	commonly 1744:5 1804:4
circular 1772:9	1840:18 1841:23	closely 1748:18 1768:8	combined 1759:5	companies 1780:19
circumstance s 1809:11	clar 1832:5	closing 1741:5 1742:3	comes 1785:8 1792:25 1821:25	company 1790:6 1795:1
City 1839:22	clarificatio n 1832:24	1743:8,10, 23 1744:10	comfort 1782:18 1819:14	company- specific 1794:23
claim 1768:11,17 1774:19 1828:11	clarificatio ns 1836:4	1746:2 1760:25 1771:6	comfortable 1765:4 1783:9 1822:5,6	comparator 1770:9
claimants 1761:22 1762:12 1797:16	clarify 1832:5	1828:9 1830:15 1836:9	coming 1765:5	compared 1759:7,13 1773:11 1787:24
claiming 1787:6	clarity 1832:16	CMMG 1740:9 1786:24 1828:1,4,2 5	commence 1743:5 1824:13 1845:10	compelling 1794:8 1823:4
claims 1748:1 1752:7,10, 15,20 1753:5 1757:2,6,9 ,20,23 1758:2,11, 12,13 1760:21 1761:9,12, 16,17 1763:3 1764:1,14, 22,25 1765:19,24 1766:1,7,1	clash 1783:25	CMMG-2-8 1828:8	commenced 1754:4	compensation 1777:1,16, 20 1778:1
	clean 1827:13,24	CMMG's 1828:13	commencing 1743:1	competing 1782:1
	clear 1762:7	co-chaired 1835:4	commended 1831:7	competitive 1768:14
	1795:5 1827:20 1831:1 1837:18 1838:4	codified 1838:21	comment 1755:9 1795:15 1815:11 1843:1	completed 1775:3 1796:1 1848:2
	clearly 1765:7 1770:13 1778:4 1823:11 1825:2	collaborativ e 1835:2	comments 1750:13 1805:6 1824:20 1831:21 1836:4,10	completely 1791:20
		collaborativ ely 1835:18		compo 1759:8
		colleagues		component 1752:19

1775:14	conference	,23	continues	1747:4,11
1777:15	1754:9	consistently	1754:25	1748:3
composed	1756:7	1759:22	1776:21	1749:23
1759:8	confidence	constant	continuing	1750:12
composition	1764:24	1780:17	1791:25	1753:12
1760:17	1779:22	1789:6	1792:1	1755:18
comprehensiv	1811:23	constantly	contract	1758:16
e 1775:12	confined	1774:23	1777:9	1761:24
1784:2	1807:17	1775:7	contradict	1764:24
compulsory	confusion	1778:6,16	1845:18	1767:21
1746:16	1761:2	constitutes	contrary	1772:20
computer	1789:1,9,17	1786:10	1770:24	1773:17,24
1772:12	7	constrain	1789:8	1774:2,9,21
con 1824:11	conjunction	1777:9	1816:2	1775:2,4,6
concept	1801:20	consult	contrast	,7,10,17,24
1804:2	connotation	1782:17	1796:1	4
1805:3	1834:21	consumed	contribute	1776:17,21
1826:22	cons 1795:13	1822:1	1759:19	1777:6,17,19
concepts	1796:25	consumer	1848:24	1778:4,8,9
1819:21	consensus	1774:1	contribution	,12,15,18,24
concern	1747:6	contact	1848:25	1779:11,21
1813:18	1809:2	1768:25	contributor	,22
1814:4	1814:16	1830:3	1777:3	1780:23
concerned	1824:12	contains	contrived	1781:12
1774:9	1836:16,24	1757:16	1815:20	1786:18
concerns	1845:9	1781:24	control	1789:23
1751:3	conservatism	CONTENTS	1779:4,19	1790:1
1752:18	1762:5,17	1741:1	1780:22	1791:19
1815:5	1764:22	context	1787:10	1793:15
concluded	1766:4	1753:4	controls	1794:1,13,19
1831:2	1828:6	1792:12	1779:2	1795:7,8
conclusion	consider	continually	convergence	1797:15,19
1766:17	1784:18	1774:22	1747:6	1799:22
1823:7	1818:1	continuation	1809:2	1804:15,19
1829:11	considerable	1777:13	conversely	,22
conclusions	1809:2	continue	1757:5	1805:1,9,14
1769:11	considerably	1746:16	convinced	1807:9
concurrent	1781:18	1782:11	1762:8	1811:19
1822:19	consideratio	1790:19,21	1798:20	1813:9
condit	n 1817:19	1802:18	copy 1742:3	1817:10
1825:6	considered	1806:25	1743:10,23	1818:19,22
condition	1784:8	continued	corporate	1820:6
1746:15	consistent	1771:23	1816:10	1823:23
1806:5	1751:12	1775:24	Corporately	1825:6
1811:13	1764:4	1792:6	1783:8	1829:12
1825:7,24	1765:9	1807:8	corporation	1830:8,18,20
	1792:19,21			1833:17,20
				1834:3

1845:4	Council	1776:17	1834:16	1822:3
corporation'	1840:7	covered	CS 1819:23	1828:23
s 1839:13	counsel	1748:5	cumulative	1834:15
Corporations	1740:2	1749:6	1799:5	1844:18,20
1796:15	1750:12,16	covers	1805:14,15	1846:16
Corporation'	1754:7	1839:2	cur 1798:5	dating
s 1750:19	1756:6	cran 1763:6	current	1744:6
1759:3,24	1760:25	created	1762:22,23	day 1744:12
1761:18,23	1764:23	1787:13	1786:19	1760:3
1762:20	1779:15	creates	1790:1	1801:9
1775:14	1798:6	1794:20	1806:16	1822:4
1777:4,14,	1808:23	1795:5	currently	1823:17
15 1781:5	1815:11,19	creation	1781:24	1831:22
1793:8,21	1828:13	1780:17	1797:9	1836:16
1794:4	1831:12	credible	1798:5	days 1755:20
1796:9	1832:18,23	1816:19	1821:4	1809:17
1797:1,4	counselling	criteria	curriculum	DCAT 1746:10
1800:3	1800:19	1747:8	1841:14	1748:18
1818:12,13	counteracts	1768:6	curve 1804:5	1753:19,20
1824:2,4	1765:21	critical	1805:3,5	1754:10
correct	countries	1785:17,25	customer	1756:2
1792:16	1802:3	1817:5	1768:25	1793:17
1849:10	couple	critique	1830:2	1794:12,13
cost 1746:8	1806:14	1753:16	customers	1795:9
1754:11,12	course	critiqued	1770:10	1796:1,5
,19,22	1745:6	1807:25	1789:2	1797:21
1755:3	1749:19	cross	<hr/>	1798:22,24
1756:2	1750:1,21	1808:22	D	1799:14
1766:24	1755:15	1815:11	<hr/>	1800:13
1767:2,22	1756:20	1828:9	daily	1801:7
1768:22	1758:9	cross-	1745:22	1802:10,13
1769:20,22	1760:22	examinatio	damage	,25
1770:3,17,	1764:17	n 1761:7	1757:15	1805:15,24
24 1772:5	1788:6	1763:4	1758:2	1807:13,15
1775:20	1817:19	1764:16	data	,20,24
1776:1	1822:14	1824:25	1752:11,22	1808:5,20
1777:13	1824:19	Crown	1755:7	1809:3,9,1
1783:25	1831:3,12	1750:19	1763:24	1 1810:8
1829:21	1840:17	1777:6	1764:17	1812:17,19
costs	courses	1780:22	1765:12	1813:9,15,
1748:1,4,6	1745:16	1811:19	1777:1	24
1757:11,13	cover	1839:13	1799:9	1814:12,20
1767:3,7,1	1776:11	CRTC 1767:11	1800:17	,24
7,25	coverage	crucially	1801:8	1815:8,20
1768:2,8	1757:12,16	1781:19	1808:7	1816:13,14
1772:20	1761:21	crunch	1812:18,23	,19
1776:11,12	1774:6,10,		1815:3	1817:6,18
1841:23	11,12		1819:25	1818:24,25
cost-saving	1775:7,12,		1820:12	1819:15
1771:16	13,18,21			1820:2,13,
				14,16,23,2
				5

1821:6,13, 15,16,21,2 4 1823:6,9,1 8,24,25 1824:12,13 ,15,20,22 1825:15 1830:9 1845:5,10, 11,21,25 DCAT/escrow 1820:21 DCATs 1819:20 deal 1767:13 1791:22 1811:11 1833:2 1840:11 dealing 1752:2 1791:4 debate 1804:13 1812:3 debated 1755:18 1841:20 debt 1802:3 decade 1791:25 1828:3 December 1830:21 decide 1755:13 1838:8 1842:12 decided 1745:8 decides 1779:6 deciding 1784:18 decisi 1779:8	decision 1755:23 1762:22 1769:9 1779:15 1784:9 1837:19 1846:17 1849:4 decision- making 1832:9,15 1834:18 decisions 1768:13 1779:8 1780:11,14 ,15 1813:10 1833:18 1834:3,6 1836:2,18 1839:9,10 decline 1787:2 1798:22,24 1799:1,15, 23 1800:10 1802:14 1804:10 1805:7 1815:7 1817:3,8,1 4,16 1818:4 1822:2,9 1846:13 declined 1767:20 declining 1788:3 decrease 1749:13 1763:18,25 1813:9 1828:14,20 1840:18 1841:23 decreased 1756:13	1828:22 decreases 1748:17 1828:21 1830:12,23 def 1792:17 defined 1789:15,18 definitely 1792:18,22 1805:9 definition 1789:6 degree 1744:25 1745:3,12 1758:8 1770:19 1776:25 delegated 1779:20 1833:14 delegates 1837:3 delineation 1833:7 deliver 1774:24 1796:5 1849:3 Deloitte 1754:17,20 1767:15 1768:7 1769:13,17 1770:6 1773:16 demerit 1746:8 1826:23,24 1827:3 demonstrated 1778:4 1848:14 demonstrates 1800:22 depart	1840:11 department 1778:23 1783:14,16 1785:11 1787:20 1832:8,13 1833:7,14 1834:13,14 1835:3,10 1836:12 departments 1839:25 1840:9 depleted 1801:17 1805:17 1810:10 deployed 1764:18 Deputy 1779:2,20, 23 1833:16 1834:2,16, 22 1837:3,4 describe 1751:6 DESCRIPTION 1742:2 descriptions 1757:8 designed 1785:20 desirable 1767:22 desire 1750:14 1795:25 desired 1781:25 detail 1761:1 1823:14 1830:7 detailed 1769:9	1793:7 determine 1746:10 1754:2 1756:21 1767:18 1791:17 1823:18,20 1830:9 determined 1747:13 1748:2 1815:21 determines 1748:5,10 1781:7 determining 1818:3 1823:8 development 1763:20 developments 1753:2 1755:9 deviate 1756:4 deviation 1762:21 dictates 1751:18 difference 1748:8 1755:3 differences 1752:9 different 1756:22 1757:12 1769:11 1800:20 1807:12 1826:22 1831:10 1833:23 1834:10,17 1839:16,21 ,23 1840:13,21
--	---	---	---	--

,22 1846:12,14 differently 1752:12 1771:18 differing 1789:21 differs 1751:8 difficult 1758:14 1761:11 1769:7 1782:15 Digi-Tran 1848:25 dilemma 1842:9 direct 1777:7,8 1778:25 1784:23 1795:11 1824:24 1833:4 1834:25 1837:17 directed 1754:12 1832:23 directing 1815:25 direction 1755:13 1773:17,18 1777:7,23 1810:2 1838:9 directly 1772:22 1796:10 1824:3,4,8 dis 1840:20 disagree 1753:1 1769:7 disagrees	1810:13 disappointin g 1813:2 disciplined 1811:7 disconnect 1798:13 discontinue 1794:2 discounted 1810:9 discretion 1780:21 discriminate 1774:11 discriminato ry 1774:13 discuss 1752:3 1789:16 discussed 1808:7 1831:11 1836:10 discussion 1812:25 1820:8 1838:2 1840:21 1842:1 discussions 1838:3 1841:8 disparate 1757:16 disputed 1765:20 disregard 1770:14 distorting 1759:3,17 distribution 1804:6,8 Diversifying 1786:23	divide 1749:7 1767:3 document 1838:1 1844:12,17 documented 1823:11 dollars 1754:21 1760:5 1773:10,12 1776:4,10, 20 1788:2 1790:23 1826:25 1827:13,15 ,18 1829:19 1842:21 done 1823:20 1836:11 doubled 1772:2 doubles 1821:7 doubt 1815:15 doubts 1751:3 downside 1788:11 Dr 1809:16 1813:14 1814:8 dramatic 1756:9 1802:25 dramatically 1756:13 drive 1821:13 driven 1746:18 1814:18 driver 1768:8	1826:23 1827:2,12, 14,16,20 1841:11,14 ,17 drivers 1839:6 1841:18 driver's 1786:1 1827:15,24 1829:2 1843:4 Drivers 1838:22 1839:4 drives 1749:11 1827:9 driving 1827:10,14 ,19,24 1839:3 drop 1801:11 1802:8 DSR 1746:8 1759:5 1826:21 1827:2,6,2 1,22,25 1829:17,18 dual 1782:1 1783:10 due 1747:25 1749:14 1751:16 1753:8 1759:20 1761:20 1763:20 1781:6 1828:6,12 during 1781:23 1808:22 <hr/> E <hr/> e.g	1804:9,11 EAFE 1779:17 1837:10 earlier 1765:2 1806:13 1824:13 1845:11 early 1743:4 1845:22 1846:5 earned 1747:22 1768:13 earnings 1748:14 1749:21 1750:3 1784:7 1800:10 1806:9,22 1811:5,22 1812:6,11 1825:4 easier 1743:12 easily 1768:7 1774:10 easily- obtained 1768:8 easy 1792:20,23 1796:19,20 economic 1757:8 1800:23 1820:5 Economics 1744:23,25 1745:1,9 economist 1820:4 economy 1745:15 1781:12 ed
---	---	--	--	---

1841:11,14 ,17 1843:4	elicited 1798:6 1808:22	enormous 1822:1 1839:1	1784:5 1787:9 1790:24 1791:1 1793:18 1797:20 1798:24 1802:9 1803:14 1815:7 1817:3 1818:5,11 1822:10	establish 1753:6 1791:18,21
education 1774:14	eliminated 1762:5 1813:25	ENR 1752:13	established 1750:7 1798:8 1812:3 1825:10	
effect 1747:20 1760:2,9 1773:4 1787:3 1833:10	elsewhere 1780:19	ensure 1764:7 1767:7 1769:2 1807:11	establishing 1793:1	
effective 1747:12	emerging 1765:5	ensures 1781:10	estimated 1817:8	
effectively 1773:18 1842:20 1843:3	emphasis 1751:19	ensuring 1811:12	equity 1779:7 1788:3,11 1790:2,22 1798:22 1802:11,16 ,17,21,23 1803:5,8,1 7,20 1804:7,12, 14,15,16,1 7,20,23 1805:2,4,1 0,11,15,16 1817:8,11, 15 1818:14,20 ,21 1822:2 1833:19,21 ,24,25 1836:21 1846:13 1847:21	estimates 1764:25 1765:11
effects 1794:24	emphatic 1810:13	entails 1777:6	Estimating 1757:2	
effort 1768:17 1822:1 1835:2	employed 1757:9 1819:4	enter 1811:16 1834:9	et 1757:13,18 1847:1	
eight 1772:21 1776:3 1797:12	encompassed 1747:15	entire 1829:5	European 1802:3	
eighty 1754:21	encompassing 1840:20	entirely 1762:8	evaluation 1763:10 1764:25 1766:11,16	
eighty-seven 1776:3	encourage 1823:1 1827:9	entities 1767:13	event 1799:13 1810:10 1828:20 1832:19	
either 1798:21 1822:7	encouraged 1770:14	entitlement 1762:15	events 1789:3,4 1791:23 1811:24	
elaborate 1789:16 1813:17 1832:7 1841:7	endeavour 1849:3	entrance 1835:23	erroneous 1760:20	
elaborations 1789:11	endless 1755:21	envelope 1813:8,11 1818:2 1820:2	error 1845:20	
elected 1800:25	endlessly 1755:18	envisage 1842:2	especially 1759:18 1764:5 1777:6 1802:2 1846:7	Everard 1745:4
element 1769:25	endorsed 1755:25 1767:19	equal 1750:2 1801:18	essence 1815:2,25	everyone 1789:25 1791:3
eleven 1801:11 1827:15	endorsement 1821:10	equally 1788:1	essentially 1793:25 1800:12	everywhere 1767:6
	Energy 1767:11,12	equals 1774:6 1775:19		evidence 1747:24 1750:22 1751:2 1760:10 1764:11
	engaged 1755:12	equation 1774:3 1775:15 1777:4,14		
	enhance 1759:24	equities		

1765:17,21	examples	1827:11	1765:5	1772:3,10,
1766:17	1779:18	exhibited	1802:17	11,23
1769:22	1837:14	1750:8	1803:5	extensive
1776:23	1843:4	Exhibits	1828:11	1764:16
1778:25	exams 1745:7	1741:3	experienced	1828:15
1781:22	exceeded	1742:1	1763:10	extensively
1786:21	1783:21	existing	1799:17	1834:25
1787:18	exceeds	1807:1	1801:10,22	1848:5,6,2
1788:24	1792:3	exists	experiences	4
1795:12	excellent	1764:18	1805:7	extent
1808:18	1831:7	1838:25	expert	1779:4
1812:15,16	exception	expand	1813:7	1782:10,23
,22 1813:1	1777:9	1752:4	experts	1818:22
1817:4	1805:6	1755:19	1808:4	external
1819:18	excess	expect	explain	1761:10
1822:8	1784:7	1752:14	1792:13	1763:4
1824:25	1810:2,18,	1802:6	1793:14	1764:20
1827:20	22 1811:4	expectations	1844:4	1784:12
1829:14	1818:21	1774:22	explained	1816:1
1830:11,19	1825:4	expected	1744:16	1818:25
1832:25	exchange	1748:4	1770:25	1819:10
1833:5	1764:9	1785:22	1781:16,25	1844:14
1835:1	1799:7	1790:16	1783:13	externally
evidence-	excitement	expend	1790:3	1844:10,11
based	1744:6	1773:25	explanation	extra
1812:18	excludes	expenditure	1748:3	1783:20
evident	1760:21	1774:7	1806:1	1844:4
1778:7	excluding	1777:3	explicitly	extremely
evolve	1759:5	expenditures	1823:25	1750:25
1826:8	1776:2	1773:24	exploded	1792:9
evolving	exclusively	1774:2	1795:22	1814:15
1774:23	1745:19	1776:2,22,	exploration	eyes 1744:18
ex 1780:21	exercise	24 1778:5	1828:15	
1819:8	1815:21	1839:16,18	exposure	<hr/> F <hr/>
exactly	exercised	expense	1802:23	faced 1790:1
1801:6	1780:21	1768:17	expound	1794:10,18
examination	1800:24	1774:8	1838:13	1795:6
1778:25	exercises	expenses	extend	1810:24
1784:23	1778:15	1753:5	1752:4	1823:10
1808:23	1779:20	1768:9	1848:19	1824:7
1815:12	1837:18	1772:17,18	extended	fact 1782:18
examine	Exhibit	1773:24,25	1802:22	1800:23
1767:17	1743:19,23	1776:16	1816:6,7	1803:7,13
1842:11	1766:11	1777:8,9,1	extension	1819:14
example	1771:2	6 1778:18	1770:21	1832:6
1790:23	1772:24	experience	1771:5,8,1	1843:24
1804:7,10	1818:25	1761:23	7	1847:6
1825:17		1763:21		1848:10,13
1837:9,14				factor

1759:22	4	1829:11	1787:22	,23
1760:4,8,1	February	1831:15	1797:18	1757:1,7,9
0,13,18	1763:22,25	1843:16	1802:13	,11,15,20,
1793:18	1766:16	finance	1803:4	23
1797:22	1799:16	1777:23	1805:18	1758:6,8,1
factors	federal	1778:23	1816:18	4,16
1753:10	1840:13	1779:1,5,7	1821:13	1759:4
1758:18	feel 1806:23	,8,10,12,1	1829:12	1764:5
1774:13	fer 1752:7	6,19,23	1831:5	1773:8
1789:4	fifteen	1783:14,16	1845:20	1777:19
1794:18	1746:14	1785:11	fiscal	1784:20,22
1808:5	1846:25	1786:25	1749:6	1785:10,16
1810:24	fifty	1787:21	1776:2,25	1786:8,20,
1824:2	1757:14	1788:5	1799:2	22 1800:12
fair 1760:24	1790:17	1791:7	fiscally	1828:7
1768:20	figure	1832:8,13	1778:5	forecasters
1828:2	1817:13	1833:7,12,	fits 1809:11	1756:25
1833:4	file 1819:18	14,15	five 1746:22	forecasting
fairly	1845:22	1834:5,16,	1760:5	1746:19
1768:2	filed	23	1773:9	1747:21
1770:3	1766:11	1835:3,10,	1787:23	1756:19
1830:6	1818:25	17,19	1797:9	1758:17
fairness	1845:21	1836:2,17,	1816:25	1759:25
1747:8	filing	18	1827:17	1764:2,4,8
Faith	1747:15	1837:1,2,1	1838:23	1786:4,12
1751:11	1767:21	1,12	1847:16,17	1813:22
false 1797:3	1846:5	financial	fixed	1836:11
familiar	fill	1746:15	1764:13	forecasts
1819:9,20	1755:2,20	1773:4	flat 1828:25	1748:3
fashion	final 1746:7	1784:13	1829:1	1756:24
1753:16	1777:17	1806:5	fleet	1839:17
1813:19	1813:3	1811:13	1758:25	forego
1821:9	1824:14	1812:5	1760:17	1817:10
1833:1	1827:5	1819:13	flowing	foregoes
fast 1818:8	1829:17	1824:1	1785:18	1783:20
faster	1834:24	1825:6,24	1787:9	foregone
1798:9	finalities	financially	flows	1783:18
fault	1755:17	1747:18	1803:24	foremost
1752:23	finality	1827:9	fluctuate	1774:12
faults	1752:1	fine 1829:3	1768:11	form 1772:18
1817:5	finally	1832:21	focus 1753:2	1776:11,15
favourable	1764:21	fire 1757:17	1756:14	1798:16
1764:11	1789:24	fires 1779:7	1846:9	1799:8
1804:14,25	1797:22	firms	forecast	1810:3
1805:9	1808:10	1769:12	1747:25	formed
features	1823:6	first 1745:2	1748:14	1813:16
1793:3,6,2	1825:8	1753:24	1749:22	forms
		1754:5	1756:20,22	1766:19
		1774:12		1786:11
		1780:4,5		

forth 1772:13	1802:18	1806:4	1800:18	1747:1
forthright 1747:24	fresh 1750:11,14 ,15	1824:18 1838:8	1801:3 1802:14 1803:18,19 1806:25 1810:2,24 1819:19 1837:1 1847:6	gravitas 1816:20
forty 1757:14 1780:20	front 1825:15 1831:6 1843:7	fuzzy 1832:6	<hr/> G <hr/>	great 1745:20 1780:2 1782:18 1819:13
forty-seven 1776:7,9	fronts 1788:4	gain 1783:23 1784:5,6 1803:22	goal 1747:16	greater 1778:6 1797:10 1806:9,16 1807:4 1817:13 1820:8
forty-two 1776:13	full 1779:22 1817:18	gains 1784:4 1803:10	gone 1762:9 1781:13 1815:13	greatest 1790:1
forum 1752:16 1831:6,10 1840:23 1841:9,20 1843:7	fully 1773:17 1791:12	gamed 1814:24	Gosselin 1739:15 1822:22	gross 1768:1 1829:25
forums 1840:21	function 1797:2	Gary 1833:16	government 1745:15 1755:13 1777:7,11, 24 1780:11,14 ,20,24 1787:3 1811:20 1812:8,12 1827:7 1838:8 1839:9 1840:10	group 1780:6 1835:2,16
forward 1750:12 1761:8 1786:24 1787:19 1809:4 1813:7 1819:18 1828:25	fund 1779:24,25 1781:4,11 1783:3,20 1787:19 1810:20 1818:9 1842:13	gender 1774:13	govern 1774:5	grow 1790:19,21
forward- looking 1794:20	fundamentall y 1751:9 1771:18 1829:4	general 1739:8 1756:20 1804:16,21 1811:13	grows 1746:3 1753:15,17 1754:5,24 1773:8 1778:11 1795:21,22 ,23	growing 1792:1,2 1798:9
forwards 1779:12	funded 1791:12 1809:13 1810:5,11 1822:23 1823:8,19	generally 1838:5	growth 1759:5,17, 18 1761:21	guess 1744:12 1761:4 1790:7
fourteen 1773:10	fundings 1841:10	generate 1749:24 1814:15	graduate 1744:25	guessing 1838:23
fourteenth 1746:13	funds 1780:6	generated 1768:10 1800:5	grade 1744:17	guidance 1832:20
fourth 1821:22 1830:8	Furthermore 1802:16	generating 1771:9	graduated 1740:2 1832:22	guise 1834:5
fraction 1762:14	future 1748:4,17 1755:8,13 1757:2 1765:19 1769:2 1791:23 1804:23	generous 1775:12	grandkids 1831:24	<hr/> H <hr/>
framework 1824:21		gets 1772:10,11	grandkids 1831:24	hail 1747:25 1757:5 1846:14
frequency 1757:4 1768:16		getting 1838:10	granted	half 1809:1 Hall 1745:2 hand 1833:11
		Gibson 1783:2 1833:16 1834:1,22 1835:5,11		
		given 1796:23		

handling 1767:25 1768:11	1753:25 1761:25 1774:4 1777:22 1781:23 1788:23 1809:13,16 1813:14 1825:4 1833:5 1846:7 1848:4	1775:22 1781:24 1783:23 1828:3	1782:6 horrified 1813:6 hospitals 1812:13 1834:8 Host 1754:9 hour 1774:19 HTA 1758:19 1759:6,7 huge 1758:24 hund 1776:8 hundred 1754:21 1760:5 1772:24 1773:10,12 1776:3,6,8 ,9,12,13,1 8,19 1801:11 1826:25 1827:15,17 1829:19 1838:23 hurry 1744:13 <hr/> I <hr/> i.e 1761:21 1766:7,13 1794:21 1805:11 IBM 1778:12 IBNR 1764:6 1766:2,8,1 4 ICWG 1836:15,24 1837:5,6,9 I'd 1745:1 1842:23 idea 1750:11 1754:14 1835:20 ideas	1831:10 identificati on 1794:17 1798:1 identified 1798:23 1817:4 identifies 1824:7 identify 1796:13 identifying 1797:21 ignores 1770:25 I'll 1746:2 1754:14 1782:3 1829:7 1842:2 1843:9 illustrative 1822:11 1846:25 I'm 1744:23 1745:17 1756:4 1765:4 1788:13 1795:14 1828:24 1834:24 1836:3 1838:23 1840:24 1841:1 1842:4 1847:1 1849:2 immunization 1835:22 impact 1748:6 1752:25 1760:21 1763:2,16, 19 1768:16 1772:5 1791:5
happen 1790:16 1802:2 1846:1		highest 1757:4 1838:21 1839:8		
happened 1761:3 1812:7		highlight 1808:17		
happens 1790:5 1847:21	hearings 1753:17 1754:24 1755:19 1823:15 1848:20	highly 1750:23 1781:15 1811:25		
hard 1757:3 1822:8	held 1739:19 1746:14 1781:22	Highway 1758:19 1838:21,22		
hardly 1795:24		hire 1833:19		
haven't 1762:9	help 1743:18 1751:2 1820:7 1844:21	hires 1779:7		
having 1760:8 1778:10 1789:17 1803:9,17	helpful 1789:14 1820:6	historical 1808:6		
havoc 1757:6		history 1799:20 1810:15		
head 1780:18 1787:17 1809:14	helps 1772:1	hit 1809:14		
healthy 1749:3 1788:8	Here's 1813:18	hold 1803:6		
hear 1743:14 1791:14 1842:23,24	herring 1812:4	holders 1804:22,24 1805:12 1818:22		
heard 1747:24 1754:17,23 1759:16 1801:9 1808:19 1813:14	he's 1782:9 1783:3 1844:20 1848:19	holding 1783:14,20 ,25 1802:21 1803:16		
hearing 1739:6 1743:14 1744:14,16 ,17 1748:16 1750:15	high 1758:8 1759:17 1774:24 1814:15 1841:11,14 ,16 1843:4	Hollis 1831:13		
	higher 1747:1 1759:23 1766:3,8,1 4 1768:15,16	hook 1787:12		
		hope 1743:11,17 1837:16		
		hopefully 1822:18		
		hopes 1789:23		
		hoping		

1798:25	1764:3	1784:2,3,6	1768:6,23	1798:5
1805:1	improvements	,20,23	1769:1,14,	1800:9
1817:8	1778:16	1785:16,24	18	1825:2
1824:2	1841:10,22	1786:5,9,2	1770:2,7	indication
1842:22	,23 1843:6	0 1788:7,8	1772:17	1757:24
impacted	improver	1801:12	1773:3,16	indicators
1768:12	1778:17	1803:24	1774:8	1753:3,6,9
implausible	improves	1804:20	1828:21	individual
1815:3	1808:11	1818:14	1829:25	1760:15
implement	1843:17	1836:11	1830:5	individuals
1767:20	1844:8	increase	incurs	individuals
1773:18	inadeq	1750:4	1773:25	1836:1
implementati	1822:23	1756:10	1778:18	1840:8
on 1829:17	inadequately	1757:21	indeed	industries
implementing	1822:23	1762:19	1750:15	1767:6
1820:23	include	1763:2	1751:13	inflation
import	1771:14	1765:25	1813:1	1762:23
1827:8	1793:7	1766:6,12	1820:6	1763:1
importance	1807:14	1776:1	indemnity	information
1836:10	1817:19	1777:8	1761:21	1751:4,7,8
important	1829:24	1780:10	1762:1	1755:21
1750:25	1830:1,4	1783:22	independence	1756:9,12
1769:25	included	1801:19	1816:13,15	1802:12
1772:15	1771:3	1826:24	independent	1828:15
1777:5	1801:7	increased	1807:22	infractions
1781:19	1828:7	1797:14	1808:1,3	1827:18
1784:21	includes	increases	1819:11	infrastructu
1798:23	1777:19	1768:14	indexes	re 1779:10
1817:23	including	1777:24	1774:1	1836:23
1826:7,18	1747:17	1780:13	indicate	1841:22
1827:8	1784:15	1789:3	1832:13	1843:5,6
1836:13	1818:15	1822:20	1846:24	in-house
1840:1	1823:15	1827:2	indicated	1753:21
importantly	1828:16	1828:3	1748:10,11	1795:9
1806:3	1848:17	increasing	,16	initiatives
1809:21	inclusion	1755:20	1749:12	1777:12,13
1811:9	1759:21	1759:2	1750:2	1842:14
impoverished	income	1829:18	1763:25	injured
1755:1	1747:19,21	incredibly	1766:2,13	1762:12
improperly	1748:6,9,2	1747:2	1777:22	injury
1791:4	0	1757:3	1788:22	1757:10
improve	1749:2,4,6	1758:8	1795:18	1758:13
1775:7	,8,21,22,2	1759:16	1821:7	1761:22
improved	5 1757:12	incumbency	1824:11	input
1764:8	1760:2,6,1	1798:18	1829:13	1836:13
1808:13	6	incurred	1835:5	instance
1843:19	1773:8,11	1757:20	1845:8	1757:4
improvement	1781:18,20	1760:21	indicates	1779:5
	1783:20	1761:22	1748:13,17	
		1764:12	1752:24	
		1767:24		

1837:9	1756:23	1834:6	1848:20	1811:18
1846:11	1762:20	1836:20	IR 1761:2	1812:3,17,
instead	1763:11	invested	1765:6	18 1813:20
1767:25	1781:11,15	1790:24	1846:6,15	1823:9,11
1770:15	1782:7,13	investment	irony 1787:6	1824:6,11,
1820:4	1783:15,18	1779:2,21,	irrelevant	21 1825:11
1829:25	,22	24	1791:20	1826:6
1845:2	interested	1780:10,13	isn't 1844:2	1832:2
instructions	1840:15	,22,25	issue	1833:14
1841:2	1843:20	1781:4,23	1751:14,17	1837:1,5
instrumental	interesting	1783:3	1754:19	1838:24
1827:7	1753:9	1784:20,22	1809:13	1839:15,22
insurance	1755:9	1785:10,16	1811:12	,23
1739:7,9	1821:12	,24	1821:3	1840:9,15
1758:25	1840:16	1786:4,8,1	1844:1	1841:9,13,
1768:2	interfering	9,20,23	issued	15,20
1770:4,7,1	1816:13	1787:1,19	1752:1	1843:24
1	internal	1788:7,8	1819:14	1845:19
1775:11,21	1802:12	1801:12,23	issues	1847:12,13
1780:17,19	1832:11	1804:20	1751:3	1848:12
1785:4	1844:16	1817:11,16	1752:1,3,2	I've 1744:11
1790:6	internally	1818:14	0 1755:23	1831:2
1829:5	1764:19	1832:4	1780:16	<hr/>
insurers	1796:2	1833:8,17	1821:12	J
1752:23	1808:11	1834:13,14	1843:25	job 1825:11
1819:21	1836:12	1835:1,4,1	item 1753:9	1831:7
insures	1843:17,25	5,25	1824:14	Johnson
1759:1	1844:8	1836:11,12	1839:2	1815:14
integral	intersection	,18	items 1746:4	Johnston
1756:20	1745:15	investments	1829:12	1744:2,3
integrity	Intervenors	1748:1	it's 1743:12	1762:9,11
1816:5,12	1747:4	1778:22,24	1744:5,11	1763:4,15
intellectual	1750:17	1779:6,10,	1745:20	1764:3,9
1745:20	1755:12	17	1749:16	1765:1,21
intellectual	1787:25	1785:1,9,1	1753:19	1781:16
ly 1811:7	1811:9	4 1788:6	1758:7	1791:15
intended	1830:12,23	1790:20,22	1768:7,9,1	1792:16
1823:10	1831:8	1791:9	0,15	1795:11
intends	1846:8,18	1792:2	1769:7	1796:18
1781:2	intrigued	1802:16	1772:15	1801:6
intention	1744:23	1803:18	1774:4	1806:1
1842:17,18	introduction	1832:9,12,	1775:8	1807:7
1845:19	1827:22	14	1776:25	1809:10
inter	inuring	1833:12,22	1777:5	1815:12
1750:17	1770:20	,23	1782:15	1816:17
interest	invest	1834:21	1785:12,19	1817:4,17
1752:12,18	1779:9,13,	1835:17	,21 1790:4	1822:11
	16 1797:20	1837:10	1792:19,22	1824:21
	1802:16	involves	1794:15,21	1825:5
		1809:18		1831:4
		involving		1846:11,24

1847:3	1809:8	1758:10,11	1763:21,24	1752:3
Johnston's	1817:2	1804:4	Lavigne	1787:17
1757:25	1820:20	Kopstein	1849:15	1788:19
1759:14	1832:17	1813:19	law	1795:18
1813:5	1833:3	Kowalchuck	1745:1,2,3	1822:15
1822:7	1836:9	1754:18	,5,10,11,1	1833:20
1845:17	1838:19	KPMG 1754:19	3,14,17,19	1846:12
joint	1840:6	1769:13,16	laws 1839:3	1847:15
1835:25	1841:6	<hr/>	lawyers	letter
jot 1829:23	1842:25	L	1745:4	1826:21
judge	1844:6	laid 1763:5	1816:9	level 1747:6
1773:25	1845:17	land 1751:21	Leap 1751:11	1748:18
judgements	1847:10	large	learn	1764:21,24
1807:13,17	Karen	1764:15	1840:16	1769:10
judges	1739:16	1791:5	least	1793:16,21
1774:2	Kathy 1740:4	1812:11	1743:13	1796:10
July	1743:9	1828:13	1770:19	1797:1,2
1766:5,9	1744:1,24	largely	1806:13	1802:14
June 1770:6	1746:1	1779:19	1818:9	1811:5,21
junior	1756:19	1799:23	1822:6	1824:4
1754:7	1766:24	larger	leave 1842:2	1829:18
jurisdiction	1773:23	1771:19	led 1780:16	1839:8
1775:16	1778:22	1797:7	legal 1816:9	1840:13
1838:11	1788:19	large-scale	legislation	levels
jurisdiction	1792:7	1841:10	1751:18	1746:22
al 1750:18	1805:23	largest	legislative	1774:24
1840:25	1809:8	1777:15	1781:1,2	1802:3
justificatio	1817:2	1838:24	legislature	1826:24
n 1762:15	1820:20	last	1775:8	1827:3
1799:4,12	1832:17	1759:9,13	1839:10	1838:21
justify	1833:3	1761:12,25	lends	liabilities
1814:3	1836:9	1764:6,16	1820:10	1752:7,10,
1815:16	1838:19	1778:9,11	length	15,20
<hr/>	1840:6	1787:22,23	1756:8	1761:9,12,
K	1841:6	1788:21	1803:6	16,17
Kalinowsky	1842:25	1800:8	1836:10	1763:3,18
1740:4	1844:6	1801:10	less 1746:23	1764:1,14,
1743:6,9	1845:17	1806:4	1758:5	23
1744:1,24	1847:10	1812:7,19	1759:12,13	1765:1,20,
1746:1	key 1757:23	1818:15,16	1767:22	24
1756:19	1793:8,11	1845:6	1773:5	1766:1,7,1
1766:24	1794:18	1848:6	1801:13	0,13
1773:23	1797:23	later	1803:23	1781:5,7,9
1778:22	1798:2	1743:15	1836:22	,11,14
1788:19	1805:13	1771:23	let's	1782:2,5
1792:7	1808:5	1791:15	1750:11	1783:1
1805:23	1824:2	1814:9		1784:15
	kids 1831:22	latest		1790:10,12
	knowledge			,19
	1785:2			1791:6,10,
	known			11,24
				1797:6,11

1798:8,15 1799:25 1801:14 liability 1765:24 1766:5,11 1792:1,3 licence 1786:1 1827:16,24 1829:2 licensing 1839:6 life 1744:11 lifetime 1761:22 lifting 1829:4 likely 1750:3 1753:16 1754:3 1805:17 1816:7 1846:4 limbo 1751:20 1755:24 limit 1781:17 1807:5 1808:8 1821:1 limited 1807:14 line 1746:14 1767:1 1770:7,11 1798:6 1830:22 lines 1757:12 1767:8,14 1768:14 1822:24 linkage 1795:5 List 1741:3	1742:1 listed 1775:8 listen 1801:1 listing 1829:4 lists 1757:7 little 1744:10,11 ,12,15 1753:11 1772:12 1780:12 1813:2 1832:7 1838:14 1841:7 1845:13 live 1751:20 1774:16,19 lived 1761:24 Liz 1740:11 LLB 1745:3 load 1761:20 1762:1,6 lobbying 1820:8 located 1757:7 location 1767:2 London 1744:22,25 1745:1,9 long 1747:13 1750:7 1761:3 1822:8 1838:24 long-tail 1758:11 long-term 1749:20 1781:5	lose 1784:21 loss 1763:20 1784:3,5,6 1799:11 1801:17 1803:23 1817:24 1847:21 losses 1758:4 1784:4 1789:4 1801:23 1803:10 1804:23 1805:11 1828:13 lot 1761:6 1773:7 1804:13 1821:5 1841:16 low 1759:20 1762:25 1811:3,4,5 1814:14 1821:6 lower 1783:18 1801:16 lowest 1763:10 Luke 1757:25 1759:14 1792:16 <hr/> M <hr/> macroeconomics 1800:21 magnitude 1822:14 1847:2 main 1761:19 1793:18,25 1794:15 1797:4,22 maintenance 1776:22	major 1756:24 1798:18 1822:9 majority 1763:19 1776:12 1804:17 manage 1776:21 management 1753:12 1777:24 1779:24 1794:16,24 1797:25 1815:25 1816:12 1817:20 manager 1779:11 1780:2 1782:6 1783:3 1787:20 1832:12 1833:17 1834:2,14 1836:21 managers 1779:8 1802:17 1803:6,20 1833:19,21 ,25 manages 1778:5 mandate 1750:18 1777:10 mangers 1833:19 Manitoba 1739:3,7,2 2 1758:25 1774:16 1775:22 1780:17,18 1795:3 1811:12	1829:5 1841:18 Manitobans 1749:19 1774:7,11, 18,19,22 1775:1,3,1 8,19,25 1776:5,18 1778:7,17 1780:9,12 1795:25 1796:4 1809:22,23 1810:3 1811:22 1812:1 1842:22 manner 1778:6 1816:19 manners 1800:20 man's 1751:21 March 1747:12 1773:19 margin 1768:13 1774:1 marital 1774:14 marked 1743:19 market 1787:2 1805:7 1837:13 marketable 1780:4 markets 1786:22 1788:3,11 1790:2 1835:23 master's 1745:10,12
--	--	--	--	--

match 1794:9	1829:3	members	1791:17	8, 23, 25
matched	1833:6	1743:11, 17	1792:22	1758:4
1782:22	1834:25	1750:25	1795:13, 15	1759:12
matching	1835:5	1751:3	methodology	1761:16
1781:3, 13	McLaren's	1754:14, 23	1746:9, 10,	1763:3, 18
1782:2, 19	1771:13	1761:5, 11	17 1747:14	1764:2
1783:1, 9	1823:2	1772:15	1753:23	1766:1, 3, 7
1835:21, 22	1837:17	1779:5	1754:8, 13	, 8, 13, 14
material	mean	1789:13	1756:2	1772:17, 21
1752:25	1804:6, 9, 1	1794:9	1757:9	, 22, 25
1762:5	1 1806:12	1795:12	1758:17	1773:1, 10,
materials	1839:16	1801:23	1765:3, 9	12
1835:14	1843:25	1808:25	1766:25	1776:3, 7, 9
material's	1844:9	1810:15	1767:15, 16	, 13, 19
1828:17	meaning	1823:1	, 19, 23	1778:10, 13
matter	1766:3	1831:3, 16	1768:19, 21	1786:20
1751:9, 11	1839:9	1835:9, 13	1769:17, 21	1787:7
1755:15	means	mention	1773:5, 13,	1790:8
1774:16	1747:18	1756:5	16	1795:18, 22
matters	1769:21	1844:7	1788:20, 23	, 23, 24
1755:16, 17	1772:5	mentioned	1793:5	1796:2, 3
maximize	1790:20, 21	1752:20	1794:11, 13	1798:6
1782:3	meant	1761:3	, 14	1800:11
maximum	1759:22	1765:2	1795:19	1801:12, 13
1806:10	measurable	1774:3	1796:7	, 15, 17
1807:1	1842:22	1782:20	1798:14	1805:24
1826:25	measure	1818:18	1810:25	1806:18, 22
1829:19	1794:20, 21	1834:25	1811:6, 8	1807:3
may 1781:1	measurement	1837:8	1820:14	1813:9, 10
1810:11	1794:17	merely	1823:8, 13	1815:17
1815:12	1798:1	1789:11	1824:15	1817:9, 11,
1822:22	measures	merit	1826:4	13, 24
1842:15	1764:7	1828:19	1829:22	1818:14, 16
maybe	1824:1	Messrs	1830:9	1820:2, 15,
1846:9, 11	median	1754:18	methods	16, 20, 25
McLaren	1756:24	met 1801:21	1764:18	1821:2, 4, 1
1749:24	meet 1774:24	method	1819:4	0, 13, 17, 19
1758:10	1784:14	1792:17	1824:16	, 23, 24
1762:7	1825:22	1793:23	Michael	1822:5, 7, 1
1771:1, 4, 7	meeting	1794:3	1740:5	7
, 23 1774:4	1744:4	1796:8, 12,	middle	1825:1, 5, 1
1778:25	meetings	16, 25	1843:14	0, 14, 18
1781:25	1835:6	1797:17, 24	1845:2	1826:1
1783:19	meets 1768:6	1798:4	mid-range	1830:11, 25
1784:23	member	1807:2	1763:13	min 1793:4
1785:1, 5	1739:16, 17	1823:24	million	mind 1749:17
1790:2	1835:7	1824:6	1746:12	minds
1825:8	methodologie	methodologie	1747:22, 23	1750:14
	s 1755:4	s 1755:4	1748:14, 15	mini-
		1766:15	, 19, 22, 24	department
			1749:2, 4, 1	s 1840:11

minimal 1760:3	model 1757:8	0,14,21	1809:9,12, 20	1818:11
minimum 1793:4 1800:4 1821:9,14, 17,18 1824:25 1825:13	modelling 1781:6 1799:16	motorcycles 1828:17	1810:1,13, 17,24 1811:8,13, 19 1812:8,11, 12,16,24 1813:6 1815:25 1816:12 1817:25 1820:14 1822:6,18 1823:10 1824:7,10, 14 1826:22 1827:7,11 1828:19 1829:16,21 1830:15 1832:8,12 1833:8,10, 13,24 1834:12 1835:3,12, 19 1836:12,17 1841:10 1845:8	multi 1827:5 multi- discipline s 1820:9 multiple 1767:14 Municipal 1834:8 MUSH 1834:7,8 muted 1815:12
Minister 1777:23 1779:1,2,1 6,19,20,22 ,23 1786:25 1788:5 1791:7 1833:12,15 ,16 1834:2,5,1 6,23 1835:17,19 1836:2,18 1837:1,2,4 ,11,12	moment 1787:18	Move 1761:8	1827:21,25	<hr/> N <hr/>
minus 1747:21 1748:12,21 ,22 1749:1,11, 13 1773:9 1827:12 1829:18	mommy 1744:18	movement 1782:13 1827:21,25	1822:6,18 1823:10 1824:7,10, 14 1826:22 1827:7,11 1828:19 1829:16,21 1830:15 1832:8,12 1833:8,10, 13,24 1834:12 1835:3,12, 19 1836:12,17 1841:10 1845:8	namely 1750:3 1775:16 1815:20 national 1767:11 1769:12 1775:20 nature 1750:20 1814:11 1834:11
minutes 1788:14 1817:1	mom's 1744:14	moving 1826:20	MPI 1740:4 1741:5 1743:8,19 1746:3,14, 24 1747:2 1749:12 1750:3,23 1751:1,8,2 0,23 1753:3,14 1754:6,12, 20,23 1755:6,24 1756:22,23 1758:3 1760:7 1764:19 1767:9 1772:17 1773:14 1774:5 1776:22 1777:5,8,1 2,25 1779:3,9 1780:3,4,1 5 1781:7 1782:4 1785:7 1786:22 1787:3,6,1 9 1788:6,21 1789:9,13, 17,18,20,2 3 1796:2 1802:14 1805:4 1806:21,24 1808:23	nail 1809:14 national 1767:11 1769:12 1775:20 nature 1750:20 1814:11 1834:11
mirror 1781:8	money 1754:15 1773:7 1777:13 1788:1 1806:25 1812:12,13 1822:1 1833:13 1841:16,21 1847:12,13	MPI-33 1742:3 1743:23	MPIC 1775:9 1809:20 1821:8 1833:9 1842:19 1848:4,7,1 1,20	nauseam 1754:23 necessarily 1767:2 1793:2 necessary 1749:17 1780:10,13 1789:3 necessitates 1749:20 1845:21 necessity 1775:25 negates 1803:12 negative 1773:9,11
missing 1819:16	monies 1779:7,9,1 2,16,21 1809:19 1810:3,9 1811:4 1822:25 1833:11 1841:12 1842:7,11, 19 1843:2	MPI's 1742:3 1743:23 1751:24 1754:25 1755:25 1759:23 1763:6 1779:7,16 1780:6 1781:4 1788:6 1809:11	MPI's 1742:3 1743:23 1751:24 1754:25 1755:25 1759:23 1763:6 1779:7,16 1780:6 1781:4 1788:6 1809:11	necessity 1775:25 negates 1803:12 negative 1773:9,11
mistake 1787:1	monitor 1834:15	Motor 1840:7		
mistakes 1780:25	monopoly 1770:21	motorcycle 1828:1,2,1		
mitigation 1794:18 1798:2	Moreover 1775:13			
mix 1781:8	morning 1743:9 1744:13 1832:5			

1784:11 1799:11,18 1812:6,11 negotiated 1777:25 neither 1777:8 1812:7 1813:12 net 1747:19,21 1748:6,20 1749:2,4,6 ,8,20,22,2 5 1757:19 1760:2,6,1 5 1767:24 1768:5,23 1769:1,13, 17 1770:2,7 1773:3,8,1 1,16 1781:18,20 1801:17 1829:24 1830:4 Nevertheless 1753:13 Neville 1739:17 1832:1,2 1837:21 1846:22 nice 1845:25 nine 1776:8,19 nineteen 1746:21 Ninety 1774:18 ninety-five 1776:3 ninety-four 1776:19 ninety-three 1776:6,9 no-fault	1790:17 non 1811:23 non- actuarial 1808:4 none 1820:11 nonetheless 1848:24 non-hta 1758:21 non-HTA 1759:2 1760:7 nonrecurring 1789:4 nor 1784:11 1812:8 normal 1772:20 1833:1 normally 1782:12 North 1833:22 note 1744:2 1779:25 1817:12 1829:24 1831:4 noted 1763:3,8 1779:15 1797:5 1799:24 1827:11 notes 1843:9 nothing 1751:21 1767:9 1815:23 notice 1744:2 1751:6 1827:21 noting 1760:8	notion 1809:19 1822:22 1838:10 notwithstand ing 1800:19 np 1740:5,7,9 ,11 numerous 1810:3 1824:24 1848:23 <hr/> Oakes 1740:9 Obama 1800:24 objective 1768:7,8 Obtain 1752:22 obtained 1768:7 obviously 1758:13 1817:22 occupied 1754:3 occupies 1819:10 occurred 1800:1 1801:25 1806:15 1818:5 occurs 1774:14 1840:21 October 1739:23 1761:4,14 1762:19,24 1763:8,17 1769:16 offer	1788:25 offers 1767:16 office 1834:20 1848:8 offices 1780:18 official 1835:6 off-road 1758:22 offset 1791:9 1792:2 1804:16,18 1805:10 1818:20 offsetting 1804:23 Okay 1744:13 1746:1 1788:19 old 1831:23 Olfert 1754:17 one-eighty 1825:22 one-seventy 1825:21 one-third 1802:12,15 Ontario 1767:12 onus 1830:16 open 1816:19 operates 1766:25 operating 1753:5 1773:23 1776:16,22 1777:15 operational 1753:24	1795:16,17 operations 1753:12 1771:5 1778:17 opined 1819:1 opinion 1784:25 1793:22 1795:2 1805:25 1806:1,3 1819:12 1824:22,24 1825:5 opinions 1816:1,9 1819:5,15 opportunities 1771:16,21 opportunity 1783:25 1846:12 opposed 1794:25 1826:5 1844:9 opposite 1762:10 optimization 1778:8,11, 14 optimum 1781:8 oral 1776:24 orally 1743:15 1828:18 order 1751:4 1773:15 1781:8 1788:22 1810:16,21 ,22 1824:19 1826:14
--	---	---	---	--

1830:21	1790:9	1812:9,14,	1845:3,7	1800:25
1831:17	1791:6	20	1846:24	1809:1
1845:24	outweigh	1814:7,21,	paragraphs	1828:3
orders	1783:24	25	1812:20	path 1757:6
1810:16	overall	1815:9,18	paramount	patience
organization	1746:21	1818:13	1749:19	1780:12
1766:25	1747:10,11	1824:10	pardon	pause
originally	1749:18	1825:7	1845:1	1745:24
1827:3	1751:25	1838:1	Parkinson	1756:17
ORVs	1757:24	1843:13,14	1754:18	1766:22
1758:22,25	1758:20	1844:25	particular	1773:21
1759:17,21	1770:17	1845:1,2	1756:1	1778:20
,24	1796:10,11	1846:23	1767:5	1805:21
Osgoode	1829:13	pages	1768:5	1809:6
1745:2	1840:20	1739:24	1769:9,23	1816:23
ostensibly	overly	1749:15	1779:1	1820:18
1752:7	1812:10	1754:16	1780:1	1836:3,7
1787:2	oversight	1755:2	1787:21	1837:23
others	1767:9	1757:1	1793:16	1838:17
1743:12	1844:1	1758:15	1814:12	1840:4
1762:7	owned	1764:8	1833:6	1841:4
ought 1756:2	1811:19	1770:12	1838:12	1843:11
1823:4	<hr/>	1779:13	1839:24	1844:23
1825:10	P	1783:12	1844:5	1845:15
ourselves	page 1741:2	1786:17	particularly	1846:20
1774:23	1742:2	1792:5	1771:8	1847:8,24
1834:13	1749:25	1794:6	1831:6	paused
outcome	1758:1,7	1800:16	1842:7	1821:2
1769:24	1759:15	1808:16	parties	pay 1776:5
1777:18	1760:1,6,9	1813:1,3	1747:5,16	1785:22
outcomes	,23 1763:7	1820:3	1762:4	1803:15
1764:12	1764:7	1823:2	1808:14	1827:14
1792:19	1765:15	1826:18	1842:15	1841:21
1793:12	1769:5,11	1829:9	1843:21	payback
1804:9,11	1770:23	1838:24	1844:2	1841:24
outflow	1771:2,12,	paid 1754:20	partner	paying
1780:18	22 1772:8	1777:16	1827:7	1772:6
outline	1774:20	1842:8	partnering	payments
1833:6	1775:5	panel	1778:12	1762:14
outlined	1778:14	1739:14	passed	1776:15
1829:20	1779:17	1750:25	1743:10	pays 1758:3
outlook	1781:17	1754:13,23	past 1754:24	1827:12
1750:8	1787:15	1789:13	1756:10	peer 1780:6
outsourced	1787:15	1802:4	1757:21	1816:15
1833:25	1796:17	1809:12	1764:10,13	1818:24
outstanding	1798:3	1810:15	1767:20	1819:7
1807:7	1800:7,18	1831:3	1780:2	1823:13
	1801:2	paper	1789:20	peer-
	1802:10	1743:10	1795:19	reviewed
	1803:25	paragraph		
	1806:19	1806:4		
	1807:7	1843:14		

1807:20	1804:9,11	1789:10	plan 1790:8	1768:12
peers	1810:17,18	perplexing	1827:6	1800:24
1787:24	1817:9,14,	1812:24	1843:5	policing
Pelly 1819:8	15	1819:17	plausibility	1839:24
pension	1821:14,21	person	1822:2	policy
1818:9	1822:12,13	1837:19	plausible	1766:11
people	,16	1840:9	1806:7	1767:7
1745:18	1828:14,20	personal	1824:23	1768:12
1782:4	1847:11,13	1744:11	play 1839:21	1800:22
1835:8	,21	1757:13	plays	1804:21,24
per 1750:18	percentage	1762:13	1785:12	1805:11
1753:17	1792:8	persons	please	1818:21
1758:4	1793:22	1769:10	1832:1,16	pool 1791:5
1759:6,8	1794:3	perspective	1842:24	1797:15
1800:7	1796:8,19	1753:21	1845:13	1828:12
1802:12	1797:17,23	1768:10	pleased	poor 1780:13
1818:12	1798:4,10,	1783:5	1751:23	1804:13
1839:13	13,19	1784:16	1821:8	por 1781:4
percent	1801:16	1789:24	plus 1747:21	Portage
1746:23	1807:2	1808:2	1774:5,6	1739:21
1748:2,12	1810:23	1843:24	pockets	portfolio
1749:13,17	1824:17	perspectives	1809:22	1762:24
1750:10	perfectly	1789:21	point	1779:3
1755:4	1845:25	Peters	1749:12	1780:3,4
1757:22,24	performance	1740:11	1772:14	1781:4,8,2
1758:5,6,2	1753:3	PFAD 1752:18	1773:9	3
3	performed	1763:11	1775:21	1786:19,24
1759:6,7,8	1780:1	phased-in	1783:15,16	1787:1,21
,9,19	1787:22	1827:2	1786:21	1802:11,22
1760:4,11,	perhaps	physical	1796:18	,24
19,20	1779:4	1757:15	1797:9,12,	1817:16
1761:17	1810:19	1758:2	23 1801:11	1833:8,24
1762:1,6,2	1816:3	pick 1753:16	1813:17	1835:4
1	1819:21	picked	1825:12	portfolios
1763:9,12,	1848:5,18	1841:17	1829:7	1803:8
13 1772:25	period	piece	1842:3	position
1773:2,6	1748:4,19	1813:13	1846:25	1762:2
1774:18	1757:22	PIPP 1752:12	1847:16,17	1782:21
1775:3	1758:16	1757:10	pointed	1783:17
1777:20	1780:3	1764:2,5	1783:19	1802:7
1778:1	1784:1	1766:1,2,6	pointing	1819:10
1780:6	1789:5	,8,12,13	1787:4	1821:11
1782:20	1805:15	1797:16	points	1844:3
1790:25	1809:10	1828:25	1791:14	positive
1791:19	1811:18	1829:1	1808:18	1748:23,24
1792:17	1817:12	placed	police	1749:8
1796:7,22,	1841:24	1830:18	1839:22,25	1777:3
23	periods	policies		1784:10
1799:1,9,1	1802:22			1827:25
1,15,19	permutations			
1802:8				

possibility 1765:19	1756:7	prepares 1819:20	principles 1770:24	1838:3 1843:18 1844:2,9 1845:11,22 1846:6,15 1848:12,14 1849:1
possible 1839:2 1849:4	premium 1747:12 1790:7 1791:20 1792:14,17 1793:23 1794:3 1796:7,8,1 1797:2,17, 24 1798:4 1807:2	preparing 1767:21 1816:14 1817:6 1824:12 1844:17 1845:10	prior 1745:5 1807:3 1815:21	
possibly 1783:7	premiums 1758:24 1759:19 1761:22 1768:1 1770:15 1776:11 1786:1,2 1792:8 1796:19 1797:8,11, 13 1798:9,10, 14,19 1801:16 1810:23 1824:17 1826:16,23 1827:2 1828:8 1829:25	prescribed 1794:25	priorities 1782:1	processes 1746:19 1750:6 1752:11,17 1786:4 1807:10,14 1808:12 1832:9 1838:5
postage 1777:2		present 1799:8 1831:9 1848:11	probabilitie s 1814:14	
potential 1747:25 1784:19 1793:12 1807:11 1824:1		presentation 1804:4	probably 1745:17 1761:4 1790:13 1838:24 1843:25 1847:4	processing 1777:2
power 1798:17 1837:6		presented 1817:14 1827:3 1844:12	problem 1764:12	produce 1755:6 1792:19,20
practice 1805:25 1807:16,19 1819:3		Presidents 1800:24	problematic 1814:20	produced 1796:24 1807:12 1820:4
practises 1745:18		pretty 1760:3 1818:8 1838:4	problems 1808:21	produces 1795:2 1800:9 1824:3,8 1826:5
praise 1808:20		previous 1752:20 1805:11 1810:15 1812:25 1813:2 1823:20	proceed 1817:2 1837:13	product 1767:1
pray 1785:22		previously 1799:24 1808:7 1818:18 1844:10	proceeding 1743:6	productivity 1753:3,4,6 ,9,14
pre 1790:6 1800:17	preparation 1815:22 1820:12	price 1774:1,5 1775:16,19	proceedings 1780:8 1791:16	
pre-1956 1801:8	prepare 1824:22	pride 1774:23	process 1751:9,11, 13,15,19 1752:5,6,2 4 1753:6,18 1754:2,7,1 0 1755:15,16 ,17 1756:21 1796:5 1815:5 1816:13 1820:8 1823:12 1824:13 1832:4,12, 15 1836:14	prof 1768:5
precursor 1744:9	prepared 1753:20,24 1795:8 1807:15 1808:10 1817:21 1820:14 1824:18 1842:13 1843:16,24 1844:7,10, 11	primary 1781:3		profession 1816:7
predicting 1786:12		prime 1753:20		professional 1756:25 1816:2,5 1819:15 1823:12 1824:22 1833:21
preeminent 1769:12				professions 1816:8
pre-existing 1767:16				Professor
preferred 1794:12,14				
pre-filed 1757:25 1759:14 1763:14				
pre-hearing				

1753:22	1767:3	1827:21	1779:25	pull
1798:7,17	proposal	1829:3	1783:13	1826:12,14
1800:16	1755:8	1837:15	1784:21	pulled
1801:5,9	proposals	provides	1785:2	1760:7
1804:3	1755:25	1768:3	1787:19	purchased
1808:18,20	propose	1770:4	1788:21,24	1782:25
,23	1753:3,14	1775:8,17	1789:21,23	purchasing
1810:7,14	proposed	1806:1	1792:10	1783:18,21
1812:15	1815:8	1807:22	1794:9	purely
1814:23	1827:16	1808:1,13	1796:6	1782:1
1815:20	proposing	1817:7	1798:20	purpose
1816:3	1826:22	1843:19	1801:23	1781:4
1817:3,6,1	pros 1795:13	providing	1806:2	1789:1,2,1
4,21	prospective	1768:2	1808:24	2,15,18
1818:6,19	1756:21	1770:4	1809:4	1794:9
1819:18	protect	1774:10	1810:2,16,	1812:2
1820:1,16,	1787:8	province	19,23	1823:11
24	1789:2	1755:14	1811:4,13	1824:5,9
profit	1798:11	1787:10,14	1813:7,12	1835:15
1768:13	proud 1747:4	1788:2	1816:11,21	purposes
1774:1	provide	1810:9	1819:13	1746:9
profits	1772:19	1811:12	1821:3	1749:5
1805:9	1775:24	1838:9	1823:9,17,	1756:1
program	1776:17	1840:10	19 1824:14	1781:20
1746:16	provinces	provision	1827:4,6	1784:22
1752:13	1774:15	1762:20	1829:16	1785:3
1785:19	provincial	1763:13	1830:8,17,	1790:2
1790:10,18	1774:15	Prs 1808:19	19	1822:12
1791:11	1785:22	prudence	1839:12,13	1829:23
1841:11,14	1793:10	1776:25	1841:1	1846:25
,17 1843:4	1804:8	prudent	1843:1	purview
project	1805:25	1778:6	1844:13	1842:6,10,
1778:14	1820:5	1788:6	1848:22	12
projected	1824:20	PUB 1746:21	PUB-1-8	Putting
1749:4	1832:19,21	1747:1,14,	1780:7	1847:10
1757:11	1834:15,19	17	PUB-approved	puzzling
1758:18	1835:16	1750:9,18	1767:22	1812:16
1776:1,11,	1836:1	1751:22	public	<hr/>
18 1781:20	1846:18	1752:24	1739:3,6,7	Q
projection	provided	1753:13,23	,20	quan 1787:22
1748:16	1756:14	1754:4,12,	1745:11,13	quartile
1759:23	1765:23	16 1766:18	,14,19	1780:5
projections	1766:10	1767:19	1750:19	1787:22
1757:11,16	1770:8	1773:5	1758:25	quest 1823:7
prompted	1777:23	PUB's	1780:17	question
1814:22	1778:25	1823:15	1780:17	1779:14
promptly	1780:2	1825:8	1793:15	1780:9
1849:4	1780:2		1794:16	1782:15
property	1781:22		1795:3	
	1800:23		1801:21,22	
	1811:1		1839:14	
	1813:15			
	1823:3			
	1825:8			

1787:11	14,22,24	,25	,21 1842:8	ratio 1769:1
1789:14	1782:3	1747:1,6,1	rates	1830:3
1802:5,19	1784:24	0,15	1746:7,13,	rationale
1809:12	1787:5	1748:7,10,	15 1747:12	1798:18
1816:4	1790:3	11,17	1748:2,9	1800:21
1825:3	1796:20	1749:12,13	1749:7,10,	1811:14
1832:3,23	1798:17,24	,19	18,24	ratios
1837:25	1800:25	1750:10	1751:17,25	1797:13
1838:6	1802:5,9,2	1751:25	1752:12	Raymond
1846:23	0 1803:2,3	1752:18	1755:11	1740:9
1847:4	1806:2	1755:4	1756:23	RCMP 1839:23
questioned	1807:8	1757:24	1759:20	Re 1739:6,7
1764:23	1808:15	1762:20,23	1760:15	reaction
questioning	1809:15,24	1763:11	1766:20	1842:24
1798:7	1813:10,16	1767:21	1773:15,19	readily
questions	1814:7,10,	1776:1	1781:11,21	1768:4
1741:7	21,24	1780:10,12	1782:7,14	1770:5
1750:16,21	1815:4,9,1	1781:15	1783:15,18	ready 1743:4
,24	4,18	1783:22	1785:3	1753:20
1761:13	1818:1,2,6	1784:21	1786:13,15	real 1763:9
1814:9	,10	1786:19	1788:9	1771:16
1820:11	1825:10	1789:3	1801:24	reality
1821:12	1826:19	1793:1	1823:21	1770:25
1822:21	quoted	1795:24	1828:1,2,1	1772:9
1831:19,25	1771:6	1800:6	0,14,22	1803:16,19
1844:13	quotes	1801:19	1829:13	realize
1848:2	1770:12	1802:11	1830:13,16	1816:4
quick		1805:18	,19	realized
1827:25	<hr/>	1806:10	1839:15	1784:5
quickly	R	1811:23,25	1840:19	really
1773:18	RA/VaR	1822:20	1841:1	1753:11
1783:24	1813:21	1827:8	rate-setting	1771:25
1805:16	raises	1828:3,6,2	1749:5	1781:17
1830:6	1821:11	5	1754:4	1782:17
quite	ram 1771:9	1829:1,22	1756:1	1783:4,6
1745:20	range	1830:12,23	1767:5	1785:7,9
1761:1	1795:21,22	,24	1768:12	1786:6
1762:7	1796:24	1847:22	1781:19	1801:24
1789:7	1798:5	rate-making	1796:4	1802:4
1834:25	1801:16	1746:9,17	1810:5	1803:13
1837:18	1804:9,11	1747:14	1828:16	1814:23
1840:18	1807:11	1750:6	1840:22	1821:12
quote	1819:2	1753:11	rather	1825:13
1754:25	1825:9,18	1756:21	1743:14	1826:2,6,1
1755:1	1826:3,6,1	1836:13	1758:20	1 1829:3
1765:1,15	0	ratepayers	1810:17	1832:15
1768:18	ranges	1753:1	1813:6	1835:20
1769:5,18	1793:12	1772:2	1840:22	1836:13
1770:2,15,	rare 1790:4	1787:8,12	rating	
23	rate 1739:8	1788:3,7,1	1748:5	
1771:7,11,	1746:20,22	0 1811:10	1757:22	
		1828:6	1826:23	
		1841:12,15		

1844:13	rebuilding 1801:20	recommendati on 1800:13	reductions 1799:25	1739:15
reason 1757:23	rebuilt 1818:7	1820:22	1806:8,15	registration 1839:7
1761:19	rebuttal 1813:6	recommendati ons	refer 1832:25	regrets 1744:8
1784:7	1817:4,17	1751:24	reference 1771:4	regular 1784:6
reasonable 1763:6	1822:8	1813:4	referred 1744:5	1802:11
1766:19,20	recall 1772:16	1836:17,25	1828:9	regulated 1767:13
1768:3,20	Recasting 1760:3	1837:7	refinement 1752:8	regulation 1745:16
1769:8,10, 14	receive 1745:5	recommended 1821:3	reflected 1750:2	regulations 1775:9
1770:5,8,9 ,15	1778:17	1828:13	1827:25	1839:1,5
1785:15	1804:24	recommending 1753:14	1828:22	regulators 1767:5
1786:9,10	1828:5	recommends 1821:1	reflective 1763:21	regulator's 1806:10
1830:17	received 1748:9	1823:24	1768:10	regulatory 1745:17,19
1841:24	1775:5	1845:5	1823:9	1750:14
reasonablene ss 1770:1	receiving 1762:13,14	reconsider 1788:22	reflectly 1768:1	1751:11,20
reasons 1763:5	recent 1764:25	reconsidered 1761:25	reflects 1768:2,22	1755:24
1793:25	1765:21,24	reconsiderin g 1788:24	1770:3	1767:8
1805:13	1767:20	record 1747:3	1784:3	1808:2
1811:15	recently 1799:16	1825:2	refresh 1761:5	1817:20
1823:4	recessing 1788:16	1830:19	refund 1811:3	rehabilitati on 1757:13
rebate 1750:4	recession 1801:23	1833:1	refunds 1805:4	Reichert 1768:18
1751:25	recital 1789:15	recover 1805:16	regard 1755:10	1835:4,12
1784:19	recognize 1803:10,22 ,23	recovered 1818:8,11	1759:25	Reichert's 1831:5
1810:4,17, 22,25	recognized 1799:1	recovers 1805:8	1817:22	reimburse 1787:3
1821:3,18, 20 1828:5	recognizes 1774:21	recovery 1818:17	1820:22	reinsurers 1744:5,6
1830:25	1775:6	rect 1810:2	regarding 1784:9	reiterates 1746:4
rebated 1788:9	recognizing 1747:20	recurring 1811:24	1832:3	reject 1811:14
1804:21	recommend 1817:25	red 1812:4	regardless 1760:16	related 1796:11
1807:6		reduced 1746:15	1780:25	1824:3,8
1818:21		reduction 1761:16,19	regards 1777:7	relating
1828:7			1818:4	
rebates 1784:9			Regis	
1804:25				
1805:12				
1826:13				
1830:24				
rebuild 1805:10				
1822:9,18				
1826:16				

1752:6	1759:23	1784:10,17	respect	1846:5
relation	Ren 1744:4	representing	1750:13	result
1838:1,6	render	1848:17	1751:16	1769:24
relationship	1824:23	requested	1753:8	1778:13
1762:25	rendered	1794:1	1756:8	1806:8
1764:4	1758:4	requests	1762:6	1815:21
1770:17	Rendezvous	1755:21	1764:2	resulted
1771:5	1744:4	1756:9,12	1784:25	1761:15
1792:14	renewal	1830:17	1825:9	1766:12
relative	1827:23	require	1830:24	results
1759:20	renewals	1785:2	1833:8	1768:3
1761:17	1747:21	1805:17,25	1834:12	1770:5
1763:19	rep 1821:18	required	1835:3,17	1774:7
1798:11	repair	1748:8	1836:15	1807:12
1800:11	1758:3	1752:17	1838:20	resume
1817:12	repeat	1762:2	1839:3	1788:20
relatively	1795:14	1770:10	1841:7	resuming
1754:14	repeatedly	1795:6	respectful	1788:17
1805:16	1801:4	1799:14	1840:24	retained
1828:12	replenish	1801:19	respective	1748:13
release	1784:12	1809:20	1748:21	1749:21
1765:19	replicate	1823:25	responded	1750:3
1801:14	1813:22	1825:1	1814:9	1760:10
releases	repor	1847:12,14	responds	1780:21
1752:13	1812:21	,22	1785:5	1784:7
1764:6,15	report	requirements	1817:23	1800:10
relevant	1761:10,15	1839:6	response	1806:8,22
1763:1	1762:19	requires	1771:3,13	1811:5,22
1775:1	1763:18,23	1830:20	1779:14	1812:6,11
relies	,25 1770:7	reread	1802:10	1819:19
1756:23	1774:20	1823:2	1803:2	1825:4
rely 1767:6	1775:5,22	reserve	1815:2,13	retains
1811:10	1806:20	1791:22	1818:12	1781:1
remained	1807:15,20	1793:2	1823:2	retrospectiv
1757:20	,24	1806:11	1825:3	e 1794:21
1789:6	1808:10	reserves	1829:4,8	return
remaining	1812:20	1839:24	responsibili	1763:9
1746:25	1815:8	reserving	ty 1778:24	1782:24
remains	1843:16	1765:3	1785:13	1785:23
1814:20	1844:7	reside	1791:8	1786:19
remember	reporting	1833:22	1832:14	1799:18
1743:13	1765:8	residency	responsible	1804:12
1777:5	reports	1774:12	1783:4	1805:15
1824:20	1834:17	resolve	1785:8	returns
removal	represent	1814:17	1786:25	1782:3
1761:20	1758:22	resorted	responsive	1783:8,24
Removing		1767:21	1824:4	1799:6,10
			rest 1755:23	1804:7,14,
			1771:13	17,25

1805:2,4,1 0,16 1818:20,21 revealed 1823:14 revenue 1747:12 1748:4 1749:18 1759:12,13 1785:25 1786:11,13 1790:9 1792:4 revenue- generating 1771:20 revenues 1747:22 1748:6 1770:22 1785:18 review 1750:19 1752:6,8,1 0,15 1753:7,10, 12 1754:12 1761:8,12 1763:9 1764:22 1765:25 1766:5,9,1 8 1807:23 1808:2,3 1816:16 1817:18 1818:24 1819:7 1820:5 1829:9 1839:14 reviewed 1752:23 1754:12 1755:18 1807:24 1823:13,14 1828:18 revise 1753:19	1786:22 revised 1758:17 revisited 1789:19 revisiting 1810:25 reward 1827:9 Richard 1754:17 right-hand 1805:5 rigour 1778:16 ripple 1794:24 rise 1783:15 risen 1775:21 risk 1753:24 1786:23 1787:13 1790:1 1791:23,24 1792:15 1793:9,18, 21 1794:18 1795:6,16, 17 1796:10 1797:1,22 1798:4 1801:6 1808:5 1810:24 1814:14 1824:2,4,1 7 risk-based 1796:16 risks 1787:8 1793:11,13 1794:10,21 1796:14 1797:4 1798:2,11, 14 1819:21 1823:10	1824:7 road 1755:6,14 1810:19 1838:6,9,1 1,20 1839:10,19 ,20 1840:1,12, 14,17,20 1841:9 1842:2,5,7 ,14 1843:5 robotic 1789:15 robust 1767:17 1786:3 role 1785:12 1839:12,13 1840:1 roles 1832:8 rolling 1768:24 1828:10,22 1830:2,4 Romney 1800:25 1801:3 room 1791:3 1834:20,22 1848:8 rough 1813:8,11 rougher 1818:1 1820:1 roughly 1845:2 rounded 1748:12 RSR 1746:11 1748:17 1753:23 1754:3 1784:8 1787:6 1788:21,23	1789:1,2,1 0,12,15,17 ,22 1790:2 1791:18 1792:11,12 ,21 1793:5,16, 20 1794:4,10, 15 1795:3,6,1 4,18 1797:18 1798:5,11, 16 1800:3,4 1801:15,20 1804:19 1805:2,3,1 0,17,24 1806:16,17 1807:1 1809:3,14 1810:6,8,1 0,11,25 1811:3,4,8 ,17 1812:2 1814:2,19 1815:17 1818:3,23 1820:25 1821:1,4,7 ,9,14,17,2 3 1822:5,7,9 ,18,22 1823:6,8,1 1,19,20,21 ,25 1824:3,5,9 ,16,25 1826:16,20 1830:10 RSRs 1814:16 rule 1813:20 rules 1794:25 1803:9,19 run 1771:18 1812:6 1833:23 1834:17	1842:16 1846:10,12 runoff 1765:24 rural 1839:23 <hr/> S <hr/> safety 1755:6,14 1810:19 1826:23 1838:7,9,1 1,20 1839:11,19 ,20 1840:1,12, 14,17,20 1841:9 1842:2,6,7 ,14,22 sake 1755:16 sale 1784:4 sarge 1805:18 satisfactory 1806:6 1825:6,24 satisfied 1747:8 1751:20 1775:4 1786:18 1830:16 saved 1804:18 savings 1778:13 scale 1827:25 scenario 1798:22,23 ,25 1799:4 1800:9,15 1814:18 1815:7 1817:3,18 1822:3
--	---	--	--	--

1846:13	1836:16,24	19,24	1758:11	1762:15
1847:21	seemed	1775:4,13,	showed	1804:16
scenarios	1813:3	18 1776:18	1822:8	1805:4
1794:24	seemingly	services	showing	1810:9,12
1806:7,14	1751:21	1767:18	1844:19	1812:19
1814:3,13	seems 1810:7	1774:10	shown	1822:24
1815:16	1811:2	sets 1839:5	1761:14	1844:12
1846:2,9	seen 1763:5	setting	1776:23	Simpson
1847:5	1841:23	1747:7	1806:17	1798:7
scheme	selected	1785:3	shows 1747:5	1800:17
1829:5	1765:11	1794:4	1765:7	1801:5,10
school	1770:8	1827:8	1804:4,5	1808:20,23
1744:14,22	1799:15	seven	1847:11,20	1809:16
,25	selection	1776:6,8	shut 1812:8	1810:7
1745:1,2,9	1844:20	1790:8	sight	1813:14
1841:11,14	sell	1838:23	1784:21	1814:9,23
,16 1843:4	1802:7,18	1847:16,17	sign	1815:20
schools	1803:21,22	seventy	1816:1,8,9	1816:3
1812:13	semblance	1758:12	1819:12	1817:3,5,6
1834:8	1811:22	1825:19	significance	,14,21
scientific	send 1744:7	several	1838:4	1818:6,19
1812:17,21	1833:13	1753:17	significant	1819:18
scope 1778:2	senior	1757:5	1762:11,18	1820:16,24
script	1848:11	1789:20	1764:14	Simpson's
1756:5	sense	1800:20	1772:4	1753:22
second	1782:10	1805:18	1799:21,23	1798:17
1821:16	1826:11	1822:17	1802:14	1804:3
1822:13	sensitive	severity	1805:7	1808:18
1829:16	1781:15	1768:15	1808:9	1810:14
1843:9	sentence	share	1818:4	1812:15,16
secretary	1844:4	1789:24	significantl	1820:1
1743:20	1845:6	shared	y 1759:24	sincerely
1831:14	separate	1767:25	1765:14	1789:23
Section	1811:20	shareholder	1769:3	Singh
1833:10	September	1785:24	1781:12	1831:14
security	1761:4	Sherry	1797:7	single
1812:5	serious	1819:9,22	1800:4	1777:15
seek 1749:24	1808:8	she's 1835:6	1807:4	sit 1782:11
1750:4	served	shocks	1818:23	sitting
1836:3	1745:20	1800:23	1825:25	1825:21
seeking	1787:20	shops 1758:3	Similar	six
1747:11	1789:8	short 1781:5	1829:7	1773:9,10,
1776:1	service	1784:1	simple	11 1776:12
1778:6,16	1768:3	shortfalls	1792:9,18,	1838:23
1789:18	1770:4,10	1752:14	23	1846:25
seeks	1774:6,17,	short-tail	simplistic	sixty
1834:15			1812:10	1757:15
			simply	1758:12
				1772:20

size 1772:3 1814:19	1746:16,18 1747:9 1811:14 1830:13	spread 1847:18	1832:1	1781:13 1829:17
skewed 1769:23	soundness 1819:12	stability 1749:19 1750:8 1757:23 1781:19 1795:24 1796:4 1811:23,25	started 1790:18	stick 1792:10
slide 1804:3 1817:7	sounds 1840:9	stabilizatio n 1793:1 1800:22 1806:11	starting 1744:9 1831:24	sticking 1750:17 1798:19 1804:2
slightly 1756:4	source 1762:5	stable 1757:20 1781:20,21	starts 1749:3 1845:3	stock 1799:7 1802:24 1805:7
slip 1814:8	special 1831:13 1834:21	staff 1777:16 1778:1 1848:7,11, 22,25	state 1755:19 1790:15 1825:5	stocks 1818:8
small 1749:8,14 1783:22 1828:12 1832:3 1834:13	specialize 1745:8	staffing 1777:1	stated 1764:12 1768:18 1769:16 1770:6 1815:14	stopped 1837:11
smaller 1798:10 1822:15	Specializati on 1745:13	stage 1827:5	statement 1751:5 1838:14 1842:5 1843:22	storms 1757:5 1846:14
smoothing 1828:12	specialized 1745:11	stages 1777:17	statements 1819:13	straight 1786:24 1811:11
Society 1745:6	specific 1746:4	staggered 1747:20	states 1751:13	strategy 1835:21,22
sole 1824:15	specifically 1781:13	standard 1745:3 1809:11 1833:21	stating 1810:13	strength 1784:13
solution 1778:8,12	specifics 1772:19	standards 1752:11 1805:24 1807:16 1816:2 1819:3 1823:12 1825:13	statistical 1812:18	strive 1831:21
solvency 1809:9 1811:13,18 1812:4	speed 1744:6	standing 1747:14	statisticall y 1746:18 1747:9 1812:22	strong 1746:19 1747:2 1765:7 1786:3 1791:12 1807:10
somewhat 1812:10 1819:11	spend 1778:10	start 1743:4 1744:21 1746:2 1750:11,14 ,15 1814:1	statistical 1812:18	strongly 1765:10 1808:6 1811:6 1817:25 1823:1
son 1831:15	spent 1754:15 1760:24 1761:7 1795:11 1809:23 1821:5 1833:4 1842:7,12, 19,21 1843:3		status 1774:14	struggling 1842:4
sophisticati on 1795:10	spikes 1782:7		statute 1838:25	student 1754:6
sorry 1761:4 1772:24 1776:8 1830:12,25 1845:1 1849:2	spoken 1756:8		stay 1826:3	studied 1745:16
sort 1785:23 1844:1			steady 1790:15	subject
sought 1746:22,24			step 1746:7	
sound				

1753:25	1820:2	sure 1754:5	tail 1761:20	1839:12
1764:16	1830:12,23	1831:16	taking	territories
1767:8	suggesting	1832:17	1745:6	1840:10
1772:18	1803:1	1833:3	1846:4	test 1753:7
1828:22	suggestion	1842:18,20	talk	1777:2
submission	1830:25	1843:2	1782:8,16	1798:25
1809:18	suggests	1844:6	1828:24	1809:10
Submissions	1817:7	surplus	1835:21	1825:23
1741:5	1843:23	1833:11	tangible	testified
1743:8	1845:7	surprising	1830:14	1762:8
submit	summarize	1779:5	target	1800:17
1786:16	1764:9	1813:13	1746:11	1801:10
1823:18	summary	1815:10	1748:18	1816:18
submits	1823:23	surrounding	1781:25	testify
1828:19	1845:4	1802:3	1789:22	1819:18,24
1829:12,16	summer	survey	1793:20	testifying
,21	1757:5	1755:7	1794:15	1816:18
1830:8,15	superior	suspect	1795:3	1831:5
submitted	1767:16	1780:11	1798:16	1844:19
1746:21	support	1787:25	1800:5	testimony
1750:9	1751:24	suspects	1806:17	1757:25
subparagraph	1780:10	1801:1	1810:5,19,	1759:15,16
1843:15	1801:22	suspicion	23 1811:3	1763:14
Subsequent	1820:15	1813:24	1818:3,23	1813:6,13
1778:11	1821:22	1814:17	1823:20,22	1816:20
subsequently	1824:15	sustainable	1824:3,8	1832:5,19
1805:8	1834:22	1798:15	1825:13	1837:18
substantiall	1848:4	1830:14	1826:4,9,1	1845:19
y 1797:14	supported	swing 1769:3	0 1830:11	tests
subtle	1777:12	S-word	targets	1794:22
1787:4	1808:6	1809:8	1794:5	thank
successfully	supposed	swung	1797:19	1756:6,13
1840:18	1798:11	1762:10	task 1792:10	1831:3,8,1
suffer	supposedly	synergistic	taxpayer	2,17,20
1822:19	1811:12	1771:4	1788:2	1837:21
sufficient	surcharge	sys 1826:24	technical	1848:3,7,9
1784:14	1784:11	system	1754:9	,12,15,16,
1830:18	1800:6	1771:19	ten 1780:3	18,21,25
suggest	1801:20	1785:20,21	1787:23	1849:1,4
1743:19	1805:18	1810:4	1788:14	thanks
1788:12	1822:12,13	1827:8	1828:11,23	1821:10
1829:14	,14,16	<hr/>	tenure	1831:13
1838:7	1847:1,2,2	<hr/>	1838:2	1848:19
suggested	2	T	terms 1753:2	that's
1743:21	surcharges	table 1741:1	1770:22	1743:20
1784:12	1746:8	1800:7,8	1796:24	1744:17
1814:11	1784:9	1822:7	1814:25	1745:4
	1826:15		1817:23	1748:23
				1749:15,25

1755:5	1757:18	1790:13	1820:21	1816:10
1757:12,25	theme	thirty-eight	today 1744:3	transcript
1758:7,14	1751:12	1776:13	1762:13	1741:10
1759:6,14,25	therefore	thirty-seven	1783:18	1743:16
1760:6,9,22	1748:17	1773:12	tone 1750:16	1749:15,25
1763:6,14	1770:3	thoughtfully	tongue	1755:2
1764:6	1786:14	1789:16	1814:8	1757:1
1769:5,11,13	1807:17	thoughts	tool 1753:11	1758:7,14
1771:11	1810:11	1811:16	1795:10	1759:25
1772:8,23	therein	thousand	1809:3	1760:6,9,23
1774:20	1822:3	1754:21	top 1780:5	1763:7
1775:22	there's	1760:5	1826:15	1764:6,8
1776:4,10	1755:17	1773:10,12	1846:23	1765:15
1778:14	1758:24	1776:4,6,7	topic 1754:3	1769:5,11
1779:13,17	1766:17	,10,14,20	topics	1770:23
1780:6	1783:10	1827:13,17	1752:4	1771:11,22
1783:12	1786:21	threshold	Toronto	1772:8
1785:9,10,21	1789:8,17	1821:18,20	1799:7	1779:13,17
1786:17	1806:13	throughout	total	1781:17
1787:15	1819:5	1751:12	1747:22	1783:12
1791:13	1821:4	1778:16	1758:4	1786:17
1792:5	1822:24	1833:22	1761:17	1792:5
1794:6	1828:19	1848:11	1772:19	1794:6
1796:17,24	1829:11	throw 1812:4	1776:1	1796:17
1798:3	1830:11	throws	1779:19	1798:3
1800:18	1835:1,9,11	1812:19	1780:3	1800:16,18
1801:2,4,12	1839:4,21,23	thumb	1799:18	1801:2
1803:25	1840:2,6,12	1813:20	1818:15	1802:9
1806:19	1843:14	TI 1776:14	1848:23	1803:25
1808:15	they're	TI.14	totally	1807:7
1809:24	1747:8,9	1748:13	1801:17	1808:15
1812:8,21	1754:19	TI.15	1826:21	1809:25
1814:5,7,25	1783:1	1748:21	toward	1812:9,13
1817:16	1833:21	TI.15-18	1791:1	1814:7,21,25
1820:3,21	1835:18	1776:4	Traffic	1815:9,18
1824:10	1837:8	TI.15A	1758:19	1820:3
1825:7,15	thir 1772:21	1776:10,14	1838:21,22	1823:3
1826:17	third	TI.17 1757:7	trailers	1824:10
1829:9	1753:22	TI.2 1760:13	1758:22,24	1825:7
1830:24	1821:20	tight	1759:17,21,23	1826:17
1832:21	1827:1	1780:21	transfer	1829:8,9
1835:24	1829:21	tinker	1822:24	1830:7
1836:11,13	1830:3	1846:2	transferred	
1837:13	third-party	title	1784:6	
1840:19	1807:22	1751:10	transition	
1841:17	1808:1,3		1827:6	
1842:1,17	thirty			
1844:15	1758:12			
1847:11,12,14				
theft				

translate 1759:11	1803:11	unavailable 1804:22	1805:1	update 1763:23
transparency 1808:12 1843:18 1844:8	turning 1803:8,20	uncertainty 1752:25 1755:19 1802:2	unforeseen 1787:2	updated 1827:23
transparent 1746:19 1792:9 1811:7 1844:2	turnover 1802:11	uncomfortabl e 1811:5	unfortunatel y 1831:22	updating 1763:20
Transport 1840:7,12	tweak 1846:2	undeniable 1764:11	unfunded 1791:10	upgrade 1758:18,20 1759:3,5,7 ,9 1760:8,10, 12,18
trend 1811:3	twenty 1758:12 1772:21 1799:13 1813:1,2 1827:12 1829:18	undergraduat e 1745:2	union 1802:3	upon 1743:1 1750:6 1756:24 1765:16 1784:18 1788:16,17 1811:10 1849:6
tried 1765:18 1772:11 1789:16	twenty-five 1826:25 1829:19	underlying 1796:14	units 1758:19,21 ,23 1759:2	unless 1827:18
trigger 1826:12,14	twenty-three 1776:19	understand 1751:1 1785:13 1796:20 1826:7 1832:11 1842:9	unlikely 1782:4 1818:18	unlike 1782:4 1818:18
Triggs 1740:5	twice 1754:17,18 1814:23	understandin g 1793:11 1796:22 1808:13 1837:17 1843:19	unlikely 1780:23 1822:14 1847:3,6	unlikely 1780:23 1822:14 1847:3,6
true 1753:21 1754:5 1815:24	two-thirty 1825:19	understood 1768:4 1770:5	unnoticed 1815:13	unpaid 1752:7,10, 15,19 1761:8,9,1 2 1763:2 1764:1,22, 25 1765:19 1766:1,7,9 ,12 1801:14
truly 1800:5 1824:7	TX 1815:3	undertakes 1756:22	unpaid 1752:7,10, 15,19 1761:8,9,1 2 1763:2 1764:1,22, 25 1765:19 1766:1,7,9 ,12 1801:14	upper 1807:5 1821:1
trust 1816:11 1835:25	type 1796:3 1801:6 1834:8 1842:1	undertaking 1765:23 1766:10	unpaid 1752:7,10, 15,19 1761:8,9,1 2 1763:2 1764:1,22, 25 1765:19 1766:1,7,9 ,12 1801:14	upward 1782:13
truth 1815:23	types 1759:18 1834:17 1836:25 1839:8	undertakings 1818:13	unpaid 1752:7,10, 15,19 1761:8,9,1 2 1763:2 1764:1,22, 25 1765:19 1766:1,7,9 ,12 1801:14	urge 1765:16 1794:9 1811:6 1819:13 1829:8
try 1794:9 1821:13	typo 1755:5	underway 1777:12	unpaid 1752:7,10, 15,19 1761:8,9,1 2 1763:2 1764:1,22, 25 1765:19 1766:1,7,9 ,12 1801:14	usual 1830:20
trying 1744:19 1783:6 1821:5	<hr/> U <hr/>	undue 1764:21 1766:4	unquote 1798:18 1801:1 1813:11 1814:24 1818:2	usually 1832:18
TSX 1799:7,17 1801:8,10 1819:25 1820:12	ultimately 1753:10 1755:12 1823:7 1824:21 1835:16 1836:1 1838:20 1839:10 1840:19 1845:24	unexpected 1789:3 1791:22 1811:23	unquote 1798:18 1801:1 1813:11 1814:24 1818:2	Utilities 1739:3,20 1767:12 1794:17 1795:3
turn 1786:5 1787:17		unfavourable	unquote 1798:18 1801:1 1813:11 1814:24 1818:2	utilized 1756:1 1822:3
turned			unquote 1798:18 1801:1 1813:11 1814:24 1818:2	<hr/> V <hr/>
			unquote 1798:18 1801:1 1813:11 1814:24 1818:2	val 1762:3
			unquote 1798:18 1801:1 1813:11 1814:24 1818:2	validated 1762:3
			unquote 1798:18 1801:1 1813:11 1814:24 1818:2	value

1750:23	view 1749:20	1800:18	1834:9	worked
1761:18	1762:16,25	1801:8	1841:10,15	1835:24
1774:2,3,6	1813:15	weighted	,20	1848:5,6
,7,8,24	1847:6	1830:2	1842:11	working
1775:15,19	viewed	welcome	whole 1788:3	1782:2
,25	1752:11	1750:24	1839:17	1835:1,15
1777:4,14	views	1773:17	wholehearted	1844:17
1778:7,17	1813:15	welcomed	ly 1810:14	world
1811:25	1838:4	1788:21	wildlife	1780:19
1831:10	vignette	we'll	1757:17	worried
valued	1744:10	1786:14	Williams	1788:13
1812:1	visual	1809:16	1740:7	worry
values	1743:15	1816:11	1751:12	1782:4,23
1763:19	visually	1846:4	1754:25	worse
1780:2	1743:15	we're	1755:2	1799:11
1781:9	voice	1743:3,4	1762:16	worth
vandalism	1788:14	1749:8	1769:8	1772:16
1757:18	volume	1783:8	1770:13	wreak 1757:5
variability	1758:17,18	1797:21	1771:3	write
1747:25	,20	1803:14	1815:14	1802:15
1781:18	1759:3,5,7	1825:20	1820:8	writing
1804:3,5	,9,18,22	1837:12	1848:19	1819:12
variance	1760:3,12	1840:23	willing	written
1758:6	<hr/>	1845:23	1824:11,12	1759:19
variations	W	we've	1845:8	1768:1
1802:24	walking	1749:10	Winnipeg	1770:15
variety	1795:12	1772:2	1739:22	1776:23
1752:3	wall 1745:12	1804:13	1839:22	1792:8,14
various	warrant	1806:12	winter	1810:23
1756:24	1784:11	1808:7	1757:4	1829:25
1810:24	warrants	1848:1	wisdom	wrong 1788:4
vehicle	1795:10	whatever	1832:3	wrote 1830:5
1758:23	ways 1750:15	1803:10	withstand	<hr/>
1786:2	1778:6	whatsoever	1799:22	Y
1829:3	WCB 1752:23	1834:19	witness	year's
vehicles	wear 1780:25	whereas	1820:24	1759:4,13
1757:6	weather	1758:11	1821:23	1761:25
1758:2,3,2	1757:3	whether	witnesses	1778:11
2	we'd 1803:23	1760:12	1751:1	1788:21
1759:19,20	weekly	1762:1	1789:9	yet 1754:24
1760:7,17	1761:20	1776:25	wording	1767:20
1828:4	1762:1	1777:2	1840:25	1821:1
1838:22	weighed	1780:9,25	work 1745:21	yield 1760:4
1839:4,7	1816:21	1784:14	1754:22	1762:23
ventilate	weight	1787:11	1805:3	1811:8
1845:12		1792:13	1819:2	yielded
versus		1802:20	1831:23	1795:19,23
1782:2		1811:2	1848:4,7,8	
		1833:18		

<p>1796:2 1822:16</p> <p>yields</p> <p>1749:18 1751:4 1762:25 1795:17 1820:15</p> <p>you'll</p> <p>1744:2 1791:14 1800:7 1817:12</p> <p>you've</p> <p>1782:20,25 1848:5</p> <hr/> <p>Z</p> <hr/> <p>zero</p> <p>1748:2,12 1749:11 1750:10 1757:24 1777:20 1778:1 1811:17</p>				
--	--	--	--	--