PUB (MPI)

PUB (MPI) 1-2 Reference: Meeting Minutes

Please file the Corporation's Board of Directors and Audit Committee meeting minutes for 2013/14 that relate to:

a) IT Optimization/BTO Projects;

b) Gartner Scorecard and all reports to the Board related to IT Spending;

c) RSR Targets/DCAT;

d) Cost Containment; and

e) Approval of the 2015 GRA.

RESPONSE:

a) Please see the attached.

b) The Gartner reports were received at the June 26, 2014 meeting of the Budgeting and Operations Committee of the Board of Directors. These minutes can be provided once approved at the next meeting of the Committee scheduled for early October, 2014.

c) As previously filed. See the attached.

d) There is no specific minute regarding cost containment.

e) As previously filed. See the attached.

FINEOS Software Licence Agreement	14-109	Ms. Kalinowsky presented Agenda Item 4.3 "FINEOS Software Licence Agreement".

Moved by Ms. Mintz and seconded by Mr. Saunders that the Members approve:

1. Entering into a Master Services Agreement with FINEOS Corporation to manage our ongoing relationship and anticipated future work.
2. Entering a Master Licence Agreement with FINEOS Corporation for an enterprise software license for bodily injury and physical damage management, effective June 30, 2014, for an initial term of five years, with an option to renew for a further five years, at an initial cost of $2,601,300 plus an annual cost of $1,174,972 per year as calculated in 2013 dollars.
3. Management to negotiate a Statement of Work under the new Master Services Agreement which will cover the implementation of the claims management system for physical damage and will include the work to retire the current physical damage claims management system, CARS (Claims and Reporting System). The cost of the implementation Statement of Work will be accommodated within the existing budget for Physical Damage Re-engineering project.

CARRIED

Budgeting & Operations Committee Report – Predictive Analytics	14-040	The predictive analytics solution is to identify claims with a higher degree of being fraudulent. Moved by Mr. Paterson and seconded by Mr. Saunders that Members ratify the decision of the Budgeting & Operations Committee authorizing Management to enter into negotiations with IBM Canada Ltd. for the purposes of implementing a Predictive Analytics Solution at a cost not to exceed $3.1 Million over a 5 year period. CARRIED
Budgeting & Operations Committee Report – Microsoft Contract Approval	14-041	Moved by Mr. Paterson and seconded by Ms. Mintz that the Members ratify the decision of the Budgeting & Operations Committee authorizing Management to enter into a Microsoft software licensing and support agreement for a 5 year period, from 2014 to 2019, for an amount not to exceed $8.5 million (exclusive of taxes) including licensing and support ($1.7 million per year). CARRIED
Budgeting & Operations Committee Report – Lyle Antoniuk Consulting Inc. Contract	14-042	Moved by Mr. Paterson and seconded by Mr. Saunders that the Members ratify the decision of the Budgeting & Operations Committee authorizing the Corporation to enter into a contract with Lyle Antoniuk Consulting Inc. for an amount not to exceed $96,120 to provide IT consulting services for the period of July 1, 2014 to October 31, 2014. CARRIED

Mr. Guimond joined the meeting.

Enterprise Systems Annual Support Contracts

14-015

Mr. Guimond presented Agenda Item 4.1 "Enterprise Systems Annual Support Contracts".

Moved by Mr. Paterson and seconded by Mr. Saunders that the Members:

- Approve the preliminary Corporate Strategic Initiatives for 2014/15 for an amount up to $38.6 Million (the majority to be allocated to HP, IBM, Mitchell, and FINEOS according to the terms of contracts – expanded FINEOS contract approval to be sought in the near future – and Board approval will be sought for any further services to be provided by other entities in accordance with the corporate directives.)
- Authorize management to engage IBM for the support and operation of the data centre at a cost not to exceed $8.4 Million in 2014/15.
- Approve funding of up to $4.5 Million in 2014/15 to be distributed amongst the HP/IBM Master Service Agreements as management deems appropriate, to provide daily maintenance and support for the Corporation's enterprise systems.

CARRIED

Budgeting & Operations Committee Report – Information Security Strategy and Roadmap	13-193	Moved by Mr. Paterson and seconded by Ms. Johnson that Members ratify the decision of the Budgeting & Operations Committee adopting the Information Security Strategy and Roadmap and approving three year funding in the amount of $6,700,000, (in 2013/14 dollars) with an additional 15% contingency, to deliver it. CARRIED
Budgeting & Operations Committee Report – Sale of Data Centre Assets	13-194	Moved by Mr. Paterson and seconded by Ms. Millis that the Members ratify the decision of the Budgeting & Operations Committee approving the sale of data centre assets no longer required by the Corporation as a result of the Data Centre Optimization initiative. CARRIED

FINEOS Software Licence Agreement	13-170	Mr. Guimond presented Agenda Item 4.1 "FINEOS Software Licence Agreement". The rationale for, and negotiations, for this software were described in detail, recognizing this was not procured competitively due to existing use of FINEOS for the Bodily Injury claims systems.

Moved by Mr. Bittner and seconded by Mr. Paterson that the Members approve entering into a Letter of Intent for, *inter alia:*

- The purchase of the FINEOS Physical Damage Claims Management System and entering into a new combined contract for the current Bodily Injury Claims Management System for an initial five year term, with an additional five year renewal term, to be exercised at the Corporation's sole option, including an initial Physical Damage licence fee of $2,601,300 and existing annual CPI indexed licence fees of $654,711 for Bodily Injury and new annual CPI indexed licence fees of $654,660 for Physical Damage.
- The one time expenditures required to expand the core functionality of the FINEOS Claims Management System for MPI specific physical damage claims business requirements, at an anticipated total cost of $1,214,100.
- Payment to FINEOS for the work effort required for professional services to implement their Physical Damage Claims Management System for the Corporation's needs, using negotiated daily rates ranging from $900 to $1200.

CARRIED

Sybase Software Renewal	13-171	Mr. Guimond presented Agenda Item 4.2 "Sybase Software Renewal".

Moved by Mr. Paterson and seconded by Ms. Mintz that the Members approve:

- Waiver of tender for the procurement of software license support and maintenance for Sybase software.
- A contract award to SAP Canada Inc. in the amount not to exceed $511,920.00 (plus applicable taxes).

CARRIED

Budgeting & Operations Committee Report – Information Security Strategy for Manitoba Public Insurance	13-141	Moved by Mr. Paterson and seconded by Ms. Mintz that Members ratify the decision of the Budgeting & Operations Committee approving funding of up to $350,000 to retain consultants under the IBM Master Services Agreement for the purpose of developing an Information Security Strategy. CARRIED
Budgeting & Operations Committee Report – Data Masking	13-142	Moved by Mr. Paterson and seconded by Mr. Bittner that Members ratify the decision of the Budgeting & Operations Committee approving: 1. Funding of up to $600,000 to retain consultants under the HP Master Service agreement for the purposes of generating the Data Masking initiative requirements, planning, and detailed design - Phase 1 of the initiative; 2. Funding of up to $1.9 Million to retain consultants under the HP Master Service Agreement for the purposes of implementing the Data Masking initiative solution - Phase 2 of the initiative. CARRIED
Budgeting & Operations Committee Report – Fineos Fit Assessment for Physical Damage Claims	13-143	Moved by Mr. Paterson and seconded by Ms. Johnson that Members ratify the decision of the Budgeting & Operations Committee: 1. Approving in principle, incorporating the FINEOS Physical Damage Claims Processing software into the existing FINEOS Claims software. 2. Authorizing Management to enter into negotiations with FINEOS Corporation to incorporate FINEOS Physical Damage Claims Processing software into MPI's existing FINEOS contract. CARRIED

MINUTES OF THE FOUR HUNDRED AND TWENTY-THIRD MEETING OF THE DIRECTORS OF THE MANITOBA PUBLIC INSURANCE CORPORATION HELD ON THE 5TH DAY OF JUNE AT 1:45 P.M AND RECONVENED ON THE 6TH DAY OF JUNE, 2014 AT 8:15 A.M. AT THE VICTORIA INN, 160 HIGHWAY #10-A NORTH, FLIN FLON, MANITOBA.

Dynamic Capital Adequacy Test (DCAT) – Basic Autopac

14-121

Ms. Reichert presented Agenda Item 4.2 "Dynamic Capital Adequacy Test (DCAT) – Basic Autopac". The four plausible risk areas are:

- Declining or sustained low interest rates;
- Declines in equity asset values;
- Claims incurred over budget; and
- Combined adverse interest rates, declining equity returns and high claims incurred.

The opinion of the Chief Actuary is the financial condition of Basic is not satisfactory due to:

i) The base rate stabilization reserve forecast is projected to fall below the Regulator's minimum rate stabilization reserve requirement in the 2014/15 and 2015/16 fiscal years; and

ii) There are adverse scenarios that cause the total equity of Basic to fall below zero after including assumed management and regulatory action.

The Chief Actuary recommends that:

i) Basic hold a minimum rate stabilization reserve of $194 million which is the largest reduction in retained earnings identified from all the plausible adverse scenarios; and
ii) Basic hold a minimum total equity of $213 million, which is based on the largest reduction in total equity identified from all plausible adverse scenarios.

Moved by Ms. Mintz and seconded by Mr. Saunders that Members approve a Basic Rate Stabilization Reserve target of $194 million as at February 28, 2014; a minimum Basic total equity target of $213 million; and a maximum Basic total equity target equal to 100% of the Basic Minimum Capital Test or $323 million.

CARRIED

2015/16 Basic Rate Stabilization Reserve	14-127	Mr. Guimond presented Agenda Item 4.1 "2015/16 Basic Rate Stabilization Reserve". An extensive discussion ensued amongst Members.

Moved by Ms. Johnson and seconded by Mr. Saunders that the Members approve the rebuilding of the Rate Stabilization Reserve in furtherance of Minute 14-108 as follows:

1. To apply an RSR Rebuilding Fee of 1% on a percentage basis to each of the proposed 2015/16 Basic Autopac rates; and

2. To communicate to the Public Utilities Board in its 2015/16 Basic General Rate Application, that if the Public Utilities Board approves a Rate Stabilization Reserve minimum target, based on the DCAT which contains an agreed to safety margin above the DCAT result, then the Board of Directors will authorize transferring some Extension and SRE excess retained earnings to increase the Basic Rate Stabilization Reserve and;

3. To return to the Board of Directors after the PUB issues its Order in the 2015/16 rate hearing to approve the amounts to be transferred.

CARRIED

2015/16 Basic Autopac Program and Rates

14-108

Ms. Reichert presented Agenda Item 4.2 "2015/16 Basic Autopac Program and Rates". An extensive presentation with substantial discussion occurred.

Moved by Mr. Paterson and seconded by Mr. Saunders that the Members approve:

A. RATE CHANGES

The application to the Public Utilities Board for 2015/16 rates for the Basic Autopac Program as set out below:

1. Classification and experience rate adjustments which result in an overall 2.4% increase to average rates for Basic Autopac written premiums.

2. As part of a plan to rebuild the RSR within four years, for the first year of the plan, an RSR Rebuilding Fee of up to 2.5% is to be applied on a percentage basis to each of the proposed 2015/16 Basic Autopac rates.

3. Rates for individual risk classifications to be adjusted based on statistically determined experience indicators.

4. Classification changes to be implemented on a revenue neutral basis.

B. CLASSIFICATION CHANGES

The following classification changes to the Basic Autopac program as of March 1, 2015 for Vehicle Rating Factors:

1. Revisions to the relationship between rates and rate group (Rate Line) for passenger vehicles, light trucks, motor homes, motorcycles, heavy trucks, trailers (over $2,500) and buses.

2. Adjustments to passenger vehicle and light truck rate groups based on the Canadian Loss Experience Automobile Rating (CLEAR) indicators, as provided by the Insurance Bureau of Canada (IBC). Adjustments will consist of an increase of one rate group for vehicles requiring an increase, and a decrease to the required CLEAR indicator for vehicles requiring a decrease.

3. Passenger vehicle and light truck rate group methodology changes:

   a. CLEAR rating recommendations from IBC for an additional five model years. For 2015/16 rate groups, CLEAR indicators will be used to determine rate groups for model years 1996 to 2015.

b. Revisions to the CLEAR injury rating matrix to accommodate the change to IBC's injury rating recommendations. IBC now provides two separate ratings, one for Ontario and one for Alberta and Atlantic provinces. As Manitoba injury benefit relativities are relatively flat between rate groups, it was decided to use the smaller range of 1 to 14 provided for Alberta and Atlantic Canada.

c. Revision of the CLEAR Collision/Comprehensive weighting for 80/20 to 81/19.

4. Annual adjustment to heavy truck rate tables.

5. Motorcycle body style corrections as provided by the Insurance Bureau of Canada.

CARRIED

PUB (MPI) 1-11 Reference: II.4.4, MUSH, Table 4.4

Please provide an update to table 4.4 including the actual results for the years 2009/10 to 2013/14.

RESPONSE:

MUSH Bonds ($ Millions)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
			Actual					Forecasted		
Existing Holdings (beginning of year)	417.7	448.8	478.7	507.7	551.6	580.5	606.8	613.5	632.7	647.2
Cash Investment (New MUSH Purchases)	64.0	62.3	59.9	74.9	61.2	60	44.3	60	60	60
Amortization	-33.0	-32.3	-30.9	-31.1	-32.2	-33.6	-37.6	-40.8	-45.6	-49.8
Total Net Investment	31.0	30.0	29.0	43.8	28.9	26.4	6.7	19.2	14.3	10.2
Total MUSH Book Value Year End	448.8	478.7	507.7	551.6	580.5	606.8	613.5	632.8	647.2	657.3
% of Portfolio	20.6%	20.2%	23.1%	23.7%	23.7%	25.3%	25.1%	24.8%	24.3%	23.2%
Overall Historical/Forecasted MUSH Yield (year end)	5.97%	5.73%	5.52%	5.24%	5.06%	5.22%	5.20%	5.23%	5.32%	5.43%

PUB (MPI) 1-12 Reference: II.5.1, Table 5.1

a) Please update the Canadian equity table to include fiscal years 2009/10 to 2013/14.

b) Please update table 5.3.1 adding an additional column including the corresponding actual calendar year for S&P/TSX Canadian equity returns.

RESPONSE:

a) The requested table is attached.

b) The requested table is shown below.

Table 5.3.1
Expected Equity Returns Historical

	Avg Goc + 1.5% ERP Canadian Equity	Revised Forecast for Canadian Equity	S&P/TSX Canadian Equity Return (*)
2009 GRA	6.25%	-	9.83%
2010 GRA	6.25%	-	-33.00%
2011 GRA	6.14%	-	35.05%
2012 GRA	6.10%	-	17.61%
2013 GRA	4.80%	6.10%	-8.71%
2014 GRA	4.20%	6.20%	7.19%
2015 GRA	5.40%	7.30%	12.99%

(*) Based on previous calendar year.

Table 5.1
Canadian Equity

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual					Forecast (End of Period)				
Dividend Income	8,267	8,806	9,449	11,058	12,658	11,216	12,867	13,595	12,536	13,810
Realized Gains/(Losses) (P&L)	(12,627)	14,288	2,127	5,337	57,372	16,195	16,382	31,013	13,872	14,449
Total Investment Income	**(4,360)**	**23,094**	**11,575**	**16,395**	**70,030**	**27,411**	**29,249**	**44,608**	**26,409**	**28,259**
Dividend Yield	3.8%	2.8%	2.4%	3.0%	3.2%	2.9%	3.1%	3.2%	3.2%	3.2%
Ending Market Value	315.300	398.867	368.771	400.191	380.554	408.695	438.926	385.885	417.425	469.899
% of Portfolio	14.1%	16.4%	16.4%	17.2%	15.6%	17.1%	17.9%	15.1%	15.7%	16.6%

PUB (MPI) 1-14 **Reference: II.6 U.S. Equities, Table 6.1**

Please update the U.S. equity table to include fiscal years 2009/10 to 2013/14.

RESPONSE:

The updated table is attached.

Table 6.1
U.S. Equity

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual					Forecast (End of Period)				
Dividend Income	1,313	1,388	2,995	-	1,363	3,256	3,647	4,240	4,553	4,596
Realized Gains/(Losses) (P&L)	10,356	3,625	-	-	58,101	-	-	-	-	17,589
Total Investment Income	**11,669**	**5,013**	**2,995**	**-**	**59,464**	**3,256**	**3,647**	**4,240**	**4,553**	**22,185**
Dividend Yield	0.0%	1.9%	2.3%	0.0%	0.8%	2.3%	2.4%	2.6%	2.6%	2.6%
Ending Market Value	72.300	129.939	132.961	162.037	138.988	149.253	160.279	172.125	185.844	145.420
% of Portfolio	3.2%	5.3%	5.9%	7.0%	5.7%	6.2%	6.5%	6.8%	7.0%	5.1%

Total Return

	2009/10	2010/11	2011/12	2012/13	2013/14
Russell 1000 Value	29.50%	12.70%	4.10%	22.60%	32.50%
Russell 2000 Value	37.20%	18.90%	-0.90%	21.80%	35.50%

PUB (MPI) 1-15 Reference: II.8.1 Infrastructure, Table 8.1

Please update the summary table 8.1 since the inception of infrastructure investments including the actual returns on the infrastructure investments.

RESPONSE:

The table below expands Table 8.1 to include actual data on the infrastructure investments since the inception of the infrastructure asset class.

Table 8.1 - Infrastructure

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		Actual				Forecasted		
Income	1,164	1,724	2,573	3,050	5,411	8,823	10,955	10,955
Market Value	11,590	22,431	48,049	60,549	110,549	160,549	160,549	160,549
Funding Amounts	10,945	10,055	24,027	12,500	50,000	50,000	-	-
Annual Return*		8.90%	17.30%	6.50%	7.00%	7.00%	7.00%	7.00%
% of Portfolio	0.50%	1.00%	2.00%	2.50%	4.50%	6.30%	6.00%	5.70%

* Annual Return is Actual and Forecasted as is indicated

Page 5 of the Investment Income Document (Volume II Investment Income) shows infrastructure income for 2012/13 to be $12.783 million. Income from infrastructure in 2012/13 was actually $1.724 million. The total dividend and other income should be $14.534 million. All other numbers on page 5 are correct.

PUB (MPI) 1-18 **Reference: II.1.2, pp. 13, 14, ALM Study**

a) Please file the Request for Proposal for the ALM Study.

b) Please describe the current status of the ALM Study.

c) Please file the expected scope of work for the study.

RESPONSE:

a) Please see Attachment A which contains a copy of the request for proposal for the ALM study. Please see Attachment B which contains a copy of the Service Agreement (ie: contract) with Aon Hewitt.

b) Aon Hewitt is currently working on Phase One of the study. We expect the ALM study to be completed by the end of 2014. The study will be filed with the PUB once it is completed.

c) The scope of work is outlined in the request for proposal.

Manitoba Public Insurance

REQUEST FOR PROPOSAL

#2499

FOR

ASSET LIABILITY STUDY

ISSUE DATE: **April 9, 2014**

PROPOSAL DUE DATE: **April 30, 2014 at 4:30 PM (Central Time)**

Vendors intending to submit a Proposal must do so by the Due Date and in accordance with Article 7.00 of this Request for Proposal. Late Proposals will not be accepted and will be returned unopened.

Vendors are reminded that by signing the Vendor Authorization Form in the attached Schedule B, they are agreeing to be bound by the terms and conditions of this RFP.

CONFIDENTIALITY: This is a confidential document. Vendors are directed to Sections 9.01 through 9.03 of this Request for Proposal regarding confidentiality. Vendors who are not prepared to comply with such requirements should not read any other portion of this document and must immediately destroy or erase all copies of it in their possession.

THE CONTENTS OF THIS RFP SUPERSEDE ANY INFORMATION CONTAINED ON THE MERX WEBSITE.

1.00 DEFINITIONS

“Agreement(s)” means the agreement(s) to be entered into between Manitoba Public Insurance and the Successful Vendor as contemplated by this RFP.

“Due Date” means the due date for the submission of a Proposal to Manitoba Public Insurance as set out on the front page of this RFP and throughout it.

“Manitoba Public Insurance” means The Manitoba Public Insurance Corporation.

“Proposal” means the proposal submitted by a Vendor in response to, and in accordance with, the provisions of this RFP.

“Representatives” means the directors, officers, shareholders, employees, subcontractors, partners, volunteers, affiliates, agents, delegates and other representatives of a party.

“RFP” means Request for Proposal.

“Services” means the goods and/or services to be supplied to Manitoba Public Insurance by the Successful Vendor as proposed and contemplated by this RFP and the Proposals.

“Service Requirements” means Manitoba Public Insurance’s requirements for the Services as provided in Article 5.00 of this RFP.

“Successful Vendor” means the Vendor who is selected to enter into an Agreement with Manitoba Public Insurance to provide Manitoba Public Insurance with the Services.

“Vendor” means any person, corporation or entity who submits a Proposal in response to and in accordance with this RFP.

2.00 MANITOBA PUBLIC INSURANCE PROFILE

Manitoba Public Insurance is a provincial crown corporation which has served Manitobans since 1971. It provides universal mandatory basic automobile insurance coverage for all drivers and for private and commercial vehicles, as well as a number of optional automobile insurance products. Manitoba Public Insurance also administers driver and vehicle licensing services for the Government of Manitoba.

Manitoba Public Insurance's other key role is fostering safety on Manitoba roads, by educating drivers and helping communities to initiate safety programs locally. In all, Manitoba Public Insurance's products and services reflect its mission of "working with Manitobans to reduce risk on the road".

Manitoba Public Insurance provides direct employment to approximately two thousand (2,000) Manitobans. Its products are distributed by more than three hundred (300) independent brokers across Manitoba.

Insurance

The basic compulsory insurance is called Basic Autopac. Basic Autopac provides no-fault coverage for physical damage sustained by vehicles involved in accidents, and also includes the Personal Injury Protection Plan (PIPP), which provides no-fault coverage for all Manitobans injured in automobile accidents in Canada or the United States.

To add to their Basic Autopac, Manitobans can choose other Manitoba Public Insurance products, such as lower deductibles and coverage for rented, leased and off-road vehicles. Manitoba Public Insurance offers Special Risk Extension products, primarily for commercial fleets. Manitoba Public Insurance sells all of its optional products in competition with private insurers.

Driver and Vehicle Licensing

On behalf of the Government of Manitoba, Manitoba Public Insurance tests and licenses all classes of drivers and oversees vehicle registrations and safety inspections. Manitoba Public Insurance also administers the Manitoba Identification Card, the Enhanced Identification Card, and the Enhanced Driver's Licence programs.

Community safety and support

Manitoba Public Insurance delivers Driver Education in high schools across the province, and leads safety awareness and community outreach programs. It is also a major sponsor of community-based efforts such as Citizens on Patrol Program (COPP), Speed Watch, Safe Grad, and more.

For more information, see www.mpi.mb.ca.

3.00 PURPOSE AND OBJECTIVE

Manitoba Public Insurance seeks the services of a Vendor to conduct an asset liability study in accordance with Manitoba Public Insurance's Service Requirements stated in Article 5.00 of this RFP.

Negotiations with Vendor(s)

Manitoba Public Insurance intends to rank Vendors based on their Proposals and interviews using pre-determined evaluation criteria, all as outlined in Article 8.00. Manitoba Public Insurance then intends to enter into negotiations for the purposes of entering into an Agreement for the Services as outlined in Article 8.00.

Manitoba Public Insurance wishes to engage a Vendor who shall service the corporation's needs in a manner that is consistent with Manitoba Public Insurance's Corporate Values and Sustainable Development Procurement Guidelines, attached to this RFP as Schedules C and D.

In their submissions, Vendors should outline how their organization's operations are consistent with our Corporate Values. As well, Vendors are encouraged to complete the portion of Schedule D explaining how their organization's operations and products/services are consistent with and support our Sustainable Development Procurement Guidelines. If they exist, Vendors should also include their organization's documented environmental mission statements, strategic planning goals, examples of recognition, commendations, awards, etc…

4.00 SCHEDULE OF EVENTS

EVENT	DATE
Release of RFP to Vendors	April 9, 2014
Last date for receipt of specific questions	April 16, 2014 at 4:30 PM (Central Time)
Date by which Manitoba Public Insurance will respond to questions	April 23, 2014
Due Date for submitting a Proposal	April 30, 2014 at 4:30 PM (Central Time)
Short-list interviews (at the option of Manitoba Public Insurance)	May/June 2014
Decision made	June 2014

5.00 MANITOBA PUBLIC INSURANCE'S SERVICE REQUIREMENTS

5.01 The Successful Vendor shall conduct an Asset Liability Study, with the requirements listed herein, as directed by Manitoba Public Insurance. In Phase One of the Asset Liability Study, the Successful Vendor shall study the existing duration matching program and recommend an appropriate interest rate risk mitigation strategy for the Corporation – refer to Section 5.02 for more information. In Phase Two, the Successful Vendor shall recommend an appropriate asset allocation for Manitoba Public Insurance's investment portfolio, which incorporates the recommendations from Phase One – refer to Section 5.03 for more information.

At the conclusion of each phase, the Successful Vendor shall provide a review and analysis as directed hereunder, culminating in a written report that recommends an asset allocation policy and strategy for Manitoba Public Insurance's investment fund.

5.02 During Phase One, the Successful Vendor shall recommend an appropriate interest rate risk mitigation strategy. The following requirements shall be addressed by the Successful Vendor:

(a) review and analysis of existing governance and investment related documentation including the latest version of the Investment Policy Statement;

(b) review and analysis of existing documentation relating to the accumulated claim liabilities of Manitoba Public Insurance;

(c) study the Corporation's current interest rate risk management strategy (duration matching) relative to a cash flow matching strategy in respect of claim liabilities. Provide pros and cons of changing our strategy, practical implementation issues to consider, etc.

(d) if a cash flow matching strategy is implemented:

i) provide a recommended transition strategy;
ii) describe how other organizations that use cash flow matching benchmark the performance of their bond portfolios;

(e) provide preliminary inputs to be used in the asset allocation study in Phase Two (i.e. return, risk and correlation for all asset classes).

5.03 During Phase Two, the Successful Vendor shall recommend an appropriate asset allocation for Manitoba Public Insurance's investment portfolio which incorporates the recommendations from Phase One, which shall include but not be limited to the following requirements:

(a) an analysis of the characteristics and associated risks of the Corporation's claim liabilities, pension plan liabilities and equity in the context of legislative requirements and corporate goals;

(b) an objective quantification of the investment fund's risk/return parameters under the current and alternative asset mixes, using measures such as Tracking Error, Value at Risk, Surplus at Risk, standard deviation, Sharpe Ratio, Information Ratio and other suitable measures;

(c) an analysis of the investment characteristics of available asset classes and an evaluation of the impact of adding new asset classes;

(d) an evaluation of the Corporation's requirements for income, income stability and cash flow from the investment portfolio and recommend a maximum allocation to illiquid asset classes in aggregate;

(e) an evaluation of the investment fund's probability of meeting expectations (positive surplus, real return greater than zero (0), ability to pay projected claims expenses in each fiscal year, etc.) under various economic scenarios;

(f) options for risk tolerance by using both peer comparisons and criteria developed in conjunction with Manitoba Public Insurance using best practices methodology. Recommendation of a set of risk tolerances that are most consistent with corporate goals and legislative constraints;

(g) recommend an asset allocation consistent with the recommended risk tolerances that maximizes the probability of achieving related corporate goals within stated constraints;

(h) an analysis of the merits of adopting a unique asset allocation and IPS for each of the liability matching (ie: pension & insurance liabilities) and return seeking (ie: retained earnings, Rate Stability Reserve or "RSR") components of the investment portfolio;

(i) consider a broad set of asset classes and sub-asset classes. Some asset classes may not be feasible, and may be excluded at the Corporation's request. Include a recommendation of normal, maximum and minimum allocation for each asset class;

(j) for the fixed income allocation, study and quantify the potential risks and rewards of tactically underweighting corporate bonds relative to the DEX Universe and our peers;

(k) for the Canadian and U.S. equity allocation, provide a recommendation on the optimal style bias;

(l) review the Corporation's operational cash flow requirements from the investment fund. Recommend how to handle withdrawals from the investment fund so that the financial health of the fund, which supports the Corporation's liabilities and the Corporation's liability for the employer's portion of the employee's pension liability, remains viable;

(m) identify any areas where the IPS is not consistent with current best practices and provide recommendations to improve the IPS.

5.04 Regarding the term of the agreement:

Manitoba Public Insurance wishes for the Successful Vendor to begin performing the Services in June 2014. The initial term of the Agreement between the Successful Vendor and Manitoba Public Insurance will be negotiated between the Successful Vendor and Manitoba Public Insurance.

6.00 BUDGET AND PAYMENT

6.01 Vendors must provide their cost taking into account Article 5.00 hereof. In particular, Vendors must provide pricing separately for Phase One (as described in Section 5.02) and for Phase Two (as described in Section 5.03).

6.02 Vendors must list all other fees and costs they intend to bill Manitoba Public Insurance. Pricing must be inclusive of all charges, including but not limited to delivery charges, if applicable. Manitoba Public Insurance will not pay any costs or fees, with the exception of expenses contemplated by, and in accordance with, Article 5.00 of Schedule E, which are not expressly stated in a Vendor's Proposal.

6.03 Prices submitted by a Vendor must be in Canadian Dollars. As Manitoba Public Insurance is a Goods and Services Tax and Harmonized Sales Tax exempt corporation, Vendors should not include the Goods and Services Tax and Harmonized Sales Tax into their prices.

7.00 GUIDELINES FOR SUBMITTING A PROPOSAL

7.01 The Vendor shall provide the following information concerning its business organization, abilities and experience:

(a) TITLE: A page showing the Request for Proposal subject, the name of the Vendor, its local address, the name of the Vendor's Representative, his/her telephone number, and the date prepared.

(b) TABLE OF CONTENTS: The table of contents should clearly identify the material by section and by page number.

(c) LETTER OF INTRODUCTION: A letter of introduction containing the name, address and telephone number of the Vendor's Representative, and an understanding of the work to be performed.

(d) PROFILE OF THE VENDOR: The profile of the Vendor shall include:

i) a Statement as to whether the Vendor is local, regional, national or international;
ii) ownership structure of the Vendor (including any parent company, affiliated/subsidiary companies and/or joint ventures/partnerships);
iii) the location of the office from which the Services shall be primarily performed and the location of any offices which will contribute to the research and final report;
iv) the number of partners, managers, supervisors, seniors, and other professional staff employed at the office;
v) a description of the range of services provided by the Vendor, such as auditing, accounting, or management and actuarial consulting services;
vi) percentage of total revenue that each service offering generated for each of the last three years;
vii) discussion of any significant developments over the last three (3) years such as changes in ownership, restructuring, or personnel reorganization/departures along with a discussion of any anticipated future changes;

viii) a description of any litigation or other legal/regulatory proceedings that the firm has been involved in over the last five (5) years;

ix) a description of the Vendor's experience in asset/liability management studies, the property and casualty insurance industry, as well as general investment and consulting expertise and experience;

x) a description of the Vendor's ethical and moral values and conflict of interest guidelines.

7.02 The Vendor shall provide, in the strictest of confidence, the following information regarding its capabilities:

(a) a list of the Vendor's staff who will participate in delivering the Services, specifying each individual's role, experience/ qualifications and their physical location. (Brief resumes for each person assigned to the asset liability study should be included in an appendix to the Proposal);

(b) number of ALM studies completed for Canadian clients each year over the last five (5) calendar years. Number of ALM studies completed for non-Canadian clients each year over the last five (5) calendar years;

(c) a description of any recent experience on asset liability studies that may be similar to the one proposed by Manitoba Public Insurance should be included;

(d) a description of the Vendor's approach to the Services, including the extent to which theoretical assumptions are to be used, computer techniques and modeling are to be used, and the valuation of policy and claim liabilities. The description should also encompass the extent and timing of the planned use of Manitoba Public Insurance personnel where it is applicable. As well, a proposed timetable for the delivery of the Services should be included;

(e) a detailed discussion of the theory and methodology of the asset allocation models it employs and the advantages and disadvantages of its model. The Vendor should also state how its process is distinct from its competitors, and whether its model been revised in the last five (5) years. If the model has been revised, the Vendor should state the manner in which it has been revised;

(f) the Vendor should provide a sample asset/liability management study;

(g) a discussion of how the Vendor factors in the characteristics of liabilities in the asset allocation analysis.

(h) a discussion of what role passive management is expected to play in the Vendor's asset allocation process;

(i) a detailed description of the Vendor's methods for determination of capital market assumptions, including risk, return and correlation, including a statement of how often these assumptions are updated and how these assumptions differ from those of the Vendor's competitors;

(j) a discussion of how often the Vendor recommends a formal review of Manitoba Public Insurances assets and liabilities;

(k) a discussion of what distinguishes the Vendor from the rest of the investment consultant industry;

(l) a description of the Vendor's understanding of risk budgeting and its applicability to Manitoba Public Insurance's assets and liabilities.

(m) a list of at least two (2) references;

(n) a proposed timeline to complete both Phase One and Two as described in Article 5.00;

(o) the Vendor is encouraged to submit any additional information considered essential to its Proposal in this section. If there is no additional information to present, the Vendor should state in this section, "There Is No Additional Information We Wish To Present".

In addition to the foregoing, the Vendor shall include in its Proposal all details and information requested in Article 5.00 above.

7.03 Vendors are not restricted to Manitoba Public Insurance's Service Requirements, and are invited to describe in their Proposals such further additional or alternative solutions and services as they consider appropriate to meet Manitoba Public Insurance's Service Requirements. Such alternatives should be specifically stated in Schedule F of the Proposal – "Vendor Inserts" and itemized separately in a Vendor's Proposal with respect to pricing. The Vendor may choose to include any other Services that may bring additional value to their Proposal, provided, however, that such additions be itemized separately in the Proposal with respect to pricing. In addition, Vendors may propose alternatives to the methodologies outlined in this RFP.

7.04 Schedule A – Vendor's Response Checklist, has been included in this RFP to assist all Vendors with the submission of their Proposals.

7.05 The completed Proposal must be signed by an individual authorized to bind the Vendor to the terms and conditions of this RFP and must be submitted no later than the Due Date. Two (2) copies in paper format and one (1) copy in Portable Document Format (PDF) on a CD or USB drive, of the Proposal must be submitted in a sealed envelope clearly labeled as follows:

Attention: Mr. Ron Morka, Manager
Purchasing
Manitoba Public Insurance

"RFP #2499 – Asset Liability Study"

Proposals may be submitted to Manitoba Public Insurance in a number of ways:

- In person:
  The clearly labeled and sealed envelope may be submitted at the Security Desk, 8th Floor, 234 Donald Street, Winnipeg, Manitoba, during regular business hours, 8:30 AM to 4:30 PM Central Time. A receipt will be produced for you upon request.

- Via courier delivery:
  The clearly labeled and sealed envelope may be delivered to the Security Desk, 8th Floor, 234 Donald Street, Winnipeg, Manitoba, R3C 1M8, during regular business hours, 8:30 AM to 4:30 PM Central Time.

  If the sealed envelope is enclosed in a courier company envelope, that exterior courier packaging, waybills and documentation must be clearly labeled with the same information as the inside envelope.

- Via mail delivery:
  The clearly labeled and sealed envelope may be mailed to PO Box 6300, Winnipeg MB R3C 4A4.

It is the sole responsibility of the Vendor to ensure that its Proposal is received by Manitoba Public Insurance prior to the Due Date, by one of the methods outlined above. Subject to Section 9.04, Manitoba Public Insurance will reject a Proposal received after the Due Date, regardless of the cause of the delay.

7.06 All questions regarding this RFP must be directed to Manitoba Public Insurance via Internet e-mail as follows:

To e-mail address purchasingservices@mpi.mb.ca addressed in the Subject line as: ***RFP #2499, Attention: Glenn Bunston***

All questions and corresponding answers which Manitoba Public Insurance reasonably deems to be of interest to all Vendors will be posted through the MERX electronic tendering service. No telephone, facsimile or verbal inquiries will be responded to or entertained.

7.07 A Proposal may be modified or withdrawn by a Vendor only prior to the Due Date. Any withdrawal must be in writing and submitted in the same manner as Section 7.05 above. All modifications must otherwise comply with Manitoba Public Insurance's Service Requirements applicable to the Proposal. Modifications shall be submitted in the form of a revised Proposal, with any deletions and/or modifications highlighted.

7.08 If any Vendor discovers any ambiguity, conflict, discrepancy, omission or other defect or error in this RFP, such Vendor should immediately notify Manitoba Public Insurance at purchasingservices@mpi.mb.ca. Manitoba Public Insurance will reasonably endeavour to resolve same expeditiously and where Manitoba Public Insurance deems it appropriate, it will post the issues and its resolutions through the MERX electronic tendering service within three (3) business days after it is brought to the attention of Manitoba Public Insurance.

8.00 AWARD

8.01 Vendor Interviews

Manitoba Public Insurance will evaluate Proposals based on the evaluation criteria listed in Section 8.04 below. Manitoba Public Insurance will rank each Vendor based on its Proposal evaluation score, and, at Manitoba Public Insurance's sole discretion, Manitoba Public Insurance may create a short-list of the highest ranked Vendors. Further at its sole discretion, Manitoba Public Insurance may invite these short-listed Vendors for in-person or remote interviews.

The interview schedule will be arranged by Manitoba Public Insurance with any short-listed Vendors. The interviews, if in person, will be held at Manitoba Public Insurance's 234 Donald Street location in Winnipeg, Manitoba on dates to be pre-arranged between each short-listed Vendor and Manitoba Public Insurance. Manitoba Public Insurance reserves the right to vary the scheduling and timing of the interviews.

For the interviews, if applicable, short-listed Vendors should be prepared to answer questions regarding their Proposals and the Services they propose to offer, and to accommodate Manitoba Public Insurance schedules. Short-listed Vendors who are unable to attend an interview during Manitoba Public Insurance's required timeframes may have their Proposals removed from consideration, at Manitoba Public Insurance's sole discretion. The short-listed Vendors invited to interview with Manitoba Public Insurance must participate free of charge.

8.02 Client Reference Checks

Manitoba Public Insurance may carry out further investigations, including reference checks. If reference checks are conducted, it will be only with respect to those references provided in the Vendor's Proposal.

8.03 Negotiations with Vendor(s)

(a) Subject to Section 9.04 below, Manitoba Public Insurance will invite the Vendor that has attained the highest ranking score (the "**First Vendor**") in accordance with this Article 8.00 to negotiate an Agreement for the Services. If at any time Manitoba Public Insurance determines, in its sole and unfettered discretion, that negotiations are not progressing to its satisfaction (e.g. it appears that, in the opinion of Manitoba Public Insurance, negotiations will not result in the finalization of an Agreement), Manitoba Public Insurance shall inform the First Vendor of its intention to terminate the negotiations and give the First Vendor a specified period of time (to be determined by Manitoba Public Insurance) to present its best and final offer. If Manitoba Public Insurance does not accept the First Vendor's best and final offer, Manitoba Public Insurance shall terminate negotiations with the First Vendor.

(b) Should Manitoba Public Insurance terminate negotiations with the First Vendor, Manitoba Public Insurance may repeat the process in Section 8.03(a) with the remaining Vendor(s) in the order of highest to lowest ranking until Manitoba Public Insurance arrives at an Agreement with one (1) of the Vendors, or rejects all remaining Proposals. Manitoba Public Insurance shall not resume negotiations with a Vendor with which negotiations have been terminated pursuant to this section.

(c) Vendors invited to negotiate an Agreement with Manitoba Public Insurance should be prepared and able to execute a non-disclosure agreement prior to commencing negotiations. Any Vendor unwilling to execute a non-disclosure agreement may have its Proposal removed from consideration.

(d) Manitoba Public Insurance anticipates and expects that the terms and conditions set out in Schedule E of this RFP will be incorporated into any negotiated Agreement for the Services. Notwithstanding the foregoing, such terms and conditions may be amended or adjusted during the negotiation process as deemed necessary by the parties.

8.04 Proposals and interviews, if applicable, will be evaluated according to the following criteria:

(a) Vendor's ability to meet or exceed the requirements of this RFP and more particularly the requirements set out in Article 5.00;
(b) apparent quality, dependability, consistency and timeliness in providing the Services;
(c) Vendor's reputation, experience and financial stability;

(d) cost competitiveness; and,
(e) Vendor's ability to support Manitoba Public Insurance's Sustainable Development Procurement Guidelines and Corporate Values.

8.05 Written notification of the decision will be sent to all Vendors who have submitted Proposals.

9.00 OTHER RULES OF THE RFP PROCESS

Confidentiality and Disclosure

9.01 As a condition of reading this RFP, the Vendor agrees that this RFP is the property of Manitoba Public Insurance and is not to be disclosed, copied, distributed or made public without prior written approval obtained from the person listed in Section 7.05 (or their designate), except for the purpose of submitting a Proposal. The Vendor further agrees that it will not make any disclosure of the existence or the contents of this RFP to any person (including the Vendor's Representatives) except to those individuals to whom it is absolutely necessary for the purposes of submitting a Proposal.

9.02 Anything submitted to Manitoba Public Insurance that a Vendor considers to be confidential because of its proprietary nature should be marked "confidential". Subject to Section 9.11, Manitoba Public Insurance will not disclose such confidential documents to third parties, unless such disclosure is compelled by the terms of *The Freedom of Information and Protection of Privacy Act* (Manitoba), *The Personal Health Information Act* (Manitoba), other applicable legislation, order of a court of competent jurisdiction, or other valid legal process. By submitting any information requested in this RFP, the Vendor agrees to the use of such information by Manitoba Public Insurance, and its Representatives, as part of the evaluation process of this RFP, for any audits of this procurement process and for contract management purposes.

9.03 No Vendor shall furnish any information, make any statement or issue any document or other written or printed material concerning the acceptance of any Proposal in response to this RFP for publication in any media without the prior written approval of the person listed in Section 7.05 (or their designate).

Manitoba Public Insurance's Rights

9.04 Manitoba Public Insurance reserves the right to:

(a) vary the timing and processes referred to in this RFP;
(b) add or remove any Vendor;
(c) accept and reject any or all Proposals;
(d) reject all Proposals if all Proposals are over budget;
(e) waive immaterial irregularities and formalities at its sole discretion;
(f) obtain clarification or additional information from Vendors for which the Vendors will bear the cost;
(g) modify or clarify any or all provisions of this RFP;
(h) provide additional information to Vendors;
(i) cancel the RFP competition at any time without awarding the Services;
(j) enter into an Agreement on terms and conditions different to those specified in this RFP;
(k) at its option, enter into further negotiations with its preferred Vendor;
(l) award the Services to multiple Vendors;
(m) award only a portion of the Services to a Successful Vendor; and,
(n) award the Services to a Vendor who has not submitted the lowest priced Proposal.

9.05 Where Manitoba Public Insurance cancels the RFP competition without awarding the Services, Manitoba Public Insurance may choose to contract with one (1) or more persons to provide the Services, whether or not they were Vendors, on such terms as the parties may agree.

9.06 Manitoba Public Insurance may modify or clarify any or all provisions of this RFP by written addenda issued to all Vendors prior to the Due Date. All Vendors must separately acknowledge receipt of each addendum with their Proposals. All addenda issued will become part of the RFP. Vendors not submitting addenda receipts may be considered non-compliant and may have their Proposals rejected.

9.07 Where Manitoba Public Insurance has estimated any of its Service Requirements, Manitoba Public Insurance reserves the right to modify such Service Requirements prior to signing any Agreements with the Successful Vendor and Manitoba Public Insurance will have no liability to any Vendor in the event that the estimated Service Requirements are modified for any reason.

9.08 Manitoba Public Insurance will not:

(a) be liable for any reason as a result of the rejection or withdrawal of any Proposal or the cancellation of this RFP; or,
(b) in any way be responsible for any costs incurred in the preparation of Proposals.

9.09 Except as expressly and specifically permitted in this RFP, no Vendor shall have any claim for any compensation of any kind whatsoever, as a result of (i) being invited to participate in this RFP, (ii) participating in this RFP in any manner, (iii) submitting a Proposal, or (iv) any other party being invited to participate in this RFP, participating in this RFP in any manner or submitting a Proposal. By (i) participating in this RFP in any manner, or (ii) submitting a Proposal each Vendor shall be deemed to have agreed that it has no such claim.

9.10 The Proposal, once submitted, becomes the property of Manitoba Public Insurance.

9.11 Manitoba Public Insurance may release the name of the Successful Vendor and the total price set out in the Successful Vendor's Proposal upon written request by interested parties. In submitting a Proposal, a Vendor is signifying its acceptance of having its name and total price released if it is chosen as the Successful Vendor.

Vendor Responsibilities

9.12 The Vendor shall be solely responsible for the accuracy of its Proposal. The Vendor must ensure that assumptions made in the preparation of the Proposal are specifically stated in the Proposal. The Vendor must satisfy itself as to the correctness and sufficiency of its Proposal including Proposal prices.

9.13 All information, whether written, oral or in any other form, which has been and may subsequently be made available to Vendors is provided on the following conditions:

(a) in deciding to submit or not to submit a Proposal or in interpreting this RFP, Vendors are not to rely on any representation, whether oral or written, other than as expressed in this RFP;
(b) while the contents of this RFP are believed to be accurate, the statements, opinions, forecasts or other information in this RFP may change;
(c) this RFP is only designed to reflect and summarize information concerning Manitoba Public Insurance's Service Requirements and is not a comprehensive description of it;
(d) except as required by law and only to the extent required, Manitoba Public Insurance will not be liable for any loss, damage, cost or expense arising from the statements, opinions, projections, forecasts or other representations, actual or implied, contained in or omitted from this RFP; and,
(e) Vendors should seek their own professional advice where appropriate.

9.14 Vendors are considered to have:

(a) examined this entire RFP, any documents referenced herein and any other information made available in writing by Manitoba Public Insurance to Vendors for the purpose of submitting a Proposal; and,

(b) examined all further information which is obtainable by the making of reasonable inquiries relevant to the risks, contingencies and other circumstances having an effect on their Proposal.

9.15 Each Vendor wishing to submit a Proposal must nominate a person for the purpose of answering inquiries which may arise during the examination of its Proposal. The name, address, telephone number, facsimile number and email address of that person should be included in the Vendor's Proposal.

9.16 Each Vendor must ensure the completion of Schedule B to this RFP, which must be signed by an individual authorized to bind the Vendor to the terms and conditions of this RFP. Proposals that do not substantially comply with this requirement may be rejected.

9.17 Where Manitoba Public Insurance decides to award the Services to more than one (1) Vendor, each Successful Vendor agrees to co-operate with one another.

9.18 The Successful Vendor shall not sub-contract some or all of the Services without the prior written consent of Manitoba Public Insurance which consent may be granted or withheld at Manitoba Public Insurance's sole unfettered discretion. All sub-contractors are subject to Manitoba Public Insurance's ongoing approval. Performance by sub-contractors shall meet, at a minimum, the same standards as required for performance by the Successful Vendor, and the Successful Vendor shall be responsible for such performance.

9.19 In the event that a Vendor is responding on behalf of one (1) or more Vendors to satisfy Manitoba Public Insurance's Service Requirements, that responding Vendor shall remain the primary contact and be solely responsible for all aspects of any and all Agreements.

9.20 Each Vendor must warrant that, at the time of the delivery of its Proposal, no conflict of interest exists, or is likely to arise, which would affect the performance of its obligations, or warrant that there is a conflict of interest. A conflict of interest includes, but is not limited to, (i) the Vendor has helped in the preparation of this RFP in any manner, or (ii) the Vendor will be part of the evaluation of this RFP in any manner. If a Vendor believes there could be potential for a conflict of interest, then the Vendor must notify Manitoba Public Insurance of same. In the event of a conflict of interest being identified, Manitoba Public Insurance may, at its sole discretion, exclude the Proposal from further consideration.

9.21 Each Vendor must warrant that neither the Vendor nor any of its Representatives has attempted to or will attempt to improperly influence a Representative of Manitoba Public Insurance in connection with the evaluation of Proposals.

9.22 Each Vendor must genuinely compete for the Services.

9.23 Each Vendor represents and warrants that:

(a) it has the necessary power and authority to submit the Proposal;
(b) should the Vendor be invited by Manitoba Public Insurance to enter into negotiations, it will enter into negotiations in good faith and with the intention of finalizing an Agreement with Manitoba Public Insurance, based on the terms of this RFP and the accepted terms and conditions of the Proposal; and,
(c) it is not bound by any agreement, instrument, indenture, charter or by-law provision, order, judgment or law which would be breached by, or under which any default would occur as a result of the delivery of a Proposal or of the execution of an Agreement.

9.24 The Vendor shall comply with every federal, provincial and municipal law which is or could be applicable to its Proposal.

9.25 This RFP and all Agreements shall be subject to the laws of the Province of Manitoba and the laws of Canada applicable therein.

9.26 This RFP and the attached Schedules contain the entire RFP with respect to the subject matter hereof.

VENDOR'S RESPONSE CHECKLIST

Vendors are instructed to complete their Proposals in the format indicated in Article 7.00 of this RFP – "Guidelines for Submitting a Proposal".

In order to help ensure that Vendors have submitted a valid Proposal, Vendors should be certain that they have submitted two (2) copies in paper format and one (1) copy in Portable Document Format (PDF) on a CD or USB drive of the following in a sealed envelope:

- ☐ Information as to how their Services are consistent with Manitoba Public Insurance's Corporate Values and Sustainable Development Procurement Guidelines, (Article 3.00)
- ☐ All information requested in Article 5.00
- ☐ The Vendor's pricing and all other fees and costs, (Article 6.00)
- ☐ All information requested in Section 7.01
- ☐ All information requested in Section 7.02
- ☐ If applicable, additional or alternative solutions and services the Vendor considers appropriate to meet Manitoba Public Insurance's Service Requirements are specifically submitted under Schedule F of the Proposal – "Vendor Inserts", (Section 7.03)
- ☐ The name, address, telephone number, facsimile number and email address of the individual nominated to answer any questions, (Section 9.15)
- ☐ A completed Schedule B, Vendor Authorization Form, signed by an individual authorized to bind the Vendor to the terms and conditions of this RFP, (Section 9.16)

This checklist is solely intended to aid a Vendor in the preparation of its Proposal and may not be exhaustive. It is a Vendor's sole responsibility to ensure that it has complied with all of the requirements of this RFP.

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VENDOR AUTHORIZATION

I certify that I have the authority to bind the Vendor indicated below to the specific terms and conditions of this RFP and that, by my signature on this document, the Vendor specifically agrees to all of the terms and conditions of this RFP, as conditions precedent to submitting this Proposal.

I further state that in making this Proposal the Vendor has not consulted with others for the purpose of restricting competition and that the Vendor has not knowingly made any false statement in its Proposal or background statement.

Name (signature)

Name (Printed in Capital Letters)

Title

Name of Vendor (full legal name)

Date

Address of Vendor (including postal code)

Phone number of Vendor Fax number of Vendor

E-mail address of Vendor

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CORPORATE VALUES

Our Customers
Our customers' interests are at the heart of everything we do. We balance the individual customer's needs with the needs of Manitobans as a whole. We base our relationships on respect, fairness, honesty and integrity. We safeguard the confidentiality of information and personal privacy. We are committed to the highest ethical standards and excellence in service.

Our People
Our people are given the training, tools and encouragement they need to succeed. We provide a respectful, inclusive and safe environment where our staff is skilled, confident and committed to the Corporate Mission. We provide our people with clear and consistent direction. Our people have the authority they need to do their jobs, providing a sense of achievement from their work, and the opportunity for career growth and advancement. We encourage and support our people to make a positive contribution, both inside and outside the workplace.

Working Together
We work co-operatively with each other and with our business associates, sharing expertise, ideas and resources. Each of us, in our daily work, creates a team environment, drawing on one another to do the best job possible. Our communication with one another is respectful, appropriate and helpful.

Financial Responsibility
Manitoba Public Insurance holds the funds of its policyholders in trust to meet their needs into the future. We operate in a fiscally responsible and cost-effective manner, using investment income to reduce rates and provide long-term benefits to Manitobans.

Excellence and Improvement
We constantly improve our products, services and procedures. As our customers' needs and the business environment continue to change, so must we. We value initiative, creativity and a strong desire for personal, team and corporate success in everything we do. We recognize and reward excellence and improvement in our work.

Our Corporate Citizenship
We lead by example, conducting our affairs responsibly and professionally. We contribute to the social and economic well-being of our communities as well as the sustainable development of Manitoba now and into the future.

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SUSTAINABLE DEVELOPMENT PROCUREMENT GUIDELINES

The following sustainable development procurement guidelines apply to Manitoba Public Insurance and shall be considered in retaining a Vendor:

Protect Human Health and Well-Being

- Anticipate, prevent and mitigate significant adverse economic, environmental, human health and social effects of purchasing decisions.
- Where practicable, require the purchase of substitute or alternative goods, materials or services in place of goods or materials that contain, or services that use, toxic substances or are otherwise harmful to the environment or human health.
- Ensure that toxic substances are managed properly to protect the environment and human health.
- Ensure those goods, materials and services that may otherwise pose an elevated risk to human health, safety and the environment are managed properly.

Promote Environmentally Sustainable Economic Development

- Recognize economic, ecological and social interdependence among communities, provinces and nations that require the integration of economic, environmental, human health and social factors in purchasing decisions.
- Purchase decisions may assist in the development of local environmental industries and markets for environmentally preferable products and services.

Conserve Resources

- Evaluate and reduce the need to purchase goods, materials and services.
- Purchase goods, materials and services that use recycled products.
- Purchase goods and materials with structures that require less material to manufacture.
- Purchase goods and materials that require less packaging.
- Reuse, recycle and recover goods and materials.

Conserve Energy

- Purchase goods, materials and services where the consumption of energy (electricity and fossil fuels) during production, transportation, usage and delivery is minimized.
- Purchase goods, materials and services where renewable forms of energy are substituted during production, transportation, usage and delivery for non-renewable forms of energy.
- Purchase goods, materials and services that have or use a structure that facilitates energy efficiency and resource conservation.

Promote pollution prevention, waste reduction and diversion

- Purchase goods and materials that are easy to recycle.
- Purchase goods and materials with structures that facilitate disassembly for processing, recycling and waste management.
- Purchase goods and materials packed with recycled products or materials that are recyclable.
- Purchase goods and materials with a manufacturing process that avoids the creation of waste and pollutants at source.
- Purchase goods and materials that are used or remanufactured.
- Purchase goods, materials and services that are suitable alternatives or substitutes.
- Purchase services that minimize adverse environmental impacts.
- Purchase goods and materials that have greater durability and longer life-span.
- Use goods and materials in a manner that minimizes adverse environmental impacts.

Evaluate value, performance and need

- Purchase environmentally preferable goods, materials and services that perform adequately and are available at a reasonable price, with careful consideration of full-costing.
- Purchase goods, materials and services that comply with recognized environmental standards.
- Evaluate and reduce the need to purchase goods, materials and services.
- Evaluate the appropriate scale and utilization of a good, material or service.
- Evaluate market factors for goods, materials and services, such as specifications, quality, delivery date and price.

SUSTAINABLE DEVELOPMENT PROCUREMENT GUIDELINES

Vendors should provide details under the following Sustainable Development Procurement Guidelines headings.

Protect Human Health and Well-Being

Promote Environmentally Sustainable Economic Development

Conserve Resources

Conserve Energy

Promote Pollution Prevention, Waste Reduction and Diversion

Evaluate Value, Performance and Need

Other – include documented environmental mission statements, strategic planning goals, examples of recognition, commendations, awards, etc.

Manitoba Public Insurance

TERMS AND CONDITIONS

1.00 SCOPE

1.01 The Vendor agrees to provide the goods, services and/or deliverables listed in this Agreement, statement of work and/or purchase order as applicable (the "**Services**") to Manitoba Public Insurance's reasonable satisfaction. Manitoba Public Insurance and the Vendor agree that any work performed by the Vendor outside the scope of the Services without prior written approval of Manitoba Public Insurance shall be deemed to be gratuitous on the Vendor's part, and Manitoba Public Insurance has no liability with respect to such work.

1.02 The Vendor agrees to be bound solely by this agreement, any schedules attached thereto, any statement of work and/or purchase order and these attached terms and conditions (collectively, the "**Agreement**"). If the Vendor begins the Services before the start of this Agreement's term, all Services provided by the Vendor before the start of this Agreement's term will be considered to have been provided under all of the terms and conditions of this Agreement.

1.03 Manitoba Public Insurance reserves the right to change, modify, delete or add to the Services, if necessary and acting reasonably. In addition to the foregoing, the Vendor shall provide to Manitoba Public Insurance any other further services, documentation or data related to the Services as may be reasonably required by Manitoba Public Insurance.

1.04 Unless specifically stated to the contrary, nothing in this Agreement grants the Vendor exclusivity in providing the Services to Manitoba Public Insurance.

2.00 PERFORMANCE OF VENDOR'S OBLIGATIONS

2.01 The Vendor represents and warrants that:

(a) it possess the necessary skills, expertise and experience to perform the Services in accordance with this Agreement;
(b) the Services shall be provided in a professional manner and as outlined in this Agreement unless Manitoba Public Insurance and the Vendor agree otherwise in writing;
(c) the Services shall be provided in compliance with every federal, provincial and municipal law which is or could be applicable to the Services;
(d) the person or persons designated to perform the Services shall devote the time, attention, abilities and expertise necessary to properly perform the Vendor's obligations;
(e) it shall comply with all reasonable directions and requests of Manitoba Public Insurance within the scope of the Services as set out in this Agreement;
(f) it shall deliver the Services in a manner that is consistent with Manitoba Public Insurance's Corporate Values and Sustainable Development Procurement Guidelines;
(g) all representations and warranties contained in this Agreement are true and correct and shall so remain throughout the term of this Agreement;
(h) Manitoba Public Insurance shall have the right of prior approval of any person or persons designated to provide the Services. Manitoba Public Insurance, acting reasonably, shall have the right to request the removal of any person or persons so designated. The Vendor shall immediately comply with all such requests for removal; and,
(i) it has full right and authority to enter into this Agreement.

2.02 The Vendor shall provide written progress reports at such intervals as Manitoba Public Insurance may reasonably request. Such progress reports shall be in form and content satisfactory to Manitoba Public Insurance acting reasonably.

2.03 If applicable, and unless otherwise stated in this Agreement to the contrary, delivery of goods and/or deliverables shall be to Manitoba Public Insurance's Mail & Warehousing Services, B100 – 234 Donald Street, Winnipeg, Manitoba. All goods/deliverables will remain at the risk of the Vendor until they are delivered to the reasonable satisfaction of Manitoba Public Insurance. All goods/deliverables supplied shall be subject to inspection and acceptance by Manitoba Public Insurance for a period of sixty (60) days after delivery. Defective or deficient goods/deliverables or goods/deliverables not conforming to specifications may be returned at the Vendor's expense. At Manitoba Public Insurance's option, such deficient or non-conforming goods/deliverables shall be returned for either exchange or full refund. In addition to the foregoing, Manitoba Public Insurance shall have the right to rely on any other warranties that are applicable to such goods/deliverables.

3.00 RESTRICTION ON OTHER WORK

3.01 For the purposes of this Agreement, "**Representatives**" shall mean the directors, officers, shareholders, employees, subcontractors, partners, volunteers, affiliates, agents, delegates and other representatives of a party. While this Agreement is in effect, the Vendor and its Representatives shall not provide services to any other person, corporation or entity in a manner that interferes or conflicts with the proper performance of the Vendor's obligations under this Agreement.

4.00 INDEPENDENT CONTRACTOR

4.01 The Vendor is an independent contractor, and this Agreement does not create the relationship of employer and employee, of principal and agent, of joint venture, or of partnership between Manitoba Public Insurance and the Vendor or between Manitoba Public Insurance and any Representatives of the Vendor.

4.02 The Representatives of one party shall not be deemed or construed to be the Representatives of the other party for any purpose whatsoever.

4.03 The Vendor is responsible for any deductions or remittances, which may be required by law.

4.04 Except as authorized in this Agreement, the Vendor shall not incur any expenses or debts on behalf of, nor make any commitments for Manitoba Public Insurance without first obtaining written permission from Manitoba Public Insurance.

5.00 VENDOR'S FEES

5.01 The Vendor shall provide invoices to Manitoba Public Insurance. All Services listed on an invoice must have been completed by the Vendor prior to that invoice being submitted to Manitoba Public Insurance. All invoices shall be in writing and satisfactory to Manitoba Public Insurance, acting reasonably, in both form and content. The Vendor shall also provide to Manitoba Public Insurance such supporting documents, vouchers, statements and receipts as may be requested by Manitoba Public Insurance acting reasonably.

5.02 Manitoba Public Insurance shall pay the Vendor invoices due within thirty (30) days after the receipt and approval of an invoice and any supporting materials requested under Section 5.01. In the event any invoice is not satisfactory, Manitoba Public Insurance shall notify the Vendor of the problem within seven (7) days of receipt of invoice.

5.03 Those invoiced amounts not paid by Manitoba Public Insurance within thirty (30) days of receipt and approval, shall bear interest from the thirty-first (31st) day at the prime rate in effect on that day at the Winnipeg main branch of the Bank of Montreal.

5.04 Where not tax-exempt, Manitoba Public Insurance shall also pay all applicable sales and use taxes. Where tax-exempt, Manitoba Public Insurance shall provide the Vendor with the applicable exemption number and/or certificate as required.

5.05 Manitoba Public Insurance shall reimburse the Vendor for reasonable out-of-pocket expenses relating to the provision of the Services if:

(a) prior written permission to incur such expenses was first obtained from Manitoba Public Insurance;
(b) the Vendor uses the most economical rates possible for the expenses;
(c) the Vendor provides receipts and/or supporting documents to the satisfaction of Manitoba Public Insurance, unless it is agreed that submission of receipts for certain categories of expenses is not required (i.e.; per diem approach); and,
(d) reimbursement to the Vendor for out-of-pocket expenses shall be in accordance with the amounts and guidelines set out in the Manitoba Public Insurance Corporate Directives.

Manitoba Public Insurance shall not be responsible for payment of any other expenses incurred by the Vendor in the performance of this Agreement.

5.06 The Vendor shall advise Manitoba Public Insurance if any non-resident of Canada will be, or has performed any of the Services in Canada. Manitoba Public Insurance may withhold and/or remit any taxes or duties required by federal, provincial or municipal law in relation to the purchase or performance of the Services.

6.00 DISCLOSURE OF INFORMATION

6.01 The Vendor acknowledges that *The Freedom of Information and Protection of Privacy Act* ("**FIPPA**") and *The Personal Health Information Act* ("**PHIA**") each impose obligations on Manitoba Public Insurance to collect, use or disclose "personal information" and "personal health information", as those terms are defined in FIPPA and PHIA (collectively called "**Personal Information**"), in the strictest of confidence, and in accordance with those Acts.

6.02 While this Agreement is in effect, and at all times thereafter, the Vendor agrees to treat as confidential all information and materials acquired by it, or to which it has been given access, in the course of the performance of this Agreement (collectively called "**Confidential Information**"), excluding information that is in the public domain (for greater certainty, this does not include information in the public domain which was made public as a result of an unauthorized disclosure by a third party). For the purposes of this Agreement, Personal Information shall be considered to be Confidential Information.

6.03 The Vendor agrees that during the term of this Agreement and at all times thereafter:

(a) the Personal Information disclosed to the Vendor by Manitoba Public Insurance may only be used by the Vendor in a manner expressly permitted by FIPPA or PHIA (as the case may be);

(b) it shall not disclose or permit the disclosure of Confidential Information, or any copies of it, in any format, to any third party without the express prior written consent of Manitoba Public Insurance;

(c) it shall comply with all directives given to it by Manitoba Public Insurance with respect to safeguarding, or otherwise ensuring the confidentiality, of any Confidential Information disclosed to it by Manitoba Public Insurance;

(d) it shall ensure that access to the Confidential Information by the Representatives of the Vendor is on a "need-to-know" basis, and that access, when given, shall be to the minimum amount of Confidential Information necessary to accomplish the task;

(e) it shall use the Confidential Information only for those purposes that have been expressly permitted by Manitoba Public Insurance;

(f) it shall not reproduce Confidential Information, in any format, without the express prior written consent of Manitoba Public Insurance;

(g) it shall ensure that it, or its Representatives, do not transport or store any Confidential Information outside of Canada without the express prior written consent of Manitoba Public Insurance; and,

(h) after the Confidential Information has been used for its authorized purpose, or where destruction of the Confidential Information is requested by Manitoba Public Insurance or is required by this Agreement, the Vendor shall destroy the Confidential Information (and all copies of the Confidential Information in any form) in a manner which adequately protects the confidentiality of the Confidential Information.

6.04 On expiration or termination of this Agreement for any reason, the Vendor shall, unless otherwise directed by Manitoba Public Insurance, destroy the Confidential Information (including all copies in any form) in a manner which adequately protects the confidentiality of the Confidential Information.

6.05 During the term of this Agreement and at all times thereafter, the Vendor shall take reasonable precautions to prevent any unauthorized disclosure of the Confidential Information. The standard of such precautions taken by the Vendor shall be the greater of:

(a) the standards the Vendor has in place to protect its own confidential information; or,
(b) the standards imposed on the Vendor by Manitoba Public Insurance.

6.06 The Vendor shall immediately notify Manitoba Public Insurance in writing upon becoming aware of any unauthorized use of, access to, disclosure of, or destruction of Confidential Information (a "**Confidentiality Breach**"). The written notification must include full details of the Confidentiality Breach. The Vendor shall immediately take all reasonable steps to prevent the recurrence of any such Confidentiality Breach and shall notify Manitoba Public Insurance in writing of the steps taken.

6.07 The Vendor shall inform its Representatives of the obligations imposed upon it in this Agreement with respect to Confidential Information, and shall take whatever steps are necessary to ensure that all of its Representatives comply with those obligations.

6.08 The Vendor acknowledges that monetary damages may not be a sufficient remedy for a Confidentiality Breach, and that Manitoba Public Insurance may, without waiving any other rights or remedies, seek appropriate injunctive or equitable relief from a court of competent jurisdiction.

6.09 If the Vendor receives a subpoena or other validly issued administrative or judicial order seeking Confidential Information, the Vendor shall provide prompt notice to Manitoba Public Insurance and deliver to Manitoba Public Insurance a copy of its proposed response to the demand. Unless the demand has been time-limited, quashed or extended, the Vendor shall thereafter be entitled to comply with the demand to the extent permitted or required by law. If so requested by Manitoba Public Insurance, and at the expense of Manitoba Public Insurance, the Vendor shall cooperate with Manitoba Public Insurance in the defence of the demand.

6.10 The Vendor undertakes not to publish any public statement or advertisement with respect to this Agreement and further undertakes not to seek publicity of this Agreement without the express prior written consent of Manitoba Public Insurance, except as otherwise required by law or by this Agreement.

6.11 The Vendor shall cooperate with Manitoba Public Insurance so that Manitoba Public Insurance can verify that the Vendor has complied, and is complying, with the provisions of this Article 6.00.

7.00 OWNERSHIP OF INFORMATION

7.01 Upon payment of all amounts due under this Agreement, all data and materials collected or originally produced by the Vendor or any of its Representatives, in the performance of this Agreement, and all copyright therein (collectively referred to as "**Data**") shall be the exclusive property of Manitoba Public Insurance and shall be forthwith delivered to Manitoba Public Insurance, at no cost to Manitoba Public Insurance. The Vendor agrees to execute all documents that may be necessary to transfer ownership of the Data to Manitoba Public Insurance.

7.02 While this Agreement is in effect, and at all times thereafter, the Vendor and its Representatives shall not use or disclose outside the scope of this Agreement, any Data without first obtaining written permission from Manitoba Public Insurance.

7.03 Any equipment, materials, and supplies provided by Manitoba Public Insurance to the Vendor for use in the performance of this Agreement shall remain the property of Manitoba Public Insurance and shall be returned, without cost, to Manitoba Public Insurance upon request.

7.04 The Vendor hereby waives all of its moral rights under the Copyright Act (Canada) in the Data in favour of Manitoba Public Insurance and agrees to execute any additional documents, in a form satisfactory to Manitoba Public Insurance, which may be required to evidence this waiver. The Vendor further agrees to obtain from each of its Representatives written waivers, in a form satisfactory to Manitoba Public Insurance, of all their moral rights in the Data in favour of Manitoba Public Insurance.

8.00 USE OF MANITOBA PUBLIC INSURANCE'S PREMISES

8.01 In the event that the Vendor or its Representatives use any of Manitoba Public Insurance's premises, the Vendor and such Representatives shall comply with all of such premises' security regulations in effect from time to time.

9.00 INDEMNIFICATION OF MANITOBA PUBLIC INSURANCE

9.01 The Vendor shall indemnify and save harmless Manitoba Public Insurance and its Representatives from all losses, damages, costs, causes of action, claims, liabilities or demands of any kind with respect to any injury to persons (including, without limitation, death), damage to or loss of property, economic loss or incidental or consequential damages or infringement of rights (including, without limitation, privacy rights) caused by, or arising directly or indirectly from:

(a) the default of the Vendor or its Representatives of any term of this Agreement; or,
(b) any negligent or willful act or omission of the Vendor or its Representatives.

The above includes all costs and expenses associated therewith, including reasonable solicitors' fees.

10.00 SUSPENSION OR EXTENSION

10.01 Manitoba Public Insurance may, at its sole option, from time to time, delay or suspend the Services being provided under this Agreement, in whole or in part, for such period of time as may, in the opinion of Manitoba Public Insurance, be necessary. Manitoba Public Insurance shall provide five (5) days prior written notice to the Vendor of its intention to delay or suspend the Services. Manitoba Public Insurance shall not be obliged to make payments to the Vendor except with respect to those Services already satisfactorily performed.

10.02 Manitoba Public Insurance may, at its sole option, extend in writing the time in which the Services are to be provided if it deems necessary.

10.03 Where there is a delay or suspension under Section 10.01 or an extension of time under Section 10.02, all terms and conditions of this Agreement shall continue in full force and effect against the Vendor. The Vendor shall not be entitled to make any claim for damages by reason of the delay, suspension or extension.

11.00 TERMINATION

11.01 Manitoba Public Insurance may terminate this Agreement at any time by giving fourteen (14) days prior written notice to the Vendor.

11.02 Neither party shall be responsible for any failure to comply with or for any delay in performance of the terms of this Agreement where such failure or delay is directly or indirectly caused by or results from events of force majeure beyond the control of either party. The time in which the Services are to be provided shall be extended by a period of time at least equal to the length of the force majeure event, provided that in the event the extended period of time exceeds, or is reasonably anticipated to exceed a period of fourteen (14) days, then Manitoba Public Insurance may terminate this Agreement and pay the Vendor for all work performed to that point in time.

11.03 In addition to its rights under Sections 10.01, 11.01 and 11.02 above, and without restricting any other remedies available, Manitoba Public Insurance may immediately terminate or immediately suspend this Agreement in writing if:

(a) the Vendor makes an assignment for the benefit of creditors or takes any other action for the benefit of creditors, becomes bankrupt or insolvent, or takes the benefit of or becomes subject to any legislation in force relating to bankruptcy and insolvency;

(b) in the opinion of Manitoba Public Insurance, the Services provided by the Vendor or its Representatives are unsatisfactory, inadequate, or are improperly performed; or,

(c) in the opinion of Manitoba Public Insurance, the Vendor or its Representatives have failed to comply with or breached any term or condition of this Agreement.

11.04 Upon termination of this Agreement, the Vendor shall cease to perform any further Services. Manitoba Public Insurance shall be under no obligation to the Vendor other than to pay, upon receipt of an invoice or statement and supporting documentation satisfactory to Manitoba Public Insurance acting reasonably, such compensation as the Vendor may be entitled to receive under this Agreement for work satisfactorily completed up to the date of termination.

12.00 GENERAL TERMS

12.01 The terms and conditions contained in this Agreement that by their sense and context are intended to survive the performance of this Agreement by the parties shall so survive the completion and performance, suspension or termination of this Agreement.

12.02 The Vendor shall not assign or transfer this Agreement or any of its rights or obligations under this Agreement without first obtaining written permission from Manitoba Public Insurance. This Agreement shall be binding upon the executors, administrators, heirs, successors and any permitted assigns of the parties.

12.03 This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. There are no undertakings, representations, or promises, express or implied, other than those contained in this Agreement and none have been relied on.

12.04 No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by both parties.

12.05 This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba and the laws of Canada applicable therein. The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Manitoba and all courts competent to hear appeals therefrom.

12.06 Any failure or delay by either party to exercise or partially exercise any right hereunder shall not be deemed a waiver of any of the rights under this Agreement. The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.

12.07 The election of any one or more remedies by either party shall not constitute a waiver of that party's right to pursue other available remedies.

12.08 The Vendor agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

12.09 Where there is a conflict between these terms and conditions and any other part of this Agreement, the provisions of these terms and conditions shall govern.

12.10 Any notice or communication:

(a) sent by registered mail shall be deemed to have been received on the third business day following the date of mailing;

(b) sent by facsimile or other electronic transmission (including email) shall be deemed to have been received on the next business day following the date of transmission; and,

(c) sent by courier or personal delivery shall be deemed to have been received on the day that it was delivered.

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VENDOR INSERTS

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An Agreement for Services dated the 13th day of June, 2014.

BETWEEN:

THE MANITOBA PUBLIC INSURANCE CORPORATION
(called "**Manitoba Public Insurance**")

- and -

AON HEWITT INC.
(called the "**Vendor**")

WHEREAS:

A. Manitoba Public Insurance issued Request for Proposal #2499 "**RFP**") on April 9, 2014 for the purpose of engaging a vendor to conduct an asset liability study, as more particularly described in Article 2.00 (the "**Services**"), in accordance with the terms and conditions of this Agreement;

B. the Vendor submitted a proposal in response to the RFP (the "**Proposal**"), material portions of which are attached hereto as Schedule D; and,

C. Manitoba Public Insurance has selected the Vendor to provide the Services to Manitoba Public Insurance in accordance with the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, terms, conditions and covenants contained herein, it is hereby agreed as follows:

1.00 TERM OF AGREEMENT

1.01 This Agreement comes into effect as of June 13, 2014, and shall continue until December 31, 2014 (the "**Term**"), unless otherwise terminated, suspended or extended in accordance with the terms and conditions of this Agreement.

1.02 Notwithstanding Section 1.01 above, Manitoba Public Insurance may extend the Term in accordance with Article 9.00 of Schedule C, should the original anticipated delivery timeframe of the Services need to be extended.

2.00 SERVICES TO BE PROVIDED

2.01 Manitoba Public Insurance agrees to retain the Vendor to perform the Services, which are further detailed in this Article 2.00 and in the attached Schedule D. The Vendor agrees to perform such Services during the Term, on the terms and conditions set out in this Agreement and as directed by Manitoba Public Insurance, to its reasonable satisfaction.

2.02 The Vendor agrees to be bound solely by this Agreement. For greater certainty, "**Agreement**" means this agreement, any schedules attached hereto, and any statement of work and/or other document incorporating or made pursuant to this agreement. If the Vendor begins the Services before the start of this Agreement's Term, all Services provided by the Vendor before the start of this Agreement's Term will be considered to have been provided under all of the terms and conditions of this Agreement.

2.03 The Vendor shall conduct an Asset Liability Study, with the requirements listed herein, as directed by Manitoba Public Insurance. In Phase One of the Asset Liability Study, the Vendor shall study the existing duration matching program and recommend an appropriate interest rate risk mitigation strategy for the Corporation – Section 2.04 below provides more information. In Phase Two, the Vendor shall recommend an appropriate asset allocation for Manitoba Public Insurance's investment portfolio, which incorporates the recommendations from Phase One – Section 2.05 provides more information. At the conclusion of Phase Two, the Vendor shall provide a review and analysis as directed hereunder, culminating in a written report that recommends an asset allocation policy and strategy for Manitoba Public Insurance's investment fund.

2.04 During Phase One, the Vendor shall recommend an appropriate interest rate risk mitigation strategy. The following requirements shall be addressed by the Vendor:

(a) review and analysis of existing governance and investment related documentation including the latest version of the Investment Policy Statement;

(b) review and analysis of existing documentation relating to the accumulated claim liabilities of Manitoba Public Insurance;

(c) study the Corporation's current interest rate risk management strategy (duration matching) relative to a cash flow matching strategy in respect of claim liabilities. Provide pros and cons of changing Manitoba Public Insurance's strategy, practical implementation issues to consider, etc.

(d) if a cash flow matching strategy is recommended:

i) provide a recommended transition strategy;

ii) describe how other organizations that use cash flow matching benchmark the performance of their bond portfolios;

(e) provide preliminary inputs to be used in the asset allocation study in Phase Two (i.e. return, risk and correlation for all asset classes).

2.05 During Phase Two, the Vendor shall recommend an appropriate asset allocation for Manitoba Public Insurance's investment portfolio which incorporates the recommendations from Phase One, which shall include but not be limited to the following requirements:

(a) an analysis of the characteristics and associated risks of the Corporation's claim liabilities, pension plan liabilities and equity in the context of legislative requirements and corporate goals;

(b) an objective quantification of the investment fund's risk/return parameters under the current and alternative asset mixes, using measures such as Tracking Error, Value at Risk, Surplus at Risk, standard deviation, Sharpe Ratio, Information Ratio and other suitable measures;

(c) an analysis of the investment characteristics of available asset classes and an evaluation of the impact of adding new asset classes;

(d) an evaluation of the Corporation's requirements for income, income stability and cash flow from the investment portfolio and recommend a maximum allocation to illiquid asset classes in aggregate;

(e) an evaluation of the investment fund's probability of meeting expectations (positive surplus, real return greater than zero (0), ability to pay projected claims expenses in each fiscal year, etc.) under various economic scenarios;

(f) options for risk tolerance by using both peer comparisons and criteria developed in conjunction with Manitoba Public Insurance using best practices methodology. Recommendation of a set of risk tolerances that are most consistent with corporate goals and legislative constraints;

(g) recommend an asset allocation consistent with the recommended risk tolerances that maximizes the probability of achieving related corporate goals within stated constraints;

(h) an analysis of the merits of adopting a unique asset allocation and IPS for each of the liability matching (ie: pension & insurance liabilities) and return seeking (ie: retained earnings, Rate Stability Reserve or "RSR") components of the investment portfolio;

(i) consider a broad set of asset classes and sub-asset classes. Some asset classes may not be feasible, and may be excluded at the Corporation's request. Include a recommendation of normal, maximum and minimum allocation for each asset class;

(j) for the fixed income allocation, study and quantify the potential risks and rewards of tactically underweighting corporate bonds relative to the DEX Universe and our peers;

(k) for the Canadian and U.S. equity allocation, provide a recommendation on the optimal equity style/factor strategy (i.e. value, size, momentum, volatility, etc.) and the use of alternative beta (i.e. smart beta or non-market cap weighted strategies). Also comment on common practices among the Corporation's peers for style, factor investing and alternative beta;

(l) review the Corporation's operational cash flow requirements from the investment fund. Recommend how to handle withdrawals from the investment fund so that the financial health of the fund, which supports the Corporation's liabilities and the Corporation's liability for the employer's portion of the employee's pension liability, remains viable;

(m) identify any areas where the IPS is not consistent with current best practices and provide recommendations to improve the IPS.

3.00 CORPORATE VALUES & SUSTAINABLE DEVELOPMENT PROCUREMENT GUIDELINES

3.01 The Vendor represents and warrants that the Services shall be delivered in a manner that is consistent with Manitoba Public Insurance's Corporate Values and Sustainable Development Procurement Guidelines, attached hereto as Schedule A.

4.00 VENDOR'S FEES

4.01 Subject to the following subsections, in consideration of Services performed to the reasonable satisfaction of Manitoba Public Insurance during the Term, Manitoba Public Insurance agrees to pay to the Vendor the fees set out in the Vendor's Proposal, under Schedule D, Pages 12 to 14. For clarity, the parties confirm that the dollar amounts set out in the Proposal are not estimates, but rather are the fees which shall be charged for the Services. Therefore, the fees for the following Services are:

(a) <u>Phase One Services</u>: Twenty Thousand ($20,000.00 CAD) Canadian Dollars

(b) <u>Phase Two Services</u>:

a. Asset Liability Modeling – Seventy-Five Thousand ($75,000.00 CAD) Canadian Dollars;

b. Implementation (includes fixed income allocation, Canadian and US equity allocation, operational cash flow requirements, and review of the Investment Policy Statement) – Thirty-Five Thousand ($35,000.00 CAD) Canadian Dollars.

(c) The above fees include conference calls and two in-person meetings. Manitoba Public Insurance will be charged Two Thousand, Five Hundred ($2,500.00 CAD) Canadian Dollars for any additional in-person meetings.

(d) Services outside the above – All other services will be offered on time and material basis at the Vendor's then standard hourly rates.

(e) Miscellaneous Expenses - A 5% charge for miscellaneous expenses will be added to the invoice to cover miscellaneous client-related expenses such as postage, long distance telephone calls, faxing, printing, and other support services not allocated directly to the Vendor's clients.

4.02 The Vendor shall provide invoices to Manitoba Public Insurance. All Services listed on an invoice must have been completed by the Vendor prior to that invoice being submitted to Manitoba Public Insurance. All invoices shall be in writing and satisfactory to Manitoba Public Insurance, acting reasonably, in both form and content. The Vendor shall also provide to Manitoba Public Insurance such supporting documents, vouchers, statements and receipts as may be requested by Manitoba Public Insurance acting reasonably.

4.03 Manitoba Public Insurance shall pay the Vendor invoices due within thirty (30) days after the receipt and approval of an invoice and any supporting materials requested under Section 4.02. In the event any invoice is not satisfactory, Manitoba Public Insurance shall notify the Vendor of the problem within seven (7) days of receipt of invoice.

4.04 Those invoiced amounts not paid by Manitoba Public Insurance within thirty (30) days of receipt and approval, shall bear interest from the thirty-first (31st) day at the prime rate in effect on that day at the Winnipeg main branch of the Bank of Montreal.

4.05 Where not tax-exempt, Manitoba Public Insurance shall also pay all applicable sales and use taxes. Manitoba Public Insurance is exempt from the Goods and Services Tax and the Harmonized Sales Tax. The applicable Goods and Services Tax and Harmonized Sales Tax exemption information is attached hereto as Schedule B.

4.06 Manitoba Public Insurance shall reimburse the Vendor for reasonable out-of-pocket expenses relating to the provision of the Services if:

(a) prior written permission to incur such expenses was first obtained from Manitoba Public Insurance;
(b) the Vendor uses the most economical rates possible for the expenses;
(c) the Vendor provides receipts and/or supporting documents to the satisfaction of Manitoba Public Insurance, unless it is agreed that submission of receipts for certain categories of expenses is not required (i.e.; per diem approach); and,
(d) reimbursement to the Vendor for out-of-pocket expenses shall be in accordance with the amounts and guidelines set out in the Manitoba Public Insurance Corporate Directives.

Manitoba Public Insurance shall not be responsible for payment of any other expenses incurred by the Vendor in the performance of this Agreement.

4.07 The Vendor shall advise Manitoba Public Insurance if any non-resident of Canada will be, or has performed any of the Services in Canada. Manitoba Public Insurance may withhold and/or remit any taxes or duties required by federal, provincial or municipal law in relation to the purchase or performance of the Services.

5.00 STANDARD TERMS & CONDITIONS

5.01 The parties agree to comply with the additional terms and conditions which are attached hereto as Schedule C, and acknowledge that such terms and conditions form an integral part of this Agreement.

5.02 To the extent there is a conflict or inconsistency, the following is the order of precedence of documents comprising this Agreement:

(a) the main body of this Agreement;
(b) Schedules A, B and C; and,
(c) Schedule D.

6.00 NOTICES

6.01 Any notice or other communication under this Agreement shall be delivered:

To the Vendor:

Attention: John Myrah, Associate Partner
Aon Hewitt Inc.
2103 11th Avenue, 8th Floor
Regina, Saskatchewan S4P 3Z8

Email: john.myrah@aonhewitt.com
Facsimile: 306-359-0387

To Manitoba Public Insurance:

Attention: Ron Morka, Manager
Purchasing
Manitoba Public Insurance
P.O. Box 6300, 234 Donald Street
Winnipeg MB R3C 4A4
Email: rmorka@mpi.mb.ca
Facsimile: 204-985-8683

6.02 Any notice or communication:

(a) sent by registered mail shall be deemed to have been received on the third business day following the date of mailing;
(b) sent by facsimile or other electronic transmission (including email) shall be deemed to have been received on the next business day following the date of transmission; and,
(c) sent by courier or personal delivery shall be deemed to have been received on the day that it was delivered.

This Agreement has been executed on behalf of each party by their duly authorized representatives.

for **THE MANITOBA PUBLIC INSURANCE CORPORATION**

Per: ______________________________
Dan Guimond
President & CEO

Date:_____________________________

Per: ______________________________
Heather Reichert
Vice President, Finance & CFO

Date:_____________________________

for **AON HEWITT INC.**

Per: ______________________________
John Myrah
Associate Partner

Date:_____________________________

SCHEDULE A

MANITOBA PUBLIC INSURANCE'S CORPORATE VALUES AND SUSTAINABLE DEVELOPMENT PROCUREMENT GUIDELINES

Manitoba Public Insurance

CORPORATE VALUES

Our Customers
Our customers' interests are at the heart of everything we do. We balance the individual customer's needs with the needs of Manitobans as a whole. We base our relationships on respect, fairness, honesty and integrity. We safeguard the confidentiality of information and personal privacy. We are committed to the highest ethical standards and excellence in service.

Our People
Our people are given the training, tools and encouragement they need to succeed. We provide a respectful, inclusive and safe environment where our staff is skilled, confident and committed to the Corporate Mission. We provide our people with clear and consistent direction. Our people have the authority they need to do their jobs, providing a sense of achievement from their work, and the opportunity for career growth and advancement. We encourage and support our people to make a positive contribution, both inside and outside the workplace.

Working Together
We work co-operatively with each other and with our business associates, sharing expertise, ideas and resources. Each of us, in our daily work, creates a team environment, drawing on one another to do the best job possible. Our communication with one another is respectful, appropriate and helpful.

Financial Responsibility
Manitoba Public Insurance holds the funds of its policyholders in trust to meet their needs into the future. We operate in a fiscally responsible and cost-effective manner, using investment income to reduce rates and provide long-term benefits to Manitobans.

Excellence and Improvement
We constantly improve our products, services and procedures. As our customers' needs and the business environment continue to change, so must we. We value initiative, creativity and a strong desire for personal, team and corporate success in everything we do. We recognize and reward excellence and improvement in our work.

Our Corporate Citizenship
We lead by example, conducting our affairs responsibly and professionally. We contribute to the social and economic well-being of our communities as well as the sustainable development of Manitoba now and into the future.

Schedule A

Manitoba Public Insurance

SUSTAINABLE DEVELOPMENT PROCUREMENT GUIDELINES

The following sustainable development procurement guidelines apply to Manitoba Public Insurance and shall be considered in retaining a Vendor:

Protect Human Health and Well-Being

- Anticipate, prevent and mitigate significant adverse economic, environmental, human health and social effects of purchasing decisions.
- Where practicable, require the purchase of substitute or alternative goods, materials or services in place of goods or materials that contain, or services that use, toxic substances or are otherwise harmful to the environment or human health.
- Ensure that toxic substances are managed properly to protect the environment and human health.
- Ensure those goods, materials and services that may otherwise pose an elevated risk to human health, safety and the environment are managed properly.

Promote Environmentally Sustainable Economic Development

- Recognize economic, ecological and social interdependence among communities, provinces and nations that require the integration of economic, environmental, human health and social factors in purchasing decisions.
- Purchase decisions may assist in the development of local environmental industries and markets for environmentally preferable products and services.

Conserve Resources

- Evaluate and reduce the need to purchase goods, materials and services.
- Purchase goods, materials and services that use recycled products.
- Purchase goods and materials with structures that require less material to manufacture.
- Purchase goods and materials that require less packaging.
- Reuse, recycle and recover goods and materials.

Conserve Energy

- Purchase goods, materials and services where the consumption of energy (electricity and fossil fuels) during production, transportation, usage and delivery is minimized.
- Purchase goods, materials and services where renewable forms of energy are substituted during production, transportation, usage and delivery for non-renewable forms of energy.
- Purchase goods, materials and services that have or use a structure that facilitates energy efficiency and resource conservation.

Promote pollution prevention, waste reduction and diversion

- Purchase goods and materials that are easy to recycle.
- Purchase goods and materials with structures that facilitate disassembly for processing, recycling and waste management.
- Purchase goods and materials packed with recycled products or materials that are recyclable.
- Purchase goods and materials with a manufacturing process that avoids the creation of waste and pollutants at source.
- Purchase goods and materials that are used or remanufactured.
- Purchase goods, materials and services that are suitable alternatives or substitutes.
- Purchase services that minimize adverse environmental impacts.
- Purchase goods and materials that have greater durability and longer life-span.
- Use goods and materials in a manner that minimizes adverse environmental impacts.

Evaluate value, performance and need

- Purchase environmentally preferable goods, materials and services that perform adequately and are available at a reasonable price with careful consideration of full-costing.
- Purchase goods, materials and services that comply with recognized environmental standards.
- Evaluate and reduce the need to purchase goods, materials and services.
- Evaluate the appropriate scale and utilization of a good, material or service.
- Evaluate market factors for goods, materials and services, such as specifications, quality, delivery date and price.

SCHEDULE B

MANITOBA PUBLIC INSURANCE
GST/HST TAX-EXEMPT CERTIFICATE

TO: ALL MANITOBA PUBLIC INSURANCE SUPPLIERS

The following Tax-Exempt Certificate will appear on all our purchase orders, work orders, agreements and contracts:

PLEASE NOTE:
GOVERNMENT OF MANITOBA
GST/HST Registration Number:
R122001191

It is hereby certified that the goods and/or services described herein are being purchased with Crown funds on behalf of the Government of Manitoba and are exempt from the Goods and Services Tax and Harmonized Sales Tax.

Suppliers are not to include GST/HST in quoted prices or invoices

As indicated on the Certificate, suppliers are not to include GST/HST for goods and services provided to the Corporation. This will facilitate processing of your invoices and prompt payment.

Please note that the GST/HST Registration number on the certificate is Manitoba Public Insurance's registration number.

The use of the Tax-Exempt Certificate does not affect your right to claim input tax credits on your purchases relating directly to your sales to Manitoba Public Insurance.

SCHEDULE C

MANITOBA PUBLIC INSURANCE'S TERMS AND CONDITIONS

Manitoba Public Insurance

TERMS AND CONDITIONS

1.00 SCOPE

1.01 Manitoba Public Insurance and the Vendor agree that any work performed by the Vendor outside the scope of the Services without prior written approval of Manitoba Public Insurance shall be deemed to be gratuitous on the Vendor's part, and Manitoba Public Insurance has no liability with respect to such work.

1.02 Manitoba Public Insurance reserves the right to change, modify, delete or add to the Services, if necessary and acting reasonably. In addition to the foregoing, the Vendor shall provide to Manitoba Public Insurance any other further services, documentation or data related to the Services as may be reasonably required by Manitoba Public Insurance.

1.03 Unless specifically stated to the contrary, nothing in this Agreement grants the Vendor exclusivity in providing the Services to Manitoba Public Insurance.

2.00 PERFORMANCE OF VENDOR'S OBLIGATIONS

2.01 The Vendor represents and warrants that:

(a) it possess the necessary skills, expertise and experience to perform the Services in accordance with this Agreement;
(b) the Services shall be provided in a professional manner and as outlined in this Agreement unless Manitoba Public Insurance and the Vendor agree otherwise in writing;
(c) the Services shall be provided in compliance with every federal, provincial and municipal law which is or could be applicable to the Services;
(d) the person or persons designated to perform the Services shall devote the time, attention, abilities and expertise necessary to properly perform the Vendor's obligations;
(e) it shall comply with all reasonable directions and requests of Manitoba Public Insurance within the scope of the Services as set out in this Agreement;
(f) it shall deliver the Services in a manner that is consistent with Manitoba Public Insurance's Corporate Values and Sustainable Development Procurement Guidelines;
(g) all representations and warranties contained in this Agreement are true and correct and shall so remain throughout the term of this Agreement;
(h) Manitoba Public Insurance shall have the right of prior approval of any person or persons designated to provide the Services. Manitoba Public Insurance, acting reasonably, shall have the right to request the removal of any person or persons so designated. The Vendor shall immediately comply with all such requests for removal; and,
(i) it has full right and authority to enter into this Agreement.

2.02 If requested, the Vendor shall provide written progress reports at such intervals as Manitoba Public Insurance may reasonably request. Such progress reports shall be in form and content satisfactory to Manitoba Public Insurance acting reasonably.

2.03 If applicable, and unless otherwise stated in this Agreement to the contrary, delivery of goods and/or deliverables shall be to Manitoba Public Insurance's Mail & Warehousing Services, B100 – 234 Donald Street, Winnipeg, Manitoba. All goods/deliverables will remain at the risk of the Vendor until they are delivered to the reasonable satisfaction of Manitoba Public Insurance. All goods/deliverables supplied shall be subject to inspection and acceptance by Manitoba Public Insurance for a period of sixty (60) days after delivery. Defective or deficient goods/deliverables or goods/deliverables not conforming to specifications may be returned at the Vendor's expense. At Manitoba Public Insurance's option, such deficient or non-conforming goods/deliverables shall be returned for either exchange or full refund. In addition to the foregoing, Manitoba Public Insurance shall have the right to rely on any other warranties that are applicable to such goods/deliverables.

3.00 RESTRICTION ON OTHER WORK

3.01 For the purposes of this Agreement, "**Representatives**" shall mean the directors, officers, shareholders, employees, subcontractors, partners, volunteers, affiliates, agents, delegates and other representatives of a party. While this Agreement is in effect, the Vendor and its Representatives shall not provide services to any other person, corporation or entity in a manner that interferes or conflicts with the proper performance of the Vendor's obligations under this Agreement.

4.00 INDEPENDENT CONTRACTOR

4.01 The Vendor is an independent contractor, and this Agreement does not create the relationship of employer and employee, of principal and agent, of joint venture, or of partnership between Manitoba Public Insurance and the Vendor or between Manitoba Public Insurance and any Representatives of the Vendor.

4.02 The Representatives of one party shall not be deemed or construed to be the Representatives of the other party for any purpose whatsoever.

4.03 The Vendor is responsible for any deductions or remittances, which may be required by law.

4.04 Except as authorized in this Agreement, the Vendor shall not incur any expenses or debts on behalf of, nor make any commitments for Manitoba Public Insurance without first obtaining written permission from Manitoba Public Insurance.

5.00 DISCLOSURE OF INFORMATION

5.01 The Vendor acknowledges that *The Freedom of Information and Protection of Privacy Act* ("**FIPPA**") and *The Personal Health Information Act* ("**PHIA**") each impose obligations on Manitoba Public Insurance to collect, use or disclose "personal information" and "personal health information", as those terms are defined in FIPPA and PHIA (collectively called "**Personal Information**"), in the strictest of confidence, and in accordance with those Acts.

5.02 While this Agreement is in effect, and at all times thereafter, the Vendor agrees to treat as confidential all information and materials acquired by it, or to which it has been given access, in the course of the performance of this Agreement (collectively called "**Confidential Information**"), excluding information that is in the public domain (for greater certainty, this does not include information in the public domain which was made public as a result of an unauthorized disclosure by a third party). For the purposes of this Agreement, Personal Information shall be considered to be Confidential Information.

5.03 The Vendor agrees that during the term of this Agreement and at all times thereafter:

(a) the Personal Information disclosed to the Vendor by Manitoba Public Insurance may only be used by the Vendor in a manner expressly permitted by FIPPA or PHIA (as the case may be);

(b) it shall not disclose or permit the disclosure of Confidential Information, or any copies of it, in any format, to any third party without the express prior written consent of Manitoba Public Insurance;

(c) it shall comply with all directives given to it by Manitoba Public Insurance with respect to safeguarding, or otherwise ensuring the confidentiality, of any Confidential Information disclosed to it by Manitoba Public Insurance;

(d) it shall ensure that access to the Confidential Information by the Representatives of the Vendor is on a "need-to-know" basis, and that access, when given, shall be to the minimum amount of Confidential Information necessary to accomplish the task;

(e) it shall use the Confidential Information only for those purposes that have been expressly permitted by Manitoba Public Insurance;

(f) it shall not reproduce Confidential Information, in any format, without the express prior written consent of Manitoba Public Insurance;

(g) it shall ensure that it, or its Representatives, do not transport or store any Personal Information outside of Canada without the express prior written consent of Manitoba Public Insurance; and,

(h) after the Confidential Information has been used for its authorized purpose, or where destruction of the Confidential Information is requested by Manitoba Public Insurance or is required by this Agreement, the Vendor shall destroy the Confidential Information (and all copies of the Confidential Information in any form) in a manner which adequately protects the confidentiality of the Confidential Information.

5.04 On expiration or termination of this Agreement for any reason, the Vendor shall, unless otherwise directed by Manitoba Public Insurance, destroy the Confidential Information (including all copies in any form) in a manner which adequately protects the confidentiality of the Confidential Information, except that Vendor may retain one (1) archival copy of the Confidential Information, provided it is maintained in accordance with this Agreement.

5.05 During the term of this Agreement and at all times thereafter, the Vendor shall take reasonable precautions to prevent any unauthorized disclosure of the Confidential Information. The standard of such precautions taken by the Vendor shall be the greater of:

(a) the standards the Vendor has in place to protect its own confidential information; or,
(b) the standards imposed on the Vendor by Manitoba Public Insurance.

5.06 The Vendor shall immediately notify Manitoba Public Insurance in writing upon becoming aware of any unauthorized use of, access to, disclosure of, or destruction of Confidential Information (a "**Confidentiality Breach**"). The written notification must include full details of the Confidentiality Breach. The Vendor shall immediately take all reasonable steps to prevent the recurrence of any such Confidentiality Breach and shall notify Manitoba Public Insurance in writing of the steps taken.

5.07 The Vendor shall inform its Representatives of the obligations imposed upon it in this Agreement with respect to Confidential Information, and shall take whatever steps are necessary to ensure that all of its Representatives comply with those obligations.

5.08 The Vendor acknowledges that monetary damages may not be a sufficient remedy for a Confidentiality Breach, and that Manitoba Public Insurance may, without waiving any other rights or remedies, seek appropriate injunctive or equitable relief from a court of competent jurisdiction.

5.09 If the Vendor receives a subpoena or other validly issued administrative or judicial order seeking Confidential Information, the Vendor shall provide prompt notice to Manitoba Public Insurance and deliver to Manitoba Public Insurance a copy of its proposed response to the demand. Unless the demand has been time-limited, quashed or extended, the Vendor shall thereafter be entitled to comply with the demand to the extent permitted or required by law. If so requested by Manitoba Public Insurance, and at the expense of Manitoba Public Insurance, the Vendor shall cooperate with Manitoba Public Insurance in the defence of the demand.

5.10 The Vendor undertakes not to publish any public statement or advertisement with respect to this Agreement and further undertakes not to seek publicity of this Agreement without the express prior written consent of Manitoba Public Insurance, except as otherwise required by law or by this Agreement.

5.11 The Vendor shall cooperate with Manitoba Public Insurance so that Manitoba Public Insurance can verify that the Vendor has complied, and is complying, with the provisions of this Article 5.00.

6.00 OWNERSHIP OF INFORMATION

6.01 Upon payment of all amounts due under this Agreement, all data and materials collected or originally produced by the Vendor or any of its Representatives, in the performance of this Agreement, and all copyright therein (collectively referred to as "**Data**") shall be the exclusive property of Manitoba Public Insurance and shall be forthwith delivered to Manitoba Public Insurance, at no cost to Manitoba Public Insurance. The Vendor agrees to execute all documents that may be necessary to transfer ownership of the Data to Manitoba Public Insurance. Vender shall continue to own any pre-existing intellectual property and nothing herein shall prevent the Vendor from providing similar services to others.

6.02 While this Agreement is in effect, and at all times thereafter, the Vendor and its Representatives shall not use or disclose outside the scope of this Agreement, any Data without first obtaining written permission from Manitoba Public Insurance.

6.03 Any equipment, materials, and supplies provided by Manitoba Public Insurance to the Vendor for use in the performance of this Agreement shall remain the property of Manitoba Public Insurance and shall be returned, without cost, to Manitoba Public Insurance upon request.

6.04 The Vendor hereby waives all of its moral rights under the Copyright Act (Canada) in the Data in favour of Manitoba Public Insurance and agrees to execute any additional documents, in a form satisfactory to Manitoba Public Insurance, which may be required to evidence this waiver. The Vendor further agrees to obtain from each of its Representatives written waivers, in a form satisfactory to Manitoba Public Insurance, of all their moral rights in the Data in favour of Manitoba Public Insurance.

7.00 USE OF MANITOBA PUBLIC INSURANCE'S PREMISES

7.01 In the event that the Vendor or its Representatives use any of Manitoba Public Insurance's premises, the Vendor and such Representatives shall comply with all of such premises' security regulations in effect from time to time.

8.00 INDEMNIFICATION OF MANITOBA PUBLIC INSURANCE

8.01 The Vendor shall indemnify and save harmless Manitoba Public Insurance and its Representatives, to a maximum of the total fees paid or payable by Manitoba Public Insurance under this Agreement, from all losses, damages, costs, causes of action, claims, liabilities or demands of any kind with respect to any injury to persons (including, without limitation, death), damage to or loss of property, economic loss or incidental or consequential damages or infringement of rights (including, without limitation, privacy rights) caused by, or arising directly or indirectly from:

(a) the default of the Vendor or its Representatives of any term of this Agreement; or,
(b) any negligent or willful act or omission of the Vendor or its Representatives.

The above includes all costs and expenses associated therewith, including reasonable solicitors' fees.

9.00 SUSPENSION OR EXTENSION

9.01 Manitoba Public Insurance may, at its sole option, from time to time, delay or suspend the Services being provided under this Agreement, in whole or in part, for such period of time as may, in the opinion of Manitoba Public Insurance, be necessary. Manitoba Public Insurance shall provide five (5) days prior written notice to the Vendor of its intention to delay or suspend the Services. Manitoba Public Insurance shall not be obliged to make payments to the Vendor except with respect to those Services already satisfactorily performed.

9.02 Manitoba Public Insurance may, at its sole option, extend in writing the time in which the Services are to be provided if it deems necessary.

9.03 Where there is a delay or suspension under Section 9.01 or an extension of time under Section 9.02, all terms and conditions of this Agreement shall continue in full force and effect against the Vendor. The Vendor shall not be entitled to make any claim for damages by reason of the delay, suspension or extension.

10.00 TERMINATION

10.01 Manitoba Public Insurance may terminate this Agreement at any time by giving fourteen (14) days prior written notice to the Vendor.

10.02 Neither party shall be responsible for any failure to comply with or for any delay in performance of the terms of this Agreement where such failure or delay is directly or indirectly caused by or results from events of force majeure beyond the control of either party. The time in which the Services are to be provided shall be extended by a period of time at least equal to the length of the force majeure event, provided that in the event the extended period of time exceeds, or is reasonably anticipated to exceed a period of fourteen (14) days, then Manitoba Public Insurance may terminate this Agreement and pay the Vendor for all work performed to that point in time.

10.03 In addition to its rights under Sections 9.01, 10.01 and 10.02 above, and without restricting any other remedies available, Manitoba Public Insurance may immediately terminate or immediately suspend this Agreement in writing if:

(a) the Vendor makes an assignment for the benefit of creditors or takes any other action for the benefit of creditors, becomes bankrupt or insolvent, or takes the benefit of or becomes subject to any legislation in force relating to bankruptcy and insolvency;
(b) in the opinion of Manitoba Public Insurance, the Services provided by the Vendor or its Representatives are unsatisfactory, inadequate, or are improperly performed; or,
(c) in the opinion of Manitoba Public Insurance, the Vendor or its Representatives have failed to comply with or breached any term or condition of this Agreement.

10.04 Upon termination of this Agreement, the Vendor shall cease to perform any further Services. Manitoba Public Insurance shall be under no obligation to the Vendor other than to pay, upon receipt of an invoice or statement and supporting documentation satisfactory to Manitoba Public Insurance acting reasonably, such compensation as the Vendor may be entitled to receive under this Agreement for work satisfactorily completed up to the date of termination.

11.00 GENERAL TERMS

11.01 The terms and conditions contained in this Agreement that by their sense and context are intended to survive the performance of this Agreement by the parties shall so survive the completion and performance, suspension or termination of this Agreement.

11.02 The Vendor shall not assign or transfer this Agreement or any of its rights or obligations under this Agreement without first obtaining written permission from Manitoba Public Insurance. This Agreement shall be binding upon the executors, administrators, heirs, successors and any permitted assigns of the parties.

11.03 This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. There are no undertakings, representations, or promises, express or implied, other than those contained in this Agreement and none have been relied on.

11.04 No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by both parties.

11.05 This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba and the laws of Canada applicable therein. The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Manitoba and all courts competent to hear appeals therefrom.

11.06 Any failure or delay by either party to exercise or partially exercise any right hereunder shall not be deemed a waiver of any of the rights under this Agreement. The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.

11.07 The election of any one or more remedies by either party shall not constitute a waiver of that party's right to pursue other available remedies.

11.08 The Vendor agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

SCHEDULE D

MATERIAL PORTIONS OF THE VENDOR'S PROPOSAL

PUB (MPI) 1-20 Reference: II.11

Provide an updated listing of the Corporation's impaired investments that have been written down but remain in the portfolio as of June 30, 2014.

RESPONSE:

Impaired Investments - Written Down at February 28, 2014
Still Held by MPI as at June 30, 2014

	Units Held	Original Book Value	28-Feb-14 Revised Book Value	30-Jun-14 Current Market Value
Canadian Equities:				
Sherritt International Ltd.	457,945	$ 2,590,252	$ 1,396,732	$ 1,973,743
		$ 2,590,252	$ 1,396,732	$ 1,973,743
U .S. Equities:		_	_	_
Venture Capital:		_	_	_
Private Equity:		_	_	_

PUB (MPI) 1-21 Reference: II.11 Unrealized Gains

Please provide a breakdown of the Corporation's unrealized gains by security at the end of the first quarter of the current fiscal year and comment on any significant changes since February 28, 2014.

RESPONSE:

Please see attached schedule.

MANITOBA PUBLIC INSURANCE
EQUITY HOLDINGS AS OF
May 31, 2014

Holding's Name	Units/Par	Book Value	Market Value	Unrealized Gain/(Loss)
10 Canadian Equities				
AGRIUM INC	103,309.00	8,824,188.02	10,048,866.41	1,224,678.39
AKITA DRILLING LTD	69,000.00	1,052,412.03	1,145,400.00	92,987.97
ALTAGAS LTD	40,050.00	1,072,638.16	1,928,807.99	856,169.83
BANK OF MONTREAL	100,000.00	5,714,430.76	7,610,000.00	1,895,569.24
BANK OF NOVA SCOTIA	251,824.00	12,875,640.89	17,501,768.16	4,626,127.27
BAYTEX ENERGY CORP	186,000.00	7,807,181.90	8,407,200.00	600,018.10
BLACK DIAMOND GROUP LTD	29,950.00	713,587.43	988,649.46	275,062.03
CAN IMP BANK OF COMMERCE	139,222.00	10,572,828.93	13,316,584.32	2,743,755.39
CANADA TREASURY BILL	2,920,000.00	2,911,379.62	2,920,000.00	8,620.38
CANADA TREASURY BILL	2,100,000.00	2,093,924.00	2,100,000.00	6,076.00
CANADA TREASURY BILL	1,575,000.00	1,571,513.34	1,575,000.00	3,486.66
CANADIAN OIL SANDS LIMITED	78,483.00	1,598,803.75	1,776,070.30	177,266.55
CANADIAN TIRE CORP LTD CLASS A	29,937.00	2,041,483.87	3,110,454.30	1,068,970.43
CANADIAN WESTERN BANK	83,650.00	2,276,089.37	3,120,145.00	844,055.63
CCL INDUSTRIES INC. CL B	11,615.00	433,348.96	1,213,767.54	780,418.58
CDN NATURAL RESOURCES LTD	357,927.00	11,216,111.03	15,759,525.80	4,543,414.77
CENOVUS ENERGY INC	260,000.00	7,665,275.21	8,385,000.10	719,724.89
CERVUS EQUIPMENT CORP	29,800.00	591,164.96	620,138.01	28,973.05
CGI GROUP INC CL A SUB VTG	48,348.00	973,890.13	1,777,272.48	803,382.35
CHINOOK ENERGY INC COMMON	537,850.00	677,554.19	1,183,270.01	505,715.82
CONSTELLATION SOFTWARE INC.	5,200.00	196,211.84	1,272,699.99	1,076,488.15
CORBY SPIRIT AND WINE LTD	32,025.00	563,281.34	675,727.51	112,446.17
CORUS ENTERTAINMENT	61,905.00	1,091,750.69	1,551,339.30	459,588.61
E-L FINANCIAL CORP LTD	4,225.00	1,875,015.65	2,928,981.27	1,053,965.62
ENCANA CORPORATION	83,974.00	1,675,502.20	2,116,984.55	441,482.35
ENSIGN ENERGY SERVICES INC.	211,687.00	3,102,201.93	3,397,576.38	295,374.45
EVERTZ TECHNOLOGIES LTD	31,800.00	455,105.94	510,390.01	55,284.07
FAIRFAX FINANCIAL HOLDINGS LTD	2,866.00	1,106,786.94	1,399,496.46	292,709.52
FINNING INTERNATIONAL INC	354,611.00	8,940,143.48	10,336,910.64	1,396,767.16
FORTIS INC.	222,000.00	6,931,656.40	7,197,240.00	265,583.60
GMP CAPITAL INC COMMON	128,450.00	780,658.94	1,048,151.97	267,493.03
GREAT WEST LIFECO INC.	309,504.00	7,880,481.20	8,947,760.64	1,067,279.44
HOME CAPITAL GROUP INC.	34,280.00	994,706.24	1,662,580.00	667,873.76
HUSKY ENERGY INC	328,516.00	10,225,303.57	12,003,974.62	1,778,671.05
IMPERIAL OIL LTD	112,519.00	4,657,136.14	5,997,262.73	1,340,126.59
INDUSTRIAL-ALLIANCE LIFE INSUR	26,750.00	756,043.67	1,113,602.50	357,558.83
INFORMATION SVCS CORP CLS	60,700.00	945,877.01	1,138,125.00	192,247.99

Holding's Name	Units/Par	Book Value	Market Value	Unrealized Gain/(Loss)
JEAN COUTU GRP	80,800.00	893,073.39	1,890,720.01	997,646.62
LASSONDE INDS INC SUBD COM	15,850.00	1,012,023.57	1,711,800.00	699,776.43
LAURENTIAN BANK OF CANADA	59,750.00	2,402,376.33	2,835,137.56	432,761.23
LEONS FURNITURE	120,815.00	1,357,300.16	1,733,695.29	376,395.13
LOBLAW COS LTD	90,497.00	3,886,451.22	4,135,712.93	249,261.71
LONGVIEW OIL CORP COMMON	161,500.00	767,115.00	1,049,750.00	282,635.00
LUMENPULSE INC COMMON	33,425.00	601,292.50	631,064.00	29,771.50
MACDONALD, DETTWILER & ASSOC	21,000.00	1,106,548.91	1,850,310.02	743,761.11
MAGNA INTL INC CL A SVS	117,955.00	5,274,144.63	13,072,952.67	7,798,808.04
MAJOR DRILLING GROUP INC	120,550.00	1,137,994.62	984,893.52	-153,101.10
MANITOBA TELECOM SERVICES INC	157,174.00	4,764,596.64	5,064,146.24	299,549.60
MANULIFE FINANCIAL CORP COMM	142,876.00	2,953,446.06	2,834,659.84	-118,786.22
MELCOR DEVS LTD	67,350.00	1,256,396.51	1,683,750.00	427,353.49
MITEL NETWORKS CORP	120,432.00	1,076,201.28	1,439,162.40	362,961.12
MULLEN GROUP LTD.	53,375.00	851,639.81	1,521,187.57	669,547.76
NATIONAL BANK OF CANADA	167,000.00	5,540,425.13	7,598,500.00	2,058,074.87
NEWFLYER INDUSTRIES INC	16,475.00	196,131.22	197,864.75	1,733.53
OPEN TEXT CORP.	33,686.00	798,627.20	1,701,143.00	902,515.80
PARKLAND FUEL CORP COMMON	56,100.00	1,141,392.76	1,190,442.00	49,049.24
PASON SYSTEMS INC.	73,975.00	1,027,526.80	2,185,961.26	1,158,434.46
POTASH CORP OF SASKATCHEWAN IN	272,072.00	10,185,985.23	10,706,033.21	520,047.98
POWER CORP CDA SVS	107,665.00	2,958,768.56	3,140,588.06	181,819.50
PRECISION DRILLING CORP	181,920.00	1,767,559.16	2,552,337.63	784,778.47
RICHELIEU HARDWARE LTD.	37,400.00	932,183.62	1,823,998.03	891,814.41
ROGERS COMMUNICATIONS INC.	59,558.00	2,182,208.03	2,608,640.40	426,432.37
ROYAL BANK OF CANADA	218,323.00	11,879,074.98	16,286,895.84	4,407,820.86
SAPUTO INC	148,000.00	4,297,129.85	8,659,480.02	4,362,350.17
SECURE ENERGY SERVICES INC	124,700.00	1,260,271.85	2,406,709.99	1,146,438.14
SHAW COMMUNICATIONS INC CLASS	89,010.00	1,903,132.99	2,395,259.10	492,126.11
SHAWCOR LTD COMMON NEW	53,825.00	1,653,435.58	2,917,315.01	1,263,879.43
SHERRITT INTERNATIONAL LTD	457,945.00	1,396,732.25	2,111,126.45	714,394.20
SNC - LAVALIN GROUP INC	45,041.00	1,729,337.46	2,342,132.00	612,794.54
SSGA MA S&P/TSX INDEX FUND	5,432,177.67	50,314,193.43	59,808,276.14	9,494,082.71
STELLA-JONES INC	51,460.00	569,454.91	1,512,924.00	943,469.09
SUN LIFE FINANCIAL	43,677.00	993,230.88	1,601,198.82	607,967.94
SUNCOR ENERGY INC NEW COMM	362,946.00	11,608,623.22	15,134,848.23	3,526,225.01
SURGE ENERGY INC COMMON	60,575.00	406,613.59	408,881.25	2,267.66
TECK RESOURCES LIMITED	123,259.00	3,068,520.00	2,977,937.47	-90,582.53
THOMSON REUTERS CORP	55,841.00	1,689,393.15	2,097,946.39	408,553.24
TIM HORTONS INC.	120,000.00	4,618,582.78	7,039,200.01	2,420,617.23
TORONTO DOMINION BANK	319,065.00	10,740,063.49	17,140,171.80	6,400,108.31
TRANSCONTINENTAL INC	64,100.00	518,804.51	951,243.98	432,439.47
VERMILION ENERGY INC	118,000.00	7,143,860.00	8,540,840.00	1,396,980.00
WINPAK LTD	67,600.00	644,201.37	1,768,415.99	1,124,214.62
WSP GLOBAL INC	41,400.00	981,009.38	1,552,914.00	571,904.62
YELLOW MEDIA LTD	53,625.00	1,199,684.70	1,064,456.25	-135,228.45

Holding's Name		Units/Par	Book Value	Market Value	Unrealized Gain/(Loss)
Total Canadian Equities		21,382,746.67	309,548,068.44	402,649,346.58	93,101,278.14
Count	83				

15 U.S. Equities

Holding's Name		Units/Par	Book Value	Market Value	Unrealized Gain/(Loss)
Ishare Russell Index Fund		253,360.00	23,515,120.38	27,128,671.99	3,613,551.61
Ishare Russell Index Fund		1,051,100.00	93,519,219.04	112,296,442.14	18,777,223.10
Total U.S. Equities		1,304,460.00	117,034,339.42	139,425,114.13	22,390,774.71
Count	2				
Total MPI		22,687,206.67	426,582,407.86	542,074,460.71	115,492,052.85

PUB (MPI) 1-24 **Reference: Investment Income – Attachment C, p. 21**

a) Please file the detailed survey and supporting information underlying the PWC Presentation.

b) Please summarize the other development considerations set out on p. 21.

RESPONSE:

a) A detailed survey was not provided by PWC.

b) The three development considerations from the perspective of PWC are summarized below.

Impact of interest rate risk management policies on investment income

- Consider the impact on investment income when establishing the interest rate risk management policy.
- In theory, perfectly matching investment durations to liability durations would effectively eliminate the volatility due to changes in interest rates on the Profit & Loss statement.
- However, by undergoing this matching exercise, it may require purchasing investments with lower yields in order to duration match, which may negatively impact future investment income.

OSFI MCT Interest Rate Risk Margin

- This development consideration does not impact the Corporation.
- OSFI is continuing to increase the interest rate shock margin used in the MCT calculation and it is expected that it will go up another 25 basis points within the next two years.
- This will have an impact on insurance companies' Minimum Capital Test (MCT) calculation and will generally result in a lower MCT, especially for

companies that have a significant duration mismatch between assets and liabilities (where liability duration is lower than asset duration).

- As a result, due to the negative impact on their MCT, other insurance companies may move to shorter duration investments to lessen the impact of the interest rate shock margin.

Proposed changes to CIA Life actuarial methodologies

- This development consideration does not impact the Corporation.
- The CIA is releasing new actuarial methodologies in Q4 of 2014.
- These proposed changes impact Life Insurance companies only.
- Under the proposed standards, the negative impact of the low interest rate environment should be reduced.

PUB (MPI) 1-26

Reference: II.8.1, Table 8.1, Infrastructure Investments

a) Please explain the reduction in market value from $76.4 million in 2013/14 at the last GRA to $60.5 million in 2014/15, a 20% decline in market value.

b) Please provide details on the current holdings of the infrastructure fund.

RESPONSE:

a) As previously filed.
The reduction in the projected market value for infrastructure was due to the fact that our actual pace of investment was slower than projected. Therefore, during the last GRA we projected to have investments of $76.4 million at Feb. 28, 2014, but our actual infrastructure investments at Feb. 28, 2014 were valued at $51.6 million. Based on that information for this year's application we are now projecting to have investments of $60.5 million at Feb. 28, 2015.

b) The Corporation has three infrastructure investments. The first investment is a direct investment in a toll road in which the Corporation is a minority investor. The second is in an unlisted fund which invests in developed markets. The third is a co-investment in a UK based regulated water asset that is also held within the fund.

PUB (MPI) 1-27 **Reference: AI.11 Financial Forecast Model Test Report**

Please identify the author of the Financial Forecast Model Test Report.

RESPONSE:

The Financial Forecast Model Test Report was a collaborative effort, engaging staff from the Risk Control and Financial Forecasting Department, the Investment Department and the Pricing and Economics Department. This facilitated the application of specific expertise as required.

Please refer to page 3 through 6 of the Report (Volume III, AI.11) where it outlines the testing protocol used in the testing approach. As noted in the report, the model was developed externally and the external party used best practice protocols in the development and testing of the model.

PUB (MPI) 1-54 Reference: Recycled Parts

Please provide a table summarizing the Corporation's costs for new parts, aftermarket parts and recycled parts for vehicles repaired for the last ten years as a dollar and percentage of total parts used, in the form provided in answer to PUB/MPI I-44 at the 2011 GRA.

RESPONSE:

The table below summarizes the Corporation's parts costs for vehicles repaired based on Claims Paid Data. For PUB (MPI) 1-44 from the 2011 GRA, the data provided was based on parts available after estimate and supplement creation and not parts used. Lastly, process changes were made in 2013 that resulted in some of the data not being included in the 2013 final results for aftermarket and recycled parts. These changes have been corrected.

Table for 2015 PUB Rate Application (based on Claims Paid Data) 1-54						
Year	**New %**	**New $**	**Aftermarket %**	**Aftermarket $**	**Recycled %**	**Recycled $**
2008	56%	$ 44,630,111	33%	$ 26,365,823	11%	$ 8,567,417
2009	55%	$ 44,930,829	34%	$ 27,357,027	11%	$ 9,109,631
2010	59%	$ 44,779,632	30%	$ 24,660,577	10%	$ 9,285,670
2011	61%	$ 51,246,244	30%	$ 27,622,655	9%	$ 9,577,102
2012	62%	$ 48,677,406	29%	$ 26,147,063	8%	$ 8,300,685
2013	67%	$ 59,426,905	27%	$ 24,202,278	7%	$ 7,551,129

PUB (MPI) 1-55 Reference: SM5.3, TI.5 Trend Analysis 2014 GRA

a) Please provide an update to the trend analysis from 2010 to 2019 on a similar basis as that provided in response to PUB/MPI I-52 last year.

b) Provide the same analysis as (a) for the Corporation.

c) Please re-file the table as restated in (a) above excluding expenditures on immobilizer installations, related administrative costs and BTO/BPR expenditures.

d) Please include in the trend analysis the compounded annual growth for 2009/10 through 2013/14 and 2013/14 to 2016/17.

RESPONSE:

a) Please see attachment A.

b) Per PUB order 98/14, this question is not required to be answered.

c) Please see attachment C.

d) Please see attachment A where compounded annual growth rates are included.

BASIC

Schedule 1

Basic Internal Indicators	2010	2011 (Note 2)	2012	2013 (Note 3)	2014	2015	2016	2017	2018	2019	Five Year Average 2010-2014	Five Year Average 2015-2019	Compounded Annual Growth 2010 to 2014	Compounded Annual Growth 2014 to 2017
(1) Combined Ratio	101.80	75.80	112.80	120.30	131.00	110.80	108.90	109.70	107.80	112.90	108.34	110.02	6.5%	-5.7%
Yearly Change (%)	-2.40	-25.54	48.81	6.65	8.89	-15.42	-1.71	0.73	-1.73	4.73				
(2) Loss Ratio	70.90	44.40	80.40	87.40	97.70	78.10	77.80	78.90	77.80	82.20	76.16	78.96	8.3%	-6.9%
Yearly Change (%)	-4.83	-37.38	81.08	8.71	11.78	-20.06	-0.38	1.41	-1.39	5.66				
(3) Operating Expense Ratio	6.90	8.30	8.00	8.90	9.40	9.60	9.00	9.00	8.80	9.00	8.30	9.08	8.0%	-1.4%
Yearly Change (%)	9.52	20.29	-3.61	11.25	5.62	2.13	-6.25	0.00	-2.22	2.27				
(4) Claims Expense Ratio	14.80	15.20	16.10	16.10	16.70	15.90	15.20	14.90	14.30	14.80	15.78	15.02	3.1%	-3.7%
Yearly Change (%)	0.00	2.70	5.92	0.00	3.73	-4.79	-4.40	-1.97	-4.03	3.50				
(5) Operating Expense/Policy	$ 53.50	$ 64.94	$ 61.15	$ 65.44	$ 68.64	$ 72.24	$ 72.17	$ 74.87	$ 75.41	$ 79.66	$ 62.73	$ 74.87	6.4%	2.9%
Yearly Change (%)	10.68	21.37	-5.83	7.01	4.89	5.24	-0.09	3.74	0.72	5.64				
(6) Claims Expense/Claims	$ 482.21	$ 486.64	$ 541.95	$ 507.69	$ 522.23	$ 521.21	$ 525.02	$ 537.05	$ 532.14	$ 563.94	$ 508.14	$ 535.87	2.0%	0.9%
Yearly Change (%)	-1.01	0.92	11.36	-6.32	2.86	-0.20	0.73	2.29	-0.92	5.98				
(7) Policies/Support Employee	2,446	2,590	2,560	2,409	2,365	2,423	2,465	2,508	2,552	2,597	2473.79	2509.01	-0.8%	2.0%
Yearly Change (%)	-4.29	5.87	-1.16	-5.89	-1.82	2.45	1.75	1.75	1.75	1.75				
(8) Claims/Claims Employee	234	245	241	255	261	265	270	275	281	286	247.24	275.32	2.8%	1.7%
Yearly Change (%)	0.49	4.61	-1.62	5.77	2.58	1.36	1.92	1.92	1.92	1.92				
(9) Premiums/Policy	$ 807.27	$ 804.09	$ 790.04	$ 736.20	$ 763.59	$ 791.88	$ 841.52	$ 865.71	$ 890.11	$ 914.53	$ 780.24	$ 860.75	-1.4%	4.3%
Yearly Change (%)	1.68	-0.39	-1.75	-6.81	3.72	3.71	6.27	2.87	2.82	2.74				
(10) Direct Premiums Written ($000)	752,331	768,355	786,632	755,466	798,162	842,225	910,681	953,255	997,279	1,042,570	772,189	949,202	1.5%	6.1%
(11) Operating Expenses ($000)	49,863	62,054	60,888	67,150	71,748	76,829	78,105	82,443	84,490	90,814	62,341	82,536	9.5%	4.7%
(12) Claims Expenses ($000)	107,590	113,940	122,742	121,618	127,368	127,599	131,000	136,574	137,920	148,967	118,652	136,412	4.3%	2.4%
(13) Number of Claims - **NOTE 1**	223,119	234,135	226,484	239,551	243,891	244,812	249,513	254,303	259,182	264,153	233,436	254,393	2.3%	1.4%
(14) Number of Policies	931,942	955,564	995,682	1,026,164	1,045,281	1,063,573	1,082,186	1,101,124	1,120,394	1,140,001	990,927	1,101,456	2.9%	1.8%
(15) Number of Support Employees	381	369	389	426	442	439	439	439	439	439	401	439	3.8%	-0.2%
(16) Number of Claims Employees	953	956	940	940	933	924	924	924	924	924	944	924	-0.5%	-0.3%
(17) Direct Premiums Written/FTE ($000)	564	580	592	553	580	618	668	699	732	765	574	696	0.7%	6.4%

NOTE 1 - includes total corporate number of claims excluding claims with only Extension or SRE covers.

NOTE 2 - restated due to transition to IFRS

NOTE 3 - restated due to IAS 19R

BASIC

Schedule 2

Basic Internal Indicators	2010	Note 4 2011	2012	Note 5 2013	2014	2015	2016	2017	2018	2019	Five Year Average 2010-2014	Five Year Average 2015-2019
(1) Combined Ratio - **NOTE 2 & 3**	99.30	74.70	111.40	119.40	129.30	109.70	108.90	109.70	107.80	112.80	106.82	109.78
Yearly Change (%)	-2.17	-24.77	49.13	7.18	8.29	-15.16	-0.73	0.73	-1.73	4.64		
(2) Loss Ratio	70.90	44.40	80.40	87.40	97.70	78.10	77.80	78.90	77.80	82.20	76.16	78.96
Yearly Change (%)	-4.83	-37.38	81.08	8.71	11.78	-20.06	-0.38	1.41	-1.39	5.66		
(3) Operating Expense Ratio - **NOTE 2**	6.60	8.20	7.50	8.70	9.00	9.30	9.00	9.00	8.80	9.00	8.00	9.02
Yearly Change (%)	6.45	24.24	-8.54	16.00	3.45	3.33	-3.23	0.00	-2.22	2.27		
(4) Claims Expense Ratio - **NOTE 2 & 3**	12.60	14.10	15.10	15.30	15.40	15.00	15.10	14.80	14.30	14.70	14.50	14.78
Yearly Change (%)	3.28	11.90	7.09	1.32	0.65	-2.60	0.67	-1.99	-3.38	2.80		
(5) Operating Expense/Policy - **NOTE 2**	$ 51.70	$ 64.26	$ 57.65	$ 64.00	$ 65.48	$ 70.11	$ 72.14	$ 74.76	$ 75.36	$ 79.51	$ 60.62	$ 74.38
Yearly Change (%)	8.46	24.29	-10.29	11.01	2.32	7.07	2.89	3.63	0.81	5.51		
(6) Claims Expense/Claim - **NOTE 2 & 3**	$ 409.99	$ 452.62	$ 507.39	$ 484.34	$ 482.52	$ 492.07	$ 524.26	$ 535.86	$ 531.86	$ 561.78	$ 467.37	$ 529.17
Yearly Change (%)	-1.01	10.40	12.10	-4.54	-0.38	1.98	6.54	2.21	-0.75	5.62		
(7) Policies/Support Employee	2,446	2,590	2,560	2,409	2,365	2,423	2,465	2,508	2,552	2,597	2473.79	2509.01
Yearly Change (%)	-4.29	5.87	-1.16	-5.89	-1.82	2.45	1.75	1.75	1.75	1.75		
(8) Claims/Claims Employee	234	245	241	255	261	265	270	275	281	286	247.24	275.32
Yearly Change (%)	0.49	4.61	-1.62	5.77	2.58	1.36	1.92	1.92	1.92	1.92		
(9) Premiums/Policy	$ 807.27	$ 804.09	$ 790.04	$ 736.20	$ 763.59	$ 791.88	$ 841.52	$ 865.71	$ 890.11	$ 914.53	$ 780.24	$ 860.75
Yearly Change (%)	1.68	-0.39	-1.75	-6.81	3.72	3.71	6.27	2.87	2.82	2.74		
(10) Direct Premiums Written ($000)	752,331	768,355	786,632	755,466	798,162	842,225	910,681	953,255	997,279	1,042,570	772,189	949,202
(11) Operating Expenses ($000) - **NOTE 2**	48,184	61,406	57,401	65,672	68,449	74,568	78,067	82,317	84,434	90,645	60,222	82,006
(12) Claims Expenses ($000) - **NOTE 2 & 3**	91,477	105,975	114,916	116,024	117,683	120,465	130,810	136,270	137,850	148,396	109,215	134,758
(13) Number of Claims - **NOTE 1**	223,119	234,135	226,484	239,551	243,891	244,812	249,513	254,303	259,182	264,153	233,436	254,393
(14) Number of Policies	931,942	955,564	995,682	1,026,164	1,045,281	1,063,573	1,082,186	1,101,124	1,120,394	1,140,001	990,927	1,101,456
(15) Number of Support Employees	381	369	389	426	442	439	439	439	439	439	401	439
(16) Number of Claims Employees	953	956	940	940	933	924	924	924	924	924	944	924
(17) Direct Premiums Written/FTE ($000)	564	580	592	553	580	618	668	699	732	765	574	696

NOTE 1 - includes total corporate number of claims excluding claims with only Extension or SRE covers.

NOTE 2 - excludes BPR expenses

NOTE 3 - excludes Immobilizer expenses

NOTE 4 - restated due to transition to IFRS

NOTE 5 - restated due to IAS 19R

PUB (MPI) 1-59 Reference: E.2.1 Corporate Normal Operating Expenses

a) Please update the table to include fiscal years 1999/2000 through 2012/13.

b) Please provide additional columns indicating the compound annual growth rate for 2009/10 through 2013/14, 2013/14 to 2016/17 and 2016/17 to 2018/19.

c) Please provide a similar analysis in (a) for Basic Normal operations.

d) Please provide a summary of the details of Special Services and Other expenses for 2013/14 and a forecast for the years 2014/15, 2015/16 and 2016/17.

e) Please provide a schedule reflecting (a) and (b) for total Corporate operations.

f) Please provide a schedule on the same basis as (c) for total Basic operations.

g) Please refile (a) to include Initiative Implementation and Initiative Ongoing expenditures.

h) Please file Basic expenses on a similar basis as that provided in CAC/MPI I-6 (2014 GRA) for the years 2012/13 through 2016/17.

RESPONSE:

a) As per Board Order 98/14, a response to this question is not required.

b) Refer to attachment.

c) Refer to attachment.

d) Refer to attachment.

e) As per Board Order 98/14, a response to this question is not required.

f) Refer to attachment.

g) As per Board Order 98/14, a response to this question is not required.

h) Refer to attachments.

SUMMARY OF CORPORATE EXPENSES BY CATEGORY
For the Fiscal Years Ended February 28/29,

	Compounded Annual Growth Rates		
Normal Operations	09/10 - 13/14	13/14 - 16/17	16/17 - 18/19
Expense Category	(4 years)	(3 years)	(2 years)
Compensation - Salaries	4.2%	3.6%	3.6%
Compensation - Overtime	8.1%	-7.7%	3.6%
Compensation - Benefits	5.7%	3.0%	4.1%
Compensation - H & E Tax	2.3%	5.3%	3.8%
Sub total	4.5%	3.3%	3.7%
Data Processing	12.2%	5.1%	2.0%
Special Services	11.7%	2.0%	2.0%
Building Expenses	3.7%	0.9%	2.0%
Safety/Loss Prevention Programs	30.2%	-15.9%	-6.1%
Telephone/Telecommunications	4.6%	-4.0%	2.0%
Public Information/Advertising	6.4%	-1.2%	2.0%
Printing, Stationery, Supplies	-17.1%	-3.1%	2.0%
Postage	7.7%	3.2%	2.0%
Regulatory/Appeal	-1.9%	-2.7%	2.0%
Travel and Vehicle Expense	1.5%	3.2%	2.0%
Driver Education Program	3.7%	4.1%	2.0%
Grants in Lieu of Taxes	6.3%	3.4%	2.0%
Furniture & Equipment/DP Equipment	-11.5%	21.1%	-22.5%
Merchant Fees	-	0.3%	2.0%
Other	0.8%	5.8%	2.0%
Sub total	7.1%	1.6%	1.2%
Amortization-Capital Assets	-	-4.0%	0.8%
Amortization-Deferred Development	5.0%	-9.9%	-5.4%
Total	6.1%	2.1%	2.6%

SUMMARY OF BASIC EXPENSES BY CATEGORY
For the Fiscal Years Ended February 28/29,

Normal Operations Expense Category	99/00 Actual	00/01 Actual	01/02 Actual	02/03 Actual	03/04 Actual	04/05 Actual	05/06 Actual	06/07 Actual	07/08 Actual	08/09 Actual	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Actual
Compensation - Salaries														84,658
Compensation - Overtime	Compensation by subcategory is not readily available between 99/00 and 11/12													1,735
Compensation - Benefits														19,798
Compensation - H & E Tax														1,810
Sub total	54,194	53,889	57,213	63,389	70,497	69,932	75,591	77,175	82,204	83,450	88,161	99,591	107,488	108,001
Data Processing	7,054	7,894	6,923	6,767	8,131	7,548	6,681	6,357	8,977	10,465	8,670	11,178	9,623	13,132
Special Services	3,158	2,082	4,186	4,093	2,973	2,622	2,133	3,061	3,528	2,756	4,197	3,825	3,743	4,160
Building Expenses	5,456	5,714	6,720	6,832	7,286	7,544	7,253	7,522	7,639	7,958	7,526	8,700	8,396	7,316
Safety/Loss Prevention Programs	-	-	42	54	1,325	1,431	4,581	15,892	1,900	18,176	1,398	7,762	4,955	4,429
Telephone/Telecommunications	3,164	2,710	2,621	2,200	1,958	1,765	1,780	1,724	1,259	1,891	1,904	2,088	1,988	2,280
Public Information/Advertising	2,570	1,938	2,055	1,844	1,864	1,601	1,903	2,075	1,745	1,956	1,977	2,540	1,910	2,302
Printing, Stationery, Supplies	1,923	1,973	1,999	1,739	1,708	1,834	1,715	1,919	899	1,884	2,018	1,619	1,572	1,483
Postage	1,025	934	1,282	1,401	1,291	1,405	1,479	1,887	2,066	1,858	1,784	1,810	2,248	2,515
Regulatory/Appeal	1,673	1,854	1,901	1,762	1,905	1,854	3,421	2,190	2,797	2,845	3,958	4,078	3,423	3,392
Travel and Vehicle Expense	889	868	943	1,149	1,111	1,150	1,149	1,136	17,195	1,365	1,054	1,210	1,074	1,047
Driver Education Program	1,246	1,758	1,773	2,057	2,113	2,327	2,448	2,605	2,704	2,912	2,910	3,006	3,115	3,103
Grants in Lieu of Taxes	737	735	796	814	893	907	1,009	823	3,015	920	954	1,135	1,311	1,282
Furniture & Equipment/DP Equipment	Furniture and Equipment were included in Other between 99/00 and 08/09										1,708	1,398	1,843	734
Merchant Fees	Merchant Fees were included in Service Fees between 99/00 and 09/10										-	5,749	6,183	6,320
Other	5,477	6,591	6,259	5,430	4,325	3,748	4,002	4,179	3,615	4,453	4,672	4,202	4,768	5,176
Sub total	34,372	35,051	37,500	36,142	36,883	35,736	39,554	51,370	57,339	59,439	44,730	60,300	56,152	58,671
Amortization-Capital Assets	8,491	6,545	5,793	6,168	6,276	4,564	3,290	3,671	2,417	4,607	5,608	6,138	4,872	5,012
Amortization-Deferred Development	-	-	-	-	-	-	-	-	-	-	-	5,231	7,403	7,796
Total	**97,057**	**95,485**	**100,506**	**105,699**	**113,656**	**110,232**	**118,435**	**132,216**	**141,960**	**147,496**	**138,499**	**171,260**	**175,915**	**179,480**

Corporate Normal Operations
Special Services

Description	2013/14 Actual	2014/15 Forecast	2014/16 Projected	2014/17 Projected
Auctioneer Fees	38	33	34	34
Auditor Fees	173	320	325	332
Actuary Fees	83	93	94	96
Credit Rating Services	17	14	14	15
Special Services - Other	4,719	4,172	4,240	4,323
Security Services	709	704	715	730
BTO - HP Negotiations	-	52	53	54
Employee Opinion Survey	53	487	495	505
Special Services - Transit Subsidy	98	77	78	80
Workplace Safety	59	59	60	61
AEI/Diversity Employment Strategy	279	364	370	377
Wellness Initiative	39	140	142	145
Employee Assistance	66	73	74	76
Data Services (Econ/Veh)	102	88	89	91
Medical Assessments	9	-	-	-
Corporate Surveys/Evaluations	361	312	317	323
Safety Surveys/Evaluations	111	92	93	95
	6,916	7,080	7,193	7,337

Manitoba Public Insurance

SUMMARY OF BASIC EXPENSES BY CATEGORY
For the Fiscal Years Ended February 28/29,

Total Basic Expense Category	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Forecast	15/16 Projected	16/17 Outlook	17/18 Outlook	18/19 Outlook	Compounded Annual Growth Rates 09/10 - 13/14 (4 years)	13/14 - 16/17 (3 years)	16/17 - 18/19 (2 years)
Compensation - Salaries				85,485	88,602	92,104	96,105	99,393	102,151	105,784		3.9%	3.2%
Compensation - Overtime				1,827	2,449	1,715	1,810	1,875	1,933	2,002		-8.5%	3.3%
Compensation - Benefits				19,868	20,174	20,724	21,609	22,438	23,246	24,204		3.6%	3.9%
Compensation - H & E Tax				1,827	1,834	1,996	2,105	2,184	2,255	2,338		6.0%	3.5%
Sub total	90,458	101,449	108,625	109,007	113,059	116,539	121,629	125,890	129,585	134,328	5.7%	3.6%	3.3%
Data Processing	9,200	11,614	12,199	19,292	22,476	20,259	24,033	26,155	24,470	24,670	25.0%	5.2%	-2.9%
Special Services	4,878	5,026	5,665	4,857	5,164	5,306	4,986	5,071	5,148	5,250	1.4%	-0.6%	1.7%
Building Expenses	7,862	8,818	8,396	7,316	9,049	9,349	9,572	9,730	9,872	10,067	3.6%	2.4%	1.7%
Safety/Loss Prevention Programs	16,043	8,489	5,684	5,175	4,963	3,549	2,509	2,430	2,247	2,095	-25.4%	-21.2%	-7.1%
Telephone/Telecommunications	1,928	2,097	1,988	2,286	2,588	2,089	1,882	1,917	1,948	1,992	7.6%	-9.5%	1.9%
Public Information/Advertising	2,240	2,581	1,944	2,302	2,484	2,331	2,388	2,427	2,461	2,510	2.6%	-0.8%	1.7%
Printing, Stationery, Supplies	2,043	1,648	1,573	1,494	1,798	1,592	1,629	1,657	1,681	1,715	-3.1%	-2.7%	1.7%
Postage	1,792	1,810	2,248	2,516	2,660	2,944	3,016	3,065	3,109	3,171	10.4%	4.8%	1.7%
Regulatory/Appeal	3,958	4,078	3,423	3,392	3,667	3,261	3,314	3,380	3,447	3,516	-1.9%	-2.7%	2.0%
Travel and Vehicle Expense	1,069	1,226	1,080	1,053	1,181	1,234	1,264	1,285	1,303	1,329	2.5%	2.9%	1.7%
Driver Education Program	2,929	3,006	3,115	3,103	3,200	3,519	3,605	3,664	3,716	3,790	2.2%	4.6%	1.7%
Grants in Lieu of Taxes	954	1,135	1,311	1,282	1,346	1,452	1,487	1,511	1,533	1,563	9.0%	3.9%	1.7%
Furniture & Equipment/DP Equipment	1,750	1,427	3,105	1,272	1,068	1,017	1,041	1,861	1,074	1,095	-11.6%	20.3%	-23.3%
Merchant Fees	-	5,749	6,183	6,320	6,671	6,433	6,536	6,667	6,800	6,936	-	0.0%	2.0%
Other	4,740	4,471	4,816	5,294	4,925	5,587	5,722	5,817	5,899	6,017	1.0%	5.7%	1.7%
Sub total	61,386	63,175	62,730	66,954	73,240	69,922	72,984	76,637	74,708	75,716	4.5%	1.5%	-0.6%
Amortization-Capital Assets	5,608	6,139	4,872	5,012	4,998	5,637	5,220	5,288	5,321	5,379	-	1.9%	0.9%
Amortization-Deferred Development	-	5,231	7,403	7,796	7,818	12,331	9,272	11,202	12,795	24,357	-	12.7%	47.5%
Total	**157,452**	**175,994**	**183,630**	**188,769**	**199,115**	**204,429**	**209,105**	**219,017**	**222,409**	**239,780**	6.0%	3.2%	4.6%

SUMMARY OF BASIC EXPENSES BY CATEGORY
For the Fiscal Years Ended February 28/29,

Normal Operations	12/13	13/14	14/15	15/16	16/17	13/14 vs 12/13		14/15 vs 13/14		15/16 vs 14/15		16/17 vs 15/16	
Expense Category	**Actual**	**Actual**	**Forecast**	**Projected**	**Outlook**	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Compensation - Salaries	84,658	87,897	90,578	95,559	99,013	3,239	3.8%	2,681	3.1%	4,981	5.5%	3,454	3.6%
Compensation - Overtime	1,735	2,343	1,715	1,810	1,875	608	35.0%	(628)	-26.8%	95	5.5%	65	3.6%
Compensation - Benefits	19,798	20,174	20,724	21,609	22,438	376	1.9%	550	2.7%	885	4.3%	829	3.8%
Compensation - H & E Tax	1,810	1,834	1,996	2,105	2,184	24	1.3%	162	8.8%	109	5.5%	79	3.8%
Sub total	108,001	112,248	115,013	121,083	125,510								
Data Processing	13,132	14,188	16,201	16,593	16,867	1,056	8.0%	2,013	14.2%	392	2.4%	274	1.7%
Special Services	4,160	4,683	4,875	4,986	5,071	523	12.6%	192	4.1%	111	2.3%	85	1.7%
Building Expenses	7,316	9,049	9,349	9,572	9,730	1,733	23.7%	300	3.3%	223	2.4%	158	1.7%
Safety/Loss Prevention Programs	4,429	4,160	2,742	2,509	2,430	(269)	-6.1%	(1,418)	-34.1%	(233)	-8.5%	(79)	-3.1%
Telephone/Telecommunications	2,280	2,411	2,089	2,140	2,175	131	5.7%	(322)	-13.4%	51	2.4%	35	1.6%
Public Information/Advertising	2,302	2,466	2,331	2,388	2,427	164	7.1%	(135)	-5.5%	57	2.4%	39	1.6%
Printing, Stationery, Supplies	1,483	1,780	1,592	1,629	1,657	297	20.0%	(188)	-10.6%	37	2.3%	28	1.7%
Postage	2,515	2,659	2,944	3,016	3,065	144	5.7%	285	10.7%	72	2.4%	49	1.6%
Regulatory/Appeal	3,392	3,667	3,261	3,314	3,380	275	8.1%	(406)	-11.1%	53	1.6%	66	2.0%
Travel and Vehicle Expense	1,047	1,148	1,234	1,264	1,285	101	9.6%	86	7.5%	30	2.4%	21	1.7%
Driver Education Program	3,103	3,200	3,519	3,605	3,664	97	3.1%	319	10.0%	86	2.4%	59	1.6%
Grants in Lieu of Taxes	1,282	1,346	1,452	1,487	1,511	64	5.0%	106	7.9%	35	2.4%	24	1.6%
Furniture & Equipment/DP Equipment	734	1,043	1,017	1,041	1,861	309	42.1%	(26)	-2.5%	24	2.4%	820	78.8%
Merchant Fees	6,320	6,671	6,433	6,536	6,667	351	5.6%	(238)	-3.6%	103	1.6%	131	2.0%
Other	5,176	4,822	5,587	5,722	5,817	(354)	-6.8%	765	15.9%	135	2.4%	95	1.7%
Sub total	58,671	63,293	64,626	65,802	67,607								
Amortization-Capital Assets	5,012	4,998	4,278	4,400	4,485	(14)	-0.3%	(720)	-14.4%	122	2.9%	85	1.9%
Amortization-Deferred Development	7,796	7,818	12,331	7,530	5,195	22	0.3%	4,513	57.7%	(4,801)	-38.9%	(2,335)	-31.0%
Total	**179,480**	**188,357**	**196,248**	**198,815**	**202,797**	**8,877**	**4.9%**	**7,891**	**4.2%**	**2,567**	**1.3%**	**3,982**	**2.0%**

Improvement Initiatives *	12/13	13/14	14/15	15/16	16/17	13/14 vs 12/13		14/15 vs 13/14		15/16 vs 14/15		16/17 vs 15/16	
Expense Category	**Actual**	**Actual**	**Forecast**	**Projected**	**Outlook**	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Compensation - Salaries	827	705	1,526	546	380	(122)	-14.8%	821	116.5%	(980)	-179.5%	(166)	136.1%
Compensation - Overtime	92	106	-	-	-	14	15.2%	(106)	-100.0%	-	-	-	-
Compensation - Benefits	70	-	-	-	-	(70)	-100.0%	-	-	-	-	-	-
Compensation - H & E Tax	17	-	-	-	-	(17)	-100.0%	-	-	-	-	-	-
Sub total	1,006	811	1,526	546	380								
Data Processing	6,160	8,288	4,058	7,440	9,288	2,128	34.5%	(4,230)	-51.0%	3,382	45.5%	1,848	86.8%
Special Services	697	481	431	-	-	(216)	-31.0%	(50)	-10.4%	(431)	-	-	-
Building Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Safety/Loss Prevention Programs	746	803	807	-	-	57	7.6%	4	0.5%	(807)	-	-	-
Telephone/Telecommunications	6	177	-	(258)	(258)	171	2850.0%	(177)	-100.0%	(258)	100.0%	-	-
Public Information/Advertising	-	18	-	-	-	18	#DIV/0!	(18)	-100.0%	-	-	-	-
Printing, Stationery, Supplies	11	18	-	-	-	7	63.6%	(18)	-100.0%	-	-	-	-
Postage	1	1	-	-	-	-	-	(1)	-100.0%	-	-	-	-
Regulatory/Appeal	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel and Vehicle Expense	6	33	-	-	-	27	450.0%	(33)	-100.0%	-	-	-	-
Driver Education Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Equipment/DP Equipment	538	25	-	-	-	(513)	-95.4%	(25)	-100.0%	-	-	-	-
Merchant Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	118	103	-	-	-	(15)	-12.7%	(103)	-100.0%	-	-	-	-
Sub total	8,283	9,947	5,296	7,182	9,030								
Amortization-Capital Assets	-	-	1,359	820	803	-	-	1,359	-	(539)	-65.7%	(17)	-
Amortization-Deferred Development	-	-	-	1,742	6,007	-	-	-	-	1,742	100.0%	4,265	-
Total	**9,289**	**10,758**	**8,181**	**10,290**	**16,220**	**1,469**	**15.8%**	**(2,577)**	**-24.0%**	**2,109**	**25.8%**	**5,930**	**57.6%**

SUMMARY OF BASIC EXPENSES BY CATEGORY
For the Fiscal Years Ended February 28/29,

Total Corporate	12/13	13/14	14/15	15/16	16/17	13/14 vs 12/13		14/15 vs 13/14		15/16 vs 14/15		16/17 vs 15/16	
Expense Category	Actual	Actual	Forecast	Projected	Outlook	$	%	$	%	$	%	$	%
Compensation - Salaries	85,485	88,602	92,104	96,105	99,393	3,117	3.6%	3,502	4.0%	4,001	4.3%	3,288	3.4%
Compensation - Overtime	1,827	2,449	1,715	1,810	1,875	622	34.0%	(734)	-30.0%	95	5.5%	65	3.6%
Compensation - Benefits	19,868	20,174	20,724	21,609	22,438	306	1.5%	550	2.7%	885	4.3%	829	3.8%
Compensation - H & E Tax	1,827	1,834	1,996	2,105	2,184	7	0.4%	162	8.8%	109	5.5%	79	3.8%
Sub total	109,007	113,059	116,539	121,629	125,890								
Data Processing	19,292	22,476	20,259	24,033	26,155	3,184	16.5%	(2,217)	-9.9%	3,774	18.6%	2,122	8.8%
Special Services	4,857	5,164	5,306	4,986	5,071	307	6.3%	142	2.7%	(320)	-6.0%	85	1.7%
Building Expenses	7,316	9,049	9,349	9,572	9,730	1,733	23.7%	300	3.3%	223	2.4%	158	1.7%
Safety/Loss Prevention Programs	5,175	4,963	3,549	2,509	2,430	(212)	-4.1%	(1,414)	-28.5%	(1,040)	-29.3%	(79)	-3.1%
Telephone/Telecommunications	2,286	2,588	2,089	1,882	1,917	302	13.2%	(499)	-19.3%	(207)	-9.9%	35	1.9%
Public Information/Advertising	2,302	2,484	2,331	2,388	2,427	182	7.9%	(153)	-6.2%	57	2.4%	39	1.6%
Printing, Stationery, Supplies	1,494	1,798	1,592	1,629	1,657	304	20.3%	(206)	-11.5%	37	2.3%	28	1.7%
Postage	2,516	2,660	2,944	3,016	3,065	144	5.7%	284	10.7%	72	2.4%	49	1.6%
Regulatory/Appeal	3,392	3,667	3,261	3,314	3,380	275	8.1%	(406)	-11.1%	53	1.6%	66	2.0%
Travel and Vehicle Expense	1,053	1,181	1,234	1,264	1,285	128	12.2%	53	4.5%	30	2.4%	21	1.7%
Driver Education Program	3,103	3,200	3,519	3,605	3,664	97	3.1%	319	10.0%	86	2.4%	59	1.6%
Grants in Lieu of Taxes	1,282	1,346	1,452	1,487	1,511	64	5.0%	106	7.9%	35	2.4%	24	1.6%
Furniture & Equipment/DP Equipment	1,272	1,068	1,017	1,041	1,861	(204)	-16.0%	(51)	-4.8%	24	2.4%	820	78.8%
Merchant Fees	6,320	6,671	6,433	6,536	6,667	351	5.6%	(238)	-3.6%	103	1.6%	131	2.0%
Other	5,294	4,925	5,587	5,722	5,817	(369)	-7.0%	662	13.4%	135	2.4%	95	1.7%
Sub total	66,954	73,240	69,922	72,984	76,637								
Amortization-Capital Assets	5,012	4,998	5,637	5,220	5,288	(14)	-0.3%	639	12.8%	(417)	-7.4%	68	1.3%
Amortization-Deferred Development	7,796	7,818	12,331	9,272	11,202	22	0.3%	4,513	57.7%	(3,059)	-24.8%	1,930	20.8%
Total	**188,769**	**199,115**	**204,429**	**209,105**	**219,017**	**10,346**	**5.5%**	**5,314**	**2.7%**	**4,676**	**2.3%**	**9,912**	**4.7%**

* Includes operational initiatives

SUMMARY OF BASIC EXPENSES BY CATEGORY

For the Fiscal Years Ended February 28/29,

	CLAIMS EXPENSES					OPERATING EXPENSES					ROAD SAFETY EXPENSES				
Normal Operations Expense Category	12/13 Actual	13/14 Actual	14/15 Forecast	15/16 Projected	16/17 Outlook	12/13 Actual	13/14 Actual	14/15 Forecast	15/16 Projected	16/17 Outlook	12/13 Actual	13/14 Actual	14/15 Forecast	15/16 Projected	16/17 Outlook
Compensation - Salaries	56,614	58,260	59,289	62,557	64,810	26,529	28,229	30,001	31,642	32,794	1,515	1,408	1,288	1,360	1,409
Compensation - Overtime	1,352	1,832	1,253	1,322	1,369	361	493	442	467	484	22	18	20	21	22
Compensation - Benefits	13,381	13,294	13,597	14,179	14,721	6,084	6,569	6,838	7,128	7,404	333	311	289	302	313
Compensation - H & E Tax	1,210	1,209	1,309	1,381	1,433	568	597	659	695	721	32	28	28	29	30
Sub total	72,557	74,595	75,448	79,439	82,333	33,542	35,888	37,940	39,932	41,403	1,902	1,765	1,625	1,712	1,774
Data Processing	8,610	9,498	10,880	11,143	11,327	4,522	4,690	5,321	5,450	5,540	-	-	-	-	-
Special Services	1,845	1,812	1,920	1,962	1,996	2,223	2,671	2,868	2,935	2,985	92	102	87	89	90
Building Expenses	5,166	6,315	6,506	6,662	6,772	2,075	2,643	2,748	2,813	2,860	75	91	95	97	98
Safety/Loss Prevention Programs	-	-	-	-	-	-	-	-	-	-	4,429	4,160	2,742	2,509	2,430
Telephone/Telecommunications	1,604	1,625	1,402	1,436	1,460	656	786	687	704	715	20	-	-	-	-
Public Information/Advertising	13	43	15	15	16	578	399	410	420	426	1,711	2,024	1,906	1,953	1,985
Printing, Stationery, Supplies	809	985	876	897	912	617	744	638	653	664	57	51	78	79	81
Postage	1,521	1,580	-	-	-	950	1,050	2,944	3,016	3,065	44	29	-	-	-
Regulatory/Appeal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel and Vehicle Expense	716	794	839	859	873	317	342	366	375	381	14	12	29	30	31
Driver Education Program	-	-	-	-	-	-	-	-	-	-	3,103	3,200	3,519	3,605	3,664
Grants in Lieu of Taxes	903	939	1,008	1,033	1,049	367	395	430	440	448	12	12	14	14	14
Furniture & Equipment/DP Equipment	412	587	585	599	1,136	319	448	427	437	720	3	8	5	5	5
Merchant Fees	-	-	-	-	-	6,320	6,671	6,433	6,536	6,667	-	-	-	-	-
Other	946	841	750	768	781	3,936	3,610	4,497	4,606	4,681	294	371	340	348	355
Sub total	22,545	25,019	24,781	25,374	26,322	22,880	24,449	27,769	28,385	29,152	9,854	10,060	8,815	8,729	8,753
Amortization-Capital Assets	3,338	3,359	2,845	2,800	2,736	1,446	1,510	1,330	1,527	1,712	228	129	103	73	37
Amortization-Deferred Development	4,975	4,982	8,063	5,666	3,409	2,821	2,836	4,268	1,864	1,786	-	-	-	-	-
Total	**103,415**	**107,955**	**111,137**	**113,279**	**114,800**	**60,689**	**64,683**	**71,307**	**71,708**	**74,053**	**11,984**	**11,954**	**10,543**	**10,514**	**10,564**

Normal Operations	REGULATORY APPEAL EXPENSES					TOTAL BASIC EXPENSES				
	12/13	13/14	14/15	15/16	16/17	12/13	13/14	14/15	15/16	16/17
Expense Category	Actual	Actual	Forecast	Projected	Outlook	Actual	Actual	Forecast	Projected	Outlook
Compensation - Salaries	-	-	-	-	-	84,658	87,897	90,578	95,559	99,013
Compensation - Overtime	-	-	-	-	-	1,735	2,343	1,715	1,810	1,875
Compensation - Benefits	-	-	-	-	-	19,798	20,174	20,724	21,609	22,438
Compensation - H & E Tax	-	-	-	-	-	1,810	1,834	1,996	2,105	2,184
Sub total	-	-	-	-	-	108,001	112,248	115,013	121,083	125,510
Data Processing	-	-	-	-	-	13,132	14,188	16,201	16,593	16,867
Special Services	-	98	-	-	-	4,160	4,683	4,875	4,986	5,071
Building Expenses	-	-	-	-	-	7,316	9,049	9,349	9,572	9,730
Safety/Loss Prevention Programs	-	-	-	-	-	4,429	4,160	2,742	2,509	2,430
Telephone/Telecommunications	-	-	-	-	-	2,280	2,411	2,089	2,140	2,175
Public Information/Advertising	-	-	-	-	-	2,302	2,466	2,331	2,388	2,427
Printing, Stationery, Supplies	-	-	-	-	-	1,483	1,780	1,592	1,629	1,657
Postage	-	-	-	-	-	2,515	2,659	2,944	3,016	3,065
Regulatory/Appeal	3,392	3,667	3,261	3,314	3,380	3,392	3,667	3,261	3,314	3,380
Travel and Vehicle Expense	-	-	-	-	-	1,047	1,148	1,234	1,264	1,285
Driver Education Program	-	-	-	-	-	3,103	3,200	3,519	3,605	3,664
Grants in Lieu of Taxes	-	-	-	-	-	1,282	1,346	1,452	1,487	1,511
Furniture & Equipment/DP Equipment	-	-	-	-	-	734	1,043	1,017	1,041	1,861
Merchant Fees	-	-	-	-	-	6,320	6,671	6,433	6,536	6,667
Other	-	-	-	-	-	5,176	4,822	5,587	5,722	5,817
	3,392	3,765	3,261	3,314	3,380	58,671	63,293	64,626	65,802	67,607
Amortization-Capital Assets	-	-	-	-	-	5,012	4,998	4,278	4,400	4,485
Amortization-Deferred Development	-	-	-	-	-	7,796	7,818	12,331	7,530	5,195
Total	**3,392**	**3,765**	**3,261**	**3,314**	**3,380**	**179,480**	**188,357**	**196,248**	**198,815**	**202,797**

SUMMARY OF BASIC EXPENSES BY CATEGORY
For the Fiscal Years Ended February 28/29,

	CLAIMS EXPENSES					OPERATING EXPENSES					ROAD SAFETY EXPENSES				
Initiatives *	12/13	13/14	14/15	15/16	16/17	12/13	13/14	14/15	15/16	16/17	12/13	13/14	14/15	15/16	16/17
Expense Category	Actual	Actual	Forecast	Projected	Outlook	Actual	Actual	Forecast	Projected	Outlook	Actual	Actual	Forecast	Projected	Outlook
Compensation - Salaries	607	626	1,165	382	249	220	79	361	164	131	-	-	-	-	-
Compensation - Overtime	61	79	-	-	-	31	27	-	-	-	-	-	-	-	-
Compensation - Benefits	52	-	-	-	-	18	-	-	-	-	-	-	-	-	-
Compensation - H & E Tax	13	-	-	-	-	4	-	-	-	-	-	-	-	-	-
Sub total	733	705	1,165	382	249	273	106	361	164	131	-	-	-	-	-
Data Processing	3,473	5,152	2,625	5,152	6,500	2,384	3,077	1,433	2,288	2,788	303	59	-	-	-
Special Services	589	475	431	-	-	108	6	-	-	-	-	-	-	-	-
Building Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Safety/Loss Prevention Programs	-	-	-	-	-	-	-	-	-	-	746	803	807	-	-
Telephone/Telecommunications	6	117	-	(169)	(169)	-	60	-	(89)	(89)	-	-	-	-	-
Public Information/Advertising	-	12	-	-	-	-	6	-	-	-	-	-	-	-	-
Printing, Stationery, Supplies	2	11	-	-	-	9	7	-	-	-	-	-	-	-	-
Postage	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Regulatory/Appeal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel and Vehicle Expense	5	26	-	-	-	1	7	-	-	-	-	-	-	-	-
Driver Education Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Equipment/DP Equipment	309	17	-	-	-	229	8	-	-	-	-	-	-	-	-
Merchant Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	77	81	-	-	-	41	22	-	-	-	-	-	-	-	-
Sub total	4,462	5,892	3,056	4,983	6,331	2,772	3,193	1,433	2,199	2,699	1,049	862	807	-	-
Amortization-Capital Assets	-	-	892	538	527	-	-	467	282	276	-	-	-	-	-
Amortization-Deferred Development	-	-	-	1,304	4,103	-	-	-	438	1,904	-	-	-	-	-
Total	**5,195**	**6,597**	**5,113**	**7,207**	**11,210**	**3,045**	**3,299**	**2,261**	**3,083**	**5,010**	**1,049**	**862**	**807**	**-**	**-**

	REGULATORY APPEAL EXPENSES					TOTAL BASIC EXPENSES				
Initiatives *	12/13	13/14	14/15	15/16	16/17	12/13	13/14	14/15	15/16	16/17
Expense Category	Actual	Actual	Forecast	Projected	Outlook	Actual	Actual	Forecast	Projected	Outlook
Compensation - Salaries	-	-	-	-	-	827	705	1,526	546	380
Compensation - Overtime	-	-	-	-	-	92	106	-	-	-
Compensation - Benefits	-	-	-	-	-	70	-	-	-	-
Compensation - H & E Tax	-	-	-	-	-	17	-	-	-	-
Sub total	-	-	-	-	-	1,006	811	1,526	546	380
Data Processing	-	-	-	-	-	6,160	8,288	4,058	7,440	9,288
Special Services	-	-	-	-	-	697	481	431	-	-
Building Expenses	-	-	-	-	-	-	-	-	-	-
Safety/Loss Prevention Programs	-	-	-	-	-	746	803	807	-	-
Telephone/Telecommunications	-	-	-	-	-	6	177	-	(258)	(258)
Public Information/Advertising	-	-	-	-	-	-	18	-	-	-
Printing, Stationery, Supplies	-	-	-	-	-	11	18	-	-	-
Postage	-	-	-	-	-	1	1	-	-	-
Regulatory/Appeal	-	-	-	-	-	-	-	-	-	-
Travel and Vehicle Expense	-	-	-	-	-	6	33	-	-	-
Driver Education Program	-	-	-	-	-	-	-	-	-	-
Grants in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-
Furniture & Equipment/DP Equipment	-	-	-	-	-	538	25	-	-	-
Merchant Fees	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	118	103	-	-	-
	-	-	-	-	-	8,283	9,947	5,296	7,182	9,030
Amortization-Capital Assets	-	-	-	-	-	-	-	1,359	820	803
Amortization-Deferred Development	-	-	-	-	-	-	-	-	1,742	6,007
Total	**-**	**-**	**-**	**-**	**-**	**9,289**	**10,758**	**8,181**	**10,290**	**16,220**

* Includes operational initiatives

SUMMARY OF BASIC EXPENSES BY CATEGORY

For the Fiscal Years Ended February 28/29,

	CLAIMS EXPENSES					OPERATING EXPENSES					ROAD SAFETY EXPENSES				
Total	12/13	13/14	14/15	15/16	16/17	12/13	13/14	14/15	15/16	16/17	12/13	13/14	14/15	15/16	16/17
Expense Category	Actual	Actual	Forecast	Projected	Outlook	Actual	Actual	Forecast	Projected	Outlook	Actual	Actual	Forecast	Projected	Outlook
Compensation - Salaries	57,221	58,886	60,454	62,939	65,059	26,749	28,308	30,362	31,806	32,925	1,515	1,408	1,288	1,360	1,409
Compensation - Overtime	1,413	1,911	1,253	1,322	1,369	392	520	442	467	484	22	18	20	21	22
Compensation - Benefits	13,433	13,294	13,597	14,179	14,721	6,102	6,569	6,838	7,128	7,404	333	311	289	302	313
Compensation - H & E Tax	1,223	1,209	1,309	1,381	1,433	572	597	659	695	721	32	28	28	29	30
Sub total	73,290	75,300	76,613	79,821	82,582	33,815	35,994	38,301	40,096	41,534	1,902	1,765	1,625	1,712	1,774
Data Processing	12,083	14,650	13,505	16,295	17,827	6,906	7,767	6,754	7,738	8,328	303	59	-	-	-
Special Services	2,434	2,287	2,351	1,962	1,996	2,331	2,677	2,868	2,935	2,985	92	102	87	89	90
Building Expenses	5,166	6,315	6,506	6,662	6,772	2,075	2,643	2,748	2,813	2,860	75	91	95	97	98
Safety/Loss Prevention Programs	-	-	-	-	-	-	-	-	-	-	5,175	4,963	3,549	2,509	2,430
Telephone/Telecommunications	1,610	1,742	1,402	1,267	1,291	656	846	687	615	626	20	-	-	-	-
Public Information/Advertising	13	55	15	15	16	578	405	410	420	426	1,711	2,024	1,906	1,953	1,985
Printing, Stationery, Supplies	811	996	876	897	912	626	751	638	653	664	57	51	78	79	81
Postage	1,522	1,581	-	-	-	950	1,050	2,944	3,016	3,065	44	29	-	-	-
Regulatory/Appeal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel and Vehicle Expense	721	820	839	859	873	318	349	366	375	381	14	12	29	30	31
Driver Education Program	-	-	-	-	-	-	-	-	-	-	3,103	3,200	3,519	3,605	3,664
Grants in Lieu of Taxes	903	939	1,008	1,033	1,049	367	395	430	440	448	12	12	14	14	14
Furniture & Equipment/DP Equipment	721	604	585	599	1,136	548	456	427	437	720	3	8	5	5	5
Merchant Fees	-	-	-	-	-	6,320	6,671	6,433	6,536	6,667	-	-	-	-	-
Other	1,023	922	750	768	781	3,977	3,632	4,497	4,606	4,681	294	371	340	348	355
	27,007	30,911	27,837	30,357	32,653	25,652	27,642	29,202	30,584	31,851	10,903	10,922	9,622	8,729	8,753
Amortization-Capital Assets	3,338	3,359	3,737	3,338	3,263	1,446	1,510	1,797	1,809	1,988	228	129	103	73	37
Amortization-Deferred Development	4,975	4,982	8,063	6,970	7,512	2,821	2,836	4,268	2,302	3,690	-	-	-	-	-
Total	**108,610**	**114,552**	**116,250**	**120,486**	**126,010**	**63,734**	**67,982**	**73,568**	**74,791**	**79,063**	**13,033**	**12,816**	**11,350**	**10,514**	**10,564**

	REGULATORY APPEAL EXPENSES					TOTAL BASIC EXPENSES				
Total	12/13	13/14	14/15	15/16	16/17	12/13	13/14	14/15	15/16	16/17
Expense Category	Actual	Actual	Forecast	Projected	Outlook	Actual	Actual	Forecast	Projected	Outlook
Compensation - Salaries	-	-	-	-	-	85,485	88,602	92,104	96,105	99,393
Compensation - Overtime	-	-	-	-	-	1,827	2,449	1,715	1,810	1,875
Compensation - Benefits	-	-	-	-	-	19,868	20,174	20,724	21,609	22,438
Compensation - H & E Tax	-	-	-	-	-	1,827	1,834	1,996	2,105	2,184
Sub total	-	-	-	-	-	109,007	113,059	116,539	121,629	125,890
Data Processing	-	-	-	-	-	19,292	22,476	20,259	24,033	26,155
Special Services	-	98	-	-	-	4,857	5,164	5,306	4,986	5,071
Building Expenses	-	-	-	-	-	7,316	9,049	9,349	9,572	9,730
Safety/Loss Prevention Programs	-	-	-	-	-	5,175	4,963	3,549	2,509	2,430
Telephone/Telecommunications	-	-	-	-	-	2,286	2,588	2,089	1,882	1,917
Public Information/Advertising	-	-	-	-	-	2,302	2,484	2,331	2,388	2,427
Printing, Stationery, Supplies	-	-	-	-	-	1,494	1,798	1,592	1,629	1,657
Postage	-	-	-	-	-	2,516	2,660	2,944	3,016	3,065
Regulatory/Appeal	3,392	3,667	3,261	3,314	3,380	3,392	3,667	3,261	3,314	3,380
Travel and Vehicle Expense	-	-	-	-	-	1,053	1,181	1,234	1,264	1,285
Driver Education Program	-	-	-	-	-	3,103	3,200	3,519	3,605	3,664
Grants in Lieu of Taxes	-	-	-	-	-	1,282	1,346	1,452	1,487	1,511
Furniture & Equipment/DP Equipment	-	-	-	-	-	1,272	1,068	1,017	1,041	1,861
Merchant Fees	-	-	-	-	-	6,320	6,671	6,433	6,536	6,667
Other	-	-	-	-	-	5,294	4,925	5,587	5,722	5,817
	3,392	3,765	3,261	3,314	3,380	66,954	73,240	69,922	72,984	76,637
Amortization-Capital Assets	-	-	-	-	-	5,012	4,998	5,637	5,220	5,288
Amortization-Deferred Development	-	-	-	-	-	7,796	7,818	12,331	9,272	11,202
Total	**3,392**	**3,765**	**3,261**	**3,314**	**3,380**	**188,769**	**199,115**	**204,429**	**209,105**	**219,017**

PUB (MPI) 1-62

Reference: Expenses Appendix 9, PUB/MPI 2-33 (2014 GRA)

a) Please provide the Information Technology Costs Table in Appendix 9 broken down between Normal operations, Initiative implementation and Initiative ongoing expenses.

b) Please update the schedule of IT expenses to include the years 2005/06 through 2008/09 and include two columns providing the compound annual growth rate for 2005/06 to 2013/14 and 2013/14 through 2018/19.

c) Please update the corporate capital IT schedule as in (a) above, and include a column on the right of total capital costs by project.

RESPONSE:

a) As previously filed.
The table on pages 40 and 41 of Volume II Expenses – Appendix 9 shows normal operations and ongoing expenses related to IT costs. The first part of the table is normal operations expenses. Ongoing expenses are shown as a separate section on page 41. Implementation expenses are shown on pages 24 and 25 of the Expenses section of Volume II of the 2015 GRA.

b) Please refer to attachment.

c) As previously filed.
Refer to E.4.2 in the Expenses section of Volume II of the 2015 GRA for capital costs by project.

Information Technology Costs (Corporate)

For 2005/06 to 2018/19

($ in thousands)

Summary	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Forecast	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	Compound Annual Growth Rate 05/06-13/14	Compound Annual Growth Rate 13/14-18/19
Total IT Expenses	24,767	24,293	28,525	29,430	29,162	36,689	40,980	50,075	56,272	57,599	55,293	60,085	63,696	79,185	10.8%	7.1%
Deferred Development Costs	4,042	7,710	7,572	18,742	20,869	11,079	7,308	19,820	29,819	28,857	22,993	18,971	21,175	15,172	28.4%	-12.6%
Data Processing Equipment	2,525	1,777	4,435	3,688	1,766	1,485	2,618	2,131	1,155	1,651	1,783	2,139	2,015	2,000	-9.3%	11.6%
Total Costs	31,334	33,780	40,532	51,860	51,797	49,253	50,906	72,026	87,246	88,107	80,069	81,195	86,886	96,357	13.7%	2.0%

PUB (MPI) 1-63 Reference: SM.2 Benchmarking pp. 12, 19, AI.12

a) Please provide a description of each of the productivity factors that are being developed to assess cost containment measures [SM.2, p. 12].

b) In table format, please file a 5-year historical analysis of each of the metrics provided in AI.12 for the fiscal years 2009/10 through 2013/14 and those forecast through 2016/17, including all relevant data to determine the ratios. Please comment on the internal trends.

c) Please file a copy of any reports, presentations or customized analyses provided by the Ward Group to the Corporation's management since the last GRA, including the Trend Analysis Report referenced.

d) Please provide the composition of the Canadian Personal Auto Group, Canadian Benchmark Group and US Personal Auto Group.

RESPONSE:

a) The Corporation is still in the process of developing metrics to assess ongoing productivity in the areas of claims management, physical damage and the contact centre.

b) Only metrics that did not initially provide a five year historical trend in A1.12 are included in the following response. The benchmarking process does not involve future forecasting of any metrics.

   <u>A1.12 Appendix 1- Operational Efficiency Measures</u>

   Historical analyses of the metrics specific to *1.1 Corporate Performance*, and *1.2 Claims Performance* are only available from years 2010 to 2012, as this is the period of time with which the Corporation has enlisted the Ward Group for benchmarking. Results from the 2013 benchmarking will not be available until winter 2014.

Five year historical analyses for *1.3 Macro-Mandate Performance* are as follows:

1.3.1 Rates that are on average lower than those charged by private insurance companies for comparable price and coverage

Passenger Vehicle - Rates Comparison Charts by Driver Profile
(Winnipeg, Calgary and Toronto)

All rates are based on: 2010 Dodge Caravan SE, $500 All Perils deductible, $2 million third-party liability[1]

21 year-old male *Claims and conviction free*					
	2010	**2011**	**2012**	**2013**	**2014**
Winnipeg	$1,054	$1,179	$1,179	$1,300	$1,322
Calgary	$2,977	$3,363	$3,045	$3,011	$3,002
Toronto	$7,019	$8,082	$9,370	$9,160	$8,069

35 year-old couple *Both claims and conviction free*					
	2010	**2011**	**2012**	**2013**	**2014**
Winnipeg	$1,054	$1,056	$992	$1,031	$1,047
Calgary	$1,277	$1,417	$1,431	$1,396	$1,432
Toronto	$3,123	$3,763	$4,398	$4,450	$3,986

40 year-old couple and 16 year-old son *All claims and conviction free*					
	2010	**2011**	**2012**	**2013**	**2014**
Winnipeg	$1,054	$1,101	$1,037	$1,076	$1,092
Calgary	$2,620	$2,926	$2,859	$2,824	$2,181
Toronto	$6,796	$7,351	$8,041	$8,160	$7,221

[1] The Dodge Grand Caravan SE is the most common passenger vehicle registered in Manitoba

Motorcycle - Rates Comparison Charts by Driver Profile
(Winnipeg, Calgary, and Toronto)

The Corporation can only provide historical rates information for the 21- year old male driver profile. The 50 year-old driver profile (as seen in A1.12 Appendix 2) was first created in 2013/14. Additionally, motorcycle rates comparisons were not completed in 2012.

All rates are based on: $500 collision deductible, $500 comprehensive deductible, $2 million third-party liability

21 year-old male *Claims and conviction free*			
	2011*	**2013****	**2014*****
Winnipeg	$1,986	$1,274	$1,380
Calgary	$1,970	$2,970	$2,427
Toronto	$4,853	$3,301	$2,679

*Rates based on most common touring motorcycle registered in Manitoba, 2011 Sport Touring motorcycle body category,
** 2009 Harley Davidson Ultra Classic,
*** 2012 Harley Davidson FLHX Street Glide.

The rates comparison macro-mandate benchmark for both automobiles and motorcycles, demonstrate that Manitoba Public Insurance continues to not only meet its mandate but surpass it. This result is evident when comparing Manitoban rates to those across Canada. Manitoba Public Insurance's stable rates have resulted in the Corporation's insurance rates consistently being amongst the lowest of all automobile insurers in Canada.

1.3.2 Basic returns at least 85% of premium revenue to Manitobans in the form of claims benefits

Premiums Returned for Each Dollar Earned

Net Claims Incurred plus Claims Expense plus Loss Prevention/Road Safety as a % of Premiums Earned

2009/10	**2010/11**	**2011/12**	**2012/13**	**2013/14**
86%	104%	98%	104%	114%

Since 2009, the Corporation has returned from 86% to 114% of every premium dollar earned, exceeding its target.

Net Claims Incurred as a % of Premiums Earned

2009/10	2010/11	2011/12	2012/13	2013/14
71%	77%	80%	87%	98%

If claims expenses and road safety/loss prevention were removed from the calculation, the Corporation would have returned between 71% and 98% of every premium dollar earned during this period.

A1.12 Appendix 2- Serving Manitobans

2.1 Public Perception Benchmarking Measures

2.1.1 Service when dealing with vehicle insurer

Feelings when dealing with insurance provider: 2009-2013 (Average rating out of 7, where 1 *is strongly disagree* and 7 *is strongly agree*)			
	2009	**2011**	**2013**
Protected	5.1	5.2	5.2
Confident	5.1	5.0	5.1
Looked after	5.0	5.1	5.1
Comfortable	5.0	5.1	5.1
Relaxed	4.8	4.9	4.8

Generally, the average rating for each descriptor increased over time; however, ratings for all five descriptors have been relatively stable since 2009.

2.1.3 Describing Vehicle Insurers

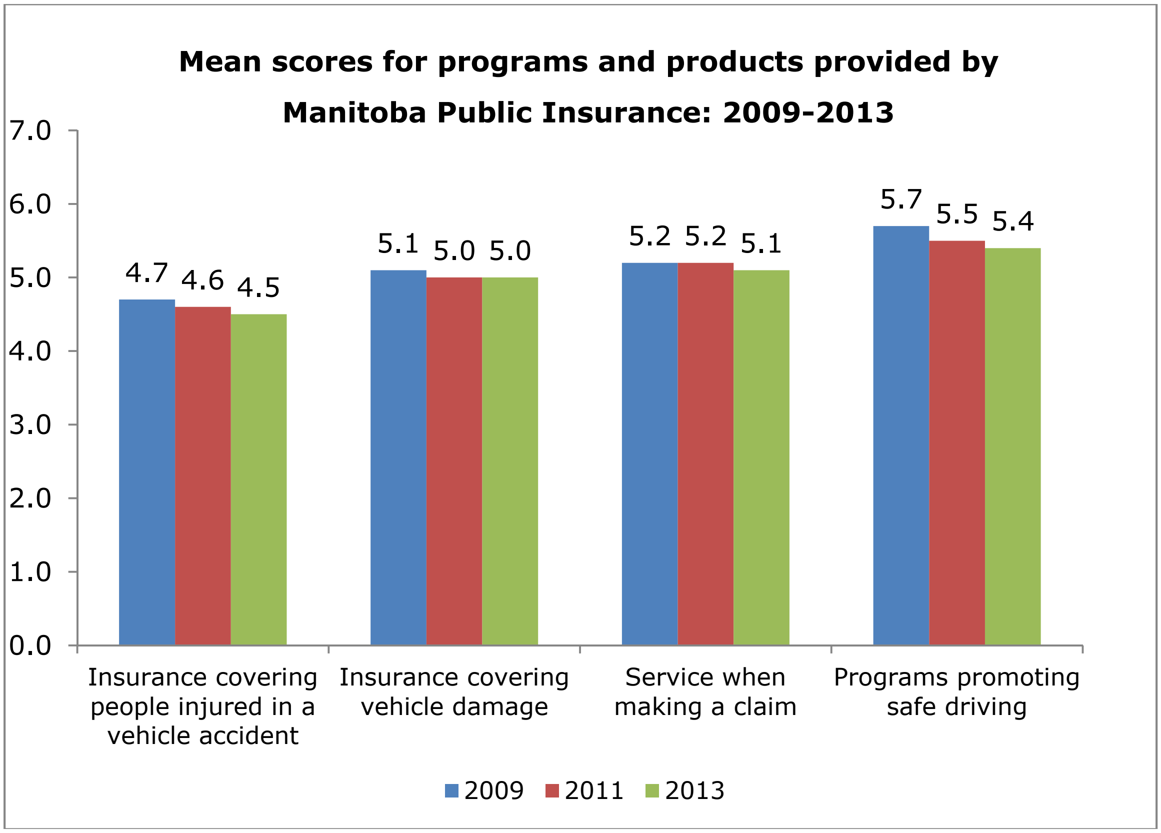
Agreement with descriptor of insurance provider: 2009-2013 (Average rating out of 7,where 1 is *strongly disagree* and 7 is *strongly agree*)			
	2009	**2011**	**2013**
Accessible	5.6	5.7	5.6
Trustworthy	5.1	5.1	5.1
Good Value	5.0	5.0	5.0
Service Minded	4.8	4.9	4.9
Leader	4.7	4.6	4.7
Fair	4.7	4.8	4.8
Innovative	4.6	4.6	4.6
Caring	4.6	4.7	4.7

The average rating for each descriptor has been fairly stable since 2009.

A1.12 Appendix 3- Community Impact

3.1 Benchmarked Public Perception Measures

3.1.6 Products and Programs



Overall, ratings remain relatively stable from 2009 to 2013.

c) As per Board Order 98/14, a response to this question is not required.

d) Canadian Personal Auto Benchmark Group – 9 insurers (2 public)

Canadian Benchmark Group – 13 insurers (2 public)

US Personal Auto Benchmark Group – 13 insurers (0 public)

PUB (MPI) 1-64

Reference: SM5.2 Benchmarking p. 19, AI.12, CAC/MPI I-5 2014 GRA

Please file an update to CAC/MPI I-5 from the 2014 GRA, providing operational, claims costs and premium historical statistics similar to TI.5 Part 1 & 2 from the 2013 GRA.

RESPONSE:

Please refer to the attachments.

MANITOBA PUBLIC INSURANCE
VARIOUS STATS AS A PERCENTAGE OF 1993 STATS

MPI - Basic

	1993	1994	12 MOS. 1996	1997	1998	1999	2000	2001	2002	2003
NET CLAIMS INCURRED	100.0	91.2	110.2	106.5	92.8	96.1	100.3	109.4	118.8	121.8
CLAIMS EXPENSE	100.0	101.8	110.6	111.3	110.3	130.1	150.5	160.6	178.7	189.6
TOTAL CLAIMS COSTS	100.0	92.2	110.2	107.0	94.5	99.4	105.2	114.4	124.6	128.4
OPERATING EXPENSES (1)	100.0	103.3	139.4	128.0	160.0	161.1	166.1	147.2	142.5	147.6
# OF VEHICLES	100.0	102.0	100.6	102.3	104.6	105.3	105.4	107.5	109.3	111.3
CPI	100.0	101.4	104.1	106.4	108.6	110.0	112.2	115.0	118.1	119.9
CLAIMS COSTS PER VEHICLE	100.0	90.4	109.6	104.6	90.3	94.4	99.8	106.4	114.0	115.4
OPERATING EXPENSES PER VEHICLE	100.0	101.2	138.6	125.1	152.9	152.9	157.6	136.9	130.4	132.7

	2004	(2) 2005	2006	2007	2008	2009	2010	(3) (4) 2011	(4) 2012	(4) 2013	2014
NET CLAIMS INCURRED	125.8	132.6	139.0	155.4	167.7	145.2	159.4	165.0	164.9	175.7	196.8
CLAIMS EXPENSE	211.9	207.9	224.5	262.3	280.3	296.7	308.8	327.0	352.2	349.1	365.5
TOTAL CLAIMS COSTS	134.2	140.0	147.4	165.8	178.7	160.0	173.9	180.8	183.2	192.6	213.2
OPERATING EXPENSES (1)	148.2	140.7	149.8	152.0	164.9	164.3	185.7	211.0	226.8	250.0	267.2
# OF VEHICLES	112.8	115.0	117.6	120.0	123.8	128.1	131.1	134.3	138.7	143.5	146.6
MANITOBA CPI	122.0	124.4	127.8	130.2	132.8	135.9	136.7	137.8	141.9	144.2	147.4
CLAIMS COSTS PER VEHICLE	119.0	121.7	125.3	138.2	144.4	124.8	132.7	134.6	132.1	134.2	145.4
OPERATING EXPENSES PER VEHICLE	131.5	122.3	127.4	126.7	133.3	128.2	141.7	157.1	163.5	174.2	182.3

(1) includes Operating expenses and Regulatory/Appeal costs

(2) Restated for change in accounting policy (re: pension plan experience gains/losses)

(3) restated for adjustments due to change from Canadian GAAP to IFRS

(4) Restated due to IAS 19R

MANITOBA PUBLIC INSURANCE
VARIOUS STATS

MPI - BASIC ($000)

		1993	1994	12 MOS. 1996	1997	1998	1999	2000	2001	2002	2003
NET CLAIMS INCURRED	$	322,485	294,112	355,382	343,520	299,112	309,848	323,550	352,752	383,052	392,799
CLAIMS EXPENSE	$	34,846	35,464	38,550	38,792	38,428	45,333	52,457	55,972	62,254	66,065
TOTAL CLAIMS COSTS	$	357,331	329,576	393,932	382,312	337,540	355,181	376,007	408,724	445,306	458,864
OPERATING EXPENSES (1)	$	26,849	27,732	37,422	34,377	42,959	43,244	44,599	39,513	38,252	39,634
# OF VEHICLES	#	725,804	740,419	729,882	742,677	759,550	764,435	765,005	780,429	793,240	807,485
CLAIMS COSTS PER VEHICLE	$	492	445	540	515	444	465	492	524	561	568
OPERATING EXPENSES PER VEHICLE	$	37	37	51	46	57	57	58	51	48	49

		2004	(2) 2005	2006	2007	2008	2009	2010	(3) 2011	2012	(4) 2013	2014
NET CLAIMS INCURRED	$	405,561	427,629	448,323	501,123	540,919	468,252	513,896	531,967	531,847	566,524	634,554
CLAIMS EXPENSE	$	73,853	72,460	78,212	91,397	97,674	103,390	107,590	113,940	122,742	121,644	127,368
TOTAL CLAIMS COSTS	$	479,414	500,089	526,535	592,520	638,593	571,642	621,486	645,907	654,589	688,168	761,922
OPERATING EXPENSES (1)	$	39,803	37,772	40,223	40,819	44,286	44,105	49,863	56,647	60,888	67,125	71,748
# OF VEHICLES	#	818,402	834,575	853,249	870,765	898,408	930,077	951,585	974,707	1,006,627	1,041,448	1,064,070
CLAIMS COSTS PER VEHICLE	$	586	599	617	680	711	615	653	663	650	661	716
OPERATING EXPENSES PER VEHICLE	$	49	45	47	47	49	47	52	58	60	64	67

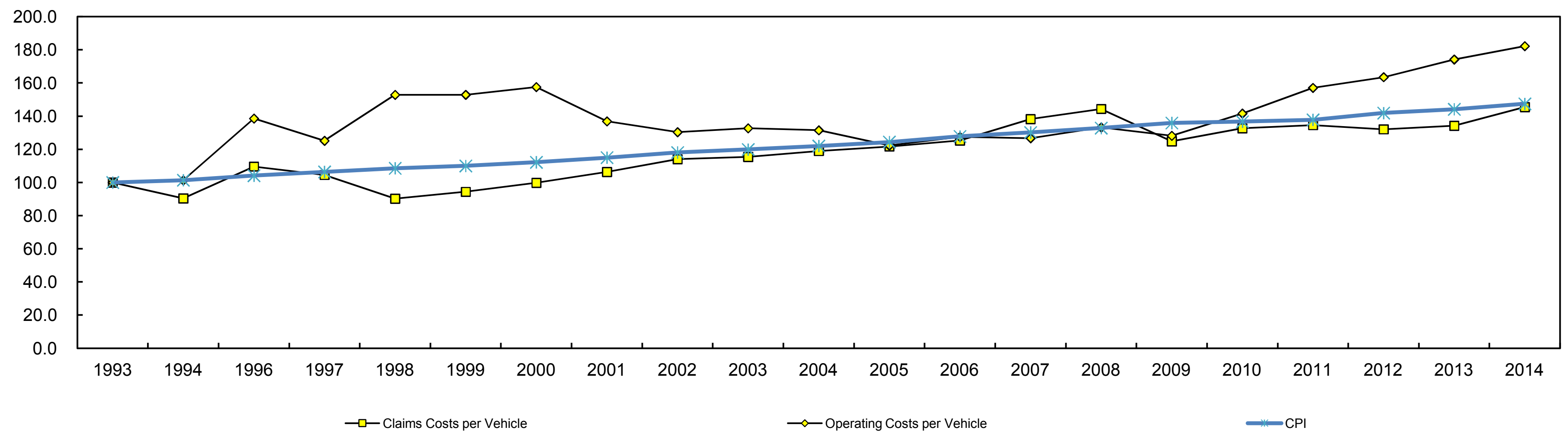
(1) includes Operating expenses and Regulatory/Appeal costs

(2) Restated for change in accounting policy (re: pension plan experience gains/losses)

(3) restated for adjustments due to change from Canadian GAAP to IFRS

(4) Restated due to IAS 19R

FISCAL YEAR	Claims Costs per Vehicle	Operating Costs per Vehicle	CPI
1993	100.0	100.0	100.0
1994	90.4	101.2	101.4
1996	109.6	138.6	104.1
1997	104.6	125.1	106.4
1998	90.3	152.9	108.6
1999	94.4	152.9	110.0
2000	99.8	157.6	112.2
2001	106.4	136.9	115.0
2002	114.0	130.4	118.1
2003	115.4	132.7	119.9
2004	119.0	131.5	122.0
2005	121.7	122.3	124.4
2006	125.3	127.4	127.8
2007	138.2	126.7	130.2
2008	144.4	133.3	132.8
2009	124.8	128.2	135.9
2010	132.7	141.7	136.7
2011	134.6	157.1	137.8
2012	132.1	163.5	141.9
2013	134.2	174.2	144.2
2014	145.4	182.3	147.4



Average Premium History
All Basic Vehicles

Fiscal Year*	Basic Earned Vehicle Units	% Annual Change	% Cumulative Change since 1988/89	Earned Vehicle Premium	% Annual Change	% Cumulative Change since 1988/89	Average Earned Vehicle Premium	% Annual Change	% Cumulative Change since 1988/89
1988/89	704,300		0.00%	$225,880,814		0.00%	$321		0.00%
1989/90	708,585	0.61%	0.61%	$235,861,821	4.42%	4.42%	$333	3.79%	3.79%
1990/91	711,720	0.44%	1.05%	$248,997,049	5.57%	10.23%	$350	5.10%	9.08%
1991/92	712,970	0.18%	1.23%	$267,823,935	7.56%	18.57%	$376	7.37%	17.13%
1992/93	719,458	0.91%	2.15%	$284,411,586	6.19%	25.91%	$395	5.24%	23.26%
1993/94	725,804	0.88%	3.05%	$305,554,231	7.43%	35.27%	$421	6.49%	31.26%
1994/95	740,419	2.01%	5.13%	$324,677,660	6.26%	43.74%	$439	4.16%	36.73%
1995/96	729,882	-1.42%	3.63%	$370,480,300	14.11%	64.02%	$508	15.75%	58.27%
1996/97	742,677	1.75%	5.45%	$345,817,271	-6.66%	53.10%	$466	-8.27%	45.19%
1997/98	759,550	2.27%	7.84%	$378,548,431	9.46%	67.59%	$498	7.03%	55.40%
1998/99	764,435	0.64%	8.54%	$407,543,843	7.66%	80.42%	$533	6.97%	66.23%
1999/00	765,005	0.07%	8.62%	$432,144,959	6.04%	91.32%	$565	5.96%	76.13%
2000/01	780,429	2.02%	10.81%	$447,507,730	3.56%	98.12%	$573	1.51%	78.79%
2001/02	793,240	1.64%	12.63%	$466,313,229	4.20%	106.44%	$588	2.52%	83.30%
2002/03	807,485	1.80%	14.65%	$499,551,014	7.13%	121.16%	$619	5.24%	92.90%
2003/04	818,402	1.35%	16.20%	$526,926,886	5.48%	133.28%	$644	4.07%	100.75%
2004/05	834,575	1.98%	18.50%	$560,950,973	6.46%	148.34%	$672	4.39%	109.57%
2005/06	853,249	2.24%	21.15%	$594,994,596	6.07%	163.41%	$697	3.75%	117.43%
2006/07	870,765	2.05%	23.64%	$618,391,095	3.93%	173.77%	$710	1.84%	121.43%
2007/08	898,408	3.17%	27.56%	$642,661,366	3.92%	184.51%	$715	0.73%	123.04%
2008/09	930,077	3.53%	32.06%	$670,960,248	4.40%	197.04%	$721	0.85%	124.93%
2009/10	951,585	2.31%	35.11%	$702,640,865	4.72%	211.07%	$738	2.35%	130.23%
2010/11	974,707	2.43%	38.39%	$728,893,171	3.74%	222.69%	$748	1.28%	133.17%
2011/12	1,006,627	3.27%	42.93%	$748,948,783	2.75%	231.57%	$744	-0.51%	131.99%
2012/13	1,041,448	3.46%	47.87%	$739,649,941	-1.24%	227.45%	$710	-4.54%	121.45%
2013/14	1,064,070	2.17%	51.08%	$741,076,671	0.19%	228.08%	$696	-1.94%	117.16%
		Average Change per Year	1.66%		Average Change per Year	4.87%		Average Change per Year	3.15%

* The Corporation converted from calendar year reporting to a fiscal year reporting in February 1996.
All results prior to 1996/97 have been adjusted to an 'MPI fiscal year equivalent' basis.

Average Premium History
All Basic Vehicles

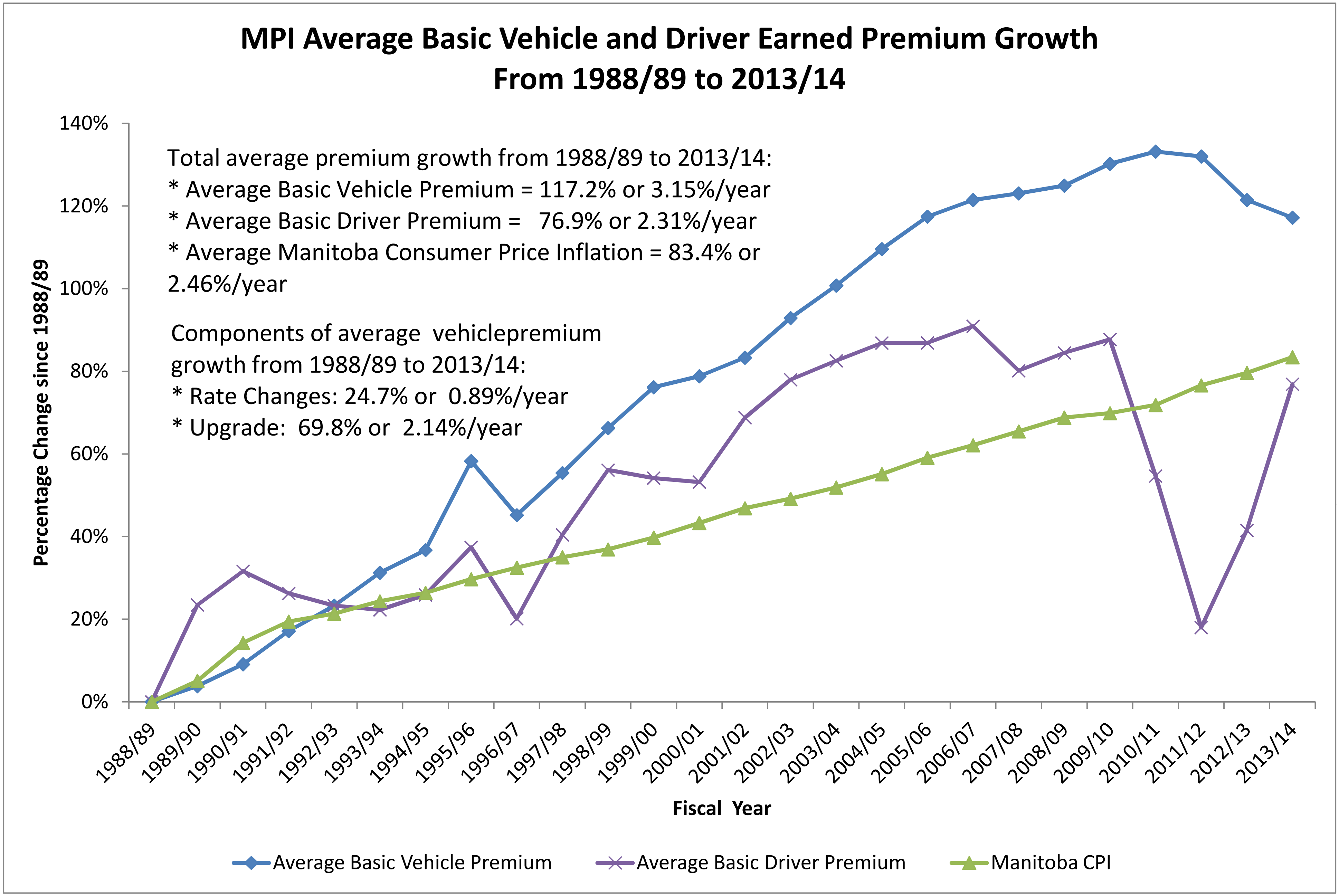
Fiscal Year*	Manitoba Driving Age Population**	% Annual Change	% Cumulative Change since 1988/89	Earned Driver Premium*	% Annual Change	% Cumulative Change since 1988/89	Average Driver Premium*	% Annual Change	% Cumulative Change since 1988/89
1988/89	844,909		0.00%	$17,183,296		0.00%	$20.34		0.00%
1989/90	846,391	0.18%	0.18%	$21,251,161	23.67%	23.67%	$25.11	23.46%	23.46%
1990/91	847,969	0.19%	0.36%	$22,701,984	6.83%	32.12%	$26.77	6.63%	31.64%
1991/92	851,470	0.41%	0.78%	$21,862,199	-3.70%	27.23%	$25.68	-4.10%	26.25%
1992/93	854,331	0.34%	1.12%	$21,422,794	-2.01%	24.67%	$25.08	-2.34%	23.30%
1993/94	858,175	0.45%	1.57%	$21,340,105	-0.39%	24.19%	$24.87	-0.83%	22.27%
1994/95	862,499	0.50%	2.08%	$22,080,397	3.47%	28.50%	$25.60	2.95%	25.88%
1995/96	867,334	0.56%	2.65%	$24,235,099	9.76%	41.04%	$27.94	9.15%	37.39%
1996/97	872,129	0.55%	3.22%	$21,304,398	-12.09%	23.98%	$24.43	-12.58%	20.11%
1997/98	875,539	0.39%	3.63%	$25,008,083	17.38%	45.54%	$28.56	16.93%	40.45%
1998/99	879,304	0.43%	4.07%	$27,914,748	11.62%	62.45%	$31.75	11.14%	56.10%
1999/00	885,221	0.67%	4.77%	$27,751,328	-0.59%	61.50%	$31.35	-1.25%	54.15%
2000/01	891,373	0.69%	5.50%	$27,768,947	0.06%	61.60%	$31.15	-0.63%	53.18%
2001/02	897,647	0.70%	6.24%	$30,807,620	10.94%	79.29%	$34.32	10.17%	68.75%
2002/03	904,962	0.81%	7.11%	$32,755,498	6.32%	90.62%	$36.20	5.46%	77.97%
2003/04	913,908	0.99%	8.17%	$33,929,508	3.58%	97.46%	$37.13	2.57%	82.55%
2004/05	923,520	1.05%	9.30%	$35,094,180	3.43%	104.23%	$38.00	2.36%	86.85%
2005/06	930,696	0.78%	10.15%	$35,372,104	0.79%	105.85%	$38.01	0.01%	86.88%
2006/07	939,377	0.93%	11.18%	$36,472,014	3.11%	112.25%	$38.83	2.16%	90.91%
2007/08	949,991	1.13%	12.44%	$34,803,197	-4.58%	102.54%	$36.64	-5.64%	80.14%
2008/09	962,079	1.27%	13.87%	$36,091,161	3.70%	110.04%	$37.51	2.40%	84.46%
2009/10	975,516	1.40%	15.46%	$37,239,882	3.18%	116.72%	$38.17	1.76%	87.71%
2010/11	987,388	1.22%	16.86%	$31,054,704	-16.61%	80.73%	$31.45	-17.61%	54.65%
2011/12	1,001,671	1.45%	18.55%	$24,037,005	-22.60%	39.89%	$24.00	-23.70%	17.99%
2012/13	1,018,062	1.64%	20.49%	$29,299,343	21.89%	70.51%	$28.78	19.93%	41.51%
2013/14	1,029,144	1.09%	21.81%	$37,014,937	26.33%	115.41%	$35.97	24.97%	76.85%
		Average Change per Year	0.79%		Average Change per Year	3.12%		Average Change per Year	2.31%

* The Corporation converted from calendar year reporting to a fiscal year reporting in February 1996.
All results prior to 1996/97 have been adjusted to an 'MPI fiscal year equivalent' basis.
** Calendar year data from Statistics Canada was adjusted to a March to February Fiscal Year basis.

Average Premium History
All Basic Vehicles

Fiscal Year*	Manitoba Consumer Price Inflation**	% Cumulative Change since 1988/89	Policy Year	Policy Year Rate Change	Adjusted to Fiscal Year Earned***	Cumulative Rate Change since 1988/89
1988/89	n/a	0.00%	1988	18.0%	n/a	0%
1989/90	5.08%	5.08%	1989	2.5%	10.3%	10.3%
1990/91	8.77%	14.30%	1990	4.3%	3.4%	14.0%
1991/92	4.48%	19.42%	1991	6.7%	5.5%	20.3%
1992/93	1.62%	21.35%	1992	4.6%	5.7%	27.1%
1993/94	2.48%	24.36%	1993	9.7%	7.2%	36.1%
1994/95	1.62%	26.37%	1994	-0.5%	4.6%	42.4%
1995/96	2.62%	29.68%	1995	0.6%	0.1%	42.5%
1996/97	2.17%	32.49%	1996	4.1%	2.4%	45.8%
1997/98	1.88%	34.99%	1997	2.1%	3.1%	50.4%
1998/99	1.42%	36.90%	1998	0.5%	1.3%	52.3%
1999/00	2.08%	39.75%	1999	-1.0%	-0.3%	51.9%
2000/01	2.53%	43.29%	2000	-5.0%	-3.0%	47.4%
2001/02	2.50%	46.87%	2001	0.0%	-2.5%	43.7%
2002/03	1.55%	49.15%	2002	0.0%	0.0%	43.7%
2003/04	1.83%	51.88%	2003	-1.0%	-0.5%	43.0%
2004/05	2.12%	55.10%	2004	3.7%	1.4%	44.9%
2005/06	2.57%	59.08%	2005	-0.9%	1.4%	46.9%
2006/07	1.92%	62.13%	2006	0.0%	-0.5%	46.2%
2007/08	2.05%	65.45%	2007	-2.6%	-1.3%	44.3%
2008/09	2.02%	68.79%	2008	0.0%	-1.3%	42.4%
2009/10	0.63%	69.86%	2009	-1.0%	-0.5%	41.7%
2010/11	1.17%	71.84%	2010	0.0%	-0.5%	41.0%
2011/12	2.77%	76.59%	2011	-4.0%	-2.0%	38.2%
2012/13	1.70%	79.60%	2012	-8.0%	-6.0%	29.9%
2013/14	2.12%	83.40%	2013	0.0%	-4.0%	24.7%
	Average Change per Year	2.46%			Average Change per Year	0.89%

** Calendar year data from Statistics Canada was adjusted to a March to February Fiscal Year basis.
*** Assumed that half of the earned premium was from the prior policy year and half of the earned premium was from the current policy year.


MPI Average Basic Vehicle and Driver Earned Premium Growth
From 1988/89 to 2013/14
Total average premium growth from 1988/89 to 2013/14:
* Average Basic Vehicle Premium = 117.2% or 3.15%/year
* Average Basic Driver Premium = 76.9% or 2.31%/year
* Average Manitoba Consumer Price Inflation = 83.4% or 2.46%/year
Components of average vehiclepremium growth from 1988/89 to 2013/14:
* Rate Changes: 24.7% or 0.89%/year
* Upgrade: 69.8% or 2.14%/year
Percentage Change since 1988/89
140%
120%
100%
80%
60%
40%
20%
0%
1988/89
1989/90
1990/91
1991/92
1992/93
1993/94
1994/95
1995/96
1996/97
1997/98
1998/99
1999/00
2000/01
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
Fiscal Year
Average Basic Vehicle Premium
Average Basic Driver Premium
Manitoba CPI

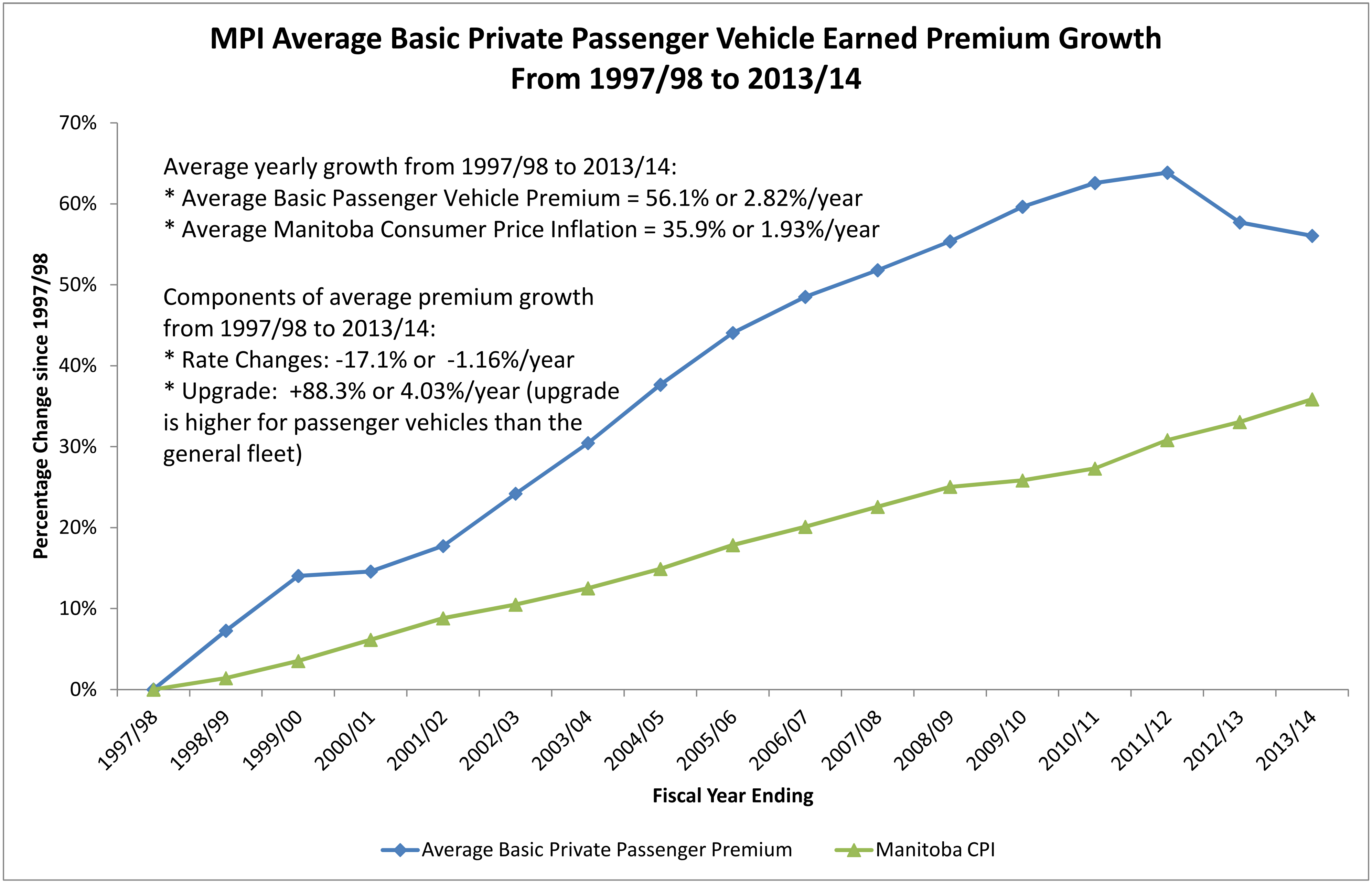
Average Premium History
Basic Private Passenger Vehicles Only

Insurance Year Ending	Private Passeger Vehicle Units	% Annual Change	% Cumulative Change since 1997/98	Private Passenger Earned Premium	% Annual Change	% Cumulative Change since 1997/98	Average Private Passenger Earned Vehicle Premium	% Annual Change	% Cumulative Change since 1997/98
1997/98	590,141		0.00%	$342,131,019		0.00%	$580		0.00%
1998/99	602,514	2.10%	2.10%	$374,669,426	9.51%	9.51%	$622	7.26%	7.26%
1999/00	603,797	0.21%	2.31%	$399,155,426	6.54%	16.67%	$661	6.31%	14.03%
2000/01	614,221	1.73%	4.08%	$407,985,416	2.21%	19.25%	$664	0.48%	14.57%
2001/02	620,156	0.97%	5.09%	$423,261,109	3.74%	23.71%	$683	2.75%	17.73%
2002/03	629,546	1.51%	6.68%	$453,290,356	7.09%	32.49%	$720	5.50%	24.20%
2003/04	635,698	0.98%	7.72%	$480,774,044	6.06%	40.52%	$756	5.04%	30.45%
2004/05	644,616	1.40%	9.23%	$514,407,988	7.00%	50.35%	$798	5.52%	37.65%
2005/06	653,982	1.45%	10.82%	$546,178,031	6.18%	59.64%	$835	4.66%	44.06%
2006/07	661,439	1.14%	12.08%	$569,475,717	4.27%	66.45%	$861	3.09%	48.51%
2007/08	673,695	1.85%	14.16%	$592,904,534	4.11%	73.30%	$880	2.22%	51.80%
2008/09	688,998	2.27%	16.75%	$620,602,184	4.67%	81.39%	$901	2.35%	55.37%
2009/10	700,527	1.67%	18.71%	$648,298,934	4.46%	89.49%	$925	2.74%	59.63%
2010/11	711,929	1.63%	20.64%	$671,010,213	3.50%	96.13%	$943	1.85%	62.58%
2011/12	726,645	2.07%	23.13%	$690,284,214	2.87%	101.76%	$950	0.79%	63.86%
2012/13	744,066	2.40%	26.08%	$680,305,745	-1.45%	98.84%	$914	-3.75%	57.71%
2013/14	754,058	1.34%	27.78%	$682,187,895	0.28%	99.39%	$905	-1.05%	56.05%
		Average Change per Year	1.54%		Average Change per Year	4.41%		Average Change per Year	2.82%

Average Premium History
Basic Private Passenger Vehicles Only

Insurance Year Ending	Manitoba Consumer Price Inflation*	% Cumulative Change since 1997/98	Policy Year	Policy Year Rate Change	Adjusted to Fiscal Year Earned**	% Cumulative Rate Change since 1997/98
1997/98	n/a	0.00%	1997	2.1%	n/a	0.0%
1998/99	1.42%	1.42%	1998	0.5%	1.3%	1.3%
1999/00	2.08%	3.53%	1999	-1.0%	-0.3%	1.0%
2000/01	2.53%	6.15%	2000	-5.0%	-3.0%	-2.0%
2001/02	2.50%	8.81%	2001	0.0%	-2.5%	-4.4%
2002/03	1.55%	10.49%	2002	0.0%	0.0%	-4.4%
2003/04	1.83%	12.52%	2003	-1.0%	-0.5%	-4.9%
2004/05	2.12%	14.90%	2004	3.7%	1.4%	-3.6%
2005/06	2.57%	17.85%	2005	-0.9%	1.4%	-2.3%
2006/07	1.92%	20.11%	2006	0.0%	-0.5%	-2.8%
2007/08	2.05%	22.57%	2007	-2.6%	-1.3%	-4.0%
2008/09	2.02%	25.04%	2008	0.0%	-1.3%	-5.3%
2009/10	0.63%	25.83%	2009	-1.0%	-0.5%	-5.7%
2010/11	1.17%	27.30%	2010	0.0%	-0.5%	-6.2%
2011/12	2.77%	30.82%	2011	-4.0%	-2.0%	-8.1%
2012/13	1.70%	33.05%	2012	-8.0%	-6.0%	-13.6%
2013/14	2.12%	35.86%	2013	0.0%	-4.0%	-17.1%
	Average Change per Year	1.93%			Average Change per Year	-1.16%

* Calendar year data from Statistics Canada was adjusted to a March to February Fiscal Year basis.
** Assumed that half of the earned premium was from the prior policy year and half of the earned premium was from the current policy year.


MPI Average Basic Private Passenger Vehicle Earned Premium Growth
From 1997/98 to 2013/14
Average yearly growth from 1997/98 to 2013/14:
* Average Basic Passenger Vehicle Premium = 56.1% or 2.82%/year
* Average Manitoba Consumer Price Inflation = 35.9% or 1.93%/year
Components of average premium growth
from 1997/98 to 2013/14:
* Rate Changes: -17.1% or -1.16%/year
* Upgrade: +88.3% or 4.03%/year (upgrade
is higher for passenger vehicles than the
general fleet)
70%
60%
50%
40%
30%
20%
10%
0%
Percentage Change since 1997/98
1997/98
1998/99
1999/00
2000/01
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
Fiscal Year Ending
Average Basic Private Passenger Premium
Manitoba CPI

CPI for Passenger Vehicle Insurance Premiums (1988=100)

Calendar Year	Canada	NF	PEI	NS	NB	QC	ON	MB	SK	AB	BC	YK	NT
1988	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1989	106.2	102.0	105.0	104.9	106.9	102.0	106.4	103.8	102.3	110.4	110.1	100.2	101.9
1990	112.2	108.6	109.6	114.5	111.3	104.8	113.3	106.3	102.7	119.2	118.1	100.8	105.5
1991	117.5	113.7	119.9	123.9	124.9	106.3	118.2	106.5	104.6	133.2	125.7	102.1	109.7
1992	124.3	120.0	125.3	134.6	137.1	107.7	117.9	111.2	106.7	155.1	155.3	113.4	123.2
1993	133.7	131.5	134.7	145.5	144.0	107.0	128.3	123.4	107.6	169.1	173.5	124.9	125.3
1994	147.6	145.0	139.8	150.2	156.7	110.1	149.2	125.3	111.4	175.6	185.8	125.2	131.5
1995	158.0	154.3	146.0	157.7	168.4	110.2	168.7	125.2	112.7	186.8	188.9	126.7	141.0
1996	164.1	160.6	152.8	162.0	174.0	109.6	179.1	131.5	112.7	194.5	193.0	127.5	147.0
1997	174.3	165.5	154.0	162.0	174.0	106.3	206.2	140.4	111.1	197.1	188.9	127.8	150.2
1998	175.7	166.7	151.8	158.5	174.0	107.0	207.8	144.6	125.0	197.7	188.9	127.8	148.4
1999	176.9	166.7	151.8	157.9	174.0	109.1	208.3	147.2	132.0	201.0	188.9	127.8	148.4
2000	178.1	166.7	151.8	158.1	174.0	109.1	209.0	147.2	135.3	206.0	192.2	127.8	148.4
2001	177.5	166.7	151.8	158.1	174.0	109.1	209.0	148.1	137.7	206.0	187.0	127.8	148.4
2002	200.8	225.2	199.2	213.7	230.4	124.2	229.9	150.8	142.9	259.7	205.8	151.7	156.0
2003	245.2	299.3	252.8	261.8	294.5	151.3	291.5	151.3	152.1	347.3	220.0	177.4	165.1
2004	248.8	308.8	245.4	236.3	277.6	155.4	293.3	154.4	158.0	363.6	225.5	180.9	172.2
2005	247.8	288.5	239.2	231.8	265.0	158.6	286.7	156.7	159.7	359.2	234.4	192.0	181.4
2006	250.4	274.5	233.3	222.6	254.4	163.1	291.5	156.6	166.6	352.2	237.7	200.3	188.9
2007	260.4	273.6	235.1	223.5	246.5	168.3	309.7	154.0	164.9	364.4	243.6	213.7	198.9
2008	272.7	270.3	243.0	224.4	253.9	177.1	326.2	161.7	159.0	384.7	254.5	234.1	206.7
2009	288.4	284.0	259.8	238.7	269.8	180.9	348.5	165.8	163.1	431.9	261.5	253.0	221.8
2010	303.6	295.5	271.7	245.5	280.0	188.3	376.8	170.3	165.9	441.8	264.0	264.9	237.0
2011	317.1	296.2	278.1	249.1	283.2	193.7	406.2	173.3	167.6	444.7	264.6	277.2	245.6
2012	323.1	305.9	272.7	242.7	280.0	195.7	412.2	166.2	173.3	461.6	276.3	290.0	261.6
2013	323.1	324.3	282.1	242.1	280.2	190.3	410.1	168.3	179.4	462.3	283.7	300.3	278.0

CPI for Passenger Vehicle Insurance Premiums (1998=100)

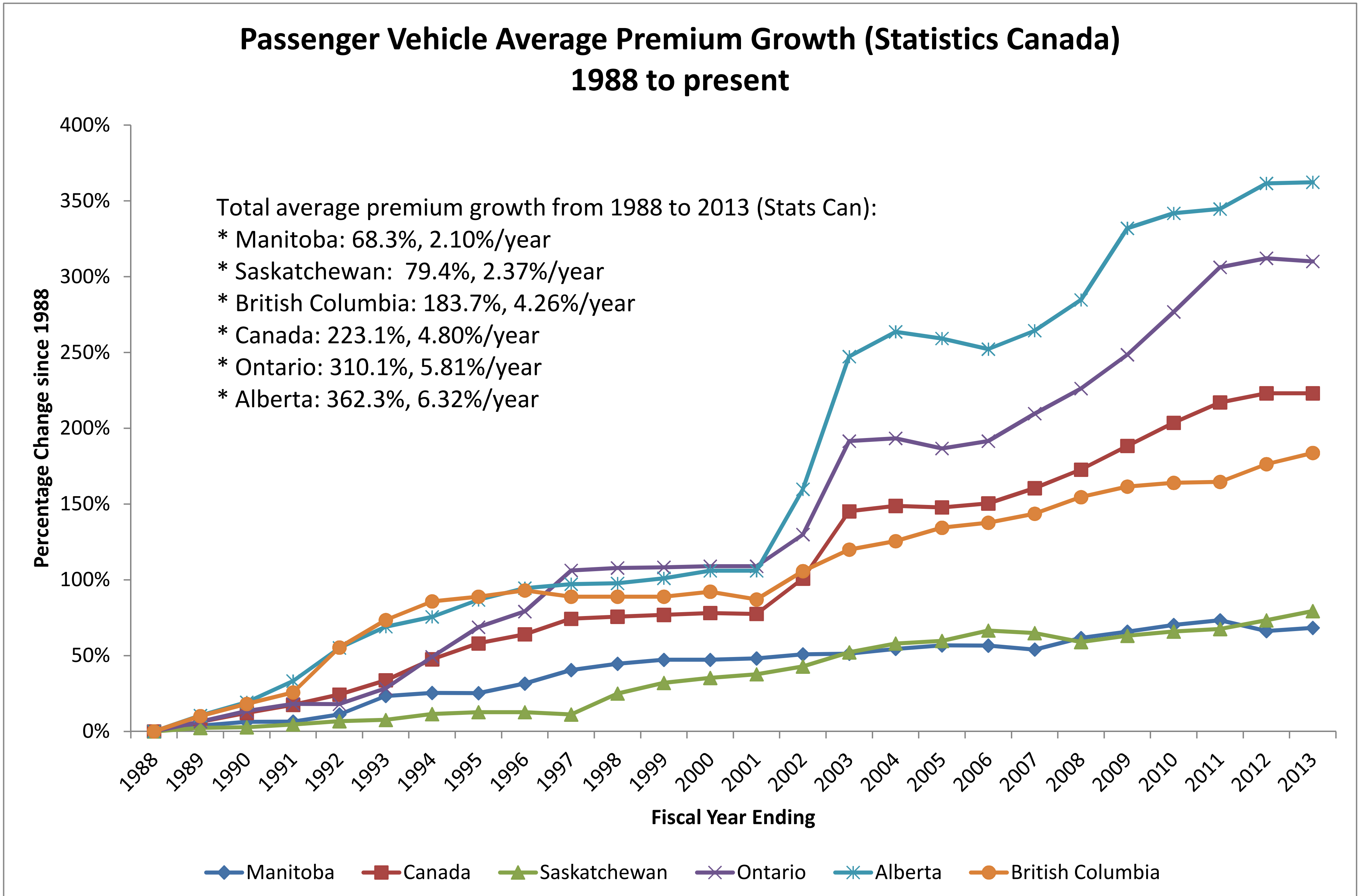
Calendar Year	Canada	NF	PEI	NS	NB	QC	ON	MB	SK	AB	BC	YK	NT
1998	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1999	100.7	100.0	100.0	99.6	100.0	102.0	100.2	101.8	105.6	101.7	100.0	100.0	100.0
2000	101.4	100.0	100.0	99.7	100.0	102.0	100.6	101.8	108.2	104.2	101.7	100.0	100.0
2001	101.0	100.0	100.0	99.7	100.0	102.0	100.6	102.4	110.2	104.2	99.0	100.0	100.0
2002	114.3	135.1	131.2	134.8	132.5	116.1	110.6	104.3	114.3	131.4	108.9	118.8	105.2
2003	139.5	179.6	166.5	165.1	169.3	141.5	140.3	104.6	121.7	175.7	116.4	138.8	111.3
2004	141.6	185.3	161.7	149.1	159.6	145.3	141.2	106.8	126.4	184.0	119.4	141.6	116.1
2005	141.0	173.1	157.6	146.2	152.3	148.3	137.9	108.3	127.8	181.7	124.1	150.2	122.3
2006	142.5	164.7	153.7	140.4	146.2	152.5	140.3	108.2	133.3	178.2	125.8	156.8	127.3
2007	148.2	164.2	154.9	141.0	141.7	157.4	149.0	106.5	131.9	184.4	129.0	167.2	134.1
2008	155.2	162.2	160.1	141.5	146.0	165.6	157.0	111.8	127.2	194.6	134.7	183.3	139.3
2009	164.1	170.4	171.1	150.5	155.1	169.1	167.7	114.6	130.5	218.5	138.5	198.0	149.5
2010	172.8	177.3	179.0	154.9	160.9	176.1	181.3	117.7	132.7	223.5	139.8	207.4	159.7
2011	180.5	177.7	183.2	157.1	162.8	181.1	195.5	119.8	134.1	225.0	140.1	217.0	165.5
2012	183.9	183.5	179.7	153.1	160.9	182.9	198.3	114.9	138.6	233.5	146.3	227.0	176.3
2013	183.9	194.6	185.8	152.7	161.1	177.9	197.3	116.4	143.5	233.9	150.2	235.0	187.4

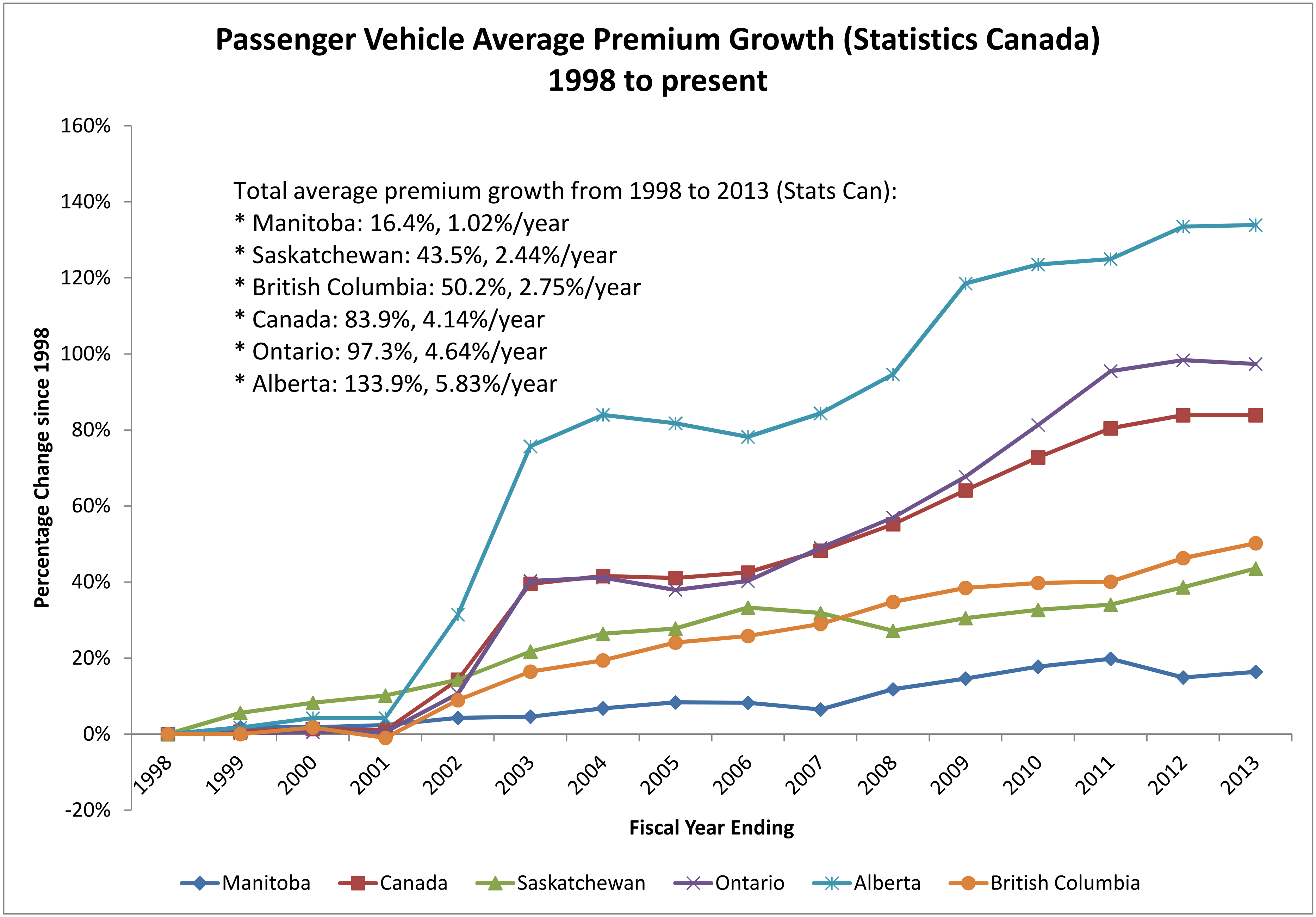
CPI for Passenger Vehicle Insurance Premiums (1988=100)

Calendar Year	Canada	NF	PEI	NS	NB	QC	ON	MB	SK	AB	BC	YK	NT
1988	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1989	6.2%	2.0%	5.0%	4.9%	6.9%	2.0%	6.4%	3.8%	2.3%	10.4%	10.1%	0.2%	1.9%
1990	12.2%	8.6%	9.6%	14.5%	11.3%	4.8%	13.3%	6.3%	2.7%	19.2%	18.1%	0.8%	5.5%
1991	17.5%	13.7%	19.9%	23.9%	24.9%	6.3%	18.2%	6.5%	4.6%	33.2%	25.7%	2.1%	9.7%
1992	24.3%	20.0%	25.3%	34.6%	37.1%	7.7%	17.9%	11.2%	6.7%	55.1%	55.3%	13.4%	23.2%
1993	33.7%	31.5%	34.7%	45.5%	44.0%	7.0%	28.3%	23.4%	7.6%	69.1%	73.5%	24.9%	25.3%
1994	47.6%	45.0%	39.8%	50.2%	56.7%	10.1%	49.2%	25.3%	11.4%	75.6%	85.8%	25.2%	31.5%
1995	58.0%	54.3%	46.0%	57.7%	68.4%	10.2%	68.7%	25.2%	12.7%	86.8%	88.9%	26.7%	41.0%
1996	64.1%	60.6%	52.8%	62.0%	74.0%	9.6%	79.1%	31.5%	12.7%	94.5%	93.0%	27.5%	47.0%
1997	74.3%	65.5%	54.0%	62.0%	74.0%	6.3%	106.2%	40.4%	11.1%	97.1%	88.9%	27.8%	50.2%
1998	75.7%	66.7%	51.8%	58.5%	74.0%	7.0%	107.8%	44.6%	25.0%	97.7%	88.9%	27.8%	48.4%
1999	76.9%	66.7%	51.8%	57.9%	74.0%	9.1%	108.3%	47.2%	32.0%	101.0%	88.9%	27.8%	48.4%
2000	78.1%	66.7%	51.8%	58.1%	74.0%	9.1%	109.0%	47.2%	35.3%	106.0%	92.2%	27.8%	48.4%
2001	77.5%	66.7%	51.8%	58.1%	74.0%	9.1%	109.0%	48.1%	37.7%	106.0%	87.0%	27.8%	48.4%
2002	100.8%	125.2%	99.2%	113.7%	130.4%	24.2%	129.9%	50.8%	42.9%	159.7%	105.8%	51.7%	56.0%
2003	145.2%	199.3%	152.8%	161.8%	194.5%	51.3%	191.5%	51.3%	52.1%	247.3%	120.0%	77.4%	65.1%
2004	148.8%	208.8%	145.4%	136.3%	177.6%	55.4%	193.3%	54.4%	58.0%	263.6%	125.5%	80.9%	72.2%
2005	147.8%	188.5%	139.2%	131.8%	165.0%	58.6%	186.7%	56.7%	59.7%	259.2%	134.4%	92.0%	81.4%
2006	150.4%	174.5%	133.3%	122.6%	154.4%	63.1%	191.5%	56.6%	66.6%	252.2%	137.7%	100.3%	88.9%
2007	160.4%	173.6%	135.1%	123.5%	146.5%	68.3%	209.7%	54.0%	64.9%	264.4%	143.6%	113.7%	98.9%
2008	172.7%	170.3%	143.0%	124.4%	153.9%	77.1%	226.2%	61.7%	59.0%	284.7%	154.5%	134.1%	106.7%
2009	188.4%	184.0%	159.8%	138.7%	169.8%	80.9%	248.5%	65.8%	63.1%	331.9%	161.5%	153.0%	121.8%
2010	203.6%	195.5%	171.7%	145.5%	180.0%	88.3%	276.8%	70.3%	65.9%	341.8%	164.0%	164.9%	137.0%
2011	217.1%	196.2%	178.1%	149.1%	183.2%	93.7%	306.2%	73.3%	67.6%	344.7%	164.6%	177.2%	145.6%
2012	223.1%	205.9%	172.7%	142.7%	180.0%	95.7%	312.2%	66.2%	73.3%	361.6%	176.3%	190.0%	161.6%
2013	223.1%	224.3%	182.1%	142.1%	180.2%	90.3%	310.1%	68.3%	79.4%	362.3%	183.7%	200.3%	178.0%
Per Year	4.80%	4.82%	4.24%	3.60%	4.21%	2.61%	5.81%	2.10%	2.37%	6.32%	4.26%	4.50%	4.17%

CPI for Passenger Vehicle Insurance Premiums (1998=100)

Calendar Year	Canada	NF	PEI	NS	NB	QC	ON	MB	SK	AB	BC	YK	NT
1998	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1999	0.7%	0.0%	0.0%	-0.4%	0.0%	2.0%	0.2%	1.8%	5.6%	1.7%	0.0%	0.0%	0.0%
2000	1.4%	0.0%	0.0%	-0.3%	0.0%	2.0%	0.6%	1.8%	8.2%	4.2%	1.7%	0.0%	0.0%
2001	1.0%	0.0%	0.0%	-0.3%	0.0%	2.0%	0.6%	2.4%	10.2%	4.2%	-1.0%	0.0%	0.0%
2002	14.3%	35.1%	31.2%	34.8%	32.5%	16.1%	10.6%	4.3%	14.3%	31.4%	8.9%	18.8%	5.2%
2003	39.5%	79.6%	66.5%	65.1%	69.3%	41.5%	40.3%	4.6%	21.7%	75.7%	16.4%	38.8%	11.3%
2004	41.6%	85.3%	61.7%	49.1%	59.6%	45.3%	41.2%	6.8%	26.4%	84.0%	19.4%	41.6%	16.1%
2005	41.0%	73.1%	57.6%	46.2%	52.3%	48.3%	37.9%	8.3%	27.8%	81.7%	24.1%	50.2%	22.3%
2006	42.5%	64.7%	53.7%	40.4%	46.2%	52.5%	40.3%	8.2%	33.3%	78.2%	25.8%	56.8%	27.3%
2007	48.2%	64.2%	54.9%	41.0%	41.7%	57.4%	49.0%	6.5%	31.9%	84.4%	29.0%	67.2%	34.1%
2008	55.2%	62.2%	60.1%	41.5%	46.0%	65.6%	57.0%	11.8%	27.2%	94.6%	34.7%	83.3%	39.3%
2009	64.1%	70.4%	71.1%	50.5%	55.1%	69.1%	67.7%	14.6%	30.5%	118.5%	38.5%	98.0%	49.5%
2010	72.8%	77.3%	79.0%	54.9%	60.9%	76.1%	81.3%	17.7%	32.7%	123.5%	39.8%	107.4%	59.7%
2011	80.5%	77.7%	83.2%	57.1%	62.8%	81.1%	95.5%	19.8%	34.1%	125.0%	40.1%	117.0%	65.5%
2012	83.9%	83.5%	79.7%	53.1%	60.9%	82.9%	98.3%	14.9%	38.6%	133.5%	46.3%	127.0%	76.3%
2013	83.9%	94.6%	85.8%	52.7%	61.1%	77.9%	97.3%	16.4%	43.5%	133.9%	50.2%	135.0%	87.4%
Per year	4.14%	4.54%	4.22%	2.86%	3.23%	3.92%	4.64%	1.02%	2.44%	5.83%	2.75%	5.86%	4.28%


Passenger Vehicle Average Premium Growth (Statistics Canada)
1988 to present
Total average premium growth from 1988 to 2013 (Stats Can):
* Manitoba: 68.3%, 2.10%/year
* Saskatchewan: 79.4%, 2.37%/year
* British Columbia: 183.7%, 4.26%/year
* Canada: 223.1%, 4.80%/year
* Ontario: 310.1%, 5.81%/year
* Alberta: 362.3%, 6.32%/year
Percentage Change since 1988
400%
350%
300%
250%
200%
150%
100%
50%
0%
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Fiscal Year Ending
Manitoba
Canada
Saskatchewan
Ontario
Alberta
British Columbia


Passenger Vehicle Average Premium Growth (Statistics Canada)
1998 to present
Total average premium growth from 1998 to 2013 (Stats Can):
* Manitoba: 16.4%, 1.02%/year
* Saskatchewan: 43.5%, 2.44%/year
* British Columbia: 50.2%, 2.75%/year
* Canada: 83.9%, 4.14%/year
* Ontario: 97.3%, 4.64%/year
* Alberta: 133.9%, 5.83%/year
Percentage Change since 1998
160%
140%
120%
100%
80%
60%
40%
20%
0%
-20%
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Fiscal Year Ending
Manitoba
Canada
Saskatchewan
Ontario
Alberta
British Columbia

PUB (MPI) 1-65 Reference: CAC/MPI 1-20 2014 GRA, AI.12

a) Please provide an update to CAC/MPI I-20 (2014 GRA).

b) Please reconcile the claims/claims employee ratio per CAC/MPI I-20 (2014 GRA) with that reported in 1.2.3 Reported Claim per Claims FTE for 2010 through 2012.

c) Please reconcile the claims expense per claims ratio provided in response to CAC/MPI I-20 at 2014 GRA with that presented in 1.2.2.

RESPONSE:

a) Please see table below:

Indicator	2007/8	2008/9	2009/10	2010/11	2011/12
i. Operating Expense Ratio	15.0%	15.0%	16.0%	16.2%	16.4%
ii. Claims Expense Ratio	14.7%	14.8%	14.8%	15.2%	16.1%
iii. Loss Ratio	79.0%	74.5%	70.9%	44.4%	80.4%
iv. Combined Ratio	108.6%	104.3%	101.8%	75.8%	112.8%
v. Investment Income Ratio	16.4%	0.5%	11.6%	11.2%	13.3%
vi. Investment Yield	4.0%	(5.8%)	13.7%	8.4%	6.4%
vii. Operating Expense/Policy	$50	$48	$54	$65	$61
viii. Claims Expense/Claims	$416	$487	$482	$487	$541
ix. Policies/Support Employee	2,499	2,556	2,446	2,590	2,560
x. Claims/Claims Employee	266	233	234	245	241
xi. Premiums/Policy	$777	$794	$807	$804	$790
xii. Insurance Costs/Capita	$566	$593	$606	$615	$624

Indicator	2012/13	2013/14	2014/15	2015/16	2016/17
i. Operating Expense Ratio	16.9%	16.6%	16.8%	16.0%	15.9%
ii. Claims Expense Ratio	16.1%	16.7%	15.9%	15.2%	14.9%
iii. Loss Ratio	87.4%	97.7%	78.1%	77.8%	78.9%
iv. Combined Ratio	120.3%	131.0%	110.8%	108.9%	109.7%
v. Investment Income Ratio	9.6%	19.3%	3.6%	5.8%	9.2%
vi. Investment Yield	6.9%	6.2%	3.5%	2.6%	2.2%
vii. Operating Expense/Policy	$65	$69	$72	$72	$75
viii. Claims Expense/Claims	$508	$522	$521	$525	$537
ix. Policies/Support Employee	2,409	2,365	2,423	2,465	2,508
x. Claims/Claims Employee	255	261	265	270	275
xi. Premiums/Policy	$736	$764	$792	$842	$866
xii. Insurance Costs/Capita	$589	$614	$646	$668	$690

b) and c)

Companies operate with different distribution systems, product focus and operating models. Therefore, Ward's proprietary benchmarking process involves obtaining information from each organization, including FTE related data, and normalizing the data to ensure an apples-to-apples comparison. As a result, the ratios calculated by the Corporation in CAC (MPI) 1-20 (2014) will not be the same as those calculated by Ward in Volume III AI.12 and it would not be practical to reconcile the differences.

PUB (MPI) 1-66 Reference: AI.12 1.1 – Corporate Comparison

Please provide a Corporate Performance benchmarking comparison with SGI for 2012 and 2013 (from publicly available information if required) relative to the operational efficiency metrics listed by MPI.

RESPONSE:

The Ward Group's proprietary benchmarking process involves conducting detailed analysis of staff levels, revenue, expenses, and operations for organizations using information that is not publicly available and cannot be replicated internally. Therefore, the Corporation is unable to provide a one-to-one comparison against any individual organization for the operational efficiency metrics defined by the Ward Group.

Please see CMMG (MPI) 1-33 for a comparison of the expense ratio between SGI, ICBC, and MPI.

PUB (MPI) 1-67 Reference: Benchmarking

a) Is it practical to provide benchmarking of the Corporation's claims handling practices by reference to the disability duration guidelines and rehabilitation plans built on leading industry practices as provided to staff? [SM.1, Page 21]

b) Is it practical to produce benchmarking vs. Basic operations for SGI and ICBC? [SM.2, Page 16]

c) With respect to the Operational Efficiency Measures employed, it is practical to develop any of these metrics for Basic operations only? [SM.2, Page 17]

RESPONSE:

a) Yes, it is practical and advantageous to benchmark MPI claims against leading industry established guidelines. However, it is difficult to compare disability durations jurisdictionally, as one has to have the exact same measures and points of reference. Rehabilitation plans are developed accordingly based on the targeted return to work dates and the medical information on file.

b) Please see PUB (MPI) 1-66. The Ward Group is prohibited from providing benchmarking results comparing individual organizations to each other.

c) Although Basic, Extension and SRE are distinct product lines, they are not managed by distinct operating units or departments. Therefore, it is not practical to develop these metrics solely for the Basic operations using Ward's benchmarking methodology.

PUB (MPI) 1-70 Reference: E.2.1.2 Corporate Staff Levels, p. 15

Please provide an updated staffing comparison (actual versus budget or forecast) from 2005/06 through 2018/19 including Normal Operations and Initiative staffing levels, both with and without contractors.

RESPONSE:

Please refer to PUB (MPI) 2-23. The staffing forecast remains static from 2015/16 through to 2018/19.

PUB (MPI) 1-72 Reference: Expenses Appendix 3 2013/14 Reorganization

a) Please explain the reason for and timing of the reorganization which saw the elimination of the Claims Control and Safety Operations Department in 2013/14. Please provide a schedule indicating where the staff from that department was reassigned.

b) Please explain how the re-organization has impacted the cost allocations between Basic and the other lines of business.

RESPONSE:

a) As per Board Order 98/14, a response to this question is not required.

b) There was a minor impact to the cost allocations due to the transferring of one position from a department allocated 85.5% basic to a department allocated 100% DVA.

PUB (MPI) 1-75

Reference: **E4.2 p. 24, Physical Damage Reengineering AI.10 pp. 4, 8**

a) Please provide a detailed description and supporting calculations in respect of the anticipated savings of $13.3 million in operating and claims incurred related to the PDR project.

b) Please file a detailed budget in support of the $65.5 million PDR project cost and provide a comparison of the budget established in the Project Charter with the actual and forecast expenditures on the project found in E.4.2.

c) Please provide a comparison to the $56.4 million budgeted for the project last year (PUB/MPI 2-33 Attachment) and explain the reason for the increase.

d) Please describe the nature of expenditures being expensed on the Physical Damage Re-engineering project.

e) Please provide details of each contract issued, by consultant, and amount of contract related to the PDR.

RESPONSE:

a) The detailed breakdown of the projected costs savings for the PDR program are as follows:

Cost Savings Area	Cost Savings	Operating Expenses	Claims Incurred
Process Improvement			
Process Improvement (Internal)			
FNOL	$ 300,000		
Adjusting	$ 1,750,000		
Estimating	$ 1,450,000		
Process Improvement (Internal)	$ 3,500,000	$ 3,500,000	
Repair Shop Process Improvement			
Adminstrative Savings	$ 1,100,000		
Cycle Time Improvement	$ 1,500,000		
Courtesy Car Reduction	$ 400,000		
Repair Shop Process Improvement	$ 3,000,000		$ 3,000,000
Total Process improvement	$ 6,500,000		
Loss of Use	$ 1,300,000		$ 1,300,000
Parts Sourcing			
Recycled Parts	$ 1,400,000		
Aftermarket Parts	$ 1,600,000		
Parts Sourcing	$ 3,000,000		$ 3,000,000
Loss Prevention	$ 2,500,000		$ 2,500,000
Total	**$ 13,300,000**	**$ 3,500,000**	**$ 9,800,000**

b) The detailed breakdown of the detailed project budget and project forecasts for the PDR program are as follows:

Initiative	Year 1 2011/12	Year 2 2012/13	Year 3 2013/14	Year 4 2014/15	Year 5 2015/16	Year 6 2016/17	Year 7 2017/18	7-Year Program Total
PDR Phase 1	$ 1,385,744	$ 60,402	$ -	$ -	$ -	$ -	$ -	**$ 1,446,146**
PD Industry Study	$ -	$ 130,483	$ -	$ -	$ -	$ -	$ -	**$ 130,483**
Optimized Repair	$ -	$ 2,072,148	$ 7,454,057	$ 2,817,709	$ 2,944,065	$ 2,488,875	$ 716,501	**$ 18,493,355**
Optimized Adjusting	$ -	$ 45,609	$ 2,240,862	$ 8,903,591	$ 12,475,270	$ 4,690,080	$ 4,282,680	**$ 32,638,092**
Business Re-visioning	$ -	$ -	$ -	$ 250,000	$ -	$ -	$ -	**$ 250,000**
Loss Prevention	$ -	$ -	$ -	$ 1,473,246	$ 1,208,039	$ -	$ -	**$ 2,681,285**
CCUC Phase 1	$ -	$ 684,945	$ 10,416	$ -	$ -	$ -	$ -	**$ 695,361**
Estimatics	$ -	-	$ 3,996	$ 15,340	$ 80,664	$ -	$ -	**$ 100,000**
Website re-design	$ -	$ 369,141	$ 824,010	$ 3,000,000			$ 716,033	**$ 4,909,184**
Implementation Costs (pgm mgmnt)	$ -	$ 425,347	$ 1,297,397	$ 844,210	$ 675,568	$ 899,348	$ -	**$ 4,141,870**
Total Project Costs	**$ 1,385,744**	**$ 3,788,075**	**$ 11,830,738**	**$ 17,304,096**	**$ 17,383,606**	**$ 8,078,303**	**$ 5,715,214**	**$ 65,485,776**

c) As previously filed.

The $56.4 million budget stated in PUB (MPI) 2-23 from the 2013 General Rate Application was the deferred development aspect of the project budget, not the entire project budget of $65.5 million.

d) As previously filed.

The expenses on the PDR program incurred to date are associated with the following categories:

- Compensation
- Travel
- Training
- Miscellaneous

e) As previously filed.

Manitoba Public Insurance has not issued contracts with individual consultants for the PDR program. The Corporation secures labour through various Master Services Agreements that cannot be disclosed.

PUB (MPI) 1-76 **Reference: PUB/MPI I-62 p. 2, 2014 GRA**

Please explain what concerns were raised by Gartner related to MPI's tendering process and describe the current IT tendering process.

RESPONSE:

Gartner has shared areas the Corporation should consider to "better support running the business". "Formalize a set of basic contract renegotiation processes" was included in these considerations. No specific concerns were raised by Gartner related to the Corporation's tendering process.

Current IT Tendering Process

As recorded in Corporate Directive G.12 – Purchasing Policy states that Request for Tender (RFT), Request for Proposal (RFP) or Request for Standing Offer (RFSO) are to be called for on all purchases or contracts where, based on existing product knowledge, the RFT, RFP or RFSO is expected to exceed $15,000, excluding taxes. All quotes received will be on a written basis and retained in the Purchasing department.

All RFT, RFP or RFSOs are released via the Purchasing Department and responses opened in the presence of:

- the Purchasing Manager or designate and a senior member of the Financial Departments
- the Vice-President responsible for the Purchasing Department for any purchase or contract expected to exceed $100,000.

Corporate Directive S.3, identifies the signing and approval authorities as they relate to tenders.

Corporate Directive G.12 – Request for Quotation (RFQ), RFT, RFP and/or RFSOs may be waived where, in the opinion of the Purchasing Manager, Premises Manager or Business Services Manager, there are sufficient circumstances to do so, and the purchase order, work order or contract will be so noted with an explanation of the waiver. In cases where the expenditure is expected to exceed $25,000, excluding taxes, prior approval of the applicable Vice-President responsible for the Purchasing Department, Premises Department or Business Services Department is required. In cases where the expenditure is expected to exceed $100,000, excluding taxes, prior approval of the President and CEO is required. In cases where the expenditure is expected to exceed $500,000, excluding taxes, prior approval of the Board of Directors is required.

Finally, the name of the Successful Vendor is released to all the participating Vendors. Upon request by participating Vendors, Manitoba Public Insurance may release the successful total bid. In circumstances where, in the opinion of the Purchasing Manager or Business Services Manager, the release of the successful Vendor's total bid may result in a competitive disadvantage to the successful Vendor, Manitoba Public Insurance may elect not to release the total bid.

PUB (MPI) 1-79 **Reference:** **Gartner Scorecard PUB/MPI 2-23, 2014 GRA AI.12 Appendix 4**

a) Please file an update to the response to Gartner's recommendations provided at PUB/MPI 1-62 last year, for activities that were acted upon or were being evaluated last year and please provide a description of the actions and the financial and operational impact of those actions.

b) Please provide a new schedule detailing all recommendations made by Gartner in this year's Scorecard, the status of each recommendation and the Corporation's comments.

c) For any recommendations that were made and not accepted by MPI last year or this year, please summarize the reasons for not implementing the recommendation.

RESPONSE:

a) to c)

Please see the attachment.

		Status	Comments	Financial Impact
1.In order for MPI to better support running the business, MPI should consider:				
1.01	Begin a Telecom Expense Reduction Management program, beginning with regular audits to look for billing errors	Completed	This recommendation is complete and was not included in Gartner's 2014 recommendations	This recommendation leads to process improvements that reduce MPI's exposure to potential future billing errors. To this point, cost savings have had no material impact on budgets.
1.02	Upgrade to a Voice Over IP Network to further optimize bandwidth utilization and lower costs	In Progress	MPI is currently implementing this recommendation.	The implementation of this recommendation is still in progress. Actual financial impact is not yet known.
1.03	Invest in Help Desk resources and processes to improve First Call Resolution rates	Completed	This recommendation is complete and was not included in Gartner's 2014 recommendations	The improved tools and processes implemented will improve internal IT service delivery and improve the capability to handle increasing call volumes without incremental FTEs. The value of the recommendation is in the improvements to customer service and not in cost savings.
1.04	Benchmark Applications Development and Support to identify additional optimization opportunities	On Hold	This is on hold pending other operational initiatives.	An analysis is currently underway to understand the financial impact of this recommendation and due to this the information is not known at this time.
1.05	Define and implement IT service management processes and tools (e.g., problem, change, and configuration management); Formalize a metrics-based IT operations process improvement program.	Operational	Problem, Change, and Incident processes have been implemented.	The improved tools and processes implemented will ensure IT completes priority work in an acceptable timeframe. Priority work includes proactive maintenance which contributes to system availability resulting in future cost avoidance (prevents key application downtime). The value of the recommendation is in the improvements to customer service and not in cost savings.

1.06	Begin to define positions and workgroups that are organized around cross-platform service processes (e.g., change management).	Competed	This recommendation is complete and was not included in Gartner's 2014 recommendations	The improved tools and processes implemented will ensure IT completes priority work in an acceptable timeframe. Priority work includes proactive maintenance which contributes to system availability resulting in future cost avoidance (prevents key application downtime). The value of the recommendation is in the improvements to customer service and not in cost savings.
1.07	Develop staff performance and productivity metrics that are regularly reported and tracked.	Operational	Performance review system consolidation planned onto the corporate performance management system Achieve platform.	IT is following the corporate initiative of performance management. No specific financial impact has been defined at this time.
1.08	Establish operating level agreements (OLAs) for all defined service processes and track performance over time	In Progress	MPI is currently tracking performance and evaluating appropriate OLAs.	The improved tools and processes implemented will ensure IT completes priority work in an acceptable timeframe. Priority work includes support of other divisions in their execution of operational priorities and their direct interaction with customers and partners. The value of the recommendation is in the improvements to customer service and not in cost savings.
1.09	More actively enforce existing standards and put change management controls in place.	Completed	This recommendation is complete and was not included in Gartner's 2014 recommendations	The improved tools and processes implemented will ensure IT effectively controls system changes. Better controls avoid conflict between work packages and avoids unplanned system impacts; both of these contribute to system availability which is core to operational efficiency. The value of the recommendation is in the improvements to customer service and not in cost savings.

	1.10	Implement automated failover triggers and processes for most critical systems.	Project in Progress	Work is currently being done under the High Availability project as part of the IT Optimization program.	Please see the information previously provided for the IT Optimization project.
	1.11	Increase usage of tools to automate and support operational and service management processes.	Completed	This recommendation is complete and was not included in Gartner's 2014 recommendations	The improved tools and processes implemented improve internal IT service delivery and improve the capability to handle increasing work volumes without incremental FTEs. The value of this recommendation is in increased customer service and has no specific cost savings.
	1.12	Develop an IT business and operating model that is similar to that of an internal service provider using service unit costing.	Not accepted	The Corporation has no intention of creating an IT model whereby service units are charged for specific services. MPI intends to continue to allocate these costs based on the allocation methodology approved by the Public Utilities Board.	MPI does not foresee any cost savings by pursuing this recommendation.
	1.13	Continue to invest in the further integration of asset/license management with other IT service management disciplines.	Operational	This recommendation has been restated by Gartner as recommendation 1.23.	This recommendation leads to process improvements that reduce MPI's exposure to risk of non-compliance with software licensing.
	1.14	Formalize a set of basic contract renegotiation processes.	Closed	Gartner is no longer including this recommendation. Was previously rejected by MPI due to the already stringent contract processes in place at MPI.	MPI previously rejected this recommendation because of the stringent procurement processes already in place.
**New*	1.15	Use competitive bidding practices (e.g. RFI, RFP) to strive for best price-to-performance ratios	Not accepted	MPI currently has stringent procurement processes (RFP, RFI, RFT, etc.) that enable MPI to exercise the required Due Process and ensure that MPI receives full value in its contracts	MPI is not accepting this recommendation because of the stringent procurement processes already in place.

**New*	1.16	Develop a Vendor Scorecard for key vendors that measures the "health" of the relationship as well as ongoing price-to-performance	Operational	MPI Currently has vendor management processes in place which provide measurements and ensure that vendors are held accountable for their contractual and operational commitments.	The processes that are in place for vendor management ensures that MPI is getting the full value from its contracts and therefore the value from this recommendation is in the form of improved vendor performance and not in specific cost savings.
**New*	1.17	Develop a standard operating environment for all IT services.	In Progress	MPI has progressed on hardware standardization through success of the IT Optimization Program and continues on Application standardization as part of the High Availability project. As part of the Windows 7 upgrade, MPI has standardized all desktops.	Please see the information previously provided for the IT Optimization project and the High Availability project.
**New*	1.18	Initiate a project to rationalize MPIs printer fleet across the enterprise.	In Progress	MPI is currently optimizing its printer fleet across the enterprise.	MPI expects to realize $25,000 in operational cost savings from this initiative plus more savings in future cost avoidance. The costs for the initiative are part of the ongoing maintenance.
**New*	1.19	Proactively pilot new infrastructure technologies with the business (e.g. Unified Communications, BYOD)	In Progress	MPI leverages Gartner recommendations and oversight to ensure emerging trends are assessed, with viable solutions are integrated into the delivery program.	The financial impacts of piloting new technologies are assessed on a case by case basis and viable solutions are brought forward in the form of business cases.
**New*	1.2	Explore use of public/hybrid Cloud for back-up.	Under Evaluation	MPI performs an ongoing review of cloud technologies and their applicability to MPI's environment.	MPI has not evaluated this recommendation in terms of cost and therefore does not have information regarding the financial impact of implementing this recommendation.
**New*	1.21	Formalize process improvement programs.	In Progress	MPI is currently implementing continuous improvement on processes implemented by the IT Optimization program.	This is a process improvement that is tied to higher IT maturity and not tied to cost savings.

**New*	1.22	Create specific guidelines and qualifications for employees to telework.	To Be Evaluated	Changes of this nature involve modifications to the Collective Agreement and therefore must be addressed through the collective bargaining process.	MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this requirement.
**New*	1.23	Integrate asset/license management with other IT disciplines.	Operational	MPI has operational processes in place to manage assets and licenses.	This recommendation leads to process improvements that reduce MPI's exposure to risk of non-compliance with software licensing.
	2.In order for MPI to better support growing the business, MPI should consider:				
	2.01	Begin to gather data on budgets and spending patterns by application. This requires that time reporting be granular enough to identify projects as well as support by application. Concentrate on the links between business processes and the software that supports it.	To Be Evaluated		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this requirement.
	2.02	Invest in process discovery technologies, such as business process analysis, and start building a business process framework and architecture. Bring together the various applications managers to share best practices and identify areas where the most mutual value could be derived from shared processes and programs.	Cancelled	This is no longer included in Gartner's list of recommendations.	MPI did not evaluate the cost impact of this recommendation.
	2.03	Begin to evaluate tools to monitor application performance and to automate and control key processes, such as change and release management.	Operational	Additional technologies are in place to monitor infrastructure and applications. Continuous improvement to automate and control change and release management continues.	Please see the information previously provided for the IT Optimization program.
	2.04	Add a new dimension of “process” as an organizing construct to complement functional, product and geographical orientation (e.g. end-to-end Incident Management).	On hold	Deemed lower priority relative to other IT risks the Corporation is presently addressing.	MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this recommendation.

**New*	2.05	Review information needs in the context of regulatory and compliance requirements to ensure data is available to support new projects.	Operational	MPI understands the regulatory requirements it faces and the information needed to support those requirements.	This recommendation deals with the understanding regulatory requirements and ensuring that the information to meet those requirements is available. There is no specific financial impact.
**New*	2.06	Explore use of dependency mapping tools that align applications and infrastructure resources to business processes. These can ensure that IT has the right resources in place to support growth.	To Be Evaluated		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this recommendation.
	3.In order for MPI to better support transforming the business, MPI should consider:				
	3.01	Establish a target Transformation budget for IT investments such as mobile, social media that can change the dynamic as to how MPI empowers and interacts with Manitobans.	Under Evaluation		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this recommendation.
	3.02	Increase the span of EA's influence throughout business areas by ensuring that governance processes exist and their importance is clearly communicated such that they are not circumvented. Often this involves building up stakeholder support.	Under Evaluation		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this recommendation.
	3.03	Clearly communicate the value of enterprise architecture, or its content, to the key stakeholders in terms that relate to their issues and proactively address their opportunities. This includes business management, key business stakeholders, key IT stakeholders and the overall enterprise architecture community. Look to build business outcome oriented deliverables and communicate success to drive ongoing support for EA.	Under Evaluation		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this recommendation.

3.04	Ensure that a culturally appropriate future state architecture exists, that a baseline of your current state exists, and a gap analysis is performed.	Under Evaluation		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this recommendation.
4.In order for MPI to be more effective and innovative, MPI should consider:				
4.01	IT needs to better partner with the business to better leverage technology to differentiate performance.	Completed	This recommendation is complete and was not included in Gartner's 2014 recommendations	This is a process improvement that is tied to higher IT maturity and not tied to cost savings.
4.02	Develop and improve processes that address IT's responsiveness to changing business priorities such as EA, BPM, and IT governance.	Operational	MPI leverages Gartner recommendations and oversight to ensure delivery capabilities remain comparable to relevant peer groups.	These are recommendations to improve operational efficiency and are not anticipated to provide cost savings.
4.03	Develop, document and implement an information strategy (2014 - This may or may not include hiring of a Chief Data Officer)	On hold	Strategy development deferred due to other key priorities. Not available at this time.	MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this requirement.
4.04	Promote how IT is responsive to changing priorities by communicating success stories	Completed	This recommendation is complete and was not included in Gartner's 2014 recommendations	This recommendation is tied to higher IT Maturity and improving IT culture. It is not linked to increasing or decreasing of costs.
4.05	Work with business partners to pilot new infrastructure technologies such as Unified Communications, Voice over IP, Bring Your Own Device, Cloud, etc. Explain the potential benefits (e.g. mobility, lower costs) and risks (e.g. Security) of each solution.	Completed	This recommendation has been restated as recommendation 1.19.	See recommendation 1.19

4.06	Hold “learning lunches” for company employees or use video demonstrations via company intranet as part of broader communications plan	Complete	This recommendation is complete and was not included in Gartner's 2014 recommendations	The cost associated with new mediums (video / intranet) is handled within existing operational infrastructure. It is expected to increase effectiveness in the communication of key messages without incremental operational investment.
4.07	Begin identifying duplicative functionality in the Applications Portfolio and streamlining the portfolio to avoid duplication of functionality.	Operational	MPI reviews its application portfolio before introducing any new technologies to ensure that there is no duplication of technology.	The process of identifying and eliminating duplicative functionality is built into MPI's IT procurement processes. Cost savings are in the form of maximized operational support costs.
4.08	Assess the impact of deferred application maintenance and/or retirement of application on the portfolio in terms of cost of additional non-value added activities; increased time-to-market for IT dependent product enhancements or customer service improvements; additional time to test changes to functionality; etc. – collectively these items are known as “technical debt”	To Be Evaluated		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this requirement.
4.09	Communicate technical debt to IT and business leadership and develop a long-term program to remove it from the MPI environment (e.g. through increased adherence to technology standards and application re-use) and track the success of those efforts	To Be Evaluated		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this requirement.
4.10	Develop 3 year staffing model to ensure key skills are available in-house to reduce reliance on contractors and consultants	To be evaluated		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this requirement.

**New*	4.11	Consider conducting an IT Customer Satisfaction benchmark to assess business unit satisfaction with IT and uncover suggestions from internal customers/end users for value added improvements.	In Progress	MPI has implemented internal customer satisfaction measurements for some areas of IT and is currently evaluating extending to other areas of IT.	The value of this recommendation is in improved customer service and not in cost savings.
**New*	4.12	Review compensation strategies to ensure that MPI is competitive with market rates and can attract the talent it needs to deliver on its mission.	To be evaluated		MPI has not evaluated this recommendation yet and therefore does not have information regarding the financial impact of implementing this requirement.

PUB (MPI) 1-81

Reference: AI.12 Appendix 4 Gartner 2014 Scorecard pp. 11, 12

Gartner observes that IT staffing is above the peer group and insurance industry averages and that staffing should decline given the transition to third party service providers. Please indicate the current IT staffing level (MPI and Contractors) and the expenses that MPI expects to incur over the next five years.

RESPONSE:

The current IT staffing level (MPI and Contractors) can be found in the Gartner report in Volume III AI.12 Benchmarking Appendices, Appendix 4, PDF page 12 and is quoted as 332 FTE. Forecasting staffing levels are shown in Volume II Expenses, page 15. There is no forecasted increase in corporate staffing levels over the next five years.

The Gartner annual reporting model does not include forecasted data. For a detailed IT forecast please refer to Volume II Expenses, Appendix 9, pages 38 – 41.

PUB (MPI) 1-89 Reference: SM.1.3.3, p. 28

The Corporation has provided examples of its current loss prevention strategies.

a) Are there other loss prevention strategies being undertaken by the Corporation?

b) If so, what are those strategies and what are the corresponding savings to the Corporation?

RESPONSE:

a) There are no other loss prevention strategies being undertaken by the Corporation towards which specific savings in claims costs can be attributed at this time. As noted in Mr. Guimond's pre-filed testimony, the Corporation plans to submit a comprehensive loss prevention plan for the Basic line of business with the 2016/17 GRA.

b) Refer to response to (a).

PUB (MPI) 1-92 Reference: SM.3.6.5, p. 22

The Corporation has stated that it is investigating the potential uses of certain emerging vehicle technologies. Please describe each of the emerging technologies and the extent to which these technologies have been implemented in other jurisdictions, to the Corporation's knowledge. What is the status of the Corporation's investigation with respect to each technology, and when are the results of each investigation expected to be available?

RESPONSE:

The three vehicle technologies referenced on page 22 of SM.3.6.5 are "after-market collision avoidance technologies, text blocking technologies and vehicle telematic technologies that driving instructors and parents/guardians can use to monitor student progress in acquiring safe driving habits and skills."

After-market collision avoidance systems

After-market collision avoidance systems use sensors which are attached to the vehicle and a display unit, which is normally mounted on the dash or windshield. The display unit provides an alarm or alert 2-3 seconds in advance of a possible front or side collision. The sensors can also detect cyclists, motorcycles and pedestrians; provide lane departure warnings (in optimal conditions); and can "read" speed limit signs to provide drivers with a warning when the posted speed limit is exceeded. A white paper assessing this technology and its potential benefits to the driver education program is expected to be completed in 2015.

Text blocking technology

Text or cell phone blocking technology is aftermarket technology that enables a driver's cell phone to be "blocked" from sending or receiving signals while the vehicle is in motion. Vendors of this technology are using a variety of approaches to accomplish this, including combining after-market hardware devices with specially developed Smartphone applications (apps). One approach involves inserting a device into the vehicle's On-Board Diagnostic (OBD) port which links to an application on the driver's Smartphone via a Bluetooth connection. Once activated, the device detects when the vehicle is in motion and the cell phone is automatically blocked from receiving calls and/or texts. A white paper assessing this technology and its potential benefits to the driver education program is expected to be completed in 2015.

Vehicle telematic technologies

Vehicle telematics relates to the collection and combining of vehicle and driver data. Initially the collection of telematic information centered around the so-called "black boxes" in vehicles installed by vehicle manufacturers, but more recently the technology has evolved to include the use of after-market devices plugged into the vehicle's OBD port, as well as Smartphone apps. In addition to vehicle performance information, these devices can also now collect driver behaviour data (e.g., speed, acceleration, braking) - and in some cases GPS data as well - and then transmit this information using wireless technology to a third party for analysis.

This technology already forms the basis for what is known among insurers as "Usage-Based Insurance", but the information gathered also has use for monitoring driving students' progress in developing safe driving behaviours. The Corporation expects to initiate a pilot project assessing this technology and its potential benefits for the driver education program in 2015.

For information on the extent to which other jurisdictions are using telematics technology within their driver education programs please refer to the Comprehensive Global Scan of Driver Education Programs summary completed in 2013 by ADTSEA (filed with the 2014 GRA in Volume I, SM.5.4 Road Safety, Attachment B)

Any implementation of the above mentioned vehicle technologies as they relate to the High School Driver Education program will become part of the program's larger redevelopment project. The Charter for the redevelopment of the Corporation's High School Driver Education program (Volume III, AI.10), states that a Request for Proposal is to be awarded this calendar year (2014) to retain the services of a vendor to lead this effort.

PUB (MPI) 1-93 Reference: E.4.3.1, p. 28

a) Please confirm that Phase I of the HSDE program redevelopment is completed and that the ADTSEA report filed last year represents the Phase I report. If the ADTSEA report filed last year does not represent the Phase I report, please identify the report and file a copy.

b) Please advise of when Phase II of the HSDE program redevelopment will commence, with the issuance of a Request for Proposal by the Corporation.

c) Last year the Corporation advised the Board (PUB/MPI I-95(b)) that the formative evaluation of the HSDE program completed by Northport & Associates helped to inform the Corporation's review and redesign of the program. Do each of the recommendations made by Northport & Associates (Attachment B to PUB/MPI I-95 last year) continue to be implemented by the Corporation? If not, why not?

RESPONSE:

a) HSDE program Phase 1 deliverables consist of the ADSTEA report which was filed with the 2014 GRA and the subsequent Project Charter for the High School Redevelopment project, a copy of which was filed in Volume III AI.10 of this year's GRA.

b) A Request for Proposal (RFP) for the HSDE Program Redevelopment project will be issued before the end of the 2014 calendar year.

c) Recommendations from the Formative Evaluation continue to be acted on and implemented as appropriate, except for those that have been deferred for consideration in the full-scale redevelopment project, and which have been included in the scope of work for that initiative.

PUB (MPI) 1-94 Reference: SM.3.6.5, p. 21

a) Last year the Corporation advised the Board (PUB/MPI I-95(c)) that it expected to receive the final AAA Foundation for Traffic Safety summative evaluation report before the end of 2013, subject to change based on the timing to complete evaluations in other participating jurisdictions. Please advise of when the release of the report is expected and the reasons for the delay.

b) Please advise of the cost to the Corporation for the AAA Foundation for Traffic Safety summative evaluation.

c) Please advise of why the Corporation did not conduct its own summative analysis as ordered by the Board in Order 151/13.

RESPONSE:

a) The Corporation has been informed that the final report on the large scale evaluation of driver education conducted by the AAA Foundation for Traffic Safety will be released on September 9, 2014. It is the Corporation's understanding that release of the report was timed to coincide with release of other literature on driver education standards by the American Automobile Association (AAA) in the United States.

b) Total cost to the Corporation for participation in the AAA Foundation study was approximately $196,000 USD (corporate) – or approximately 38% of the cost for the Manitoba-based portion of the study.

c) As per Board Order 98/14, a response to this question is not required.

PUB (MPI) 1-95 Reference: OV.9, p. 23

What education and awareness efforts is the Corporation undertaking that are different than those which it has undertaken in the past?

RESPONSE:

The Corporation has secured new opportunities for road safety awareness through partnerships with Manitoba police agencies. In September and October 2013 the Corporation engaged in public awareness campaigns dedicated to pedestrian (back to school) safety and school bus safety by supporting enhanced enforcement in school zones. Similarly, in November 2013 and April 2014, the Corporation partnered with police agencies to support joint awareness and enforcement initiatives focused on illegal use of hand-held electronic devices while driving. More information on the Corporation's collaborative efforts with Manitoba police agencies was provided in Volume I Road Safety, section SM.3.6.3.

The Corporation has also commissioned the development of an innovative on-line and event-based distracted driving simulator which will be launched publicly and incorporated into the High School Driver Education curriculum in September 2014. Further details of this initiative were provided in Volume I Road Safety, section SM.3.6.4.

In June 2014, the Corporation staged a new and innovative safety demonstration in Winnipeg, visually showing the dangers of vehicle blind spots, particularly for larger commercial vehicles, with a view to raising awareness for cyclists and pedestrians on how to be seen and stay safe when navigating vehicle blind spots.

In addition, in June 2014 the Corporation launched new website materials devoted to medical conditions and driving. These resources were designed specifically for drivers and families who may be dealing with early onset medical conditions or medical conditions associated with aging that can affect driving. The new materials provide useful information on the types of medical conditions that can affect driving ability, and the types of medical assessments used to assess these conditions. A number of on-line tools and other resources are also available for drivers and their loved ones.

PUB (MPI) 1-96 Reference: SM.3.2, p. 7

Please advise of what changes were made to the Road Safety Calendar and how those changes are expected to enhance awareness and expand enforcement programs.

RESPONSE:

For the 2014 Integrated Awareness and Enforcement Calendar, the Corporation worked with Manitoba police agencies to ensure alignment of their community and school-based education and awareness programs with the overall road safety priorities for the months in which those police outreach programs are delivered. The Corporation also expanded the Calendar to include information on key road safety topics that are delivered concurrently to planned Calendar activities through the High School Driver Education program. Finally, police enforcement initiatives have been categorized to identity the initiatives for which funding is provided to supplement police enforcement efforts, and the enforcement activities that are self-funded by police agencies.

The Corporation does not anticipate any impact to costs resulting from these enhancements to the Integrated Awareness and Enforcement calendar for 2014.

PUB (MPI) 1-98 Reference: SM.6.14

a) The Board ordered that the Corporation file an independent review of its current Road Safety portfolio with a view to optimizing the portfolio. Why has the Corporation not done so?

b) The Board ordered that the Corporation file an independent review of the optimal size of its Road Safety budget. Why has the Corporation not done so?

RESPONSE:

a) As addressed in Volume I Road Safety, section SM 3.6.2, the Corporation did retain the services of an external firm to assist in developing a formal process to review and identify road safety priorities, and to establish formal research, analytical, and evaluation frameworks against which the effectiveness of road safety programs could be measured. The new road safety operational plan is complete and frameworks for priority setting, program development and program evaluation are in progress and will be established by the end of the 2014 calendar year.

   Following this work, the Corporation will move forward with analysis and evaluation of the current road safety portfolio, and may consider the use of additional external parties at that time. The Corporation does not believe it would be prudent to incur the expense of an additional independent review of the road safety portfolio or overall road safety budget prior to this foundational work being conducted.

b) See response to (a).

PUB (MPI) 1-100 Reference: SM.3.6.2, p. 14

a) What external firm retained has been retained by the Corporation and what is the anticipated cost of that retainer?

b) Please file the proposal of the successful firm and advise of whether the work plan in the proposal has since changed.

c) How will the work of the external firm interplay with the work of the Road Safety Manager and the two analysts referenced above?

d) How far has the external firm progressed with its analysis to date and when is the work anticipated to be completed?

e) The timeline provided at Attachment C will result in the research & analysis for a given year not being available for that year's GRA process, and the Corporation's priorities being identified concurrently with the Board's Order being issued. Can the timeline be revised such that the Board can see the completion of the research & analysis within the GRA process and have the opportunity for input into the priorities being identified?

f) Please confirm that RACI stands for "responsible, accountable, consulted and informed".

RESPONSE:

a) MNP was retained to assist in development of the three-year Road Safety Operational Plan, a copy of which was filed in Volume I SM.3 Road Safety, Attachment C.

b) The Road Safety Planning Proposal submitted by MNP is provided in Attachment A. The original proposal and work plan were not altered.

c) As per Board Order 98/14, a response to this question is not required.

d) As per Board Order 98/14, a response to this question is not required.

e) Two key inputs to the research and analysis phase of the annual road safety planning cycle are the Traffic Collision Statistics Report and the Claims Collision Statistics Report, both of which are available in August or September for the preceding year. As such, the timeline for conducting annual research and analysis to establish road safety priorities for the following year has been aligned with the availability of these two important data sources. However, the Corporation does anticipate that road safety program evaluation work will be available for each year's GRA process as the intent is to conduct program evaluation work in the spring timeframe for programs and initiatives in the preceding year.

f) As per Board Order 98/14, a response to this question is not required.

1.0 BACKGROUND AND PURPOSE

Following the review the road safety function within Manitoba Public Insurance (MPI), it was determined that the development of an operational plan and priorities for road safety was critical for the successful implementation of a new road safety delivery model. The plan will provide the foundation and direction for the research, development, delivery and evaluation of road safety activities performed by MPI during the next three year period. The operational plan will be developed using a collaborative and integrated approach, bringing together the thought leadership and expertise of the Driver Safety & Regulatory Control, Corporate Communications, and Strategic Research departments to build a plan that supports the achievement of MPI's corporate priorities and aligns with the National Road Safety Strategy within Manitoba's environmental context. The operational plan will be the driver for the development of annual road safety priorities and goals to be implemented by the Driver Safety & Regulatory Control and Corporate Communications departments.

2.0 SCOPE AND OBJECTIVES

The overarching goal of this project is the development of a three year operational plan that provides clear direction on MPI's road safety mandate and priorities, effectively guides the implementation of the new road safety delivery model, and supports the development of an internal road safety culture. Building on the recommendations put forward in MNP's Road Safety Review Report 2013, the specific objectives of this project are to:

- Establish a Project Steering Committee responsible for project oversight, participation in project meetings, and review of deliverables (Vice President Community & Corporate Relations, Executive Director Driver Safety & Regulatory Control, Executive Director Corporate Communications, and selected MPI representatives if desired)
- Develop a detailed project plan for review and approval by the Project Steering Committee
- Conduct interviews and focus groups to gather stakeholder opinion, and collect consolidated research and analysis from MPI to be used for pre-planning report and planning session
- Develop a pre-planning report in preparation for the planning session
- Facilitate a planning session (estimated 2 days)
- Develop the *Road Safety Plan 2014-2017* for review and approval by the Project Steering Committee

3.0 PROPOSED APPROACH AND WORK PLAN

We will work to ensure that project implementation and delivery will effectively meet your requirements and expectations. The ultimate success of any planning process depends upon organizational capability and commitment. Our approach is designed to:

- Create an operationally meaningful and realistic process and plan geared to achieving results
- Create the environment necessary to encourage and support stakeholder commitment and sustain long lasting and successful change

The proposed work will begin in February 2014 and will be completed by end of March 2014. The work plan that follows is based on this understanding. MNP will work collaboratively with the Project Steering Committee to finalize the detailed work plan and timeline upon commencement of the project. Our proposed work plan is outlined below:

Project Planning	Research & Analysis	Planning Session	Document Plan
1. Project initiation and planning meeting to confirm scope 2. Develop project work plan 3. Develop data collection tools 4. Collect background documents	5. Collect MPI's environmental research and analysis 6. Review existing background material 7. Conduct four (4) internal interviews • MaryAnn • Dan • Ward • Sharon 8. Conduct two (2) focus groups • Managers (Lisa, Kate, Sheryl, Gary, Strategic Research) • Project Manager and Business Analyst (Clif Eden, Adam Cheadle) 9. Consolidate and document data 10. Develop pre-planning report	11. Conduct planning session (2 day)	12. Draft Road Safety plan 13. Present Road Safety Plan 14. Finalize Road Safety Plan
Deliverables			
• Detailed project work plan • Data collection tools	• Pre-Planning Report		• Draft plan • Final plan
February 2014 ***12 hours***	***By end of February 2014*** ***24 hours***	***Early March 2014*** ***16 hours***	***By end of March 2014*** ***16 hours***

4.0 FEES AND EXPENSES

Our total cost for this project is estimated at $20,400 and is based on the assumption that environmental research and analysis will be conducted by MPI for incorporation into the pre-planning report and strategic planning session. In recognition of our past working relationship, we have discounted our fees for this engagement by more than 25% and waived our standard professional administrative fee of 5%. We understand that MPI is GST exempt. Any expenses will be invoiced at cost and will be incurred if approval is received in advance from MPI.

PUB (MPI) 1-101 Reference: SM.3.6.3, pp. 16 and 19

a) Please advise of whether Attachments D and E were prepared for the GRA filing, or for another primary purpose.

b) Please describe the function of an automated license plate reader, including why it is advantageous, and please advise of the cost of the device.

RESPONSE:

a) As per Board Order 98/14, a response to this question is not required.

b) Automated Licence Plate Recognition (ALPR) technology is a system of hardware, firmware, and software that allows for optical scanning and image capture of vehicle licence plates. Mobile cameras in police cars are used to read vehicle licence plates and systematically match them against vehicle licence plates associated to stolen vehicles, unregistered vehicles, and vehicles registered to suspended, prohibited, or otherwise unlicensed drivers.

   ALPR devices have been embraced by many law enforcement agencies as a means to more readily identify and apprehend stolen vehicles and their occupants, as well as to target high-risk drivers who are commonly associated with operating unregistered vehicles or driving while suspended or otherwise unlicensed.

   The cost of an ALPR device is approximately $30,000/unit, which would include necessary hardware, software, installation, reporting capabilities and user training.

PUB (MPI) 1-102 Reference: SM.3.6.4, p. 20

a) Please advise of any other examples of the Corporation's new and innovative approaches to target key audiences about Road Safety (aside from the social media strategy and distracted driving simulator referenced).

b) Please advise of when the social media strategy will be implemented and what action items that strategy will include.

c) Please advise of whether the distracted driver simulator will be incorporated into the existing HSDE program. If not, how will the simulator be made available to teen audiences?

RESPONSE:

a) Refer to PUB (MPI) 1-95.

b) Although some elements of social media have been leveraged in specific road safety campaigns including campaigns related to distracted driving and the Rethink Road Safety Video contest, a corporate-wide strategy for use of social media is still being developed. As such, specific action items and timelines for implementation have not yet been finalized.

c) As per Board Order 98/14, a response to this question is not required.

PUB (MPI) 1-103 Reference: SM.3.7, p. 24

a) Please advise of whether the Corporation:

(i) engages in any further discussion with the stakeholders to whom data is communicated regarding ideas or plans for changes to collision "hotspots";

(ii) monitors changes in data over time relative to collision "hotspots";

(iii) identifies common characteristics as between collision "hotspots";

(iv) considers specific strategies relative to each of the three categories of vulnerable road users for the purposes of improving safety.

b) Please advise of why locations of fatalities are not included in claims data, and whether the Corporation has plans to change that practice.

c) Please advise of why the locations of collisions in rural areas of Manitoba are not tracked by the Corporation.

d) Please advise of whether the Corporation records and tracks the locations of claims arising from road conditions including potholes. If so, please file that data for the last five years.

RESPONSE:

a) The Corporation shares collision location data with provincial and City of Winnipeg agencies responsible for roadway infrastructure design and improvement. This data is also shared with police agencies to assist in their traffic enforcement planning efforts. Information on the top collision intersections in the Cities of Winnipeg and Brandon is also shared with media and normally reported on annually.

With respect to monitoring of collision data and characteristics over time, every year the Corporation utilizes collision statistical reports to monitor changes and identify common characteristics for collisions as well as factors that contributed to those collisions. This includes changes to collision hotspots as applicable.

In terms of specific strategies relative to each of the three categories of vulnerable road users, the Corporation efforts are focused primarily on educating both drivers and vulnerable road users about key road safety risks that contribute to collisions, fatalities, and serious injuries. This includes messaging focused on the contributing factors that most frequently lead to collisions involving pedestrians, cyclists, and motorcyclists. This data is not generally segregated by location because of the relative location randomness of collisions involving vulnerable road users. Exceptions include awareness and education efforts associated with pedestrian safety in school zones.

b) Locations of fatalities are included in the claims data but they are combined together with injuries because the numbers are very small and too broadly spread to generate discernible patterns.

c) The Corporation tracks the location of collisions in rural areas of Manitoba. However, rural collisions locations are not currently tracked with specific location detail suitable for statistical mapping purposes.

d) The Corporation records and tracks the collisions arising from general road conditions (refer to pages 48-51 of the 2012 Traffic Collision Statistics Report at http://www.mpi.mb.ca/en/PDFs/TCSR2012.pdf). Specific information on claims locations involving potholes is not currently tracked in a manner suitable for statistical reporting purposes.

PUB (MPI) 1-143 Reference: AI.12 Appendix 4 p.8/Gartner Report p. 6

MPI indicates that if one-time investments were excluded its scoring would be similar to the Peer group for IT spending as a percentage of revenue.

a) Please indicate to what extent the Peer group ($30.1 million in Change the Business) includes or excludes large "one time" investments to assess the reasonableness of the assertion made on comparability.

b) Please provide MPI's IT spending as a percentage of revenue since 2000 including and excluding one-time investments.

RESPONSE:

a) As per Board Order 98/14, a response to this question is not required.

b) Please refer to the attachment.

The table below is based on Basic financial statement data and previously provided IT numbers in the GRA.

Gartner's proprietary benchmarking process involves obtaining information from each organization and normalizing the data to ensure an apples-to-apples comparison.

As a result, the ratios calculated in the below table will not be the same as those calculated by Gartner and it would not be practical to reconcile the differences.

IT Spending as % of Revenue - Including one-time investments

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
IT as % of revenue	2%	1%	1%	1%	1%	1%	2%	1%	3%	2%	3%	3%	5%	6%
IT spending ($000)	9,054	8,174	8,047	9,378	9,172	8,756	17,137	11,730	27,775	21,185	31,173	29,626	47,462	60,044
Revenue ($000)	538,263	567,585	621,476	663,966	716,328	762,613	798,811	828,121	865,056	895,811	918,905	935,385	940,910	956,350
IT spending - Basic														
Revenue - Basic														

IT Spending as % of Revenue - Excluding one-time investments

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
IT as % of revenue	2%	1%	1%	1%	1%	1%	1%	1%	2%	2%	2%	2%	4%	3%
IT spending ($000)	9,054	8,174	8,047	9,378	9,172	8,756	8,816	11,730	14,666	17,098	22,831	23,046	33,793	30,225
Revenue ($000)	538,263	567,585	621,476	663,966	716,328	762,613	798,811	828,121	865,056	895,811	918,905	935,385	940,910	956,350
IT spending - Basic														
Revenue - Basic														

PUB (MPI) 1-144 Reference: AI.12 Appendix 4

a) Please provide a description of cost containment and the basis for MPl's improved scoring on this metric.

b) Please discuss the implications on cost containment of no change in Business Process Management and how MPI intends to improve this metric.

RESPONSE:

a) Gartner research has identified cross-industry best practices which positively correlate to improved information technology cost management. Manitoba Public Insurance's adoption of these practices is assessed by Gartner, resulting in a cost containment score. This score can be compared to insurance industry and cross-industry benchmarks. The Corporation improves the cost containment score through increased adoption of the Gartner identified best practices.

b) Business process management maturity is not evaluated within the Gartner cost containment score. The Corporation improves the cost containment score through increased adoption of the Gartner identified best practices.

PUB (MPI) 1-145 **Reference: AI.12 Appendix 4 pp. 8 &13**

a) Gartner recommends that MPI should invest in strong Governance over third-party service providers and MPl's current maturity score for Business Process Management is below Peer group scores and has not improved from last year.

b) Please provide a full explanation of what type of Governance Management is required over Third Party Service Providers and the changes MPI proposes to its current practices in this area.

RESPONSE:

a) Business Process Management is a composite metric representing multiple, evaluated areas. One of these evaluated areas is Governance. The Corporation's specific performance on Governance is in line with industry peers.

b) Gartner is referencing a recommendation to have a strong vendor management program to ensure that the Corporation achieves the best value for money from its vendors. Vendor management is the discipline of managing, administering, and guiding product and service vendors in an organized way, and to drive vendor behaviour in order to optimize business outcomes. Vendor management starts with the contract life cycle and continues throughout, improving vendor performance, monitoring and mitigating vendor risks, and managing the ongoing vendor relationship.

   The Corporation has developed and implemented Vendor Management processes to ensure that the full value of the agreements is realized and to ensure that vendors are being held accountable to their contractual and performance commitments.

ARM (MPI)

ARM (MPI) 1-1

Please provide annual totals of the Corporation's payment for recycled parts for claims over the last 12 years together with breakdown of spending on total parts (new, recycled, after market) for these same years, and indicate the percentage that the recycled parts comprise vs. the total parts cost.

RESPONSE:

Please refer to PUB (MPI) 1-54.

ARM (MPI) 1-2

Please explain the Corporation's basis of payment to repairers for parts, addressing the amount of the repairer's mark up of the parts.

RESPONSE:

Recycled Parts – MPI pays up to (maximum) of 60% of Original Equipment Manufacturer (OEM) list price for vehicles ten model years or newer, up to 45% of OEM list price for vehicles older than ten model years. The recyclers may provide up to a 25% discount to the repair shops; however, since MPI pays the shops, the discounts provided to the repair shop may vary and are unknown to MPI.

Aftermarket Parts – MPI will pay a maximum of 74% of OEM list price. The discounts provided to the repair shop by the supplier may vary and is unknown to MPI.

OEM (New) Parts – MPI will pay the list price as indicated by Mitchell in the estimates and supplements. The discounts provided to the repair shop by the OEM suppliers and dealers may vary and is unknown to MPI.

ARM (MPI) 1-3

Is there a monetary gain for a repairer to reject recycled parts and instead then use new parts?

RESPONSE:

Monetary gains for a repairer would not be known to MPI. MPI pays the repair facility the amount listed in the estimate for the parts listed. For a repairer to reject a recycled part, proper justification and MPI approval is required.

ARM (MPI) 1-4

What steps or mechanisms does the Corporation use to ensure that the repair shops use recycled parts that are available?

RESPONSE:

MPI will pay the repair shop the Recycled Part Price if the part is available and has been located via Recycled Parts Program (RPP) Office. MPI recommends that the repair shop uses recycled parts from RPP participant recyclers.MPI’s Parts Control Unit and RPP staff will work with the recyclers and the repair facilities to address recycled parts issues. Part Type changes require MPI approval.

ARM (MPI) 1-5

Does MPI use all recycled parts available from recyclers' inventories? Or are there more parts or more types of parts quoted or available to quote than the amount purchased?

RESPONSE:

Recycled Parts Program (RPP) recyclers currently don't list their inventory. They respond on their availability for the estimates or supplements that MPI's RPP office broadcasts.

MPI provides the RPP recyclers the opportunity to supply parts for all of its eligible estimates and supplements. Repair facilities have the opportunity to purchase the parts from the RPP recyclers or other recyclers of their choice. MPI will not pay more than the amount quoted by the RPP recyclers. There are certain parts that are not eligible to be used recycled or aftermarket for safety reasons (air bags, seat belts, etc.) and this list is available on the MPI partner's website.

ARM (MPI) 1-8

What is the current costs of running the RPP office? What is included in these costs?

RESPONSE:

The costs of the Recycled Parts Program (RPP) office are salaries and compensation related and are included in operating expenses. The Corporation does not track the costs of running the RPP Office separately but as part of the Physical Damage department.

ARM (MPI) 1-9

What is the current costs of running the "E" Glass Program? What is included in these costs?

RESPONSE:

Manitoba Public Insurance has entered into an agreement with Mitchell International and has an Enterprise License for a variety of Mitchell Products and Services related to physical damage estimating and supporting activities, which includes hosting and use of the eGlass software. eGlass is not paid for separately.

Additional costs related to running the program are operational in nature and are primarily salaries and related costs, a portion of which would be allocated to the Basic line of business.

ARM (MPI) 1-10

What is the annual pay out on glass claims for the last 10 years, by year?

RESPONSE:

The table below summarizes glass payments from the Basic line of business.

Fiscal Year	Glass Payments
2004	$3,523,298
2005	$2,267,344
2006	$2,556,753
2007	$2,887,719
2008	$3,527,256
2009	$5,137,820
2010	$5,886,368
2011	$7,172,243
2012	$7,816,815
2013	$8,328,001

ARM (MPI) 1-11

Since MPI took over the RCO (now RPP) there has been an increase in participants, what is the increase in parts quoted and supplied attributable to these new participants annually?

RESPONSE:

Since the Corporation took over the Recyclers' Central Office (RCO) operations, five new recyclers have joined the Recycled Parts Program (RPP) as participants.

The total number of recycled parts made available (quoted) for use in MPI claims, by RPP participants in 2013/14, were 89,185. For 2012/13 and 2011/12, the number of recycled parts made available for MPI claims were 83,655 and 87,308 respectively. MPI is unable to track the actual number of recycled parts supplied for MPI claims by recyclers. For the number of parts supplied (based on Paid Claims Data) please refer to PUB/MPI I-54.

ARM (MPI) 1-20

What safeguards will be instituted to check that estimating by body shops in the new distributed estimating initiative will be as cost effective to the Corporations as the current system and ensure costs are controlled? Please show the breakdown of the expected savings.

RESPONSE:

For the breakdown of the savings, please refer to Volume III AI.10, PDR Program Charter.

ARM (MPI) 1-24

Physical change costs approached 495.5 million dollars over the last year as set out in AI.10. What does the Corporation plans to do to ensure this amount is controlled in the forthcoming year?

RESPONSE:

The Corporation's strategy to manage ongoing claims administration costs and expenses will be achieved by the multi-year Physical Damage Reengineering Program as defined in Volume III, AI.10 PDR Program Charter. In the upcoming year, the Collaborative Estimating project will be completed as well as a Distributed Estimating proof of concept with the repair industry.

ARM (MPI) 1-25

Does part of the cost control involve greater use of recycled parts in the coming years?

RESPONSE:

The Physical Damage Re-engineering program will look at all feasible cost control initiatives.

CAC (MPI)

CAC (MPI) 1-3 **Reference: SM.4 2015/16 Comparative Statement page 14.**

Preamble: Increase in claims incurred by $2,630,000 due to higher costs from Collaborative Estimating Initiative.

a) Please explain, in detail, the justification and benefits of implementing the Collaborative Estimating Initiative.

b) Please provide the detailed Collaborative Estimating Initiative project costs, by fiscal year.

RESPONSE:

a) As previously filed, Collaborative Estimating will bring the Corporation and the repair shops onto a common supported platform. The focus of this initiative is online estimate sharing, including collaborative estimating for electronic supplement processing. It includes the automatic maintenance of a "gold copy" estimate which eliminates the need for manual reconciliation between repair shops and Manitoba Public Insurance, enabling the automation of payments to repair shops. In the short-term, there is an incremental increase in expenses due to software licensing. These expenses are part of the base architecture required for the entire PDR program and will reduce as business changes are implemented during the program roll-out. Refer to PUB (MPI) 1-75 for further details on projected program benefits.

b) Please refer to PUB (MPI) 1-75 b) Optimized Repair project.

CAC (MPI) 1-5

Reference: **CAC (MPI) 1-91 (a) and (b) and**
PUB (MPI) 1-36 (a) to (f) of the 2014 GRA.

Please prepare and file similar schedules as filed in CAC (MPI) 1-91 (a) and PUB (MPI) 1-36 (a) to (f) in the 2014 GRA for Basic Insurance; namely, Six Year Claims Frequency Comparison, Six Year Claims Severity Comparison, and Six Year Claims Incurred Comparison and comparing Original Projected, Revised Projected and Actual Basic Insurance; namely, Schedule 1 Ten Year Claims Frequency Comparison, Schedule 2 Ten Year Claims Severity Comparison, Schedule 3 Ten Year Claims Incurred Comparison, Schedule 4 Ten Year Comprehensive – Theft Claims Frequency Comparison, Schedule 5 Ten Year Comprehensive – Theft Claims Severity Comparison and Schedule 6 Ten Year Comprehensive – theft Claims Incurred Comparison.

RESPONSE:

Please see attached.

Manitoba Public Insurance
Automobile Insurance Division - Basic
Six Year Claims Frequency Comparison
For the Insurance Year Ended February 28/29,

	2010/11	2011/12	Increase (Decrease) To Previous Year	2012/13	Increase (Decrease) To Previous Year	2013/14	Increase (Decrease) To Previous Year	Projection 2014/15	Increase (Decrease) To Previous Year	Outlook 2015/16 (**)	Increase (Decrease) To Previous Year
	#	#	#	#	#	#	#	#	#	#	#
Accident Benefits											
- Pre P.I.P.P.	0	0	0	0	0	0	0	0	0		
- P.I.P.P. - total	72,570	88,181	15,611	86,772	(1,409)	82,552	(4,220)	82,455	(97)		
Collision	115,446	117,710	2,264	120,532	2,822	124,066	3,534	126,644	2,578		
Comprehensive	60,958	61,047	89	60,654	(393)	57,701	(2,953)	59,968	2,267		
Property Damage	69,034	71,321	2,287	72,489	1,168	76,198	3,709	73,557	(2,641)		
Public Liability (*)											
- Pre Mar 1/94	0	0	0	0	0	0	0	0	0		
- Post Mar 1/94	150	123	(27)	106	(17)	140	34	124	(16)		
	318,158	338,382	20,224	340,553	2,171	340,657	104	342,748	2,091		

* Represents incident counts
** Fiscal year forecast of covers is not available for 2015/16. The Corportion's forecasts are based on claims counts. See Volume II Claims Incurred.

Manitoba Public Insurance
Automobile Insurance Division - Basic
Six Year Claims Severity Comparison
For the Insurance Year Ended February 28/29,

	2010/11	2011/12	Increase (Decrease) To Previous Year	2012/13	Increase (Decrease) To Previous Year	2013/14	Increase (Decrease) To Previous Year	Projection 2014/15	Increase (Decrease) To Previous Year	Outlook 2015/16 (*)	Increase (Decrease) To Previous Year
	$	$	$	$	$	$	$	$	$	$	$
Accident Benefits											
- Pre P.I.P.P.	0	0	0	0	0	0	0	0	0		
- P.I.P.P. - total	(822)	2,527	3,349	2,585	58	2,954	370	1,805	(1,149)		
Collision	2,385	2,384	(1)	2,643	259	3,015	372	2,769	(246)		
Comprehensive	1,240	1,140	(100)	1,233	93	1,345	112	1,320	(24)		
Property Damage	520	529	8	585	56	632	48	555	(78)		
Public Liability											
- Pre Mar 1/94	0	0	0	0	0	0	0	0	0		
- Post Mar 1/94	28,267	20,390	(7,876)	5,434	(14,956)	17,357	11,923	28,734	11,377		

* Fiscal year severity per cover is not available for 2015/16. The Corporation's forecasts are based on claims counts. See Volume II Claims Incurred.

Manitoba Public Insurance
Automobile Insurance Division - Basic
Six Year Claims Incurred Comparison
For the Insurance Year Ended February 28/29,

	2010/11	2011/12	Increase (Decrease) To Previous Year	2012/13	Increase (Decrease) To Previous Year	2013/14	Increase (Decrease) To Previous Year	Projection 2014/15	Increase (Decrease) To Previous Year	Outlook 2015/16	Increase (Decrease) To Previous Year
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Accident Benefits											
- Pre P.I.P.P.	2,091	(821)	(2,912)	754	1,575	732	(22)	1,727	995	(450)	(2,177)
- P.I.P.P. - total	(59,668)	222,805	282,473	224,290	(58,183)	243,891	19,601	148,855	(95,036)	166,085	17,230
Collision	275,345	280,675	5,330	318,570	37,895	374,107	55,537	350,666	(23,441)	377,325	26,659
Comprehensive	75,597	69,584	(6,013)	74,772	5,188	77,579	2,807	79,170	1,591	82,321	3,151
Property Damage	35,925	37,713	1,788	42,371	4,658	48,193	5,822	40,795	(7,398)	43,196	2,401
Public Liability											
- Pre Mar 1/94	(459)	(427)	32	(45)	382	504	549	0	(504)	0	0
- Post Mar 1/94	4,240	2,508	(1,732)	576	(1,932)	2,430	1,854	3,563	1,133	3,660	97
	333,071	612,037	278,966	661,288	(10,417)	747,436	86,148	624,776	(122,660)	672,137	47,361

Manitoba Public Insurance
Basic Insurance
Ten Year Claims Frequency Comparison
For the Insurance Year Ended February 28/29,

	2014/15			2013/14			2012/13			2011/12			2010/11			2009/10		
	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual
Accident Benefits																		
- Pre P.I.P.P.	0	0		0	0	0	0	0		0	0	0	0	0	0	0	0	4
- P.I.P.P	72,282	82,455		71,829	77,099	82,552	66,952	73,480	86,772	67,462	66,828	88,181	71,980	65,497	72,570	76,762	69,939	60,408
Collision	123,718	126,644		121,588	124,450	124,066	119,478	119,435	120,532	116,627	117,839	117,710	116,371	114,740	115,446	111,135	114,912	109,592
Comprehensive	62,897	59,968		62,025	59,323	57,701	58,416	60,674	60,654	55,233	57,900	61,047	49,119	55,390	60,958	57,323	50,054	63,534
Property Damage	74,593	73,557		73,308	75,621	76,198	71,896	71,953	72,489	71,033	71,030	71,321	71,645	69,722	69,034	69,231	70,561	67,561
Public Liability (*)																		
- Pre Mar 1/94	0	0		0	0	0	0	0		0	0	0	0	0	0	0	0	0
- Post Mar 1/94	136	124		137	137	140	142	134	106	144	141	123	164	144	150	166	161	143
	333,626	342,748		328,887	336,630	340,657	316,884	325,676	340,553	310,499	313,738	338,382	309,279	305,493	318,158	314,617	305,627	301,242

	2008/09			2007/08			2006/07			2005/06		
	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual
Accident Benefits												
- Pre P.I.P.P.	0	0	0	0	0	5	0	0	9	0	0	6
- P.I.P.P	75,529	75,469	61,578	71,632	74,291	72,870	74,112	69,987	73,466	72,664	72,690	65,922
Collision	109,422	109,560	113,531	105,461	107,361	110,048	101,564	103,259	105,805	99,756	100,173	100,227
Comprehensive	70,495	61,306	50,769	62,832	71,334	76,433	75,768	64,767	71,202	65,902	75,868	67,695
Property Damage	69,218	68,242	69,041	67,184	67,895	67,994	67,259	65,531	65,834	67,686	66,170	63,972
Public Liability (*)												
- Pre Mar 1/94	0	0	0	0	0	0	0	0	0	0	0	0
- Post Mar 1/94	186	164	128	185	183	139	196	179	165	183	193	143
	324,850	314,741	295,047	307,294	321,064	327,489	318,899	303,723	316,481	306,191	315,094	297,965

* Represents incident counts

Manitoba Public Insurance

Basic Insurance

Ten Year Claims Severity Comparison

For the Insurance Year Ended February 28/29,

	2014/15			2013/14			2012/13			2011/12			2010/11			2009/10		
	Original	Revised	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual
Accident Benefits																		
- Pre P.I.P.P.																		
- P.I.P.P	2,551	1,805		2,936	2,704	2,954	3,039	2,778	2,585	3,755	2,953	2,527	3,513	3,734	(822)	3,255	3,377	2,896
Collision	2,729	2,769		2,555	2,580	3,015	2,476	2,476	2,643	2,442	2,393	2,384	2,356	2,355	2,385	2,398	2,275	2,140
Comprehensive	1,218	1,320		1,168	1,230	1,345	1,132	1,148	1,233	1,158	1,082	1,140	1,140	1,094	1,240	1,105	1,106	965
Property Damage	561	555		533	536	632	534	527	585	552	521	529	525	542	520	558	518	519
Public Liability																		
- Pre Mar 1/94																		
- Post Mar 1/94	27,978	28,734		32,394	26,248	17,357	39,430	32,090	5,434	37,076	38,709	20,390	31,951	36,333	28,267	30,669	31,870	37,469

	2008/09			2007/08			2006/07			2005/06		
	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual
Accident Benefits												
- Pre P.I.P.P.												
- P.I.P.P	3,205	3,171	3,022	3,313	3,113	2,295	2,984	3,231	2,513	2,961	2,905	2,950
Collision	2,312	2,314	2,181	2,287	2,225	2,193	2,172	2,208	2,215	2,224	2,078	2,069
Comprehensive	1,078	1,079	948	965	1,056	998	957	957	1,059	934	947	1,010
Property Damage	531	535	489	506	510	525	482	490	526	466	469	464
Public Liability												
- Pre Mar 1/94												
- Post Mar 1/94	34,446	30,280	29,695	40,065	33,590	21,424	37,321	39,704	24,503	43,858	36,819	32,559

Manitoba Public Insurance
Basic Insurance
Ten Year Claims Incurred Comparison
For the Insurance Year Ended February 28/29,

	2014/15			2013/14			2012/13			2011/12			2010/11			2009/10		
	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual
Accident Benefits																		
- Pre P.I.P.P.	424,000	1,727,000		528,000	583,000	732,000	885,000	623,000	754,000	784,000	981,000	(821,000)	1,381,000	783,000	2,091,000	1,462,000	993,000	3,658,000
- P.I.P.P	184,387,000	148,855,000		210,923,000	208,476,000	243,891,000	203,489,000	204,156,000	224,290,000	253,323,000	197,346,000	222,805,000	252,869,000	244,576,000	(59,668,000)	249,834,000	236,182,000	174,963,000
Collision	337,593,000	350,666,000		310,688,000	321,025,000	374,107,000	295,850,000	295,720,000	318,570,000	284,780,000	281,993,000	280,675,000	274,193,000	270,217,000	275,345,000	266,466,000	261,468,000	234,523,000
Comprehensive	76,633,000	79,170,000		72,466,000	72,950,000	77,579,000	66,107,000	69,634,000	74,772,000	63,946,000	62,653,000	69,584,000	56,012,000	60,606,000	75,597,000	63,354,000	55,360,000	61,282,000
Property Damage	41,854,000	40,795,000		39,099,000	40,569,000	48,193,000	38,414,000	37,901,000	42,370,000	39,211,000	37,005,000	37,713,000	37,588,000	37,756,000	35,925,000	38,651,000	36,571,000	35,077,000
Public Liability																		
- Pre Mar 1/94	0	0		0	0	504,000	0	0	(45,000)	6,000	0	(427,000)	10,000	6,000	(459,000)	15,000	0	926,000
- Post Mar 1/94	3,805,000	3,563,000		4,438,000	3,596,000	2,430,000	5,599,000	4,300,000	576,000	5,339,000	5,458,000	2,508,000	5,240,000	5,232,000	4,240,000	5,091,000	5,131,000	5,358,000
	644,696,000	624,776,000		638,142,000	647,199,000	747,436,000	610,344,000	612,334,000	661,287,000	647,389,000	585,436,000	612,037,000	627,293,000	619,176,000	333,071,000	624,873,000	595,705,000	515,787,000

	2008/09			2007/08			2006/07			2005/06		
	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual	Original Projected	Revised Forecast	Actual
Accident Benefits												
- Pre P.I.P.P.	1,612,000	2,911,000	345,000	1,870,000	3,178,000	2,018,000	1,905,000	2,059,000	1,558,000	1,340,000	1,978,000	16,693,000
- P.I.P.P	242,099,000	239,312,000	186,107,000	237,294,000	231,265,000	167,223,000	221,175,000	226,156,000	184,589,000	215,185,000	211,179,000	194,489,000
Collision	253,015,000	253,568,000	247,647,000	241,146,000	238,919,000	241,329,000	220,639,000	228,011,000	234,405,000	221,900,000	208,209,000	207,346,000
Comprehensive	75,976,000	66,166,000	48,132,000	60,645,000	75,322,000	76,263,000	72,514,000	61,964,000	75,426,000	61,527,000	71,848,000	68,342,000
Property Damage	36,751,000	36,494,000	33,747,000	34,025,000	34,615,000	35,722,000	32,394,000	32,139,000	34,608,000	31,544,000	31,036,000	29,675,000
Public Liability												
- Pre Mar 1/94	17,000	14,000	(238,000)	27,000	17,000	(246,000)	43,000	26,000	231,000	12,000	41,000	(239,000)
- Post Mar 1/94	6,407,000	4,966,000	3,801,000	7,412,000	6,147,000	2,978,000	7,315,000	7,107,000	4,043,000	8,026,000	7,106,000	4,656,000
	615,877,000	603,431,000	519,541,000	582,419,000	589,463,000	525,287,000	555,985,000	557,462,000	534,860,000	539,534,000	531,397,000	520,962,000

Manitoba Public Insurance
Automobile Insurance Division - Basic
Ten Year Comprehensive - Theft Claims Frequency Comparison
For the Insurance Year Ended February 28/29,
(#)

	2014/15			2013/14			2012/13			2011/12			2010/11			2009/10		
	Original Projected 14 Rate App	Revised Forecast 15 Rate App	Actual	Original Projected 13 Rate App	Revised Forecast 14 Rate App	Actual	Original Projected 12 Rate App	Revised Forecast 13 Rate App	Actual	Original Projected 11 Rate App	Revised Forecast 12 Rate App	Actual	Original Projected 10 Rate App	Revised Forecast 11 Rate App	Actual	Original Projected 09 Rate App	Revised Forecast 10 Rate App	Actual
Attempted Theft	1,187	1,143		1,320	1,187	1,143	2,932	1,320	1,187	4,030	2,932	1,320	3,744	4,030	2,632	7,408	4,452	3,632
Total Theft	2,240	2,296		2,141	2,240	2,296	2,397	2,104	2,241	3,526	2,361	2,104	3,576	3,526	2,904	4,829	4,018	3,525
Partial Theft	489	350		632	489	350	878	632	459	1,062	878	557	1,315	1,062	807	2,008	1,299	1,044

	2008/09			2007/08			2006/07			2005/06		
	Original Projected 08 Rate App	Revised Forecast 09 Rate App	Actual	Original Projected 07 Rate App	Revised Forecast 08 Rate App	Actual	Original Projected 06 Rate App	Revised Forecast 07 Rate App	Actual	Original Projected 05 Rate App	Revised Forecast 06 Rate App	Actual
Attempted Theft	11,480	8,514	4,957	7,185	11,851	9,218		7,185	11,670			7,185
Total Theft	9,667	6,590	4,603	8,491	10,809	8,179	23,117	10,207	12,670	16,960	24,488	12,541
Partial Theft	3,136	2,008	1,103	3,908	3,136	1,622	10,079	3,908	2,907	9,164	9,613	3,670

Note: Attempted Theft was not forecasted separately prior to 2006/07

Manitoba Public Insurance
Automobile Insurance Division - Basic
Ten Year Comprehensive - Theft Claims Severity Comparison
For the Insurance Year Ended February 28/29,
($/cover)

	2014/15			2013/14			2012/13			2011/12			2010/11			2009/10		
	Original Projected 14 Rate App	Revised Forecast 15 Rate App	Actual	Original Projected 13 Rate App	Revised Forecast 14 Rate App	Actual	Original Projected 12 Rate App	Revised Forecast 13 Rate App	Actual	Original Projected 11 Rate App	Revised Forecast 12 Rate App	Actual	Original Projected 10 Rate App	Revised Forecast 11 Rate App	Actual	Original Projected 09 Rate App	Revised Forecast 10 Rate App	Actual
Attempted Theft	1,224	1,233		1,230	1,190	1,227	1,017	1,192	1,139	1,061	984	1,146	979	1,016	966	865	923	985
Total Theft	3,595	3,458		3,358	3,469	3,365	3,040	3,239	3,309	3,189	2,957	3,124	3,053	3,058	2,881	2,991	2,903	2,941
Partial Theft	1,325	1,706		1,256	1,280	1,646	1,108	1,209	1,305	1,114	1,057	1,181	924	1,049	1,077	904	883	1,021

	2008/09			2007/08			2006/07			2005/06		
	Original Projected 08 Rate App	Revised Forecast 09 Rate App	Actual	Original Projected 07 Rate App	Revised Forecast 08 Rate App	Actual	Original Projected 06 Rate App	Revised Forecast 07 Rate App	Actual	Original Projected 05 Rate App	Revised Forecast 06 Rate App	Actual
Attempted Theft			868			773			724			705
Total Theft	2,343	2,778	2,743	2,027	2,245	2,533	1,531	1,959	2,135	1,510	1,482	1,981
Partial Theft	904	859	869	769	837	818	541	731	776	542	519	695

Note: Attempted Theft was not forecasted separately prior to 2006/07

Manitoba Public Insurance
Automobile Insurance Division - Basic
Ten Year Comprehensive - Theft Claims Incurred Comparison
For the Insurance Year Ended February 28/29,
($000)

	2014/15			2013/14			2012/13			2011/12			2010/11			2009/10		
	Original Projected 14 Rate App	Revised Forecast 15 Rate App	Actual	Original Projected 13 Rate App	Revised Forecast 14 Rate App	Actual	Original Projected 12 Rate App	Revised Forecast 13 Rate App	Actual	Original Projected 11 Rate App	Revised Forecast 12 Rate App	Actual	Original Projected 10 Rate App	Revised Forecast 11 Rate App	Actual	Original Projected 09 Rate App	Revised Forecast 10 Rate App	Actual
Attempted Theft	1,453	1,409		1,624	1,412	1,403	2,982	1,573	1,352	4,274	2,886	1,513	3,665	4,094	2,543	6,406	4,110	3,579
Total Theft	8,052	7,940		7,189	7,770	7,725	7,287	6,814	7,415	11,246	6,981	6,572	10,916	10,781	8,365	14,444	11,663	10,368
Partial Theft	648	597		794	626	576	973	764	599	1,183	928	658	1,215	1,114	869	1,816	1,147	1,066

	2008/09			2007/08			2006/07			2005/06		
	Original Projected 08 Rate App	Revised Forecast 09 Rate App	Actual	Original Projected 07 Rate App	Revised Forecast 08 Rate App	Actual	Original Projected 06 Rate App	Revised Forecast 07 Rate App	Actual	Original Projected 05 Rate App	Revised Forecast 06 Rate App	Actual
Attempted Theft	9,235	7,031	4,305	5,513	9,087	7,129		5,291	8,452			5,069
Total Theft	22,646	18,307	12,624	17,210	24,266	20,716	35,401	19,998	27,047	25,611	36,284	24,841
Partial Theft	2,835	1,725	959	3,006	2,625	1,327	5,451	2,856	2,257	4,965	4,987	2,551

Note: Attempted Theft was not forecasted separately prior to 2006/07

CAC (MPI) 1-6 **Reference: Volume III 2013 Annual Report AI.6 Part 1B page 14.**

Preamble: "..we are enhancing our collaborative relationship with the repair industry and working to address the challenges of increasingly complex vehicle design and construction. This is aided by the extension of our agreement with the Automotive Trades Association and the Manitoba Motors Dealers Association, during which a cooperative approach will allow us to develop solutions to common issues".

a) Please file a copy of the extended agreements with the Automotive Trades Association and the Manitoba Dealers Association.

b) Please elaborate on the changes made to the extended agreements.

c) Please elaborate on the "cooperative approach" which will allow developing solutions to common issues.

RESPONSE:

a) Please find attached the extension to our 2010 agreement with the Automotive Trades Association and the Manitoba Motors Dealers Association effective August 1, 2013.

   Also attached is our new agreement with the Automotive Trades Association and the Manitoba Motors Dealers Association effective June 15, 2014.

b) Changes made to the extension effective August 1, 2013 include:
   - A $15 administration fee for completed claims
   - Body technician labour rate increase of 2.2% effective August 1, 2013
   - Glass labour rate increase of 2.0% effective January 1, 2014

Key highlights of the new agreement with the Automotive Trades Association and the Manitoba Motors Dealers Association effective June 15, 2014 to December 31, 2016 include:

- Labour rate increase for body technician, glass and frame labour of 1.61%
- Shop materials rate increase of 1.9%
- Paint material rate increase of 3.8%

c) As part of our Physical Damage Re-engineering Program, we have established a core group of Automotive Trades Association and the Manitoba Motors Dealers Association representatives to work with the Corporation to:

- Assist with messaging and logistics of mutual communications to the trade
- Identify repair shops willing to be pilot participants
- Develop additional pilots

The Corporation piloted the first initiative of our Physical Damage Re-engineering Program with repair shop volunteers to collect feedback and ensure the impact to the Corporation's staff and repairs shops was understood before processes were finalized.

Manitoba Public Insurance

This AMENDMENT AGREEMENT is entered into as of the 1st day of August, 2013.

BETWEEN:

THE MANITOBA PUBLIC INSURANCE CORPORATION,
(called "**Manitoba Public Insurance**")

- and -

THE AUTOMOTIVE TRADES ASSOCIATION OF MANITOBA INC.,
(called "**ATA**")

- and -

MANITOBA MOTOR DEALERS ASSOCIATION INC.,
(called "**MMDA**")

WHEREAS:

A. Manitoba Public Insurance, ATA and MMDA entered into an agreement dated the 13th day of December, 2010, related in part to the agreed-upon labour rates payable to accredited and non-accredited motor vehicle body shops in Manitoba;

B. The parties entered into an amendment agreement dated the 30th day of April, 2011 in order to modify certain provisions of the above-mentioned agreement that reflect the method for calculating percentage rate increases over time (collectively, the above-mentioned agreement and the amendment are referred to herein as the "**Agreement**");

C. The parties now wish to extend the term length of the Agreement, and make certain other modifications to the rates, all as further detailed below.

D. Section 10.05 of the Agreement provides that any amendment or change to, or modification of the Agreement must be made in writing by the parties; and

E. The parties wish to enter into this amendment in order to give effect to and formalize the amended provisions.

NOW THEREFORE, the Agreement is hereby amended as follows:

1. The term of the Agreement is hereby extended for a further one (1) year period beginning effective January 1, 2014, and terminating December 31, 2014 (the "**Extension Term**"). All terms and conditions of the Agreement shall remain the same and in full force during the Extension Term, subject to any amendments set out herein.

2. Effective August 1st, 2013 until the end of the Extension Term, Sections 2.02 and 2.03, Sections 4.01 to and including 4.04, and Sections 5.01 to 5.06 and 5.08, are all hereby deleted in their entirety.

3. Effective August 1st, 2013 until the end of the Extension Term, the following Section 2.02 shall be inserted: "Manitoba Public Insurance shall not directly or indirectly solicit any employee of the motor vehicle body shops in Manitoba who provides repair services to Manitoba Public Insurance. The foregoing prohibition shall not prevent Manitoba Public Insurance from publishing general advertisements for employees and subsequently hiring such employees who respond to such advertisements."

4. Effective August 1st, 2013 until the end of the Extension Term, the following Section 2.03 shall be inserted: "Manitoba Public Insurance acknowledges it will not introduce estimate policy changes, the effect of which will reduce the overall revenues payable to motor vehicle body shops in Manitoba. The foregoing prohibition shall not prevent Manitoba Public Insurance from embarking on and continuing its Physical Damage Re-engineering project which will alter significantly many business processes, and new labour rates will be negotiated to reflect those alterations. Manitoba Public Insurance will provide substantial notice to the motor vehicle body shops of these alterations from the Physical Damage Re-engineering."

5. Effective August 1st, 2013 until the end of the Extension Term, Schedule A is hereby deleted in its entirety and replaced with the new Schedule A attached hereto.

6. In all other respects, the Agreement shall remain unchanged.

This Amendment Agreement has been executed on behalf of each of the parties by their duly authorized representatives on the dates noted below.

For
THE MANITOBA PUBLIC INSURANCE CORPORATION

Per: ______________________
Marilyn McLaren
President and CEO

Per: ______________________
Dan Guimond
Vice-President, Strategy & Innovation and CIO

July 31/13
Date

For
THE AUTOMOTIVE TRADES ASSOCIATION OF MANITOBA INC.

Per: ______________________
Name: MICHAEL ISLACKEY
Title: OFFICER of The EXECUTIVE

July 31 2013
Date

For
MANITOBA MOTOR DEALERS ASSOCIATION INC.

Per: ______________________
Name: Stephen Chipman
Title: Director

July 31, 2013
Date

SCHEDULE A – Rates

1.1. Southern Region: Body, Frame and Mechanical

Shop Material Rate - $6.58/hr. [1] *Paint Material Rate - $36.80/hr.*	Interim Plan 2013 and 2014			
	Body Technician		Frame	Mechanical
	Accredited	Non-Accredited		
Current as of Jan 1, 2013	*$67.41*	*$33.71*	*$75.50*	*$96.56*
Aug 1 – Dec 31, 2014:				
Hourly Rate	*$68.89*	*$34.45*	*$75.50*	*$96.56*
Administration Fee of $15.00 for Completed Repairs [2]				

1.2. Northern 1 Region: Body, Frame and Mechanical

Thompson, Flin Flon, The Pas

Shop Material Rate - $9.73/hr. [1] Paint Material Rate - $36.80/hr.	Interim Plan 2013 and 2014			
	Body Technician		Frame	Mechanical
	Accredited	Non-Accredited		
Current as of Jan 1, 2013	*$75.44*	*$37.72*	*$84.51*	*$96.56*
Aug 1, 2013 – Dec 31, 2014:				
Hourly Rate	*$77.10*	*$38.55*	*$84.51*	*$96.56*
Administration Fee of $15.00 for Completed Repairs [2]				

1.3. Northern 2 Region: Body, Frame and Mechanical

Churchill, Lynn Lake, Leaf Rapids, Gillam, Norway House

Shop Material Rate - $9.73/hr. [1] Paint Material Rate - $36.80/hr.	Interim Plan 2013 and 2014			
	Body Technician		Frame	Mechanical
	Accredited	Non-Accredited		
Current as of Jan 1, 2013	*$77.62*	*$38.82*	*$86.91*	*$96.56*
Aug 1, 2013 – Dec 31, 2014:				
Hourly Rate	*$79.33*	*$39.67*	*$86.91*	*$96.56*
Administration Fee of $15.00 for Completed Repairs [2]				

1. The Shop Material Rate and the Paint Material Rate per region will stay in effect until a new agreement is confirmed for 2015 and beyond.
2. The Administration fee for completed repairs only applies to jobs for vehicles that have been returned to the customer.

1.4. Southern Region: Glass

Tempered Shop Material Rate - $6.58/hr. [3]	Interim Plan 2013 and 2014			
	Windshield		Tempered	
	Accredited	Non-Accredited	Accredited	Non-Accredited
Current as of Jan 1, 2013	*$52.35*	*$26.18*	*$65.44*	*$32.72*
Jan 1, 2014:				
Hourly Rate	*$53.40*	*$26.70*	*$66.75*	*$33.37*

1.5. Northern Region 1: Glass

Tempered Shop Material Rate - $9.73/hr. [3]	Interim Plan 2013 and 2014			
	Windshield		Tempered	
	Accredited	Non-Accredited	Accredited	Non-Accredited
Current as of Jan 1, 2013	*$58.50*	*$29.25*	*$73.25*	*$36.62*
Jan 1, 2014:				
Hourly Rate	*$59.67*	*$29.85*	*$74.72*	*$37.36*

1.6. Northern Region 2: Glass

Tempered Shop Material Rate - $9.73/hr. [3]	Interim Plan 2013 and 2014			
	Windshield		Tempered	
	Accredited	Non-Accredited	Accredited	Non-Accredited
Current as of Jan 1, 2013	*$60.29*	*$30.15*	*$75.35*	*$37.68*
Jan 1, 2014:				
Hourly Rate	*$61.50*	*$30.75*	*$76.86*	*$38.43*

3. The Tempered Shop Material Rate will remain per region at their respective amounts.

Manitoba Public Insurance

A Restated Agreement dated the 15th day of June, 2014

BETWEEN:

THE MANITOBA PUBLIC INSURANCE CORPORATION
(called "**Manitoba Public Insurance**")

- and -

THE AUTOMOTIVE TRADES ASSOCIATION OF MANITOBA INC.
(called "**ATA**")

- and –

MANITOBA MOTOR DEALERS ASSOCIATION INC.
(called "**MMDA**")

WHEREAS:

A) ATA and MMDA ("**Industry**") and Manitoba Public Insurance entered into an agreement dated December 13th, 2010, and two amendments, dated April 30th, 2011 and August 1st, 2013, respectively, in order to set out the agreed-upon labour rates payable to accredited and non-accredited motor vehicle body shops in Manitoba and to address other issues within the collision repair industry in Manitoba (collectively, the agreement and amendments are referred to as the "**Original Agreement**").

B) The term of the Original Agreement was extended to December 31st, 2014.

C) The parties wish to terminate the Original Agreement and enter into this new restated agreement (the "**Agreement**"), reflecting the intentions of the parties going forward.

NOW THEREFORE, the parties hereto agree as follows:

1.00 TERMINATION AND TERM OF AGREEMENT

1.01 The Original Agreement is hereby terminated on the day before the effective date of this Agreement.

1.02 This Agreement comes into effect as of June 15th, 2014, and shall continue until and including December 31st, 2016. For clarity, new labour rates (as described in Section 2.01) will come into effect on the dates indicated in Schedule A - Rates.

2.00 RATES

2.01 This Agreement shall cover fee increases to be paid by Manitoba Public Insurance to all accredited and non-accredited motor vehicle body shops as determined by Manitoba Public Insurance and shall cover the following labour rates for light vehicle* repairs:

(a) Body Technician;
(b) Frame;
(c) Mechanical;
(d) Northern (Regions 1 and 2); and
(e) Glass.

The details of these rate increases and other compensatory items are outlined in greater detail in the attached Schedule A – Rates.

**Light vehicle* has the meaning given to it in the accreditation agreement for light vehicles.

2.02 Manitoba Public Insurance shall not directly or indirectly solicit any employee of the motor vehicle body shops in Manitoba who provides repair services to Manitoba Public Insurance. The foregoing prohibition shall not prevent Manitoba Public Insurance from publishing general advertisements for employees and subsequently hiring such employees who respond to such advertisements.

2.03 Manitoba Public Insurance is undertaking its Physical Damage Re-engineering project in conjunction with Industry to improve overall efficiency and effectiveness of the physical damage repair management process. These activities include collaborative efforts with Industry to streamline and adjust business practices to obtain savings for Manitoba Public Insurance and motor vehicle repair shops in administrative efficiency and overall cost savings in the completion of physical damage repairs. Manitoba Public Insurance will consult with Industry in the development of new operating policies and procedures to implement the technology and improved business practices that the Physical Damage Re-engineering project will develop. The parties recognize that changing business conditions require a co-operative and mutually beneficial approach to achieving an overall effective and sustainable collision repair industry in Manitoba that is also affordable to Manitoba Public Insurance's rate payers.

3.00 RECRUITMENT AND RETENTION

3.01 Manitoba Public Insurance will provide a five thousand ($5,000) dollar tool allowance, available to each registered apprentice with Apprenticeship Manitoba either as a motor vehicle body painter or a motor vehicle body repairer (a "**Registered Apprentice**") based upon receipt of supporting invoices in accordance with procedures established by Manitoba Public Insurance.

3.02 Manitoba Public Insurance will provide a two thousand ($2,000) dollar grant available to each Registered Apprentice, who has successfully completed a level of the four-level Motor Vehicle Body Repairer Program or the two-level Motor Vehicle Body Painter Program in accordance with procedures established by Manitoba Public Insurance. The maximum amount that can be received by any Registered Apprentice under the Motor Vehicle Body Repairer Program is eight thousand ($8,000) dollars (4 levels x $2,000). The maximum amount that can be received by any Registered Apprentice under the Motor Vehicle Body Painter Program is four thousand ($4,000) dollars (2 levels x $2,000). This is in addition to other grant programs and is expected to be over and above the apprentice's wages.

4.00 ESTABLISHMENT OF COMMITTEES

4.01 Manitoba Public Insurance and Industry agree to create and maintain such joint committees, from time to time, as they mutually deem necessary in order to address issues of mutual interest that impact the collision repair industry in Manitoba, with a view to benefiting Manitobans.

5.00 INDEPENDENT CONTRACTOR

5.01 For the purposes of this Agreement "**Representatives**" is defined as the directors, officers, shareholders, employees, subcontractors, partners, volunteers, agents, delegates and other representatives of a party.

5.02 This Agreement does not create the relationship of employer and employee, of principal and agent, of joint venture, or of partnership between Manitoba Public Insurance and Industry, or between Manitoba Public Insurance and any Representatives of Industry.

5.03 The Representatives of one party shall not be deemed or construed to be the Representatives of the other party for any purpose whatsoever.

6.00 FEES AND PERFORMANCE

6.01 Manitoba Public Insurance will pay fees to the applicable service providers outlined in Section 2.01 in accordance with the terms and conditions of the attached Schedule A – Rates and in accordance with Manitoba Public Insurance's policies and procedures.

6.02 Where a particular service is not addressed by this Agreement, the service provider and Manitoba Public Insurance shall negotiate the fees to be charged for such specialized services on a case-by-case basis.

7.00 DISCLOSURE OF INFORMATION

7.01 Industry acknowledges that *The Freedom of Information and Protection of Privacy Act* ("**FIPPA**") and *The Personal Health Information Act* ("**PHIA**") each impose obligations on Manitoba Public Insurance to collect, use or disclose "personal information" and "personal health information", as those terms are defined in FIPPA and PHIA (collectively called "**Personal Information**"), in the strictest of confidence, and in accordance with those Acts.

7.02 While this Agreement is in effect, and at all times thereafter, Industry agrees to treat as confidential all information and materials acquired by it, or to which it has been given access, in the course of the performance of this Agreement (collectively called "**Confidential Information**"), excluding information that is in the public domain (for greater certainty, this does not include information in the public domain which was made public as a result of an unauthorized disclosure by a third party). For the purposes of this Agreement, Personal Information shall be considered to be Confidential Information.

7.03 Industry agrees that during the term of this Agreement and at all times thereafter:

(a) the Personal Information disclosed to Industry by Manitoba Public Insurance may only be used by Industry in a manner expressly permitted by FIPPA or PHIA (as the case may be);

(b) it shall not disclose or permit the disclosure of Confidential Information, or any copies of it, in any format, to any third party without the express prior written consent of Manitoba Public Insurance;

(c) it shall comply with all directives given to it by Manitoba Public Insurance with respect to safeguarding, or otherwise ensuring the confidentiality, of any Confidential Information disclosed to it by Manitoba Public Insurance;

(d) it shall ensure that access to the Confidential Information by the Representatives of Industry is on a "need-to-know" basis, and that access, when given, shall be to the minimum amount of Confidential Information necessary to accomplish the task;

(e) it shall use the Confidential Information only for those purposes that have been expressly permitted by Manitoba Public Insurance;

(f) it shall not reproduce Confidential Information, in any format, without the express prior written consent of Manitoba Public Insurance;

(g) it shall ensure that it, or its Representatives, do not transport or store any Confidential Information outside of Canada without the express prior written consent of Manitoba Public Insurance; and,

(h) after the Confidential Information has been used for its authorized purpose, or where destruction of the Confidential Information is requested by Manitoba Public Insurance or is required by this Agreement, Industry shall destroy the Confidential Information (and all copies of the Confidential Information in any form) in a manner which adequately protects the confidentiality of the Confidential Information.

7.04 On expiration or termination of this Agreement for any reason, Industry shall, unless otherwise directed by Manitoba Public Insurance, destroy the Confidential Information (including all copies in any form) in a manner which adequately protects the confidentiality of the Confidential Information.

7.05 During the term of this Agreement and at all times thereafter, Industry shall take reasonable precautions to prevent any unauthorized disclosure of the Confidential Information. The standard of such precautions taken by Industry shall be the greater of:

(a) the standards Industry has in place to protect its own confidential information; or,

(b) the standards imposed on Industry by Manitoba Public Insurance.

7.06 Industry shall immediately notify Manitoba Public Insurance in writing upon becoming aware of any unauthorized use of, access to, disclosure of, or destruction of Confidential Information (a "**Confidentiality Breach**"). The written notification must include full details of the Confidentiality Breach. Industry shall immediately take all reasonable steps to prevent the recurrence of any such Confidentiality Breach and shall notify Manitoba Public Insurance in writing of the steps taken.

7.07 Industry shall inform its Representatives of the obligations imposed upon it in this Agreement with respect to Confidential Information, and shall take whatever steps are necessary to ensure that all of its Representatives comply with those obligations.

7.08 Industry acknowledges that monetary damages may not be a sufficient remedy for a Confidentiality Breach, and that Manitoba Public Insurance may, without waiving any other rights or remedies, seek appropriate injunctive or equitable relief from a court of competent jurisdiction.

7.09 If Industry receives a subpoena or other validly issued administrative or judicial order seeking Confidential Information, Industry shall provide prompt notice to Manitoba Public Insurance and deliver to Manitoba Public Insurance a copy of its proposed response to the demand. Unless the demand has been time-limited, quashed or extended, Industry shall thereafter be entitled to comply with the demand to the extent permitted or required by law. If so requested by Manitoba Public Insurance, and at the expense of Manitoba Public Insurance, Industry shall cooperate with Manitoba Public Insurance in the defence of the demand.

7.10 Industry undertakes not to publish any public statement or advertisement with respect to this Agreement and further undertakes not to seek publicity of this Agreement without the express prior written consent of Manitoba Public Insurance, except as otherwise required by law or by this Agreement.

7.11 Industry shall cooperate with Manitoba Public Insurance so that Manitoba Public Insurance can verify that Industry has complied, and is complying, with the provisions of this Article 7.00.

8.00 DISPUTE RESOLUTION

8.01 In the case of any dispute between Manitoba Public Insurance and Industry as to their respective rights and obligations under this Agreement, Manitoba Public Insurance and Industry shall appoint a single arbitrator to arbitrate the matter in dispute and the decision of the said arbitrator shall be binding and final on the parties. All such disputes shall be governed in accordance with the provisions of *The Arbitration Act* (Manitoba), as may be amended from time to time, insofar as the said Act is not inconsistent with the provisions of this Agreement.

8.02 If Manitoba Public Insurance and Industry are unable to agree upon one arbitrator, Manitoba Public Insurance and Industry shall each appoint an arbitrator and each arbitrator so selected shall jointly elect a third arbitrator and they shall hear the matter in dispute and deliver a decision, which decision shall be binding upon the parties.

8:03 If written notice of arbitration is given by Manitoba Public Insurance or Industry to the other (the "**Receiving Party**"), naming an arbitrator, and the Receiving Party shall fail to agree to the arbitrator or shall fail to name its arbitrator within fifteen (15) days of notice, the arbitrator first named shall be empowered to hear the matter in dispute and deliver a decision which decision shall be final and binding on the parties.

8.04 All costs with respect to the arbitration shall be born equally between Manitoba Public Insurance and Industry.

9.00 GENERAL TERMS

9.01 The terms and conditions contained in the Agreement that by their sense and context are intended to survive the performance of the Agreement by the parties shall so survive the completion and performance, suspension or termination of the Agreement.

9.02 No party shall assign or transfer this Agreement or any of their rights or obligations under this Agreement without first obtaining written permission from all of the other parties. This Agreement shall be binding upon the successors and any permitted assigns of the parties.

9.03 This Agreement, including any Schedules, along with any policies, procedures or directives referenced herein contain the entire agreement between the parties with respect to the subject matter hereof. There are no undertakings, representations, or promises, express or implied, other than those contained in this Agreement and none have been relied on.

9.04 If any provision of this Agreement is for any reason invalid, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the parties as though the invalid provision had never been included in the Agreement.

9.05 No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by all parties.

9.06 This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba and the laws of Canada applicable therein. The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Manitoba and all courts competent to hear appeals therefrom.

9.07 Any failure or delay by any party to exercise or partially exercise any right hereunder shall not be deemed a waiver of any of the rights under this Agreement. The waiver by a party of a breach of any provision of the Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.

9.08 The election of any one or more remedies by a party shall not constitute a waiver of that party's right to pursue other available remedies.

9.09 The parties agree to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

9.10 Any notice or other communication to the ATA under this Agreement shall be in writing and shall be delivered personally to the ATA or an officer, or employee of the ATA or sent by registered mail, postage prepaid, to:

President
The Automotive Trades Association of Manitoba Inc.
303 - 1200 Pembina Highway
Winnipeg, Manitoba, R3T 2A7

9.11 Any notice or other communication to the MMDA under this Agreement shall be in writing and shall be delivered personally to the MMDA or an officer, or employee of the MMDA or sent by registered mail, postage prepaid, to:

President
Manitoba Motor Dealers Association Inc.
112-1790 Wellington Avenue
Winnipeg, Manitoba, R3H 1B2

9.12 Any notice or other communication to Manitoba Public Insurance under this Agreement shall be in writing and shall be delivered or sent by registered mail, postage prepaid to:

Director, Service Operations Control and Compliance
Manitoba Public Insurance
Box 6300
807-234 Donald St.
Winnipeg, Manitoba R3C 4A4

9.13 Any notice or communication sent by registered mail shall be deemed to have been received on the third business day following the date of mailing. If mail service is disrupted by labour controversy, notice shall be delivered personally.

This Agreement has been executed on behalf of the parties (by their duly authorized representatives) effective the date first above written.

for **THE MANITOBA PUBLIC INSURANCE CORPORATION**

Per: DG
Dan Guimond
President & CEO

June 2/14
Date

Per: M Aherne for:
Christine Martin
Vice-President, Service Operations

June 2, 2014
Date

for **THE AUTOMOTIVE TRADES ASSOCIATION OF MANITOBA INC.**

Per:
Name: Ryan Kehl
Title: President

June 2/2014
Date

for **MANITOBA MOTOR DEALERS ASSOCIATION INC.**

Per:
Name: Kent Ledingham
Title: President

June 2/2014
Date

SCHEDULE A - Rates

1.1. Southern Region:

Body, Frame and Mechanical Labour Rates

	Body Technician		Frame	Mechanical
	Accredited	Non-Accredited		
Hourly Rate: Aug 1, 2013 - Dec 31, 2014	*$68.89*	*$34.45*	*$75.50*	*$96.56*
Hourly Rate: Jan 1 – Dec 31, 2015	*$70.00*	*$35.00*	*$76.72*	*$96.56*
Hourly Rate: Jan 1 – Dec 31, 2016	*Labour rate increase will be equal to 40% of the Average Industrial Wage increase for Manitoba and 60% CPI increase for Manitoba based on the prior year.			*$96.56*

Administrative and Material Rates

	Current	2015	2016
Administration Fee per completed repair[1]	$15.00	$15.00	$15.00
Shop Material Rate per hour	$6.58	$6.71	$6.71
Paint Material Rate per hour	$36.80	$38.20	$38.20

1.2. Northern 1 Region: Thompson, Flin Flon, The Pas

Body, Frame and Mechanical Labour Rates

	Body Technician		Frame	Mechanical
	Accredited	Non-Accredited		
Hourly Rate: Aug 1, 2013 – Dec 31, 2014	*$77.10*	*$38.55*	*$84.51*	*$96.56*
Hourly Rate: Jan 1 – Dec 31, 2015	*$78.34*	*$39.17*	*$85.87*	*$96.56*
Hourly Rate: Jan 1 – Dec 31, 2016	*Labour rate increase will be equal to 40% of the Average Industrial Wage increase for Manitoba and 60% CPI increase for Manitoba based on the prior year.			*$96.56*

Administrative and Material Rates

	Current	2015	2016
Administration Fee per completed repair [1]	$15.00	$15.00	$15.00
Shop Material Rate per hour	$9.73	$9.91	$9.91
Paint Material Rate per hour	$36.80	$38.20	$38.20

1. The Administration fee for completed repairs only applies to jobs for vehicles that have been returned to the customer with body, frame, and/or mechanical labour.

1.3. Northern 2 Region: Churchill, Lynn Lake, Leaf Rapids, Gillam, Norway House

Body, Frame and Mechanical Labour Rates

	Body Technician		Frame	Mechanical
	Accredited	Non-Accredited		
Hourly Rate: Aug 1, 2013 – Dec 31, 2014	*$79.33*	*$39.67*	*$86.91*	*$96.56*
Hourly Rate: Jan 1 – Dec 31, 2015	*$80.61*	*$40.31*	*$88.31*	*$96.56*
Hourly Rate: Jan 1 – Dec 31, 2016	*Labour rate increase will be equal to 40% of the Average Industrial Wage increase for Manitoba and 60% CPI increase for Manitoba based on the prior year.			*$96.56*

Administrative and Material Rates

	Current	2015	2016
Administration Fee per completed repair [2]	$15.00	$15.00	$15.00
Shop Material Rate per hour	$9.73	$9.91	$9.91
Paint Material Rate per hour	$36.80	$38.20	$38.20

1.4. Southern Region:

Glass Labour Rates

	Windshield		Tempered	
	Accredited	Non-Accredited	Accredited	Non-Accredited
Hourly Rate: Jan 1 – Dec 31, 2014	$53.40	$26.70	$66.75	$33.37
Hourly Rate: Jan 1 – Dec 31, 2015	$54.26	$27.13	$67.82	$33.91
Hourly Rate: Jan 1 – Dec 31, 2016	*Labour rate increase will be equal to 40% of the Average Industrial Wage increase for Manitoba and 60% CPI increase for Manitoba based on the prior year.			

Material Rates

	Current	2015	2016
Tempered Shop Material Rate per hour	$6.58	$6.71	$6.71

1. The Administration fee for completed repairs only applies to jobs for vehicles that have been returned to the customer with body, frame, and/or mechanical labour.

1.5. Northern Region 1: Thompson, Flin Flon, The Pas

Glass Labour Rates

	Windshield		Tempered	
	Accredited	Non-Accredited	Accredited	Non-Accredited
Hourly Rate: Jan 1 – Dec 31, 2014	*$59.67*	*$29.85*	*$74.72*	*$37.36*
Hourly Rate: Jan 1 – Dec 31, 2015	$60.63	$30.33	$75.92	$37.96
Hourly Rate: Jan 1 – Dec 31, 2016	*Labour rate increase will be equal to 40% of the Average Industrial Wage increase for Manitoba and 60% CPI increase for Manitoba based on the prior year.			

Material Rates

	Current	2015	2016
Tempered Shop Material Rate per hour	$9.73	$9.91	$9.91

1.6. Northern Region 2: Churchill, Lynn Lake, Leaf Rapids, Gillam, Norway House

Glass Labour Rates

	Windshield		Tempered	
	Accredited	Non-Accredited	Accredited	Non-Accredited
Hourly Rate: Jan 1 – Dec 31, 2014	*$61.50*	*$30.75*	*$76.86*	*$38.43*
Hourly Rate: Jan 1 – Dec 31, 2015	$62.49	$31.25	$78.10	$39.05
Hourly Rate: Jan 1 – Dec 31, 2016	*Labour rate increase will be equal to 40% of the Average Industrial Wage increase for Manitoba and 60% CPI increase for Manitoba based on the prior year.			

Material Rates

	Current	2015	2016
Tempered Shop Material Rate per hour	$9.73	$9.91	$9.91

CAC (MPI) 1-7 **Reference: Volume III 2013 Annual Report AI.6 Part 1B page 14**

Preamble: "An update to the Manitoba Collision Repair Industry Study which will be used to determine the effectiveness of initiatives undertaken to date and set the foundation for future process improvements".

a) Please file a copy of the updated Manitoba Collision Repair Industry Study.

b) Please elaborate on the recent updates made to the study.

RESPONSE:

a) Refer to the attached report.

b) In 2009, The Corporation partnered with the Automotive Trades Association of Manitoba (ATA) and Manitoba Motor Dealers Association (MMDA) to conduct a study of the Manitoba auto body repair industry. The primary aim of the study was to determine what would be required to ensure a healthy, profitable repair industry in Manitoba over the long term.

   In 2012, the Corporation, the ATA and MMDA again partnered to conduct an update survey of Manitoba auto body repair shops. The purpose of the update was to collect information on business results for 2009, 2010 and 2011 to determine the effectiveness of initiatives undertaken to date in response to issues identified in the 2009 study and set the foundation for future process improvements.

AUTO BODY BUSINESS IN MANITOBA

HEALTH OF THE INDUSTRY UPDATE - 2012

Final Report
April 22, 2013

PREPARED BY: MNP LLP

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1.0 Executive Summary

1.1 Background

In 2009, MPI partnered with the Automotive Trades Association of Manitoba (ATA) and Manitoba Motor Dealers Association (MMDA) to conduct a study of the Manitoba auto body repair Industry. The primary aim of the study was to determine what would be required to ensure a healthy, profitable repair industry in Manitoba over the long term. It was also an important step in developing a stronger working relationship between the trade and MPI. A long term agreement and a cooperative, collaborative approach to develop solutions to common issues were important objectives to provide the framework for a healthy industry on an ongoing basis.

Achievements since 2009 included a four year agreement with a significant increase in labour rates in 2010 followed by a schedule of inflation-protected adjustments. The agreement included the expectation that the rate increases would flow through to increased wages for the trade. The agreement also included recruitment and retention initiatives to attract more apprentices to the trade. MPI and the ATA / MMDA also jointly initiated a review of shop materials, which is currently in process.

In 2012, MPI, the ATA, and MMDA again partnered to conduct an update survey of Manitoba auto body repair shops. The purpose of the update was to collect information on business results for 2009, 2010 and 2011 to determine the effectiveness of initiatives undertaken to date in response to issues identified in the 2009 study and set the foundation for future process improvements.

This report presents the results of that survey.

1.2 Findings & Conclusions

***Note:** Compared to the 2009 survey, the number of respondents decreased by 28% from 83 to 60 in the 2012 survey. The revenue segments with the greatest decline in participation were the under $500,000 and the $500,000 to $1,000,000 segments. The number of respondents in the under $500,000 revenue segment were too low to segregate further, and the results for the $500,000 to $1,000,000 revenue segment is less reliable.*

1. **The labour rate increases and incentives under the 2010 agreement appear to have generally achieved the intended objectives.**

   a. **Wages and benefits have improved.**

   2010 and 2011 rate increases combine to a net total increase of approximately 9%. Shop wages as a percentage of revenue have remained relatively constant overall, and increased by approximately 2% for shops with revenue of $500,000-$1 million and for shops with revenue over $2 million. This suggests that the increase in rates has been passed on to shop staff.

   Average annual pay increased by approximately 6% for journeyperson body repairers, and approximately 9% for body repair apprentices. While the average annual pay for journeyperson painters remained relatively flat, painter apprentices increased by 13%. As flat rate incentives are common in the industry, annual pay is influenced both by hourly rates and by the volume of work performed by the individual. Increases may be a result of either or both. A very high proportion of respondents to the 2012 survey (92%) indicated paint apprentices were offered variable pay. The higher increase in pay and higher use of flat rates for apprentices suggests some work shifting may have occurred between journeyperson and apprentice painters. Average annual pay for painters was also notably higher than other positions in the 2009 survey.

   It is important to note this study did not include a comparative analysis of other competing positions in the labour market, so there is no evidence to compare wages to similar positions in other sectors. The change in industrial average wage of 8% over the given period is the only means of rough comparison, and would not address any disparity that may have existed as a starting point.

b. Recruitment and retention has improved.

The 2010 MPI – Industry agreement included a Tool Allowance and Apprenticeship Grant program. Over 100 grants were provided to apprentices in each of 2011 and 2012, with total combined apprentice grants and tool allowances of approximately $400,000 each year.

In 2011 there were 166 registered apprentices compared to 147 in 2008/09, representing a 13% increase in the number of people training for technical positions. The effectiveness of apprentice incentives established in the 2010 agreement will be more fully indicated once the increase in apprentices is also evident in the number of completions, or new journeypersons available to the trade following the four year apprenticeship period.

Turnover decreased for all positions with the exception of apprentice body repairers, which remained the same at 18%, and apprentice painters, which increased to 36%. The reduction in average annual turnover for journeyperson body repairers from over 27% to 17% brings it much closer to norms (turnover of 10-15% is generally considered within the healthy range).

c. The gap in labour rates between Manitoba and Saskatchewan has lessened.

The 2010 and subsequent increases in labour rates in Manitoba reduced the gap to Saskatchewan rates from 12% to approximately 9%. This gap is further diminished so that Saskatchewan rates are less than 3% above Manitoba when factoring in Manitoba's higher material rates and higher frame and mechanical labour rates. In 2009, the cost of living in Saskatchewan was estimated to be 7% higher than in Manitoba.

Please note, the comparison above is reflective only of rates, not any comparison of estimating systems, practices or results.

d. For larger shops, rate increases have been sufficient to keep up with costs.

Labour, parts and materials are the most significant expenses in the collision repair industry. Overall, these expenses have remained relatively consistent from 2009 to 2011 as a percentage of revenue, suggesting rates have overall kept pace with costs.

There is variability among revenue categories, however. For example, an increase of 1.2% in materials, parts and wages costs for the over $2 million revenue category is offset by a 1.5% decrease in the $1-2 million revenue category.

While less reliable as an overall indicator due to the small number of responses with financial data, materials, parts and wage costs for responding shops with revenue between $500,000 and $1 million increased as a percentage of revenue by over 10%.

Overhead costs generally improved as a percentage of revenue.

- For the $1-2 million revenue group, a 2.8% improvement in general expenses magnifies the improvement in cost of sales. In 2008, average EBITDA for this group was 7.5%. In 2011, this improved to 13.2%
- For shops with over $2 million in revenue, a 2.3% decrease in general expenses moderates the impact of increased cost of sales, resulting in a net change to average EBITDA of -0.9%.

Even with some improvement in general overhead costs, *responding* shops with revenue between $500,000 and $1 million experienced an overall reduction in EBITDA since 2008. As noted, the sample for this revenue category is small, and this data may not reliably represent all shops in this revenue category. Some stronger performing shops also moved out of this revenue category and up to the next between surveys.

(All EBITDA comparisons in this section reflect use of the consistent analysis method. Please see Figure 69).

2. A number of challenges identified in the 2009 survey continue to be evident:

a. Insurance-related business processes are driving operating costs and extending repair times.

Delays arising from the supplemental estimate process and time required for MPI related administrative processes are the most frequently cited concerns of respondent shops. Respondents identify an average of between 37 and 112 hours per week on MPI business processes, absorbing the equivalent of a full time employee even in shops with less than $1 million in revenue. This works out to approximately 3 to 4 hours of administrative time per payment. Based on the average payment amount, an average repair may involve 8 – 10 hours of labour. The need to spend 3 to 4 hours of administrative time per repair appears excessive, and validates the ongoing need to address these business processes. A success rate of only 42% (combining fill rate and return rate) in using re-cycled parts also indicates the continued need to improve. Survey respondents also frequently indicated the delays arising from the estimate and supplemental process cause frustration to the customer as well as the shop. Delays in repair times also increase courtesy car expenses for both MPI and the industry

b. Availability of skilled labour remains a significant concern.

The industry continues to report labour challenges. Extended times to fill positions, between 3 ½ and 6 months for journeymen technician positions, indicate an overall shortage.

Based on past completion rates, the apprenticeship program at current levels of activity will only meet approximately two thirds of the demand for journeyperson body repairers. While some progress appears to have been made in increasing the number of apprentices in the program, shops typically still have only one apprentice even in large shops where there are multiple journeypersons to provide the necessary supervision. While the increase from 13 to 20 apprentices in the over $2 million respondent group is encouraging, it still represents only half the potential number of apprentices.

Shops over $1 million in revenue could employ more apprentices each within established journeyperson-apprentice ratios. The fact that these shops have much lower apprentice-journeyperson ratios may be part of why they have higher productivity and profitability. Large shops' need to retain apprentices is also lower, given their greater ability to hire technicians. The result, however, may be perpetuating the challenges of smaller shops to keep the technicians they have invested in training as apprentices.

c. Training activity still remains low in an industry with significant ongoing changes in materials and technology.

As technology, materials and environmental and safety regulations continue to evolve in the collision repair industry, ongoing training is required to ensure employees are at the forefront of their respective positions. Respondents indicated an average of 1.8 days training for journeyperson body repairers per year. Journeyperson painters received slightly more with an average of 2 days per year. A lack of locally available training and difficulties related to releasing employees for training were the most frequently cited reasons for not being able to provide training.

d. A significant portion of auto body repair business is still conducted by small shops that are more vulnerable to sustainability challenges.

Shops with MPI payments under $1 million represent 74% of all accredited shops and are responsible for approximately one third of MPI auto body repair business in the province; approximately two thirds of MPI business outside Winnipeg. Almost 90% of shops outside of Winnipeg do less than $1 million in business with MPI.

Small shops experience more significant challenges in being able to make the necessary investments in equipment, technology and training to perform the full extent of repairs on modern vehicles. Small shops also encounter the greatest challenges in attracting and retaining skilled labour.

Increasingly complex vehicles means customers will increasingly need to take their vehicles to larger shops qualified to perform their repairs. This can be expected to result in declining business, and fewer sustainable small shops. Improved information to support management decisions may enable proactive business owners to better position their business for growth and succession, and also improve the overall health of the industry.

e. Courtesy cars continue to be a significant expense to the industry.

The cost of providing courtesy cars to customers is, for the most part, an unrecoverable expense that is felt to be expected by customers and necessary to compete for collision repair business. The average time to complete a repair directly influences the cost of courtesy cars. At an overall average of 2.63% of revenue, based on MPI payments for 2011 of $256,986,193 this is the equivalent of $6.7 million.

3. Mitchell is the most common shop management system among Manitoba respondents.

Approximately two thirds of respondents use a shop management system, and over 80% of these respondents use a Mitchell system. MPI uses the Mitchell Ultramate estimating product. While the majority of shops are using only the basic module, adoption of Mitchell for any system interaction between MPI and autobody shops would involve the least amount of change.

4. The physical damage re-engineering project should be well-received if it focuses on reducing the administrative burden of insurer-required processes.

As identified above, insurance-related business processes are driving operating costs and extending repair times. Contacts to encourage shop response to the survey also frequently generated complaints from shops that “nothing has changed”. While there has indeed been progress as identified above, there remains clear demand to improve business processes. The average time of three to four hours spent on these processes per repair, once further validated, provides a basis on which improvement can be made.

1.3 Recommendations

1. Proceed with the Physical Damage Re-engineering Project as soon as possible, including a clear focus on streamlining business processes that directly impact shops.

MPI has initiated a physical damage claims re-engineering project to improve the customer service experience for physical damage claims processing. Process improvements are being developed with the objective of maintaining or reducing MPI costs, while at the same time improving efficiency (increased throughput, decreased costs) for the overall collision repair industry.

The opportunity to free up employee time for more productive pursuits (or reduce demand for staff in a challenging environment) would be highly valuable to shops. Improving cycle times would both reduce costs and increase customer satisfaction.

Increased use of technology and performance standards (e.g., appraiser decision returned within a defined time) provides opportunities to improve accuracy, efficiency and cycle times. Enabling shops to conduct estimates on low-risk claims, supported by risk-based auditing and clear performance measures may also offer significant improvements in cycle times, cost and customer satisfaction.

While the data from the 2009 and 2012 surveys on the amount of time spent is relatively consistent, it is based on somewhat ‘global’ estimates of weekly time spent. Selecting a sample of shops to validate the baseline for each activity, pilot improved processes and re-evaluate the time requirements after changes have been implemented would provide important information that may enable more reliable evaluation of changes.

2. Refine the strategy to increase the future supply of technicians.

MPI has implemented programs to attract new apprentices, and the number of active apprentices has increased. On a journeyperson to apprentice ratio basis, more apprentices are currently being trained by smaller shops. These shops often experience challenges retaining this skilled labour once they become journeypersons, creating the need for ongoing investment in on-the-job training and related productivity challenges. Given the overall need for more skilled labour, the ATA, MMDA and MPI should work together to consider means of encouraging shops that invest in training apprentices, recognizing that not all apprentices are retained by the shop that invested in their training.

3. Develop performance benchmarks and related training.

Using a system of performance measures is a proven method of facilitating improved performance, both in terms of profitability and customer satisfaction. Approximately three quarters of reporting shops indicated they are using performance measures, but less than half monitor efficiency, and even smaller percentages monitor customer satisfaction. Only 38% report adopting new management practices, and this sample is heavily weighted to the larger shops that are already profitable. Respondents that have implemented new practices, particularly lean management systems, have reported improved results.

Working together, MPI and the industry could develop a useful performance score card, and assist shops to implement and use performance measures and modern management systems to improve performance.

Armed with better performance information, shops may be able to improve productivity, profitability and customer satisfaction. Incorporating performance measures may also provide MPI with a means of improving results and controlling overall claims costs without impacting industry profitability. Development of performance measures also provides an opportunity to develop options such as variable rate models to reward shops that perform well, and control costs in shops with lower quality or productivity.

Information on the volume and nature of claims within certain market areas may also allow shops to make decisions regarding growth and consolidation, ensuring better continuity of service in rural areas and more secure investments for shop owners.

4. Facilitate training in new technologies.

Training days reported by all shops appear to be at a minimum level for an industry that experiences ongoing, significant changes in technology and materials. Shops report challenges releasing employees from productive work hours as well as a lack of locally available training.

Independent Learning (on-line) courses were first made available in 2011. According to MPI data individuals completed 2,042 I-Car courses in 2012. 511 courses or 25% of the total were completed through Independent Learning.

MPI, the ATA and MMDA should consider a joint strategy to evaluate and further facilitate access to training, including potentially extending training offerings and/or increasing available channels and flexibility (e.g., distance, on-line, rural offerings) to enable more training with less impact on shop productivity.

5. Continue to use a balanced inflation adjustment approach for setting future rates.

The mechanism established in the 2010 agreement to adjust labour rates reflects a blend of both general (CPI) and wage (IAW) inflation in the province, and appears to have been effective in allowing the industry to increase wages while maintaining gross profit margins. Continuing to apply a similar mechanism for rate increases going forward is supported by both the nature of the most significant expenses for collision repair businesses (labour, parts and materials), and this evidence.

The 2009 and 2012 industry surveys provided information to evaluate industry health and help evaluate rate adjustments. The investment to conduct industry wide surveys is significant, however both for the partners to the study and the individual businesses that supply the extensive data requirements. An alternative would be to use an agreed set of indicators that can be independently monitored and verified.

This would enable less intensive data collection from shops, while still providing information on changes that may impact industry profitability. The results of the 2009 and 2012 studies provide a significant base of information to enable this approach. Indicators would be expected to reflect major expense items (e.g., materials, parts and labour) as well as other agreed factors that significantly influence shop profitability. A comparison of the changes in these indicators, combined with shop input on a smaller set of questions would be more efficient on an ongoing basis, and may validate or allow further refinement of how inflation is calculated and applied for annual adjustments.

2.0 Introduction

In 2009, MPI partnered with the Automotive Trades Association of Manitoba (ATA) and Manitoba Motor Dealers Association (MMDA) to conduct a study of the Manitoba auto body repair Industry. The primary aim of the study was to determine what would be required to ensure a healthy, profitable repair industry in Manitoba over the long term. It was also an important step in developing a stronger working relationship between the trade and MPI. A long term agreement and a cooperative, collaborative approach to develop solutions to common issues were important objectives to provide the framework for a healthy industry on an ongoing basis. Recommendations from the 2009 study are included in Appendix C.

Based on the findings of the 2009 study, subsequent negotiations between MPI and the industry achieved the following results:

- A four year agreement that included a significant rate increase in 2010 followed by a schedule of inflation-protected adjustments. Inflation protection was expanded to include both the Consumer Price Index (60%) and the Industrial Average Wage (40%). Actual rate increases were:
    - Year 1 (2010) – 6.25%
    - Year 2 (2011) – 2.30%
    - Year 3 (2012) – 3.40% (inflation protection applied)
    - Year 4 (2013) – 2.3%

  The agreement included the expectation that the rate increases would flow through to the trade.
- Improved industry recruitment and retention initiatives through new MPI funding provided to Registered Apprentices
    - A $5,000 tool allowance available to Registered Apprentices
    - A $2,000 grant per level to Registered Apprentices who successfully complete each level of the four level program (4x$2,000=$8,000 total).
- An updated accreditation agreement.
- Improved communication channels between the repair industry and MPI.
- Initiation of the shop material rate review (currently underway).
- Initiation of a business process re-engineering project to address supplemental estimate, payment and parts procurement processes ('MPI's Physical Damage Visioning Project' currently under way).

In 2012, MPI, the ATA and MMDA again partnered to conduct an update survey of Manitoba auto body repair shops. The purpose of the update was to collect information on business results for 2009, 2010 and 2011 to determine the effectiveness of initiatives undertaken to date in response to issues identified in the 2009 study and set the foundation for future process improvements.

This report presents the results of that survey.

3.0 Methodology

3.1 Survey Population

All MPI accredited shops that received payments from MPI for auto body repair in 2011 were invited to participate in the survey. There were 295 accredited shops that received payments in 2011. Some shops chose to combine responses from locations with integrated financial reporting, resulting in a total population of 292 shops.

3.2 Survey Instrument

The survey instrument was based on the original 2009 survey with some modifications to improve clarity and quality of responses. Questions were also added regarding the use of shop management systems and performance indicators. A copy of the survey instrument is included in Appendix A.

The survey was created as an electronic instrument, to be completed via a dedicated web address. Individual identification numbers were provided to each shop to enable access to the survey. The survey was also designed to be printed and completed on paper if preferred. MNP also offered respondents the option to submit financial statements for the detailed financial portion of the survey.

The 2012 survey gathered financial information for business activities in 2009, 2010 and 2011.

3.3 Communication

A communication strategy was established as part of project planning activities that included the following:

- A joint introductory letter from MPI, the ATA and MMDA to notify the industry that an update survey was being conducted;
- Direct communications by the ATA and MMDA to their members at meetings and individually to reinforce industry support for the survey and encourage member participation;
- Direct e-mail invitations to each accredited shop to participate in the survey;
- Follow up FAX notification to all shops that the email invitation had been issued;
- Follow up calls to each accredited shop to ensure the e-mail invitation had been received.

A toll free support line and direct email address were also established to enable shops to contact MNP for questions or assistance in completing the survey.

Follow up telephone calls and emails were made by MNP to all shops and by ATA and MMDA representatives to their respective members repeatedly throughout the survey period to confirm shop intentions to respond and to encourage response.

3.4 Validation

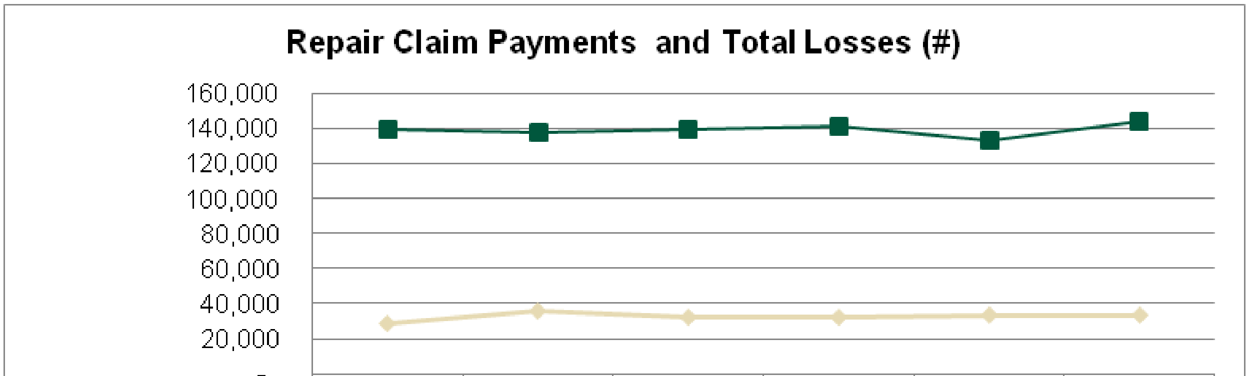
Each survey response was individually reviewed and compared to existing benchmarks and the developing data from survey respondents to identify outliers and other potential errors in the data. MNP contacted respondents directly to confirm, clarify or correct this information. Demographic data included in this report which was self-reported has also been validated and adjusted as required.

4.0 Claims Activity

The following information is based on claims data provided by MPI for business conducted with accredited auto body repair businesses (shops). Data reflects activity during MPI's fiscal year, which is March 1 to February 28, and is expressed as "2011" for Mar 2011 to Feb 2012.

The trend in the number of claim payments and total losses is relatively flat, with only a 4% change from 2006 to 2011. Year to year changes can be significantly impacted by weather events.

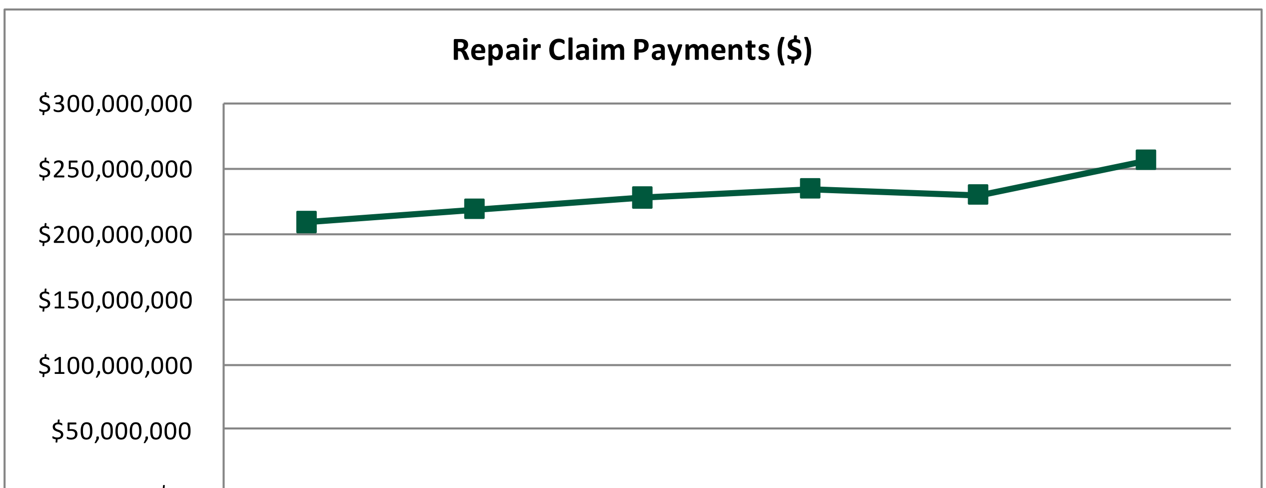
Figure 1 – Repair Claim Payments (#) 2006 - 2011



	2006	2007	2008	2009	2010	2011
Claim Payments	139,324	137,998	139,466	141,514	133,305	144,445
Total Losses	28,492	35,480	31,982	31,982	33,213	33,273

Claim payment amounts, however, have trended up, with a total increase of 23% from 2006 to 2011. This is also impacted by the nature of claims.

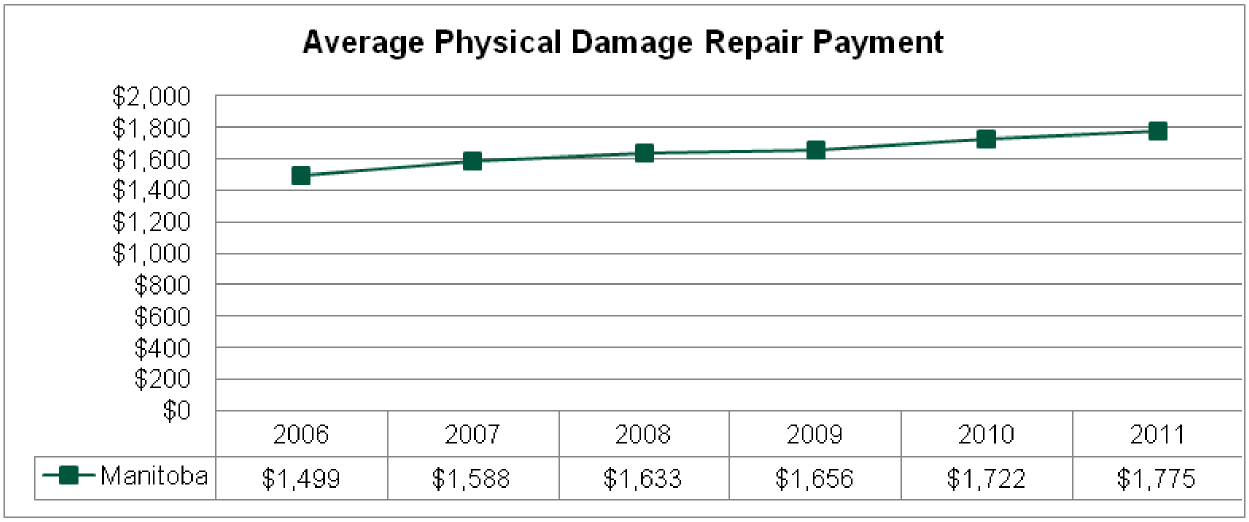
Figure 2 – Repair Claim Payments ($) 2006 - 2011



	2006	2007	2008	2009	2010	2011
Manitoba	$208,796,203	$219,075,174	$227,699,304	$234,304,244	$229,598,213	$256,405,145

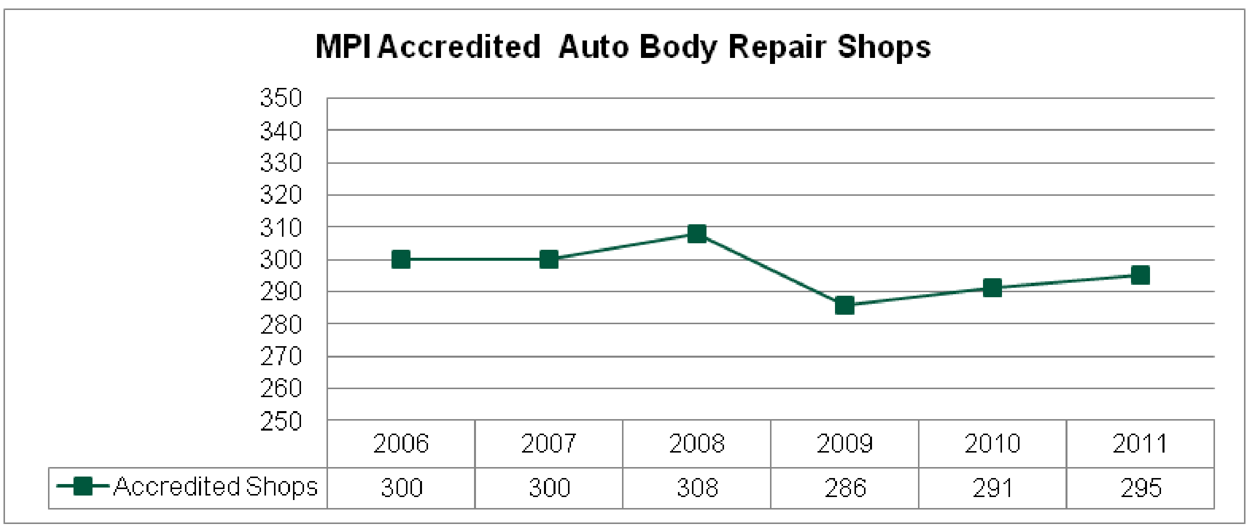
The total dollar amount of payments divided by the number of payments results in an average payment per claim of $1,775 in 2011, up 7% from 2009; 18% since 2006. The average payment amount (a simple form of severity) is influenced by the “door rate”, or rate per hour of labour, as well as the vehicle characteristics (age, materials and technology).

Figure 3 – Average Payment Excluding Total Losses



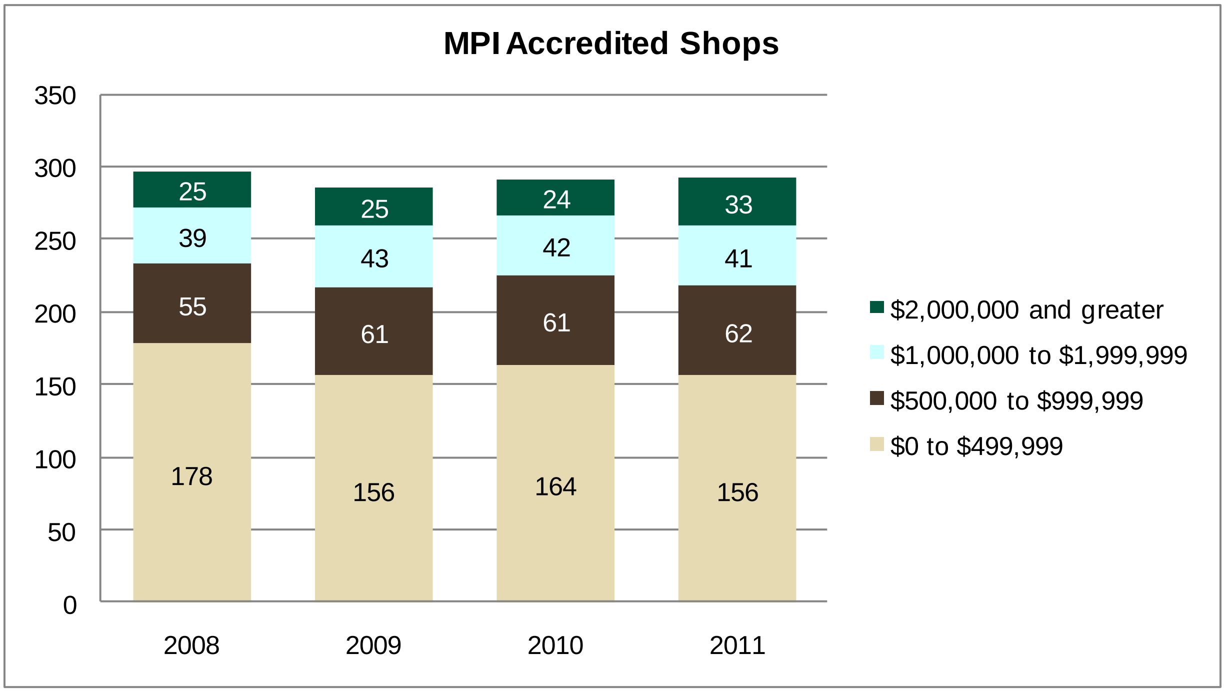
The number of MPI accredited shops has declined slightly since 2006, from 300 to 295.

Figure 4 – Number of Accredited Shops



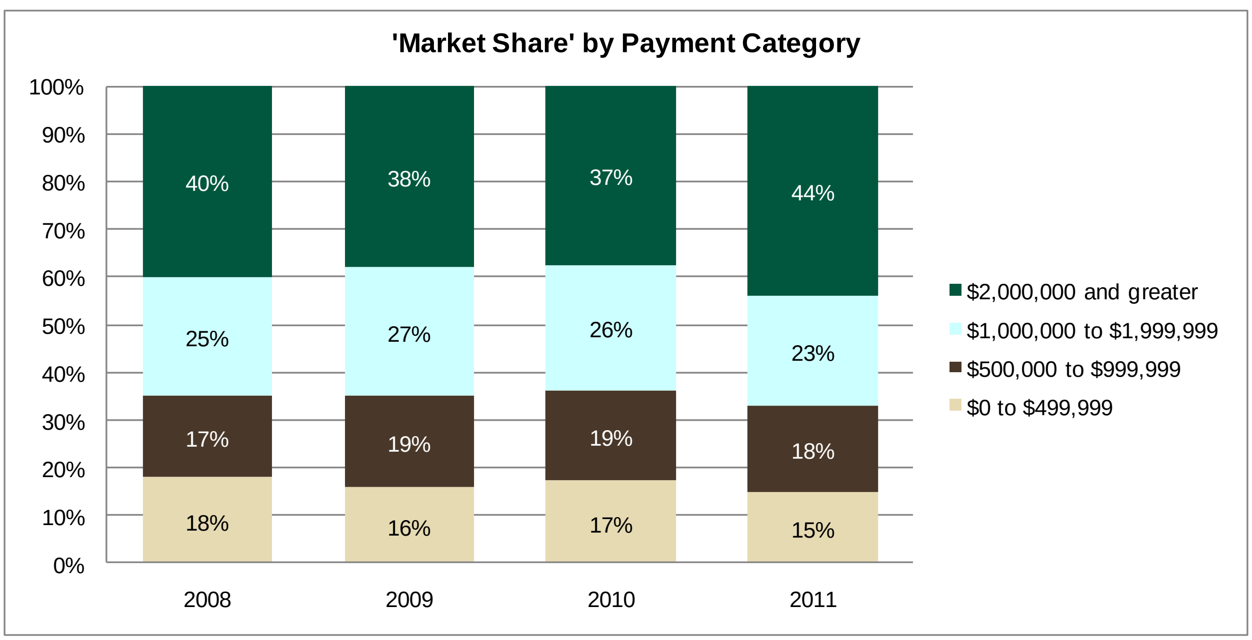
There are more, larger accredited shops in 2011 as compared to 2008, with a notable decline in the number of accredited shops that received under $500,000 in payments from MPI.

Figure 5 – Number of Accredited Shops, by Payment Category



Larger shops are also capturing an increasing proportion of market share, or proportion of claim payments.

Figure 6 - Market Share by Payment Category



5.0 Survey Findings

Please note: Unless otherwise referenced the information in this section was gathered directly from the survey of accredited auto body repair shops conducted from May to October 2012.

5.1 Survey Population

Surveys were distributed to 295 accredited collision repair businesses across the province. Some shops chose to combine responses from locations with integrated financial reporting, resulting in a total population of 292 shops. For this study, as in 2009, Manitoba was divided into four regions: Winnipeg, Southeast, Southwest and North. Forty-four percent (129) of shops are located in Winnipeg, 3.4% (10) of shops are located in the Northern region, 29% (86) of shops are located in the Southeast region and 23% (67) are located in the Southwest region. The figure below illustrates the geographic boundaries and distribution of these four regions.

Figure 7 – Number of Shops by Region

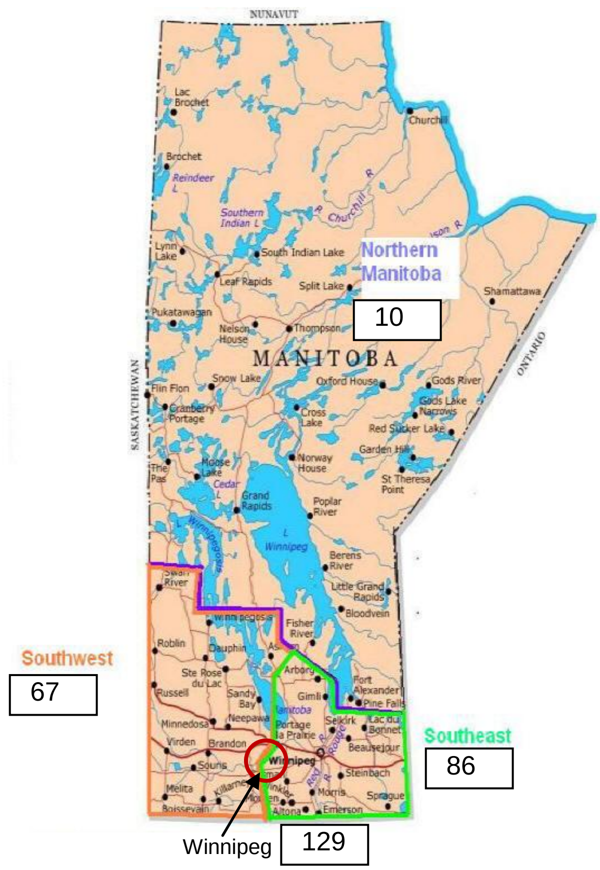


Table 1 compares the survey population from the previous 2009 study to the current study. In total the number of survey invitations decreased by three (three shops combined responses).

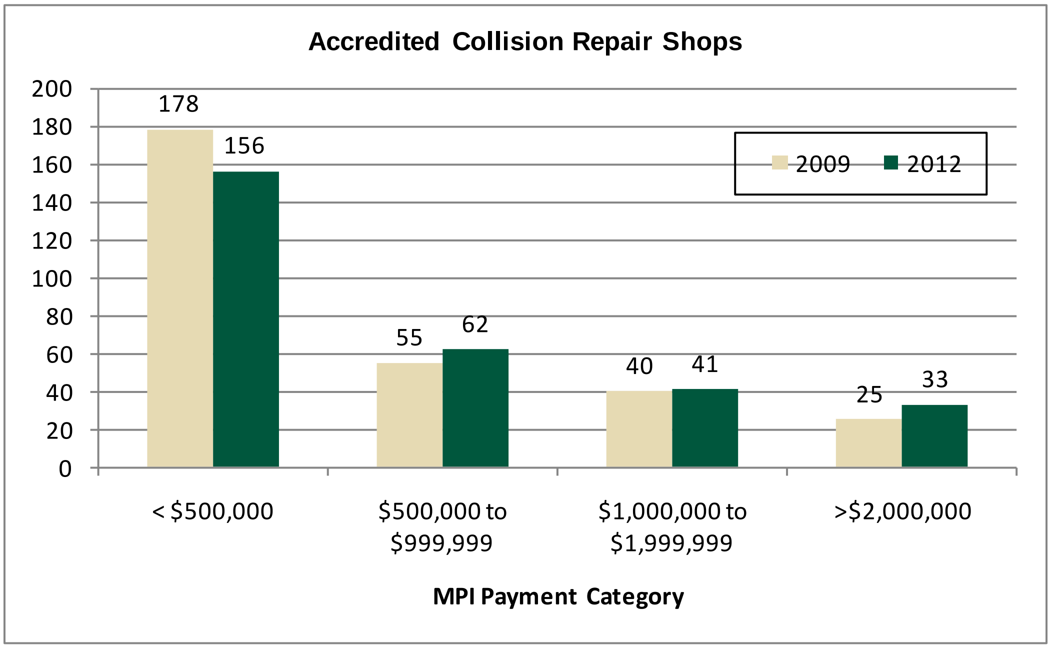
Table 1 – Comparison of 2009 and 2012 Survey Populations

Region	2009	2012
Winnipeg	133	129
North	11	10
Southeast	82	86
Southwest	72	67
Total	**298**	**292**

Segmenting the repair shops by volume of MPI business, 53.4% of accredited auto body shops in Manitoba (156 shops) received MPI payments less than $500,000 in 2012. Twenty one percent of shops received payments between $500,000 and $1,000,000; 14.1% of shops received payments between $1,000,000 and $2,000,000 while 11.3% of shops received payments greater then $2,000,000. Shops with over $1,000,000 in MPI payments represent 25.4% of all payments.

A comparison of the number of accredited collision repair shops by payment category in the 2009 and 2012 studies reveals a decrease in the number of shops with MPI payments less than $500,000 and an increase in all other payment categories.

Figure 8 – Accredited Collision Repair Shops by MPI Payment Category



5.2 Respondent Profile

Survey responses were received from 79 accredited repair shops. The total response rate of the survey was 27%.

5.2.1 Affiliations

Respondents were asked to identify their affiliation, if any, with the Manitoba Motor Dealers Association (MMDA) and the Automotive Trades Association (ATA). The breakdown of affiliations is shown in Table 3 below. While the same number of MMDA shops responded in 2009 and 2012, they represent a larger proportion of total responses in 2012. Additionally, the proportion of survey respondents who indicated they were not members of either organization decreased significantly.

Table 2 – Respondent Affiliations

	2012 (n=79)		2009 (n=125)	
Affiliation	**# of Respondents**	**% of Total**	**# of Respondents**	**% of Total**
A member of MMDA	38	48.1%	38	30.4%
A member of ATA	50	63.3%	67	53.6%
Not a member of either organization	13	16.5%	44	35.2%
A member of both MMDA and ATA	21	27%	24	19.2%

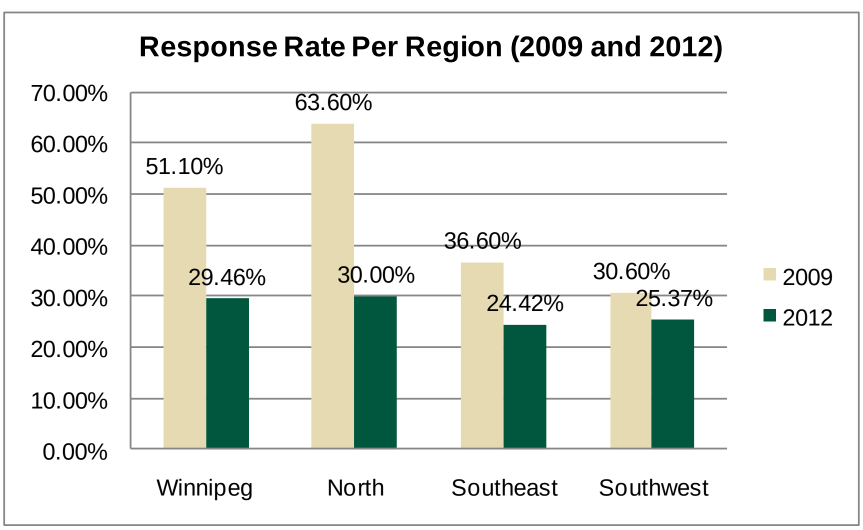
Survey responses were received from 30% of collision repair businesses in the North, 29% of Winnipeg businesses, 24% of businesses in the Southeast region and 25% of collision repair businesses in the Southwest region. These results show that the Winnipeg region is somewhat over represented by approximately 4.0%. Additionally, the Southwest and Southeast regions were slightly under represented.

Table 3 – Survey Respondents by Region (2012)

	Population		Respondents		
Region	**Number**	**% of Total Population**	**Number**	**% of Shops in Region**	**% of Total Respondents**
Winnipeg	129	44.2%	38	29.5%	48.1%
North	10	3.4%	3	30.0%	3.8%
Southeast	86	29.5%	21	24.4%	26.6%
Southwest	67	23.9 %	17	25.4%	21.5%
Total	**292**	**100%**	**79**		**100%**

Comparing the respondents by region, responses to the 2012 study were more representative of the regional distribution of auto body shops, with Winnipeg being slightly less over-represented in 2012 and the southwest and southeast regions being less under-represented.

Figure 9 – Survey Response Rates by Region

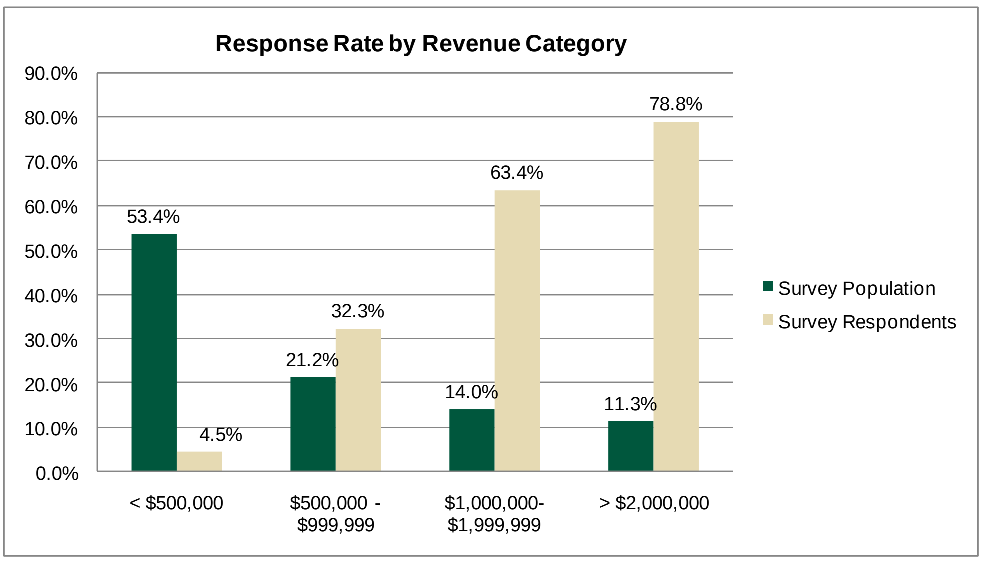


Over 66% of survey responses received were from businesses in the two highest payment categories ($1,000,000 to $1,999,999 and over $2,000,000), which represent 25% of the survey population. Businesses with payments less than $500,000 were significantly under-represented.

Table 4 – Survey Respondents by MPI Payment Category

	Population		Respondents		
MPI Payment Category	**Number**	**% of Total Population**	**Number**	**% of Shops in Category**	**% of Total Respondents**
< $500,000	156	53.4%	7	4.5%	9.0%
$500,000 - $999,999	62	21.2%	20	32.3%	25.3%
$1,000,000- $1,999,999	41	14.0%	26	63.4%	32.9%
> $2,000,000	33	11.3%	26	78.8%	32.9%
Total	**292**	**100%**	**79**		**100%**

Figure 10 – Survey Respondents by MPI Payment Category



Total MPI payments to accredited auto body repair businesses were $256,986,193 in 2011. Survey respondents represented 55.2% of accredited repair business with MPI, and a total of $141,724,728 in MPI payments.

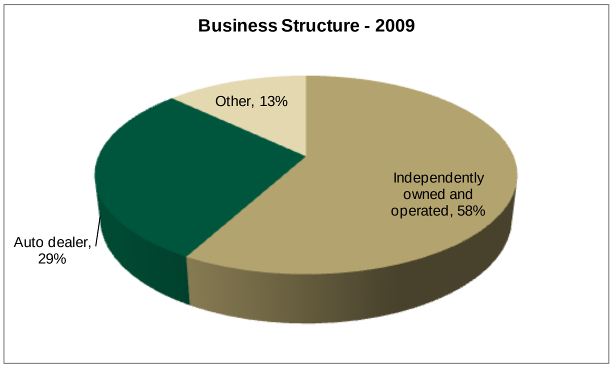
Please note: MPI payments do not reflect total revenue. Not all respondents provided financial data: more detail in this regard is provided in Section 3.6.

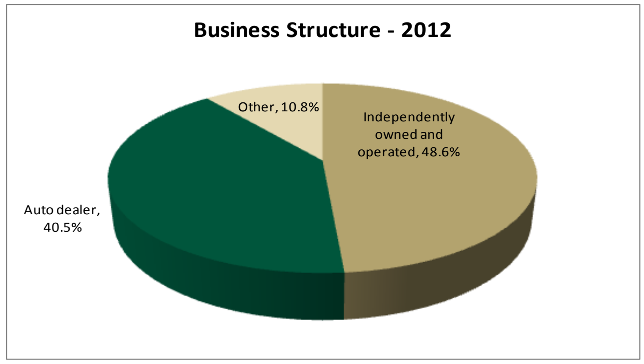
Where possible, survey results are shown by geographic region and by revenue category. To maintain confidentiality, results are only displayed for a category if it includes results from a minimum of five businesses.

5.3 Business Structure

Approximately 48.7% (36) of respondents indicated their collision repair business is independently owned and operated, 40.5% (30) of respondents indicated that their business is owned by an auto dealer and 10.8% (8) indicated some other form of business ownership.

Figure 11 – Responses by Business Structure





Comparing the business structures of respondents from 2009 to 2012, there was a decrease in the percentage of independently owned and operated businesses and a decrease in other forms of business structures. There was an increase in the number of respondents whose businesses are owned by an auto dealer. Table 5 below documents this comparison.

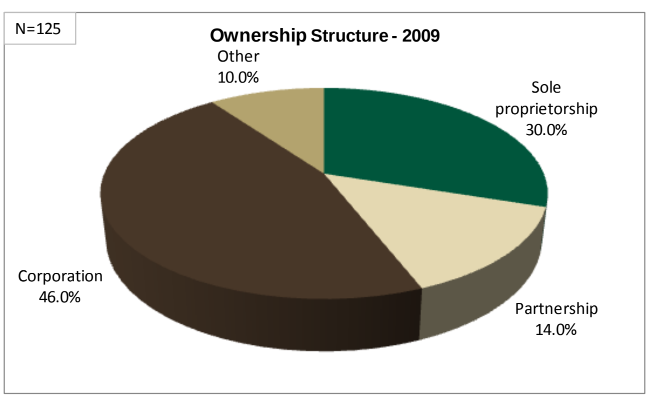
Table 5 – 2009 and 2012 Survey Ownership Type Comparison

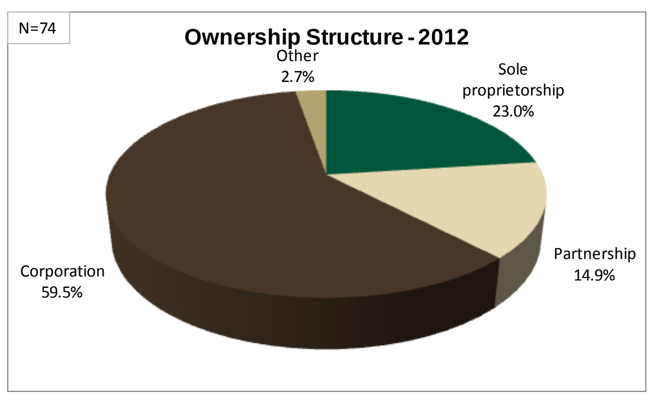
Business Structure	2009	2012
Independently owned and operated	58%	49%
Auto dealer	29%	40%
Other	13%	11%

Survey respondents that responded “other” for the type of business structure listed franchise multi-store, (car manufacturer) franchise, multi-location (company owned) and multi-location.

The most common collision repair business ownership structure among respondents was a corporation, representing 59.5% (44). Sole proprietorships represented 22.9% (17), partnerships represented 14.9% (11) and other represented 2.7%. Other ownership structures that were indicated were reorganization of corporation and a limited partnership.

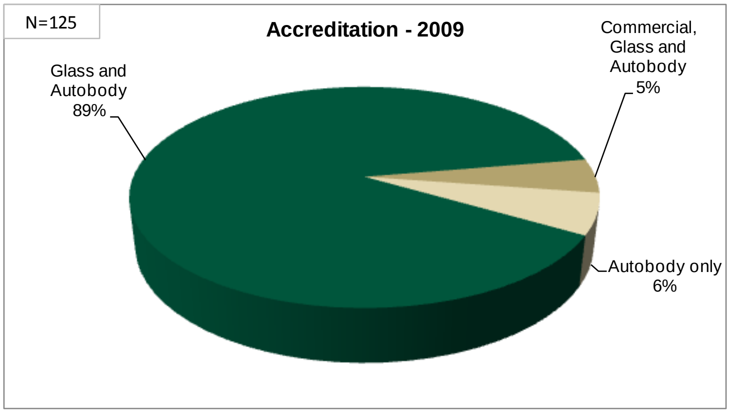
Figure 12 – Survey Respondents - Ownership

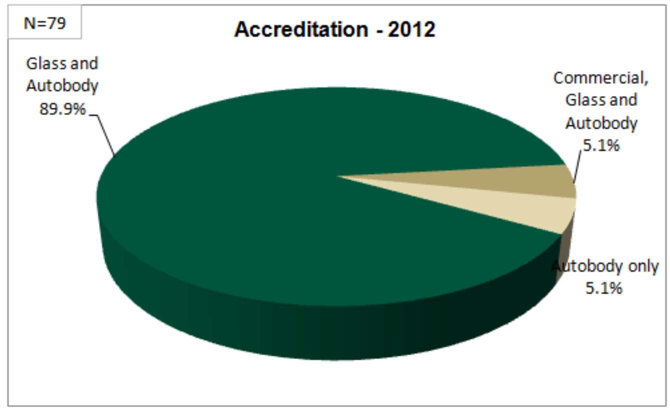




Assessing the change in ownership structure of respondents from 2009 to 2012, the proportion of corporations increased while sole proprietorship and other forms of structure decreased.

Figure 13 – Survey Respondents - Accreditation Status





As compared to 2009, 2012 survey respondents reported very similar accreditation statuses.

Ninety percent of survey respondents (71) reported that their businesses are accredited in both Glass and Auto body, while 5.1% (4) are accredited in Commercial, Glass and Auto body repairs and 5.1% (4) are accredited in Auto body only.

Respondents were asked to identify what category of total revenue fit their business. Of the 79 survey respondents, 9% (7) indicated that their revenues were below $500,000, 25% (20) indicated that their revenues were between $500,000 and $1,000,000, 33% (26) indicated that their revenues were between $1,000,000 and $2,000,000 and 33% (26) indicated that their revenues were greater than $2,000,000.

Based on a comparison of MPI payment data to reported revenue, MPI work represented 85% of survey respondents' total revenue. As shown in Figure 14 below, as total revenue increases, the proportion of revenue from other sources decreases.

Figure 14 – Percentage of Revenue from Insurance-Paid Repairs, by Revenue Category*

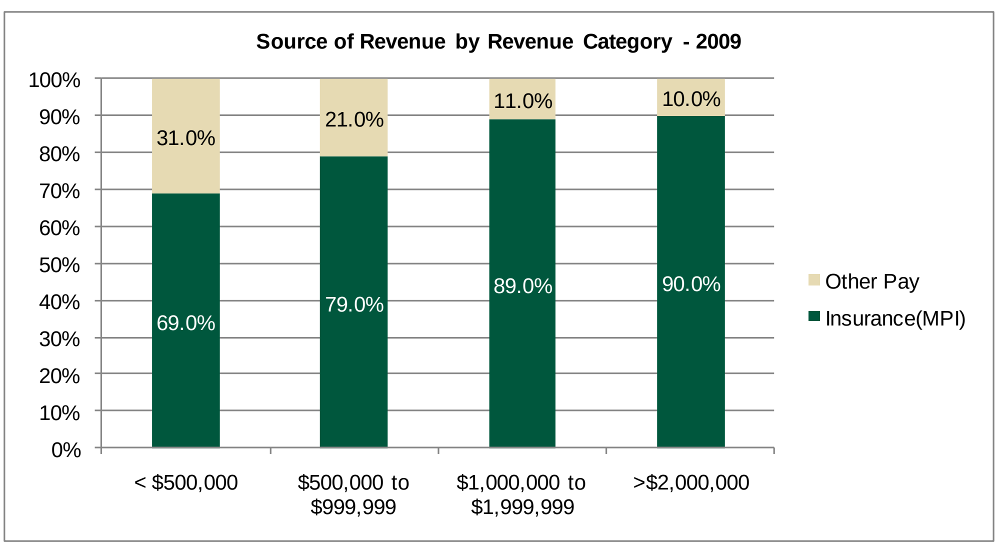
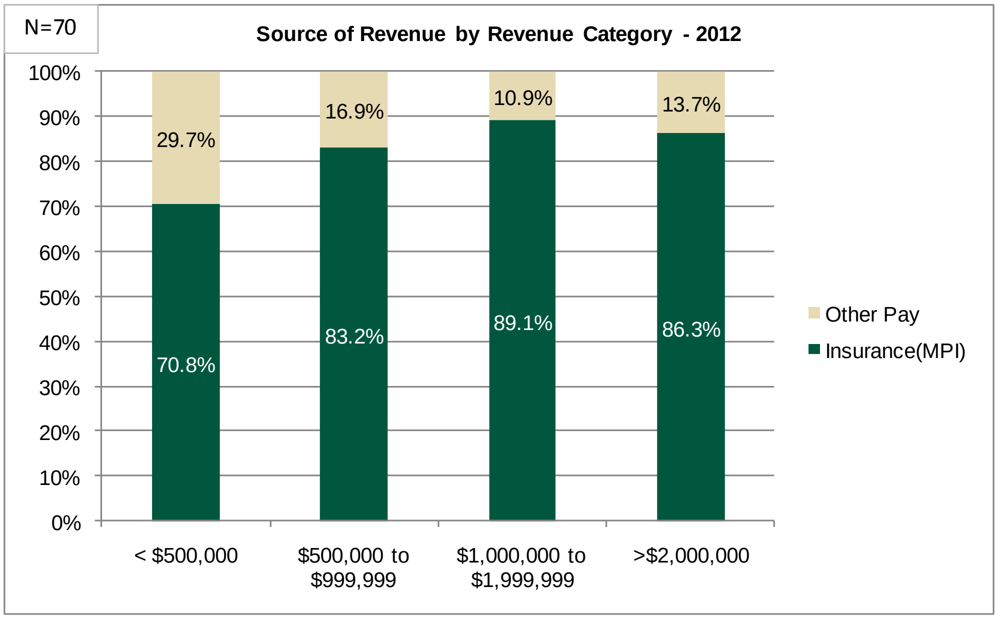


Figure 14 Continued



**Self Reported Revenue Categories*

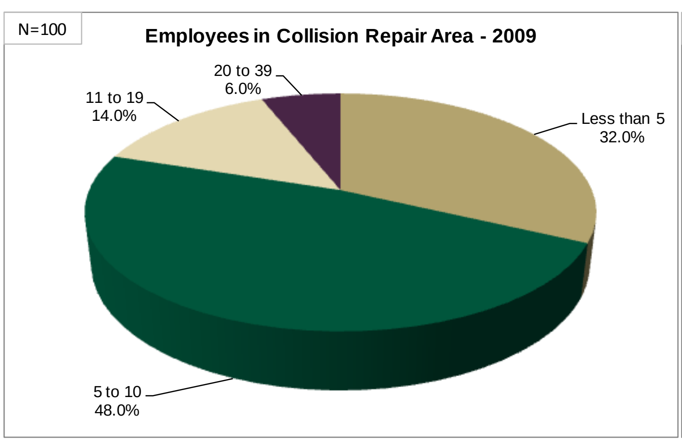
Comparing the sources of collision repair work from 2009 to 2012, overall, there has been a 4% increase in MPI work and a corresponding 4% decrease in other paid work.

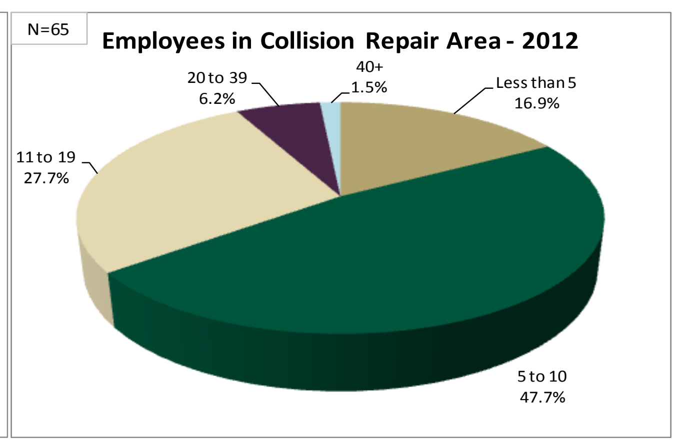
Survey respondents indicated on average that 84.8% of their collision repair business revenues are obtained from a combination of auto body (46.0%) and paint (38.9%) services, while glass (9.6%) and mechanical (5.4%) make up the remaining 15.2%.

Number of Employees

Sixty-five shops responded to the questions about employee numbers. Sixty-five percent of the responding businesses reported ten total employees or less.

Figure 15 – Shop Size by Number of Employees

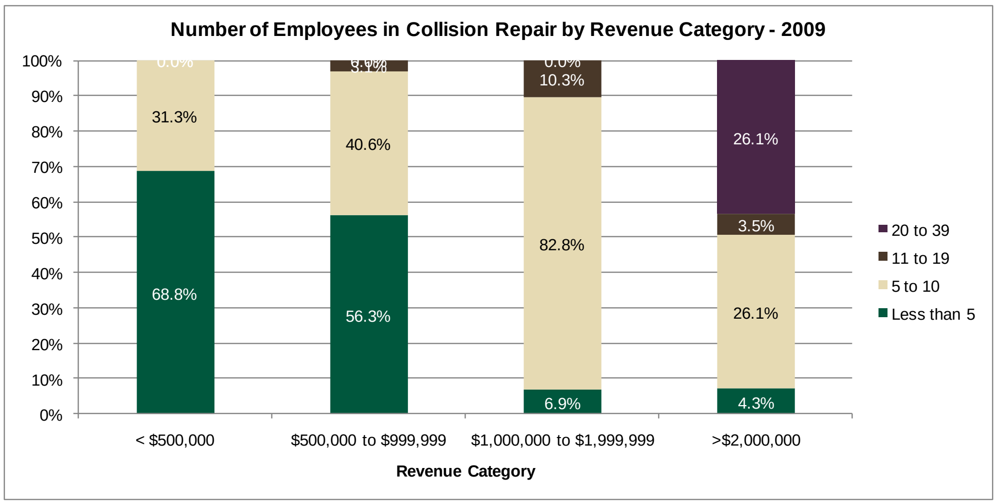


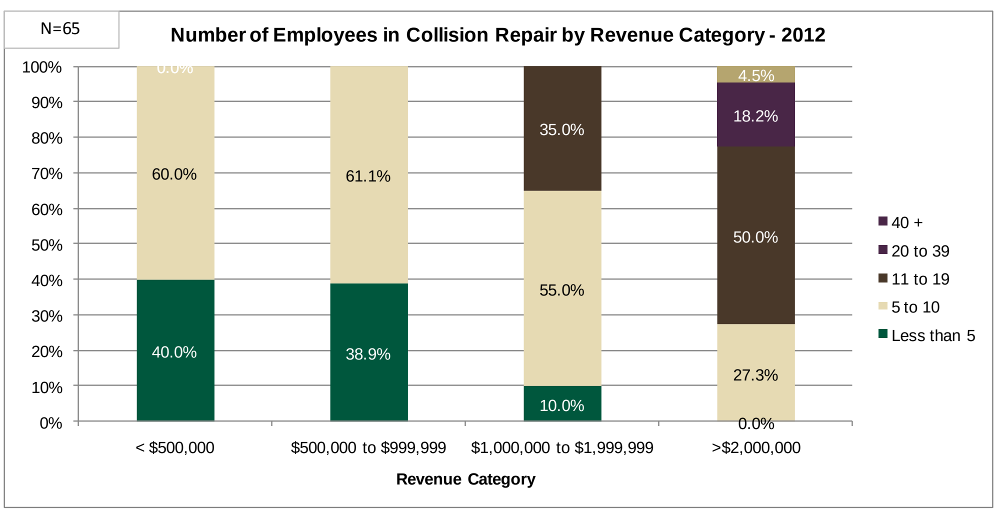


A comparison of the number of employees in respondent businesses from 2009 to 2012 indicates a 15% decrease in the number of businesses with fewer than 5 employees, a 14% increase in the number of businesses with 11 to 19 employees, and a small percentage of business with 40 employees or more. The number of businesses reporting they have 5 to 10 employees or 20 to 39 employees remained almost unchanged from 2009. The decrease in shops with less than 5 employees is influenced by the low number of respondents in the under $500,000 revenue category, and cannot be considered a reliable indication of change.

Figure 16 below illustrates the number of employees working in collision repair businesses by revenue category. A comparison of this data from 2009 to 2012 indicates that the number of employees is higher for the 2012 sample across all revenue categories. Generalization to the industry as a whole is somewhat limited by the low response rate from businesses with total revenue under $1,000,000.

Figure 16 – Number of Employees by Revenue Category (2009 and 2012)*





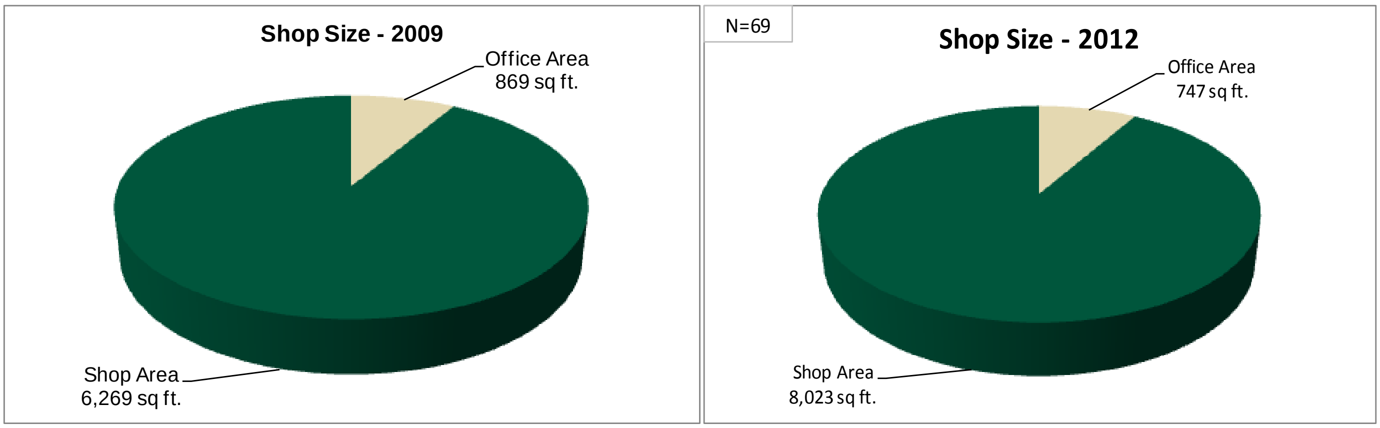
**Self reported revenue categories*

5.4 Operations

5.4.1 Shop Size

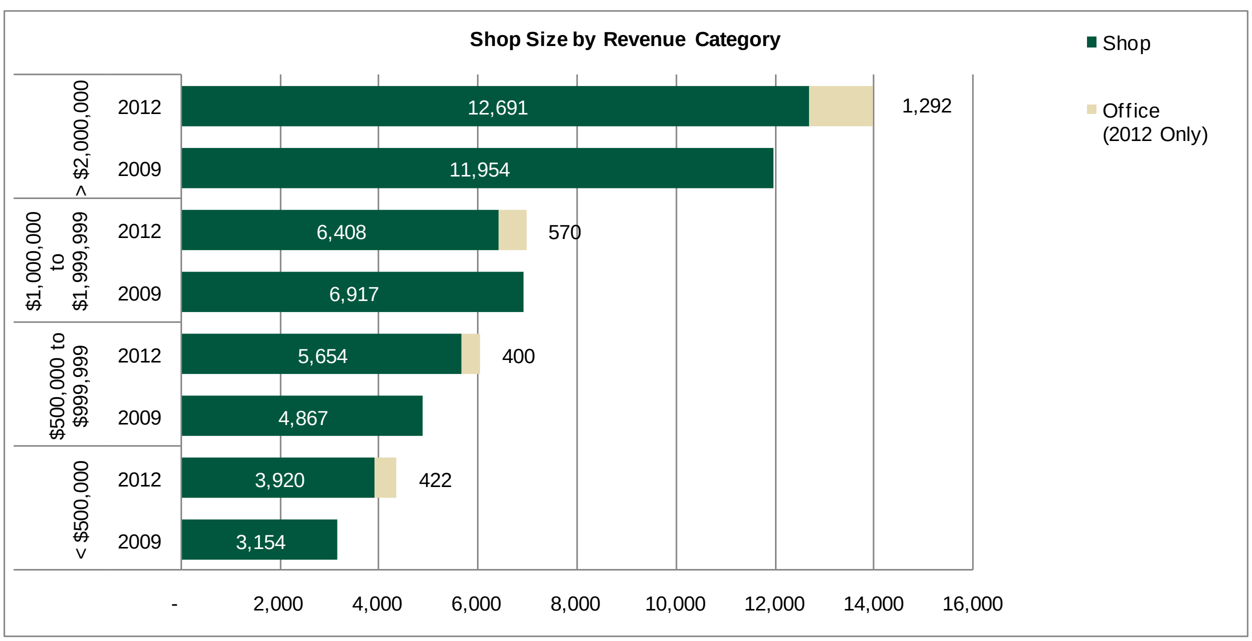
Respondents to the survey indicated an average shop area of 8,023 square feet with a corresponding average office area of 747 square feet. The average shop area represented 91.4% of total shop size while the office area represented 8.6% of total shop size. Compared to 2009, average shop area has increased by 28% while office area has decreased by 14%.

Figure 17 – Average Shop Size (square feet)



The average square footage of the shop floor ranged from 3,920 to 12,690. Square footage of the office area ranged from 422 to 1292. As illustrated by the figure below, as revenue increases, shop area and office area also increase.

Figure 18 – Shop Size by Survey Revenue Category*

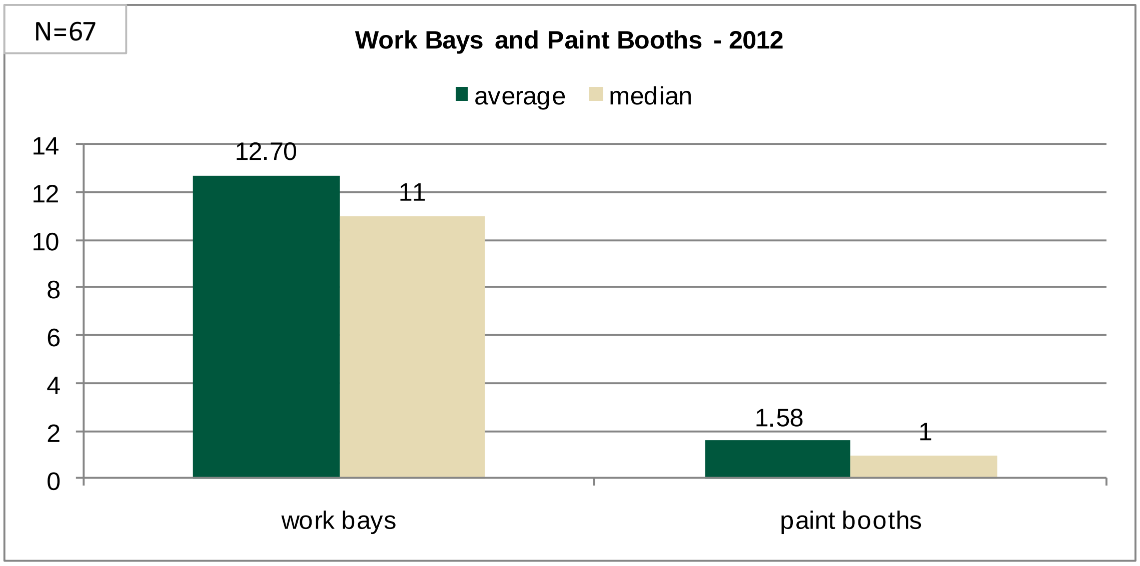


**Self reported revenue categories*

5.4.2 Work Bays and Compound

Survey respondents reported an overall average number of work bays (including frame machines, detail bays and spray booths) in their shops of 12.7 and a median of 11. The average number of paint booths reported was at 1.58 with a median of 1.

Figure 19 – Work Bays and Paint Booths



The number of work bays increased from 2009 as may be expected from the change in the respondent sample. In 2009 there were 12.4 average work stalls per business and in 2012 there were 12.7 representing a 2% increase.

The number of work bays increases as revenue category increases from an average of 7.2 for shops with under $500,000 revenue to 22.1 for the over $2,000,000 revenue category.

Figure 20 – Work Bays by Revenue Category - 2009

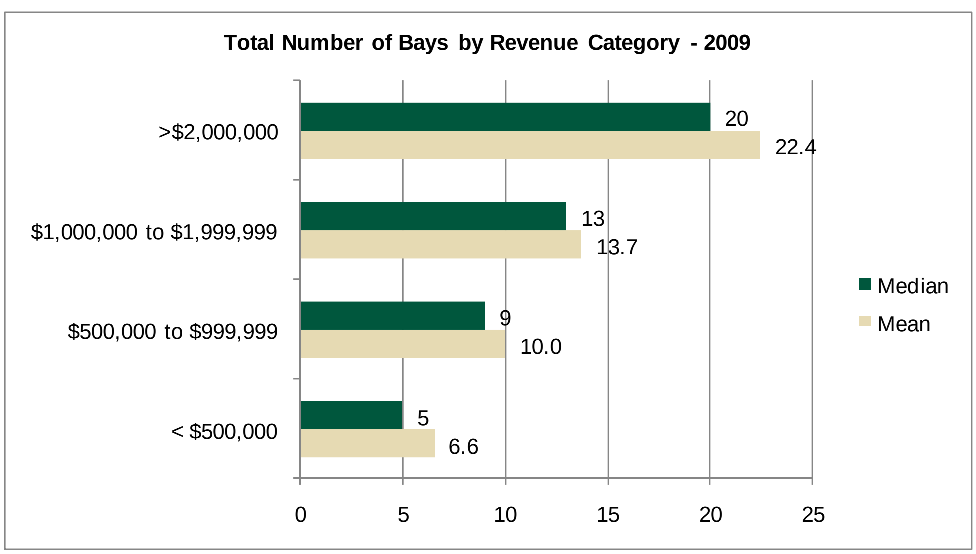
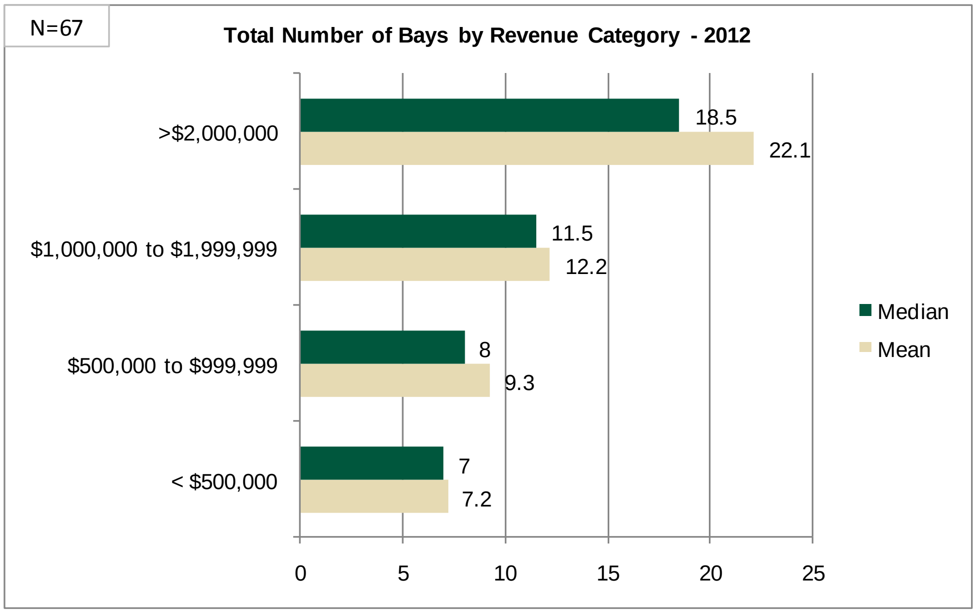


Figure 21 - Work Bays by Revenue Category - 2012



Comparing the average number of work bays from 2009 to 2012 by revenue category, the number of bays in all revenue categories decreased somewhat, with the exception of businesses with less than $500,000 total revenue, which reported an increase in the average number of stalls.

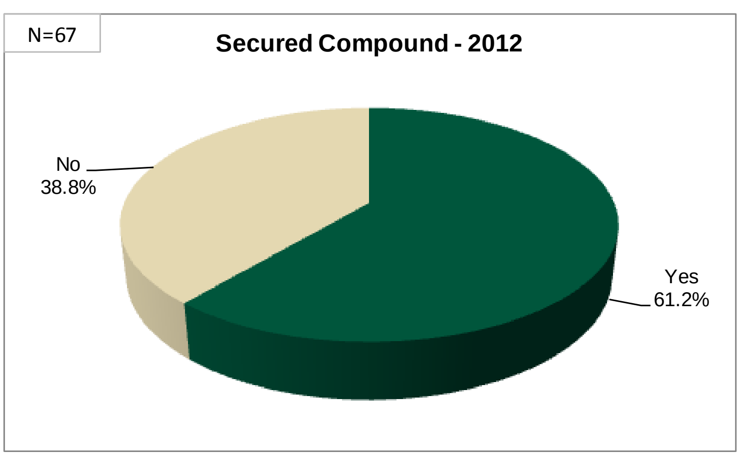
Table 6 – Work Bays by Revenue Category

Revenue Category	Average Number of Work Bays	
	2009	2012
Less than $500,000	6.6	7.2
$500,000 to $999,999	10.0	9.3
$1,000,000 to $2,000,000	13.7	12.2
Greater than $2,000,000	22.4	22.1

5.4.3 Security

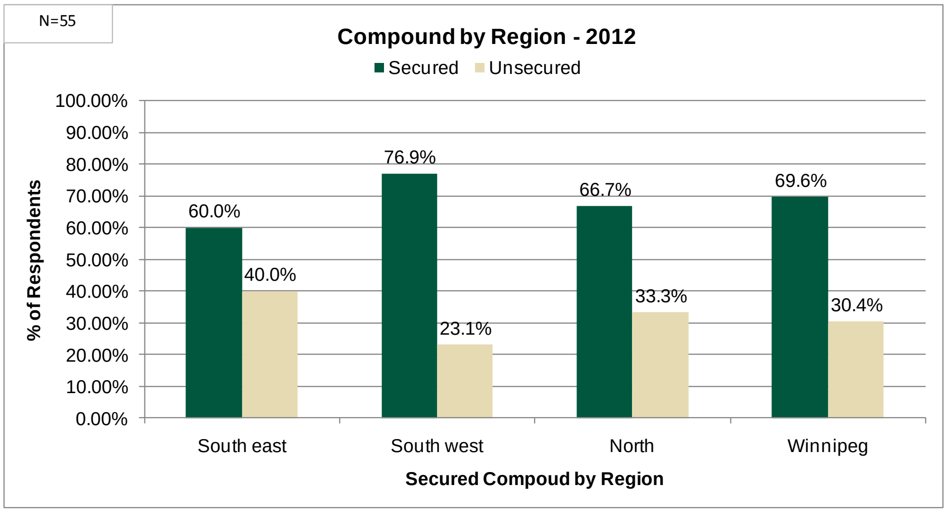
Sixty-one percent of survey respondents reported that they have a secured compound.

Figure 22 – Secured Compound



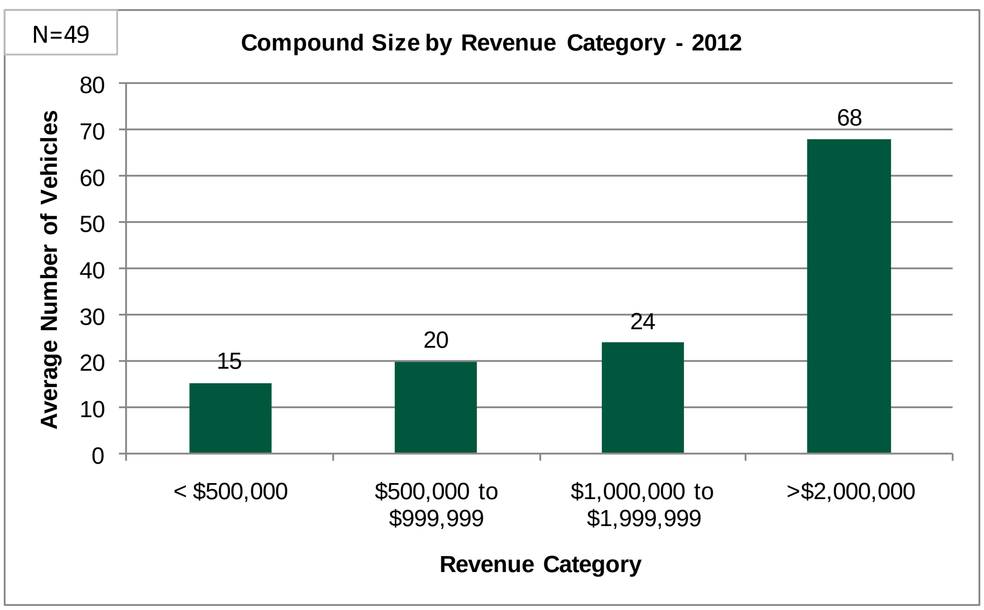
The most common type of security reported by respondents was a fence at 41.8% (33), a video camera at 15.2% (12), a monitored video camera at 7.60% (6) and “other” at 13.90% (11). ‘Other’ responses included inside vehicle storage, security patrol and monitored alarm. Respondents in the southwest were most likely to have a secured compound; respondents in the southeast least likely.

Figure 23 – Secured/Unsecured Compound by Region



Average compound size, in terms of number of vehicles, increases as revenue category increases.

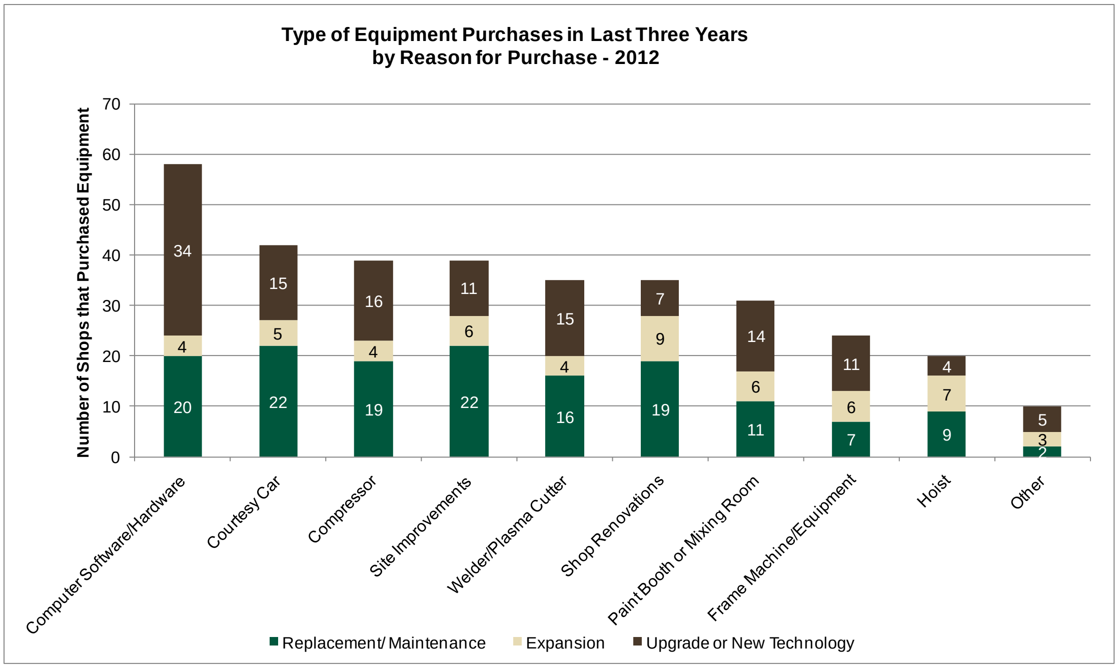
Figure 24 – Compound Size by Revenue Category



5.4.4 Equipment and Technology

Respondents reported concerns with the cost of the required equipment and technology in the collision repair industry. As shown in the figures below, the majority of collision repair businesses purchased computer software or hardware in the last three years. In total, 17.4% of equipment or technology purchases were related to computer software and hardware while courtesy car equipment and upgrades represented 12.6% of total equipment purchases in the last three years.

Figure 25 – Reason for Equipment/Technology Purchases in Last Three Years



Recent equipment and technology purchases are listed in Table 7 below. Purchases most likely to be made for the purposes of replacement and/or maintenance are shop renovations, site improvements, courtesy cars, hoists, compressors and welding/plasma cutter equipment. Purchases most likely to be made to upgrade or incorporate new technologies are computer software/hardware, frame machines/equipment, and paint booths or mixing rooms.

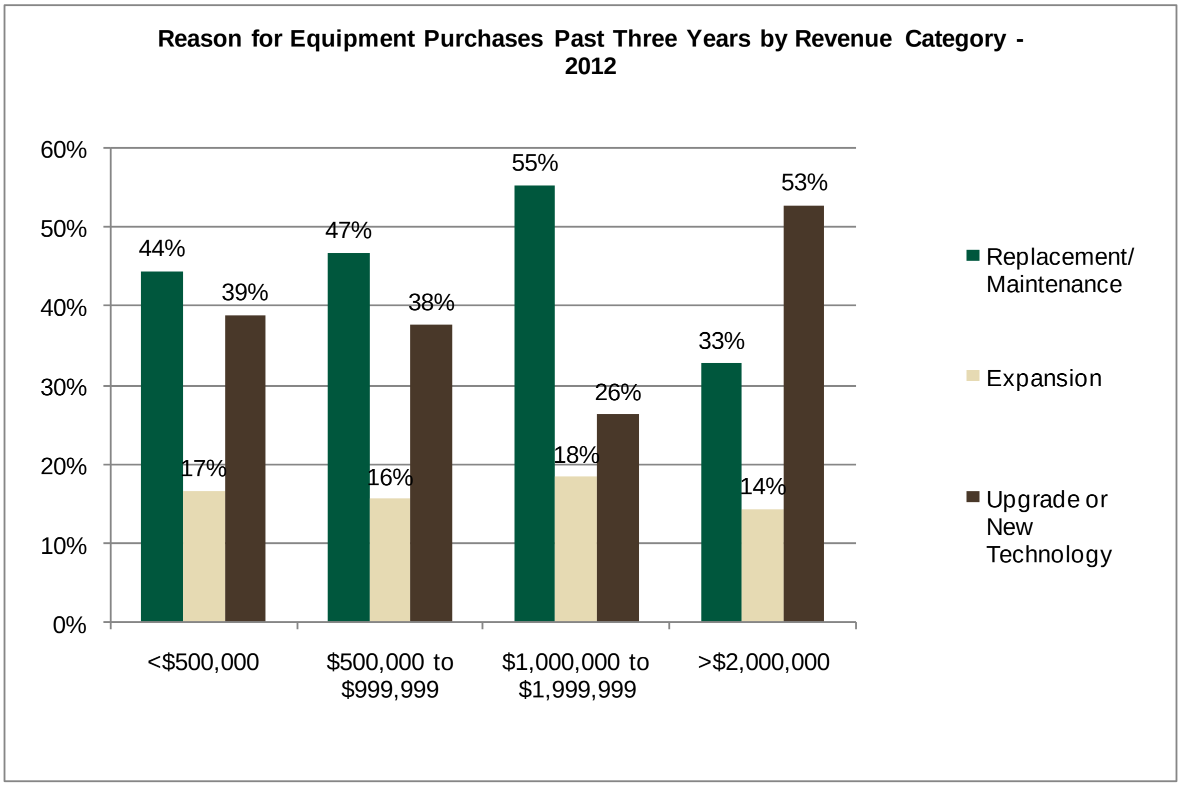
Table 7 – Equipment and Technology Purchases in Last Three Years

	Replacement/Maintenance	Expansion	Upgrade or New Technology
Paint Booth or Mixing Room	37.5%	18.8%	43.8%
Frame Machine/Equipment	29.2%	25.0%	45.8%
Welder/Plasma Cutter	45.7%	11.4%	42.9%
Compressor	48.7%	10.3%	41.0%
Hoist	45.0%	35.0%	20.0%
Courtesy Car	52.4%	11.9%	35.7%
Computer Software/Hardware	34.5%	6.9%	58.6%
Shop Renovations	54.3%	25.7%	20.0%
Site Improvements	56.4%	15.4%	28.2%
Other	20.0%	30.0%	50.0%

Other equipment purchases include: renovating facilities, signage and marketing purchases and changing operation to PCE (lean based repair system).

By revenue category, equipment purchases were more likely to be made for the purposes of replacement and maintenance in revenue categories under $1,000,000, while business with revenues of $2,000,000 or more were more likely to make equipment purchases to upgrade their facilities or incorporate new technology.

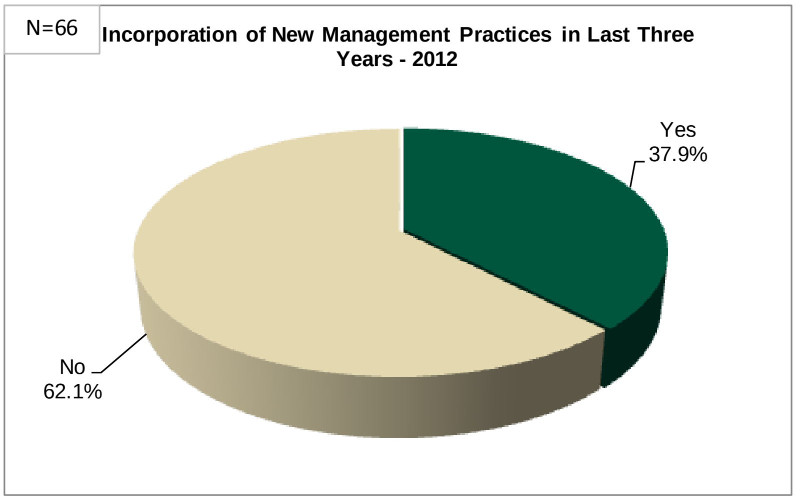
Figure 26 – Equipment Purchases Last Three Years by Revenue Category



5.4.5 Management Practices

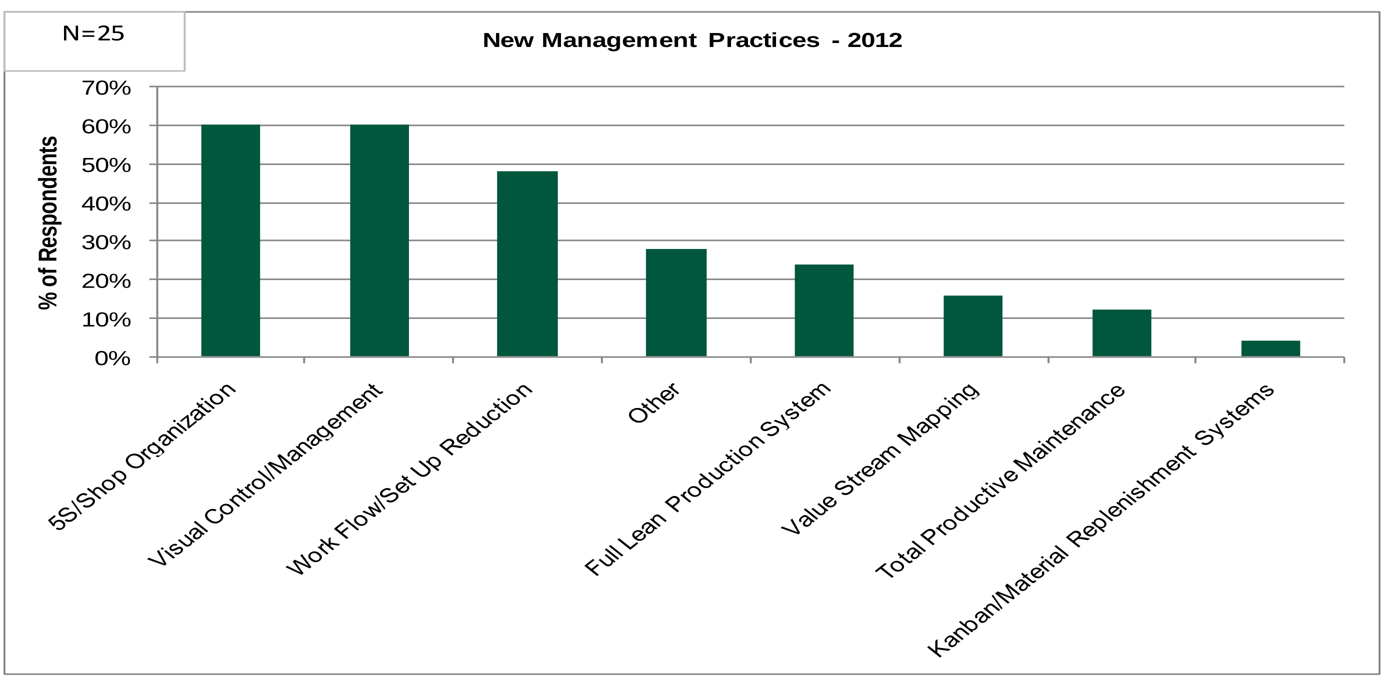
Sixty six respondents indicated whether they have incorporated new management practices in their business within the last three years. 25 of the 66 respondents (37.9%) have incorporated new management practices; 41 (62.1%) have not. 20 of the 25 shops (80%) that incorporated new management practices were in the top two revenue categories. Shops in the top two revenue categories represented approximately 66% of total responses.

Figure 27 – New Management Practices



New management practices listed were predominantly related to lean management systems. 60% (15) implemented 5S, visual control, and management. 48% (12) implemented work flow management.

Figure 28 – New Management Practices Incorporated in Last Three Years

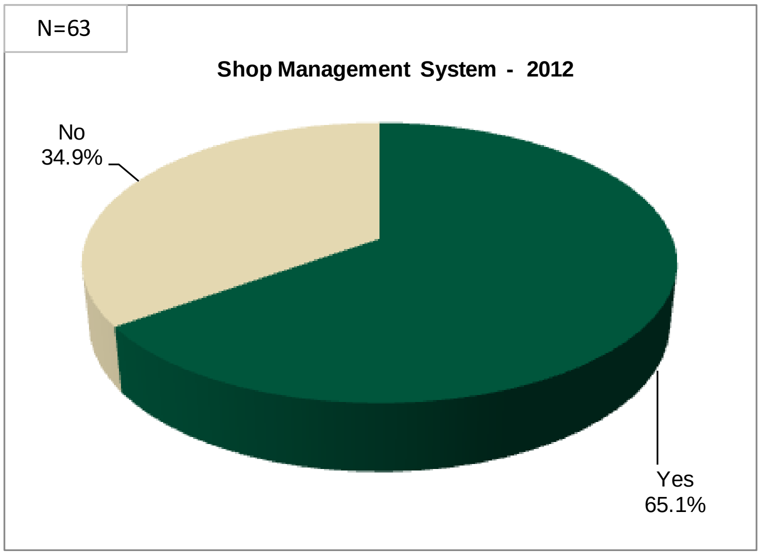


Other management practices included ISO certification and Process Cycle Efficiency (PCE).

Respondents indicated that these management practices have helped to reduce cycle times, improved the flow of work, increased productivity, and increased capacity, and have led to cost reductions.

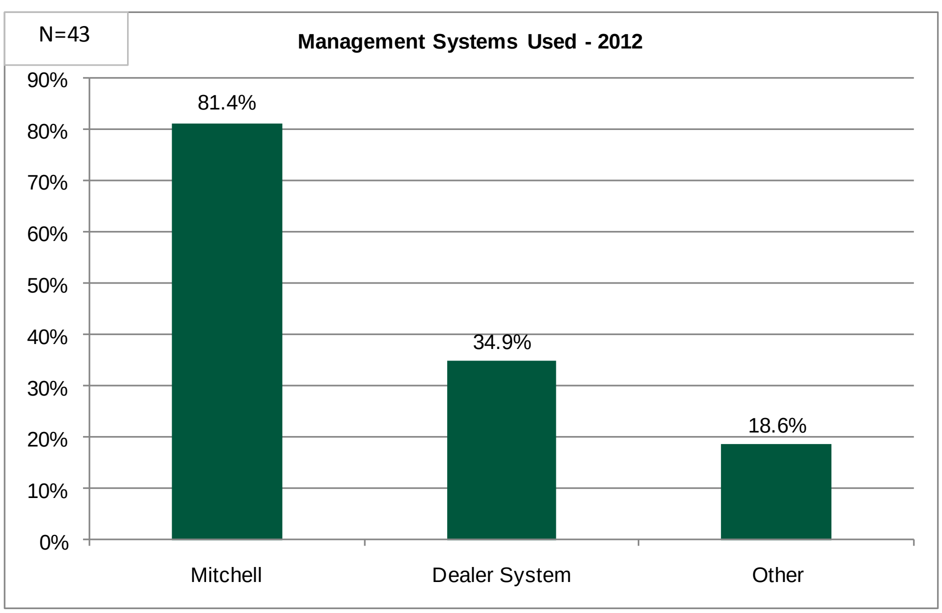
When asked if they use a shop management system in their collision repair business, 65.1% (41) of a total of 63 respondents to this question indicated they do use a management system while 34.9% indicated they do not.

Figure 29 – Use of Shop Management System



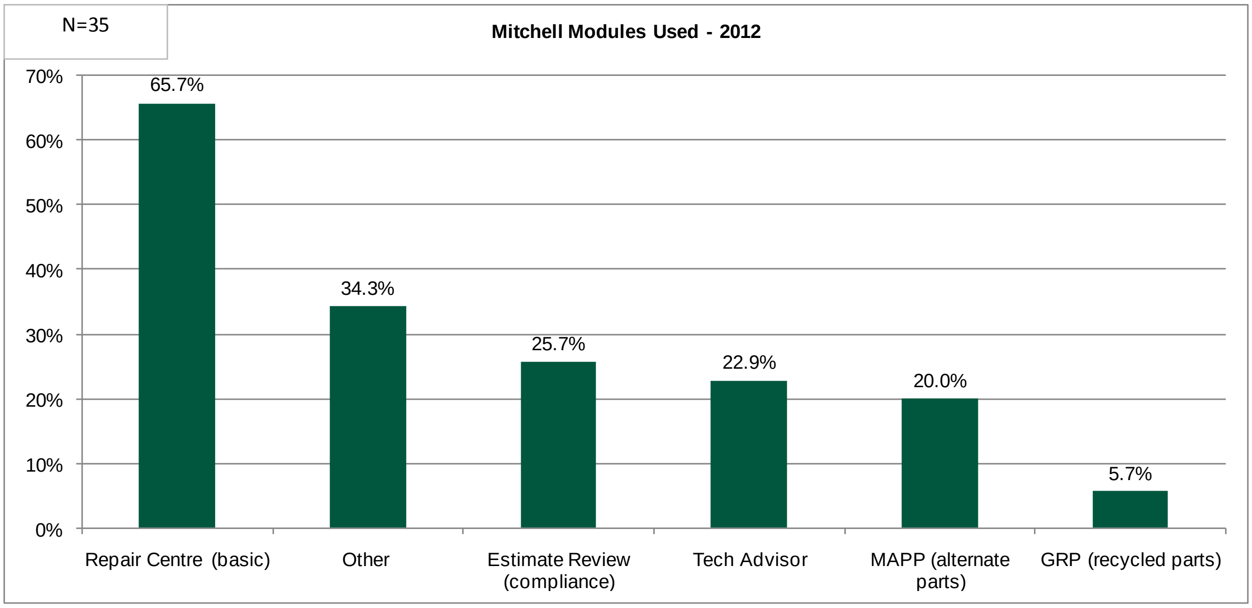
Of the respondents who do use some type of management system, 81.4 % (35) indicated that they use Mitchell, 36.6% indicated that they use a dealer system and 19.5% indicated that they use another system. The percentages above will not add to 100% because many respondents indicated that they use multiple systems.

Figure 30 – Management Systems



Of the 35 respondents that indicated they use Mitchell, 65.7% (23) use the basic module while between 5.7% and 34.5% use some other Mitchell module. Figure 30 details which Mitchell modules the 35 respondents use.

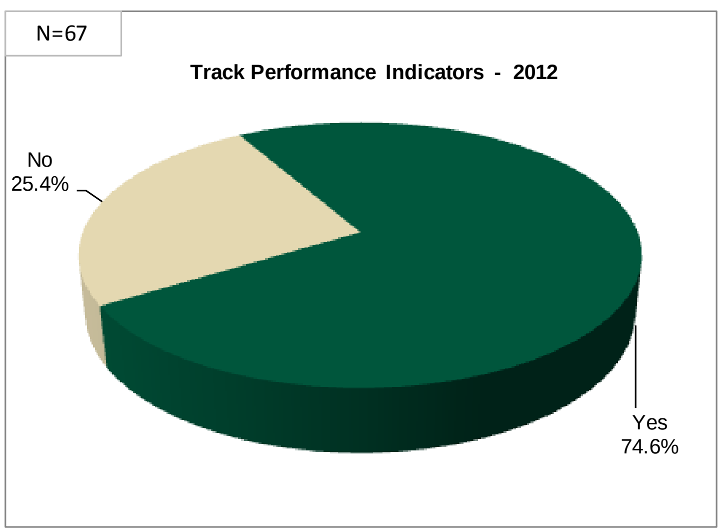
Figure 31 – Mitchell Modules Used



5.4.6 Performance Indicators

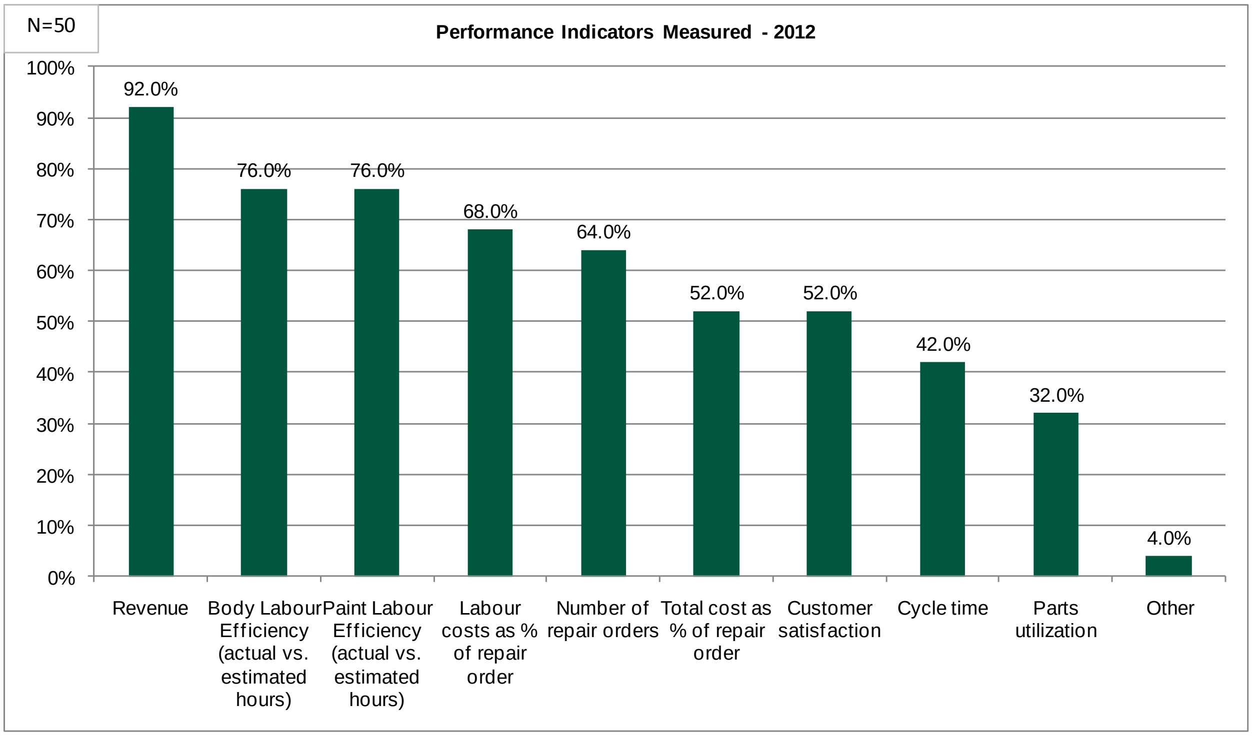
In terms of monitoring performance, survey respondents were asked if they track any performance indicators. Sixty-seven businesses responded to these questions, with 74.6% (50) indicating that they do track performance indicators and 25.4% (17) indicating that they don't track any performance indicators.

Figure 32 – Performance Indicators



The 50 respondents who indicated they track performance indicators were asked to identify the indicators they track from a list. Over 90% (46) indicated they measure revenue. The next most common indicators used are labour efficiencies for both body and paint, at 76% (38) each. Fifty-two percent track customer satisfaction; forty-two percent track cycle time.

Figure 33 – Type of Performance Indicators Measured

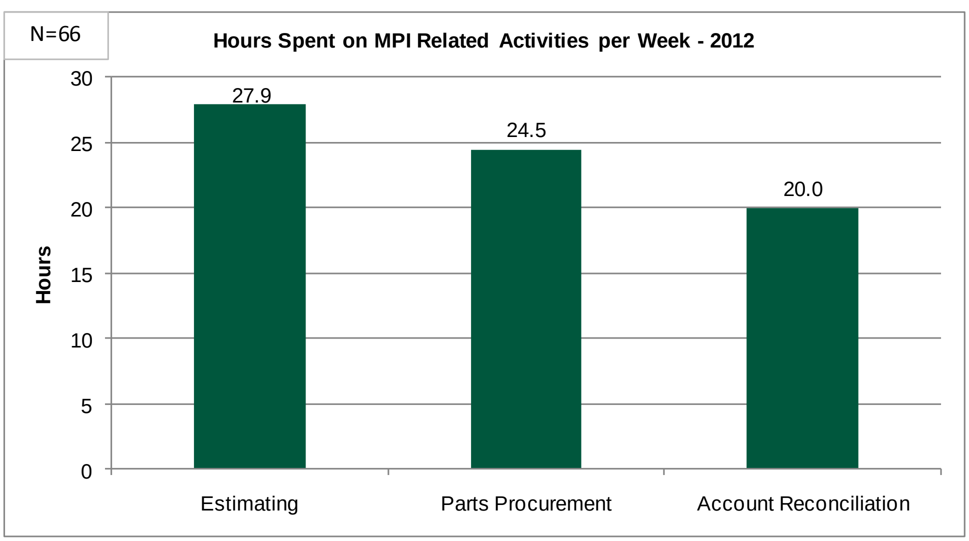


5.4.7 MPI Processes

The business processes which lead to interactions between MPI and collision repair businesses include the estimating process, parts procurement and account reconciliation.

The survey asked businesses to estimate the number of hours spent each week on each of the three business processes. Sixty-six survey respondents identified an average of 27.9 hours per week for estimating, 24.5 hours per week for parts procurement and 20 hours per week for account reconciliation.

Figure 34 – Average Number of Hours Spent on MPI Related Activities per Week



The distribution of the total hours spent on MPI related activities varies by revenue category. Businesses with revenues less than $500,000 spent the largest proportion of their time on parts procurement, those with revenues between $500,000 and $999,999 and over $2,000,000 spent the most time on estimating, and businesses with revenue between $1,000,000 and $1,999,999 reported the highest proportion of their time was spent on account reconciliation.

Figure 35 – Percentage of Time Spent on Specific MPI Related Activities – by Revenue Category

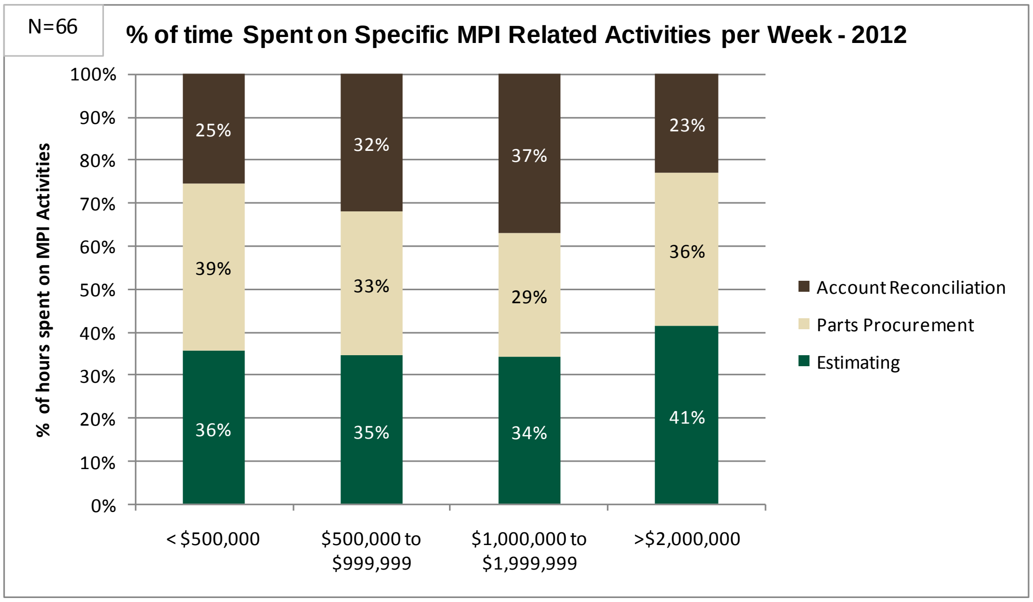


Figure 36 – Hours Spent on MPI Related Activities by Revenue Category - 2012

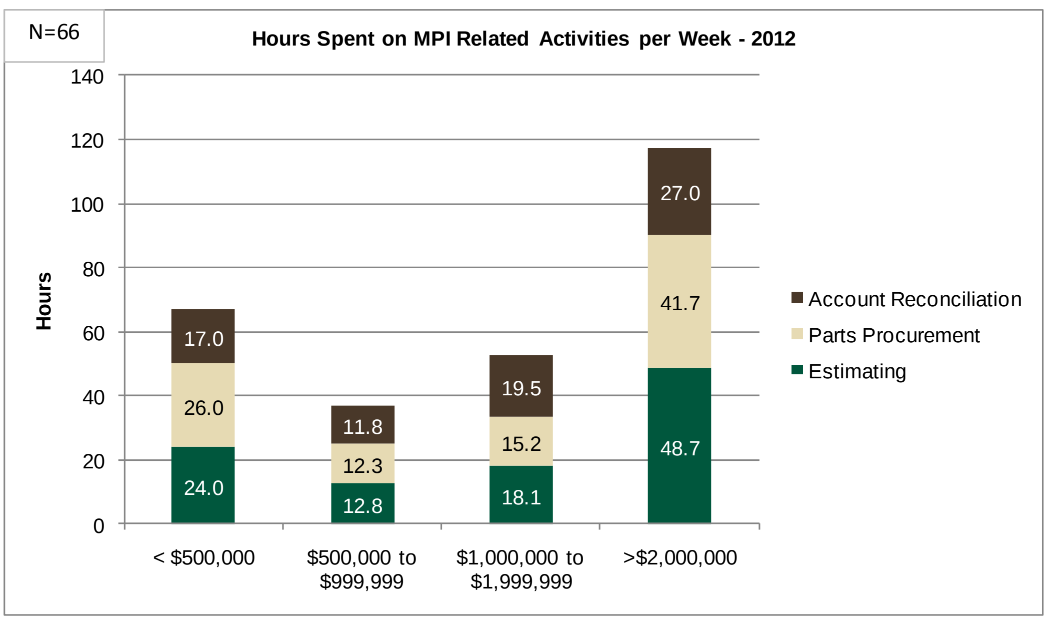
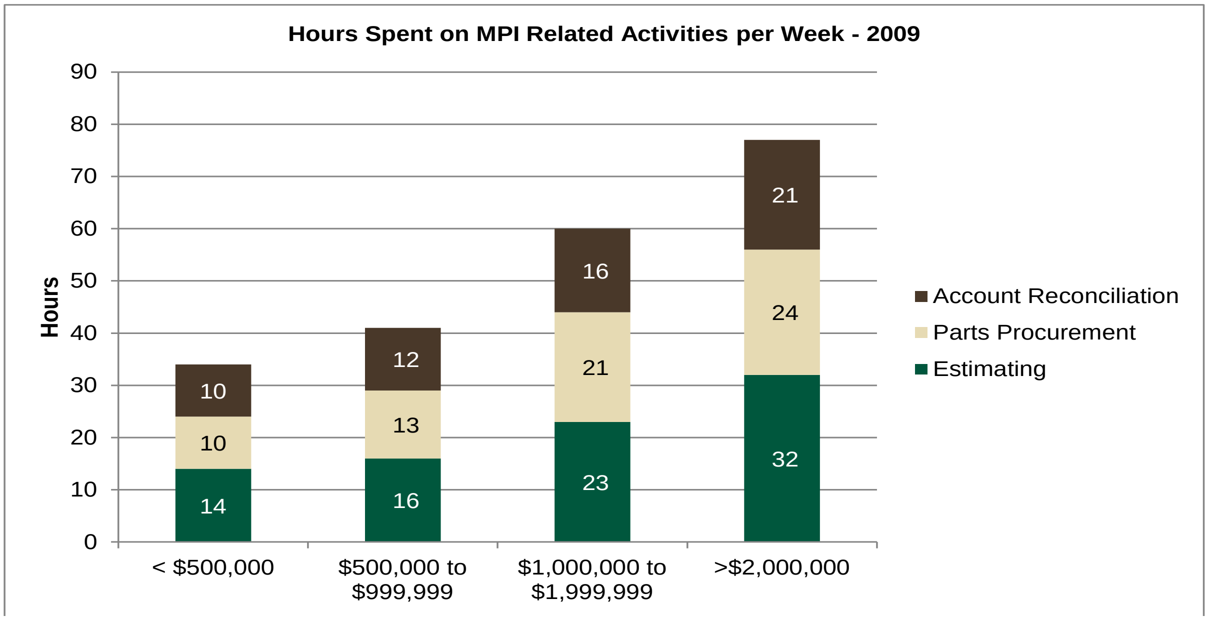


Figure 37 – Hours Spent on MPI Related Activities by Revenue Category - 2009



Compared to the 2009 survey, time spent on parts procurement increased for business with revenues less than $500,000 and greater than $2,000,000. Account reconciliation increased in the lowest and highest revenue categories, and decreased in the middle two revenue categories. Estimating followed the same pattern, increasing in the lowest and highest revenue categories and decreasing in the middle two revenue categories. On average, the total number of hours spent on all MPI related activities increased from 2009 to 2012 in the lowest and highest revenue categories.

Table 8 – Number of Hours Spend on MPI Processes per Payment by Revenue Category

2012	Average Number of Hours Per Payment							
	Estimating		Parts Procurement		Account Reconciliation		Total	
	2009	2012	2009	2012	2009	2012	2009	2012
< $500,000	3.95	4.92	2.82	5.34	2.82	3.49	9.60	13.75
$500,000 to $999,999	1.74	1.43	1.42	1.38	1.31	1.33	4.47	4.14
$1,000,000 to $1,999,999	1.37	1.15	1.25	0.96	0.95	1.24	3.57	3.34
> $2,000,000	0.84	1.37	0.63	1.17	0.55	0.76	2.01	3.30

To compare the time spent per payment by category, the estimated time per week was annualized, and then divided by the average number of payments for the respective revenue category. According to respondent estimates in both 2009 and 2012, larger shops typically spend less administrative time per payment than smaller shops. Small shops estimated almost 14 hours of time on administrative processes per MPI payment. Given the small sample of these shops reporting, the result for this group may not be reliable.

The results from the other groups indicate shops typically spend approximately 3 to 4 hours per payment. The average time by category decreased slightly for shops with revenue between $500,000 and $2 million. Shops with over $2 million indicated a significant increase in time in the 2012 survey, with the biggest increases in estimating and parts procurement.

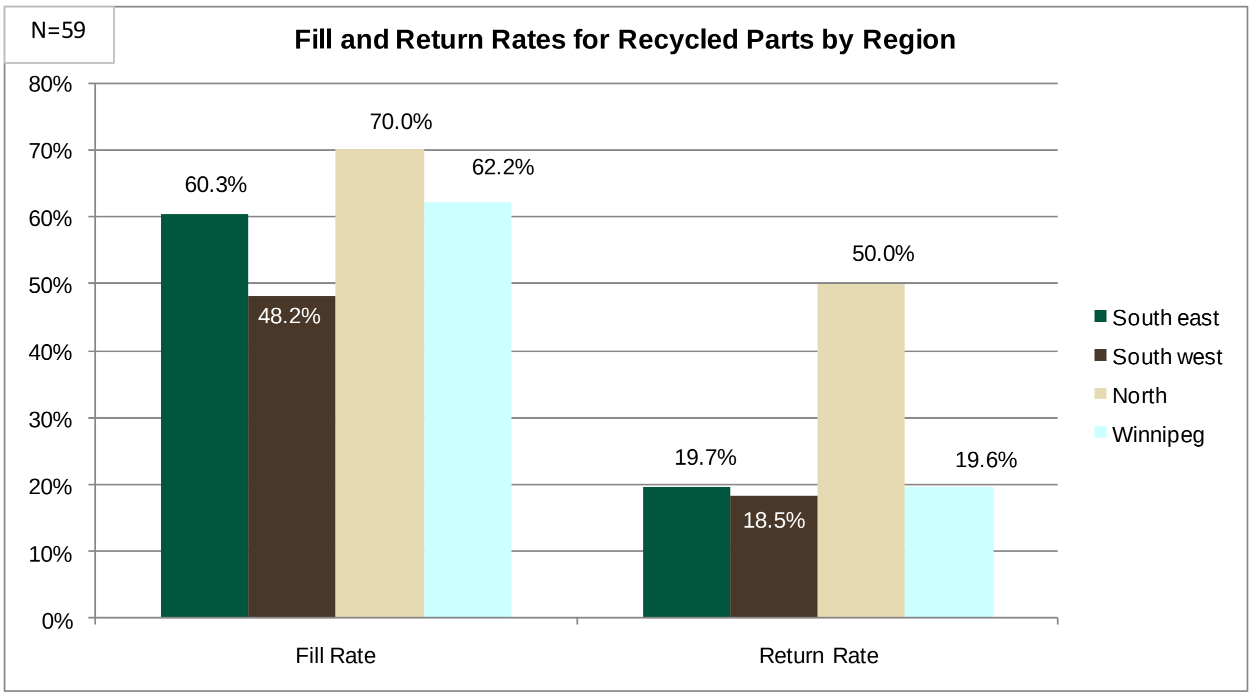
Respondents were also asked to estimate their Fill Rate, defined as the average percentage of orders received, and Return Rate for recycled parts in the last year. Return rate is defined as the average percentage of received parts that were returned or unusable. Less than two thirds of orders were filled, and of these 21% were returned. This indicates shops are able to successfully obtain re-cycled parts for approximately 4 out of 10 orders.

Table 9 – Recycled Parts - 2012

Recycled Parts	Percentage
Average Fill Rate	57.1%
Average Return Rate	21.0%

Fill rates vary by region, with the highest fill rate in Northern Manitoba. Northern Manitoba also has the highest return rate (results based on a small sample).

Figure 38 – Fill and Return Rates for Recycled Parts by Region



5.4.8 Relationship with MPI

Survey respondents were asked to comment on the business relationship with MPI, taking into consideration what is working well, and areas for improvement. A summary of the most frequent responses is shown below:

Please note: the following reflects the view of respondents, not analysis or review of the processes by MNP.

What is working well in your relationship with MPI?

1. Communication and trust between MPI staff, especially estimators and adjusters and body shops is working well.
2. New technologies such as E-glass and the photo imaging system have helped to speed up processes.
3. Claims are paid promptly and direct deposits in particular increase timeliness of payments.
4. Approval times have improved – now within 24 hours.

What improvements could be made to the business relationship with MPI?

1. **More accurate, consistent estimation process**
    - Estimates are often inaccurate, requiring supplemental estimates and resultant delays.
    - Over-rides on the Ultramate estimation system create inconsistency.
    - Increasing the amount of time Estimators can spend examining vehicles and completing their estimates would result in more accurate estimates and fewer amendments.
    - Policies and procedures are not clearly communicated and are not followed consistently by all claim centres and estimators, resulting in confusion and delays.

2. **MPI processes need more automation**

- Inefficient MPI processes result in uncompensated administrative work and increased repair times on vehicles. Shops are often left footing the bill for courtesy car rentals that are the result of delays caused by MPI.
- Using Mitchell software to generate supplements would increase efficiencies.
- Availability of online pricing and procedures for common materials could reduce time spent checking with adjusters.
- Enable electronic submission of all required forms.

3. **Better communication, trust, and accountability from MPI**

- The relationship with MPI is seen by many as adversarial, and based on cost-containment with little consideration for customer satisfaction.
- Providing shops with more detail regarding the accident and initial estimate, including photos, would assist shops in determining if additional damage is related to the current claim.
- Better and timelier communication with shops regarding policies, changes and explanation of short-pays would reduce required interaction on each job.
- More accountability is needed in terms of delays, poor quality estimates.

4. **Aftermarket and recycled parts polices and processes**
    - The lower price of recycled and aftermarket parts is often more than offset by delays to vehicle repair because of delivery times and poor fitting or poor quality parts. The delays affect shop productivity and customer satisfaction.
    - Inaccurate parts pricing results in increased administrative time.

5.5 Human Resources

The survey asked employers about their current staff complement, demographics, compensation and benefit programs, turnover, future labour needs and training for the following identified positions:

- Journeyperson Body Repairer (JBR)
- Journeyperson Equivalent Body Repairer (JEBR)
- Apprentice Body Repairer (ABR)
- Journeyperson Painter (JBP)
- Apprentice Painter (ABP)
- Other Shop Floor Staff
- CSR/Estimator/Service Advisor (CSR)
- Supervisor
- Parts Person
- Management/Administrative Staff
- Owner

5.5.1 Current Employment

Sixty-seven respondents provided detailed information regarding the number and demographics of their employees, by position. Responding businesses reported a total of 681 employees. Similar to the results of the 2009 study, 94% of all employees work full-time.[1]

The average age of journeyperson body repairers is 43, 42 for Journeyperson equivalent body repairers and 43 for journeyperson painters. There are 3 females working as technicians out of 380 individuals working in these positions (<1%), all 3 of whom are apprentices.

Compared to the 2009 study, the average age of journeyperson body repairers and journeyperson painters has increased from 42 to 43, while the age of apprentice painters has decreased from 28 to 24.

Table 10 – Employment Status and Demographics by Position - 2012

2012	JBR	JEBR	ABR	JBP	ABP	Other Shop	CSR	Super-visor	Parts	Mgmt/ Admin
Part Time	1	2	4	1	4	13	6	1	1	6
Full Time	136	50	58	104	20	88	62	16	26	82
Female	0	0	2	0	1	6	32	0	5	35
Average Age	43	42	25	43	24	28	37	44	40	40
55 and over[2]	6	5	0	0	0	4	2	2	3	6

[1] For the purposes of this survey, full-time was defined as 30 hours or more per week
[2] Data for '55 and over' may be somewhat underestimated, as respondents provided an average age for positions with more than one incumbent.

Table 11 – Employment Status and Demographics by Position - 2009

	JBR	JEBR	ABR	JBP	ABP	Other Shop	CSR	Super-visor	Parts	Mgmt/ Admin
Part Time	6	7	4	8	0	9	7	1	4	14
Full Time	167	81	72	141	48	109	85	43	27	118
Female	1	0	6	0	7	5	38	2	5	67
Average Age	42	42	25	41	28	30	39	44	41	45
55 and over	3	1	0	3	0	2	4	8	6	11

Tables 12 to 14 represent the average and median number of individuals by position as reported by employers responding to the survey in 2009 and 2012. In 2012, the median, or 'typical' staff complement includes five shop and two office staff (not including owners). This is consistent with the data reported in the 2009 study.

Table 12 – Average and Median Employees per Business by Position - 2012

2012	Full Time		Part Time	
Position	**Average**	**Median**	**Average**	**Median**
Journeyperson Body Repairer	2.1	2	0.0	0
Journeyperson Equivalent Body Repairer	0.8	0	0.0	0
Apprentice Body Repairer	0.9	1	0.1	0
Journeyperson Painter	1.6	1	0.0	0
Apprentice Painter	0.3	0	0.1	0
Other Shop Floor Staff	1.3	1	0.2	0
CSR/Estimator/Service Advisor	0.9	1	0.1	0
Supervisor	0.2	0	0.0	0
Parts Person	0.4	0	0.0	0
Management / Administrative Staff	1.2	1	0.1	0

Table 13 – Average and Median Employees per Business by Position - 2009

2009	Full Time		Part Time	
Position	**Average**	**Median**	**Average**	**Median**
Journeyperson Body Repairer	1.7	1	.06	0
Journeyperson Equivalent Body Repairer	0.8	1	.07	0
Apprentice Body Repairer	0.7	1	.04	0
Journeyperson Body Painter	1.42	1	.08	0
Apprentice Body Painter	0.48	0	0	0
Other Shop Floor Staff	1.10	1	.09	0
Customer Service/Estimator	0.86	1	.07	0
Production Supervisor / Foreperson	0.43	0	.01	0
Parts	0.27	0	.04	0
Management / Administrative Staff	1.19	1	.14	0

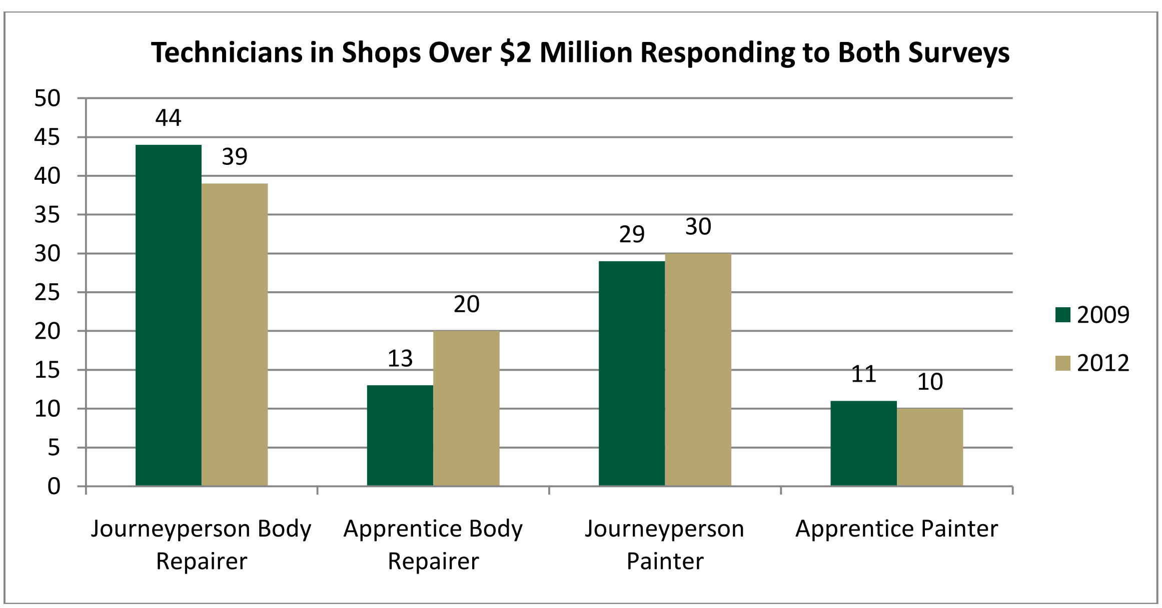
Table 14 – "Typical" Staff Complement by Revenue Category

Median Full Time Employees by Position	< $500,000		$500,000 to $999,999		$1,000,000 to $1,999,999		>$2,000,000	
	2009	2012	2009	2012	2009	2012	2009	2012
Journeyperson Body Repairer		1.0	1.0	1.0	1.0	2.0	3.0	3.0
Journeyperson Equivalent Body Repairer				1.0	1.0			
Apprentice Body Repairer				1.0	1.0	1.0	1.0	1.0
Journeyperson Painter		1.0	1.0	1.0	1.0	1.0	3.0	3.0
Apprentice Painter								
Other Shop Floor Staff						1.5		1.0
CSR/Estimator/Service Advisor						1.0		1.5
Supervisor								
Parts Person								1.0
Management / Administration				1.0		1.0		1.0
Total		**2.0**		**5**		**7.5**		**11.5**

By revenue category, 2009 and 2012 responses indicate that while the number of journeyperson technicians increases as revenue increases, the ratio of journeypersons to apprentices declines. *(Typical staff complement was calculated only for technical positions in 2009).*

Given the change in respondent pool, MNP compared the number of journeypersons and apprentices in the 24 shops with over $2 million in revenue that answered both the 2009 and 2012 surveys to determine any change in employment. The count is shown on the chart below. The most notable changes are a reduction of 5 journeyperson body repairers, and an increase of 7 apprentices. While significant within the category, these changes were not sufficient to change the median as reported above.

Figure 39 – Technicians in Shops over $2 Million Responding to Both Surveys



5.5.2 Compensation

Employers responding to the survey reported annual wages as shown in Table 15 below.[3]

Table 15 – Annual Pay, by Position - 2012

Annual Pay for Full Time Employees - 2012	Low	High	Average
Journeyperson Motor Vehicle Body Repair	31,000	100,000	59,344
Journeyperson equivalent	28,000	84,000	50,401
Apprentice Body Repair	20,000	54,532	32,733
Painter	28,000	104,346	63,941
Apprentice Painter	20,000	50,000	33,680
Other Shop Floor Staff	13,397	40,000	25,552
Estimator / Service Advisor / Customer service	20,000	48,000	33,026
Shop supervisor / Foreperson	30,000	80,517	54,758
Parts person	25,000	48,000	35,965
Management / Administration	18,000	91,000	52,093

Comparing the results of the 2009 and 2012 studies, the average annual pay for full time employees showed increases in every position except Estimator/Service Advisor/Customer Service. Survey respondents reported the largest growth in pay in the Shop Supervisor/Foreperson position followed by Apprentice Painter. The table below compares the average annual pay for each position in the 2009 and 2012 studies.

Table 16 – Comparison of Average Annual Pay by Position – 2009 to 2012

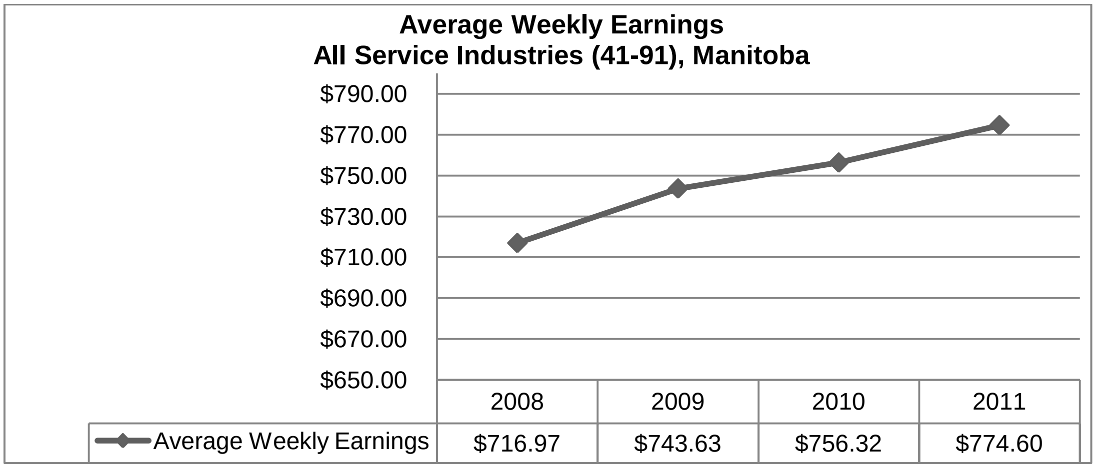
Annual Pay for Full Time Employees	2009 Study	2012 Study	Three Year Increase	Implied Annual Growth
Journeyperson Motor Vehicle Body Repair	56,185	59,344	5.6%	1.8%
Journeyperson Equivalent	47,838	50,401	5.4%	1.8%
Apprentice Body Repair	30,110	32,733	8.7%	2.8%
Painter	63,639	63,941	0.5%	0.2%
Apprentice Painter	29,814	33,680	13.0%	4.1%
Other Shop Floor Staff	25,033	25,552	2.1%	0.7%
Estimator / Service Advisor / Customer service	34,277	33,026	-3.6%	-1.2%
Shop supervisor / Foreperson	47,345	54,758	15.7%	5.0%
Parts person	34,888	35,965	3.1%	1.0%
Management / Administration	49,413	52,093	5.4%	1.8%

[3] Bottom and top 5% removed from analysis as outliers in both Table 15 and Table 16. This results in some variance from the simple average presented in the 2009 report.

Given the change in respondent pool, MNP also analyzed compensation by position for shops that responded to both surveys. The results indicate increases in both the range and median annual pay for journeyperson body repairers in the $500,000 to $1 MM and the $1-2 MM revenue categories. The range for shops in the over $2 million revenue category compressed, with a higher minimum and a lower maximum, resulting in no net change in the median.

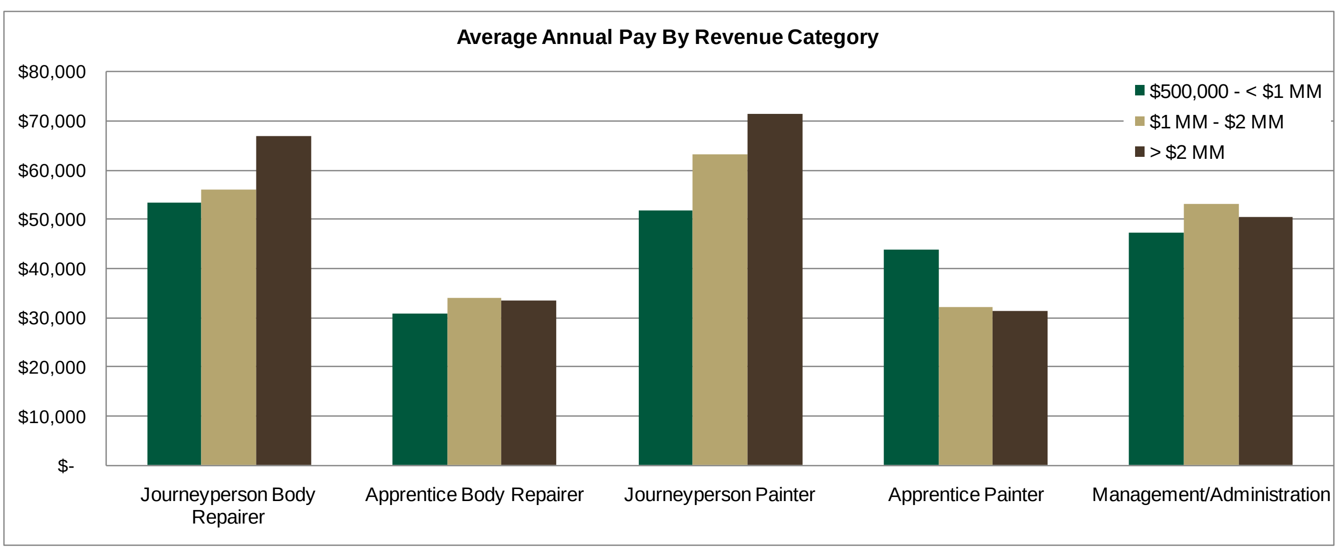
For context, average weekly earnings for service producing industries in Manitoba increased by 8% from 2008 to 2011 according to Statistics Canada's Employment, Earnings and Hours Report[4]. It must be further noted, however, that as shown in Figure 42 below, the majority of shops provide a flat rate incentive system for technicians. This type of incentive system has the effect that annual pay for technicians is also influenced by volume of work, and work shifting within a shop.

Figure 40 – Average Weekly Earnings



Average annual pay for journeyperson technicians is higher in the higher revenue categories. This is expected to be related to the available volume of work, as a large majority of employees in these roles are compensated on a flat rate basis.

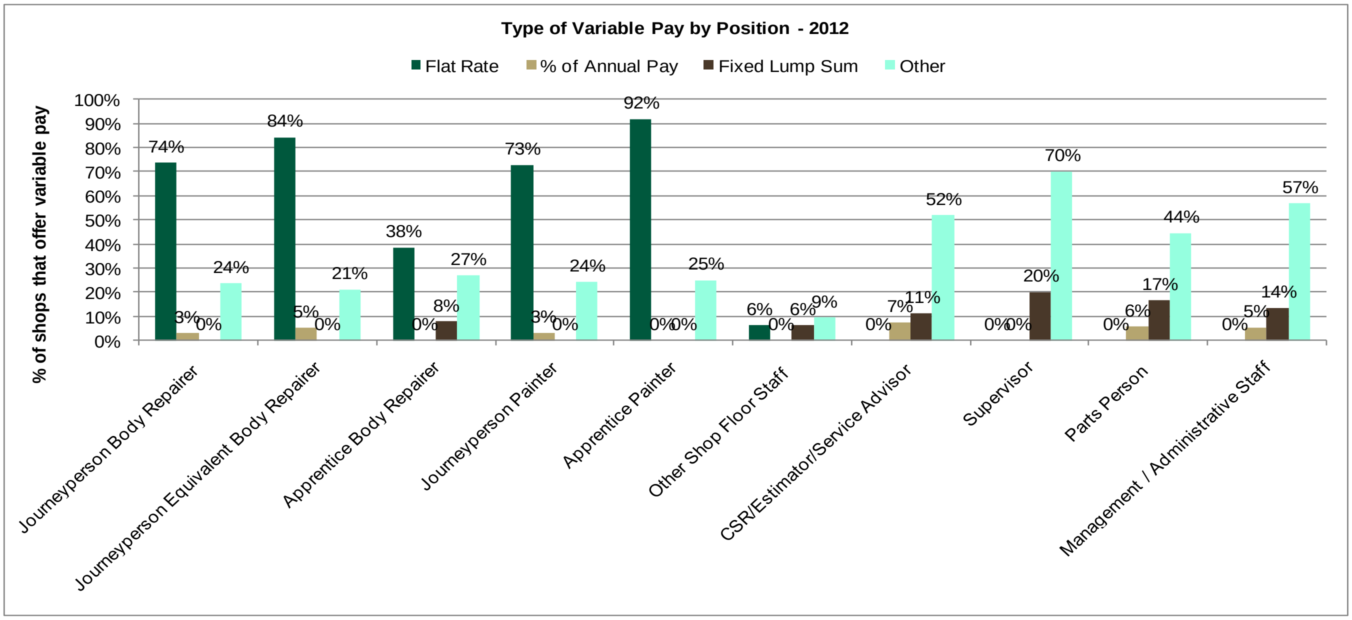
Figure 41 – Average Annual Pay by Revenue Category – 2012



[4] Statistics Canada, Catalogue No. 72-002-X, March 2012.

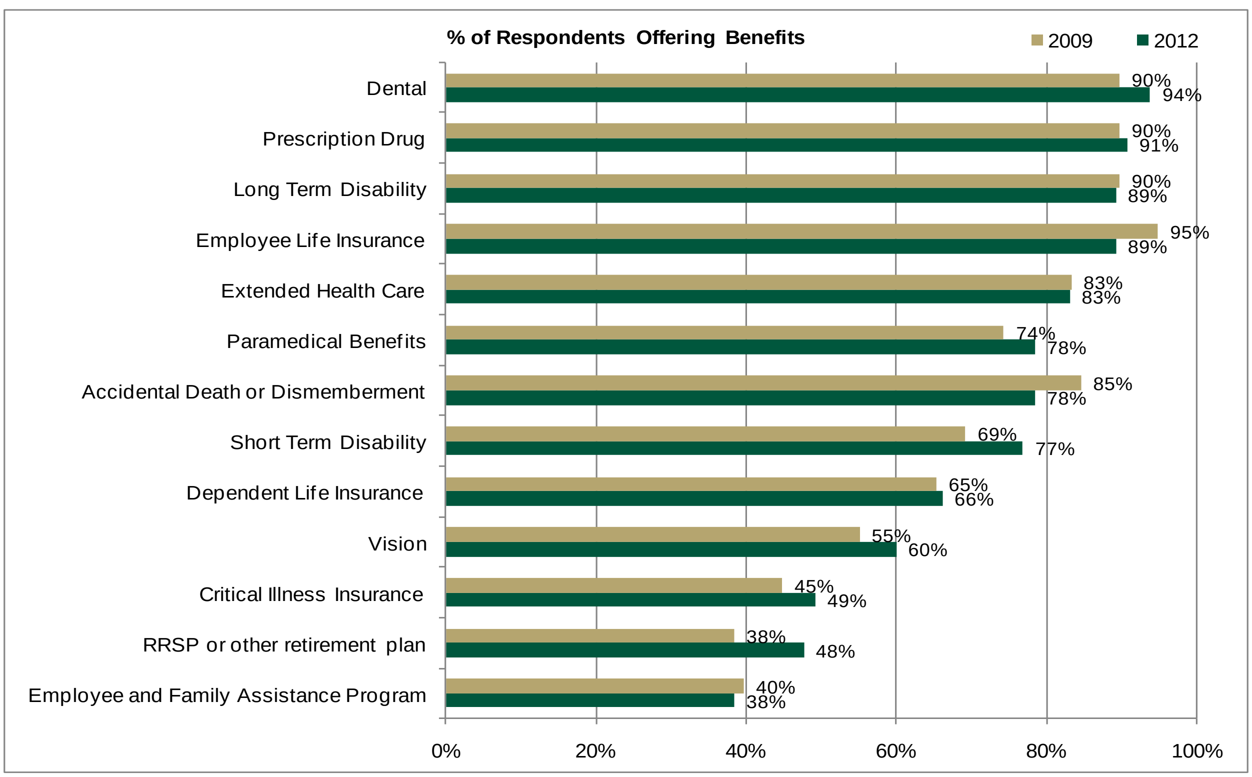
Sixty percent of survey respondents reported some form of variable pay. Technicians were most likely to receive flat rate or other production based bonuses, while management and other office staff were more likely to receive bonuses based on shop profit or revenue targets.

Figure 42 – Type of Variable Pay by Position - 2012



Ninety-six percent of the 68 responding businesses offered some form of benefits to their employees. This represents an 11% increase from 2009. The majority of businesses indicated they pay a portion of the premiums for all benefits offered to employees.

Figure 43 – Comparison of Types of Benefits Offered – 2009 to 2012



5.5.3 Recruitment and Retention

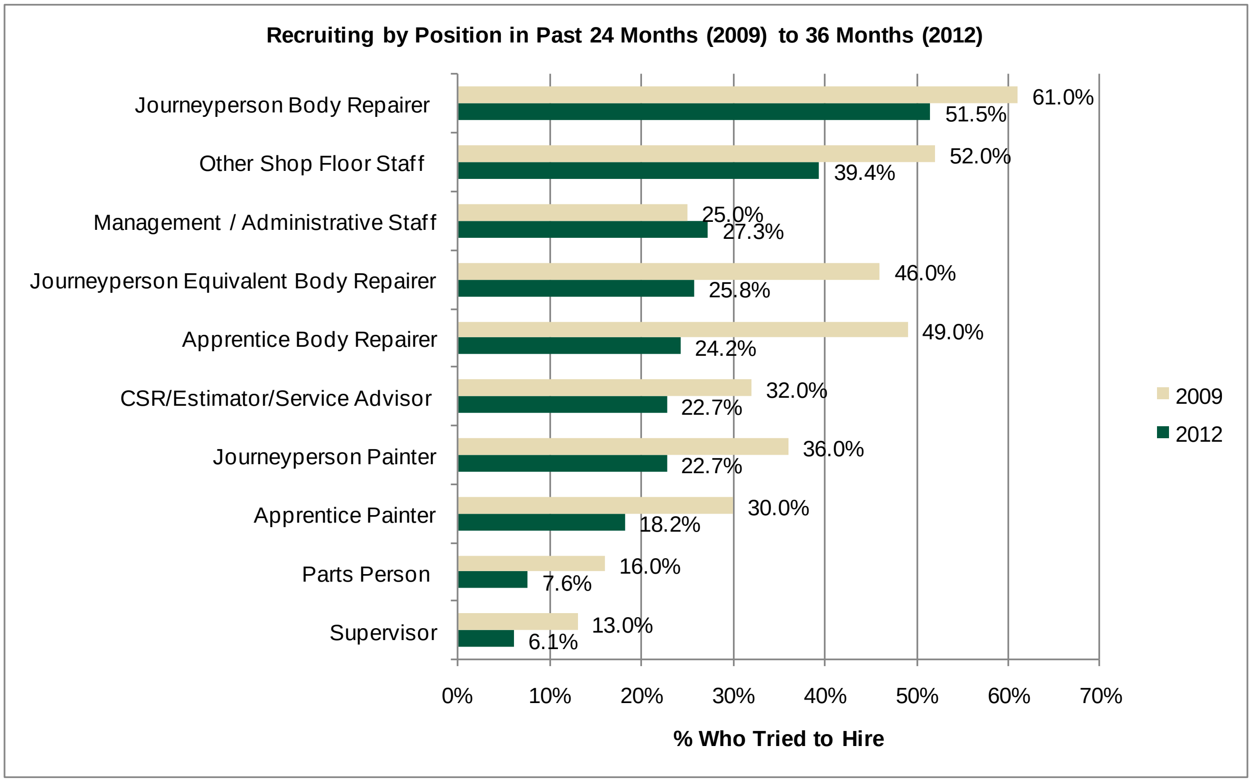
Businesses were asked how many employees left in the past three years. The highest rate of turnover was among Apprentice Painters (108%), Other Shop Floor Staff (92%) and Estimators/Customer Service positions (75%). The lowest turnover rates were found in the parts person and management and administrative staff. To make comparisons to the 2009 study, an average annual rate was calculated. This data indicates the rate of turnover decreased for all positions with the exception of apprentice body repairers, which remained constant, and apprentice painters, which increased by approximately 13%.

Table 17 – Turnover - 2012

	2012		2009
	Total Employees Reported	Average Annual Turnover Rate	Average Annual Turnover Rate
Journeyperson Body Repairer	137	17.0%	27.2%
Journeyperson Equivalent Body Repairer	52	19.9%	27.3%
Apprentice Body Repairer	62	18.3%	18.4%
Journeyperson Painter	105	7.9%	11.4%
Apprentice Painter	24	36.1%	22.9%
Other Shop Floor Staff	101	30.7%	67.8%
CSR/Estimator/Service Advisor	68	25.0%	40.2%
Supervisor	17	13.7%	20.5%
Parts Person	27	7.4%	22.6%
Management / Administrative Staff	88	11.0%	15.2%

Of the 66 businesses that responded to this section, the most frequent position recruited was Journeyperson Body Repairer, which 51.5% of respondents reported trying to hire in the past 36 months.

Figure 44 – Positions Recruited



Overall, the 2012 study indicated recruiting efforts decreased from 2009 to 2012. The largest decreases were seen in efforts to recruit journeyperson equivalent body repairers and apprentice body repairers. There was a slight increase in efforts to recruit management/administrative staff.

Table 18 – Comparison of Positions Employers Recruited in Past 24 to 36 Months

	2009 (24 months)	2012 (36 months)	Difference
Journeyperson Body Repairer	61%	51.5%	-9%
Other Shop Floor Staff	52%	39.4%	-13%
Management / Administrative Staff	25%	27.3%	+2.3%
Journeyperson Equivalent Body Repairer	46%	25.8%	-20%
Apprentice Body Repairer	49%	24.2%	-25%
Journeyperson Painter	36%	22.7%	-13%
CSR / Estimator / Service Advisor	32%	22.7%	-9%
Apprentice Painter	30%	18.2%	-12%
Parts Person	16%	7.6%	-8%
Supervisor	13%	6.1%	-7%

Recruitment efforts for journeyperson body repairers took the longest, at an average of approximately 6 months. Businesses reported periods of 2 to 3 ½ months to recruit most other positions, with CSR/Estimator/Service advisor positions generally taking the least amount of time to fill at approximately 1 ½ months.

Table 19 shows the average length of time to fill vacancies generally decreases as revenue category increases. Categories with fewer than five respondents have not been reported.

Table 19 – Average Time to Fill Vacancy by Revenue Category

2012	Average Number of Months to Fill Position		
	$500,000 to $999,999	$1,000,000 to $1,999,999	>$2,000,000
Journeyperson Body Repairer	11.0	3.6	4.5
Journeyperson Equivalent Body Repairer		1.7	1.6
Apprentice Body Repairer	4.0		2.4
Journeyperson Painter			2.6
Apprentice Painter		2.4	0.8
Other Shop Floor Staff	5.7	1.6	1.3
CSR/Estimator/Service Advisor		1.8	1.8
Supervisor			
Parts Person			3.8
Management / Administrative Staff			3.0

A comparison of the average length of time reported for recruitment efforts in the 2009 and 2012 surveys indicates a significant reduction in the time required to find employees for positions in the technician group and CSR/Estimator/Service Advisors. However, a comparison of the data reported in the top two revenue categories for each study shows much smaller differences across all positions.

Figure 45 – Average Time Required to Fill Vacancy – 2009 and 2012

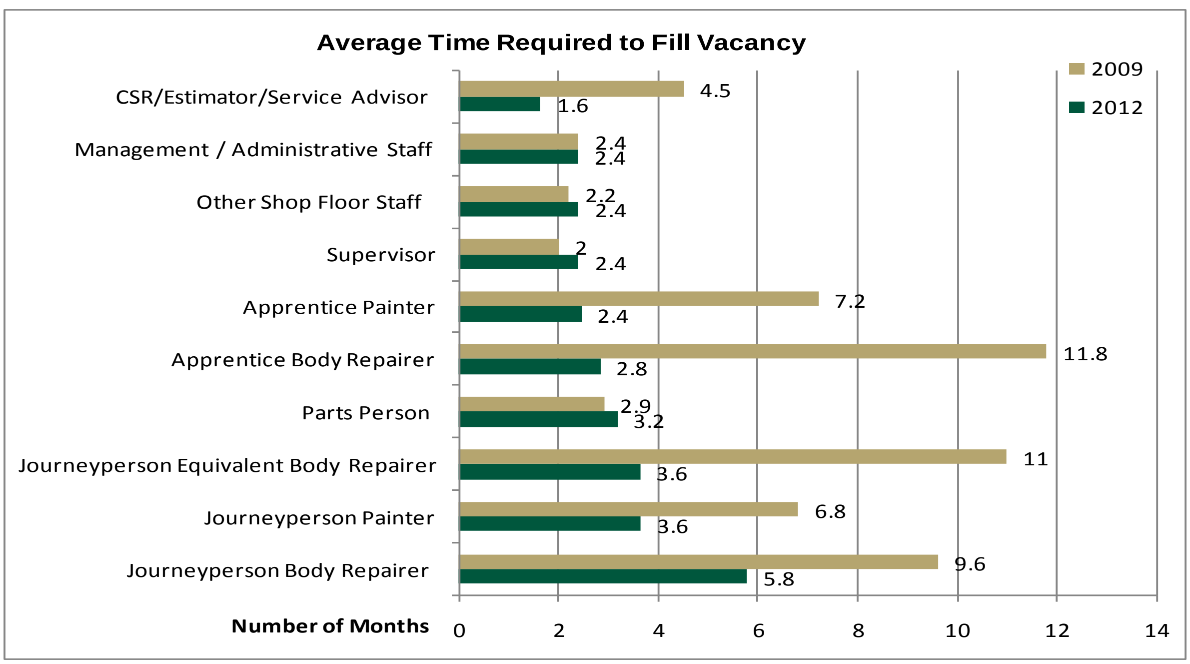


Table 20 – Average Time Required to Fill Vacancy for Revenue over $1,000,000 – 2009 and 2012

Average Number of Months to Fill Position	2009		2012	
	$1,000,000 to $1,999,999	>$2,000,000	$1,000,000 to $1,999,999	>$2,000,000
Journeyperson Body Repairer	6.33	5	3.6	4.5
Journeyperson Equivalent Body Repairer	7.9	2.6	1.7	1.6
Apprentice Body Repairer	6.96	7.17		2.4
Journeyperson Painter	5.49			2.6
Apprentice Painter	9.3	5.6	2.4	0.8
Other Shop Floor Staff	2.3	1.0	1.6	1.3
CSR/Estimator/Service Advisor	5.8	3.3	1.8	1.8
Supervisor	2.13	2.2		
Parts Person		4.1		3.8
Management / Administrative Staff	2.8	1.9		3.0

The highest demand position in the next three years is for Body Repairers (journeyperson or journeyperson equivalent), with respondents indicating 64 are needed in the next three years.

Table 21 – Staff Requirements in Next Three Years

Additional Staff Needs in Next Three Years	Additional Requirements	2012 Reported Employees	Replacement Rate
Journeyperson Body Repairer	51.5	137	37.6%
Journeyperson Equivalent Body Repairer	12	52	23.1%
Apprentice Body Repairer	29	62	46.8%
Journeyperson Painter	27.5	105	26.2%
Apprentice Painter	25	24	104.2%
Other Shop Floor Staff	39	101	38.6%
CSR / Estimator / Service Advisor	24	68	35.3%
Supervisor	11	17	64.7%
Parts Person	9	27	33.3%
Management / Administrative Staff	11	88	12.5%

To determine overall future demand based on these replacement and growth rates, the overall population of technicians first needs to be estimated.

Respondents represent approximately 55% of MPI collision repair business. If the reported 189 Journeyperson / Equivalent Body Repairers represent average productivity, this suggests a total population of approximately 343. A second means of estimating the total population is to apply the average staff complement to the number of shops in each revenue segment. This suggests a population of approximately 461, as shown below.

Table 22 – Estimated Journeyperson / Equivalent Population

Typical Staff Complement	<$500,000	$500,000 to <$1 MM	$1 MM to $1,999,999	> $2 MM	Total
Number of Shops	**156**	**62**	**41**	**33**	**292**
Journeyperson Body Repairer	1.0	1.0	2.0	3.0	
Journeyperson Equivalent Body Repairer		1.0			
Total Body Repairer Population	**156**	**124**	**82**	**99**	**461**
Apprentice Body Repairer		1.0	1.0	1.0	
Total Apprentice Population		**62**	**82**	**99**	**243**
Journeyperson Painter	1.0	1.0	1.0	3.0	
Total Painter Population	**156**	**62**	**41**	**99**	**358**

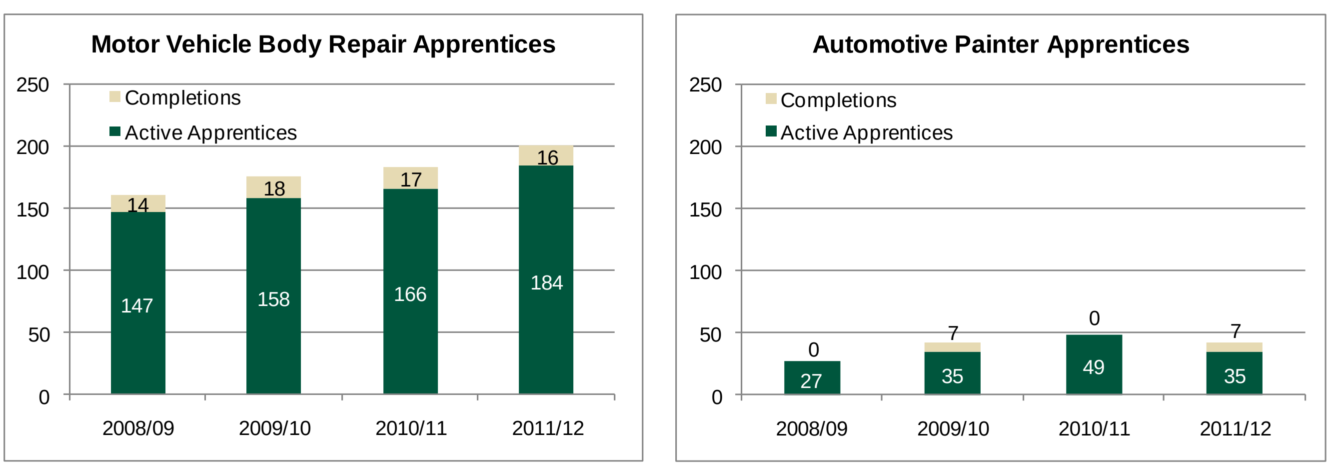
This method overestimates the number of apprentices, as there are only 184 apprentices registered with Apprenticeship Manitoba. Shops may be reporting individuals as apprentices that are not yet registered. As the median number of apprentice painters was 0, applying this approach would under estimate the demand for apprentice painters. Respondents reported employing 24 apprentice painters, or 39% of the number of body repair apprentices. This ratio will be applied for estimating the population.

Position	3 year Replacement Rate	Population	Required
Journeyperson/Equivalent Body Repairer	33.6%	461	155
Apprentice Body Repairer	46.8%	184*	86
Painter	26.2%	358	94
Apprentice Painter	104%	35*	37

*Actual data for registered apprentices

In 2011/12 there were 184 active motor vehicle body repairer apprentices in Manitoba. This is an increase of 63 or 43% since 2008. On average, from 2009 to 2011, 17 apprentices per year completed their apprenticeships and became journeypersons. This is also an improvement from the average of 14 per year from 2006 to 2008. While there has also been an increase in painter apprentices over the same period, there are currently approximately 5 body repair apprentices for every painter apprentice.

Figure 46 – Manitoba Body Repair and Painter Apprentice Counts



Past completion rates suggest that approximately 10% of active body repair apprentices become certified journeypersons per year. Based on the number of currently active apprentices, this would generate 50 - 55 journeypersons over the next three years, leaving a gap of approximately 30-35.

An average of 39 active painter apprentices in the past three years has generated 14 journeypersons. This amount would need to be doubled to meet the estimated demand.

5.5.4 Recruitment and Retention Concerns

The major human resource challenges facing the industry, as identified by survey respondents, include an insufficient pool of skilled labour and high turnover attributed to lower wages than comparable trades, and challenges maintaining the required skills to keep up with technology.

While survey results and available data indicate results have improved in terms of the number of apprentice registrations, lower turnover, and better margins on labour rates, concerns remain. The expressed concerns about a shortage of skilled labour are somewhat contrary to the reduced efforts to recruit apprentices reported by respondents.

5.5.5 Training

As technology, materials and environmental and safety regulations continue to evolve in the collision repair industry, ongoing training is required to ensure employees are at the forefront of their respective positions.

Sixty-three businesses provided data on the number of days of training employees in each position received in the past three years (not including apprenticeship technical training). Generally, the total number of training days received by employees increased each year from 2009 to 2011, with some decreases in 2010 for employees in the positions of journeyperson equivalent body repairer, Customer Service Rep/Estimator/Service Advisor and Supervisor. Based on the number of employees reported by survey respondents in each position for 2011, Supervisors (3.9 days) and Apprentice Painters (3.5 days) received the highest average number of days of training per employee, followed by Apprentice Body Repairers (2.5 days) and Management/Admin staff (2.4 days).

Table 23 – Training Days Last Three Years

N=63	Total Days Training			
	2009	**2010**	**2011**	**Average Days/Year/ Employee (2011)**
Journeyperson Body Repairer	189.5	237.5	243.5	1.8
Journeyperson Equivalent Body Repairer	91.0	88.0	94.0	2.0
Apprentice Body Repairer	134.0	136.0	149.0	2.5
Journeyperson Painter	167.0	195.0	208.0	2.0
Apprentice Painter	62.5	69.5	69.5	3.5
Other Shop Floor Staff	41.0	48.0	46.0	0.5
CSR/Estimator/Service Advisor	56.0	55.0	62.0	1.0
Supervisor	63.0	58.0	63.0	3.9
Parts Person	25.0	25.0	30.0	1.1
Management / Administrative Staff	172.0	175.5	201.0	2.4

The table below documents the average number of days of training received by employees in each position by revenue category. *(Categories with fewer than 5 respondents have not been reported).* Businesses with revenues over $2,000,000 report the fewest days of training per year across all positions.

Table 24 – Average Days Training Per Employee in 2011 by Revenue Category

	Average Days Training Per Employee 2011			
	< $500,000	**$500,000 to $999,999**	**$1,000,000 to $1,999,999**	**>$2,000,000**
Journeyperson Body Repairer		2.6	1.9	1.4
Journeyperson Equivalent Body Repairer		1.5	3.4	1.6
Apprentice Body Repairer			3.5	3.2
Journeyperson Painter		2.5	2.1	1.9
Apprentice Painter			3.8	2.0
Other Shop Floor Staff			0.5	0.4
CSR/Estimator/Service Advisor			1.3	0.9
Supervisor				2.6
Parts Person				1.2
Management / Administrative Staff		2.1	3.2	2.0

The type of training received by employees of respondent businesses over the last three years is shown in Table 25.

Table 25 – Types of Training Received

Training Received	Percentage of Businesses
I-CAR Certification Requirements	84.8%
Other paint methods/materials	62.0%
Health and safety (including WHMIS & First Aid)	48.1%
Management and Administrative	34.2%
New technology/materials/systems	30.4%
Lean production/management	27.8%
Other Body methods/materials	26.6%
Other Structural/Frame methods	21.5%
Estimating	19.0%
Other	10.1%
Other Electrical/Mechanical methods	7.6%

The types of training provided to employees in the last three years generally aligned with the training priorities for the future identified by respondents to the 2009 study. Gaps identified are training in estimating and lean production/management. These two types of training were identified in the top five future priorities in 2009, but were provided by fewer than 30% of respondent business in the last three years.

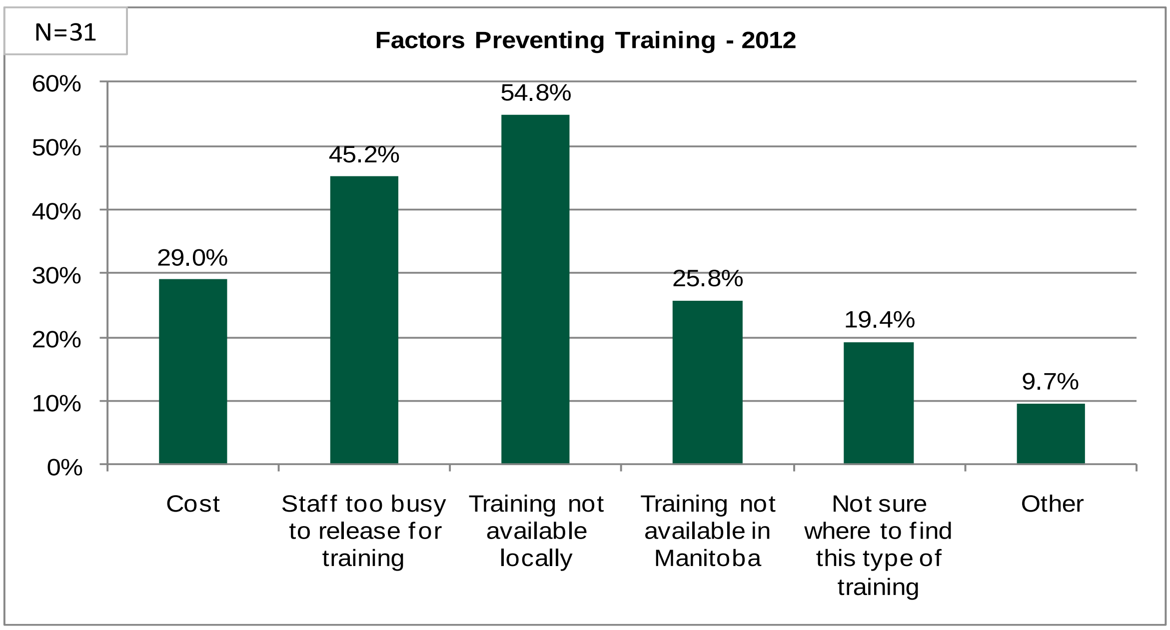
When survey respondents were asked what types of training they have not been able to provide their employees in the last three years, eighteen respondents (27% of those who provided responses to the Human Resources section of the survey) identified the following:

- Management training (x3)

- Technical training (x2)
- Lean production/management (x2)
- MPI admin procedures (x2)
- CPR – ADT usage
- Estimating
  - MPI policies and procedures
  - Manufacturer specific
- ICar requirements for 2014 upgrade
- Parts performance
- Customer service
- PDR colormelt
- Stress management
- New techniques

A lack of locally available training (54.8%) and difficulties related to releasing employees for training (45.3%) were the most frequently cited reasons for not being able to provide training.

Figure 47 – Factors Preventing Training – 2012



Concerns were raised by survey respondents that formalized training such as apprenticeship technical training is not teaching modern technologies and processes. There is a belief that new workers/apprentices are entering the trade without the necessary skills.

Others expressed frustration with the high costs of training new apprentices who often decide to leave the industry because of low wages. Some suggested that additional incentives may be required to encourage shops to take on apprentices.

5.6 Financial Performance

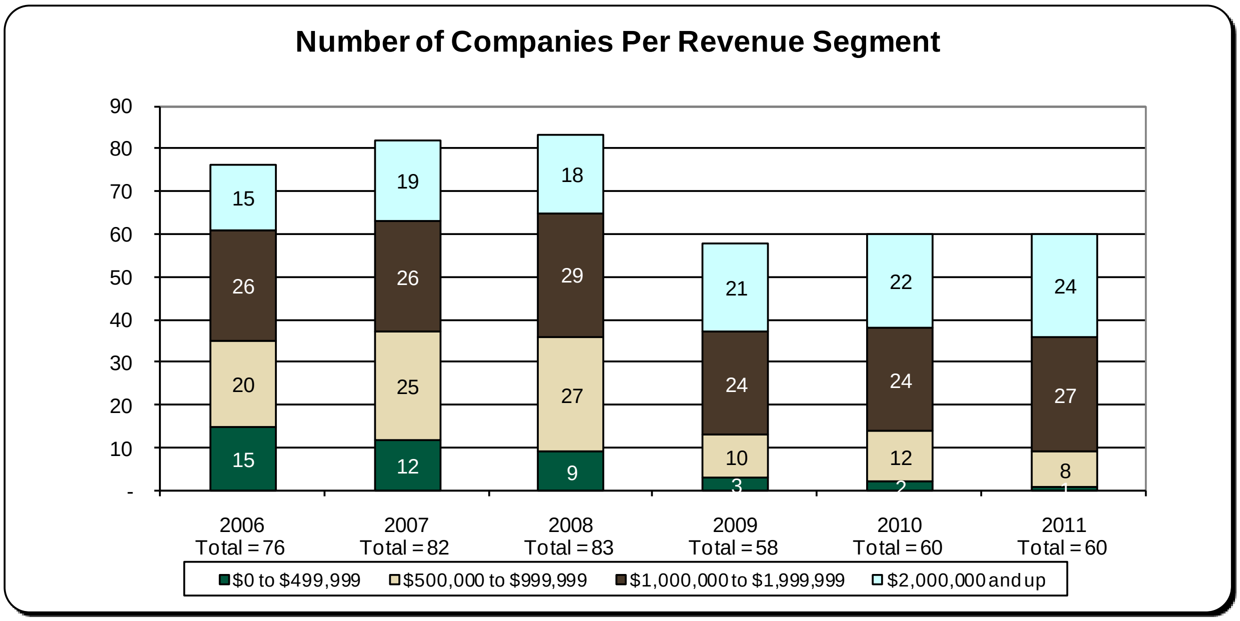
5.6.1 Participation Rates

The financial analysis summarizes and compares the financial information from 2006 to 2011. The financial results from 2006 to 2008 were collected in the 2009 survey and the results from 2009 to 2011 were collected in the 2012 survey. The majority of 2012 respondents (68%) reported a fiscal year ending in the 4th quarter.

In the 2009 survey, 83 of the total 127 (65%) respondents provided financial information. In the 2012 survey, 60 of the total 79 (76%) respondents provided financial information. Forty-seven (47) respondents participated in both the 2009 and the 2012 surveys.

The figure below shows the number of responding businesses that provided financial information by revenue segment. The number of businesses providing financial information in the under $500,000 revenue category is small and represents on average approximately 6.7% of accredited businesses with revenue under $500,000. **As a result, findings for the revenue category below $500,000 are provided for illustration only and can't be extrapolated to the entire population. As there are fewer than 5 reporting businesses in this revenue category, analysis for this segment is also limited.**

Figure 48 – Business Reporting Revenue, by Segment



From the 2009 survey to the 2012 survey, the number of respondents decreased for business with revenue under $2,000,000 and increased for business with revenue greater than $2,000,000. The most dramatic decreases were in the two categories with revenue under $1,000,000. The impact is that any summary financial data for 2012 will be skewed by the higher percentage of large shops in the sample. In the 2009 survey, 44.9% of respondents had revenue below $1,000,000 and 55.1% had revenue greater than $1,000,000. In the 2012 survey, only 20.3% of respondents had revenue below $1,000,000 and 79.7% had revenue over $1,000,000 (see Table 29).

Table 26 – Respondents by Revenue Category Comparison

Revenue Category	% of Respondents 2009 Survey	% of Respondents 2012 Survey	% Change
$0 to $499,999	15.1%	3.4%	-12%
$500,000 to $999,999	29.8%	16.9%	-13%
$1,000,000 to $1,999,999	33.6%	42.1%	9%
> $2,000,000	21.5%	37.6%	16%

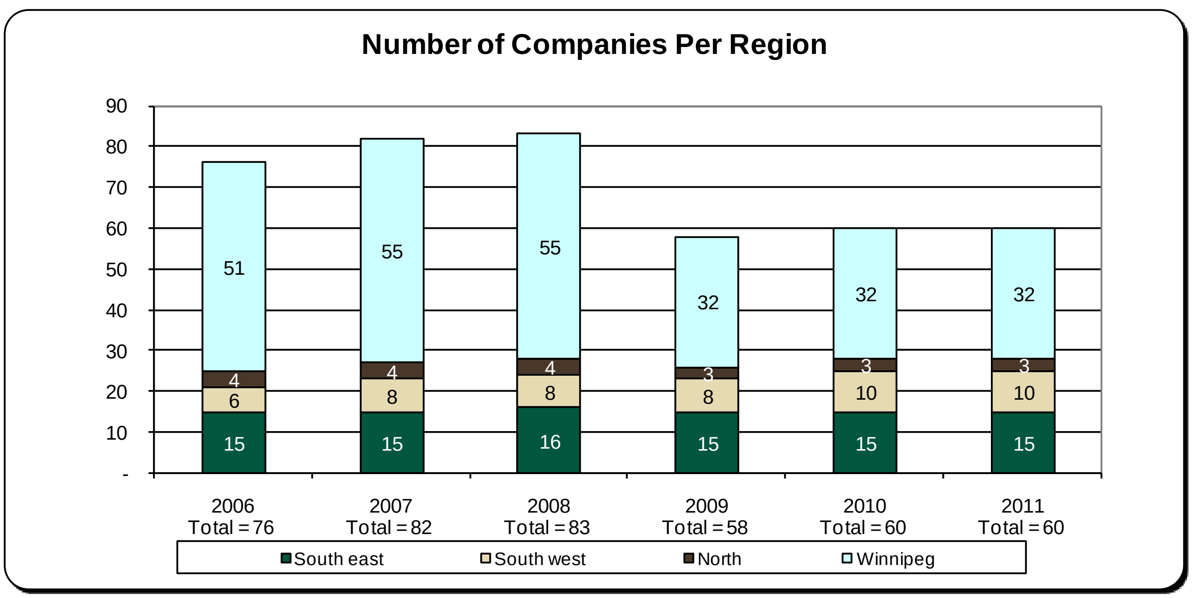
In terms of industry representation, the following table demonstrates that there was greater representation, and therefore greater reliability, for companies with over $1,000,000 in revenue.

Table 27 – Industry Representation (in Terms of Total Revenue)

Total Revenue 2011	MPI Payments to 2012 Survey Participants	Total MPI Payments in 2011	Industry Representation by Revenue Segment
$0 to $499,999	$1,771,498	$37,352,917	4.7%
$500,000 to $999,999	$9,049,093	$45,644,215	19.8%
$1,000,000 to $1,999,999	$32,378,882	$58,351,486	55.5%
$2,000,000 and up	$77,470,730	$115,637,575	67.0%
Total	**$120,670,203**	**$256,986,193**	**47.0%**

The figure below shows the number of responding businesses that provided financial information by region. **The number of participants in the North is less than 5 and is too low to further segregate results for this region.**

Figure 49 – Respondent Count by Region



Participation counts from the 2009 survey to the 2012 survey decreased by approximately 30%. The majority of the decrease was in Winnipeg, where the participation counts dropped by over 20 businesses. The counts in the other three regions were relatively consistent.

In terms of the dispersion of data across regions, Winnipeg decreased by 13%, and the Southwest and Southeast regions increased by 7% and 6% respectively. The Northern remained constant at 5%.

Table 28 – Respondent Revenue Comparison

Region	% of Respondents in 2009	% of Respondents in 2012	% Change
Winnipeg	67%	54%	-13%
North	5%	5%	-
Southwest	9%	16%	7%
Southeast	19%	25%	6%

5.6.2 Validation and Normalization

Respondent financial information was collected utilizing a web survey and/or through provided financial statements. The resulting data was validated to ensure completeness and used to compare each respondent's information against industry information to identify significant variances. When a variance was identified, MNP followed up with each respondent and corrected the information.

In analyzing the financial statements, MNP made two normalization adjustments to the financial statements:

- Owner compensation was adjusted to market rates, and
- Lease rates were adjusted to market rates.

Applying normalization adjustments to the financial statements is consistent to the approach taken when valuing a business. When valuing a business, all the expenses are restated to market value. The intention is to treat the business like an investment and measure the returns after all the appropriate expenses have been fairly deducted from revenue.

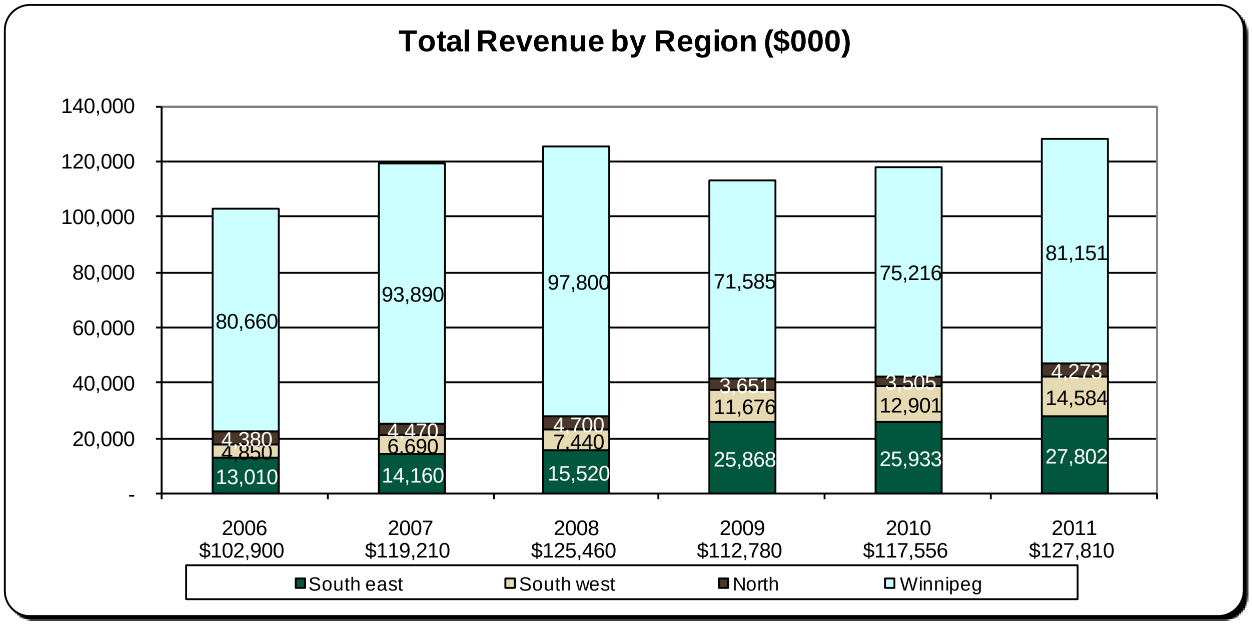
The steps taken for normalizing owner compensation and lease rates is the same. First, the actual expense, if any, was removed. Then a market rate for the respective expense was determined based on information provided by participants and used to replace the original expense.

5.6.3 Summary of Results

Total revenue for all businesses reporting revenue was $127.8 million in 2011. By region, Winnipeg represented 63.5% of total revenue, the Southeast region represented 21.8% of total revenue, the Southwest region represented 11.4% of total revenue and the Northern region represented 3.3% of total revenue.

Total revenue includes "other" revenue, which represented on average 1.5% of total revenue from 2009 to 2011.

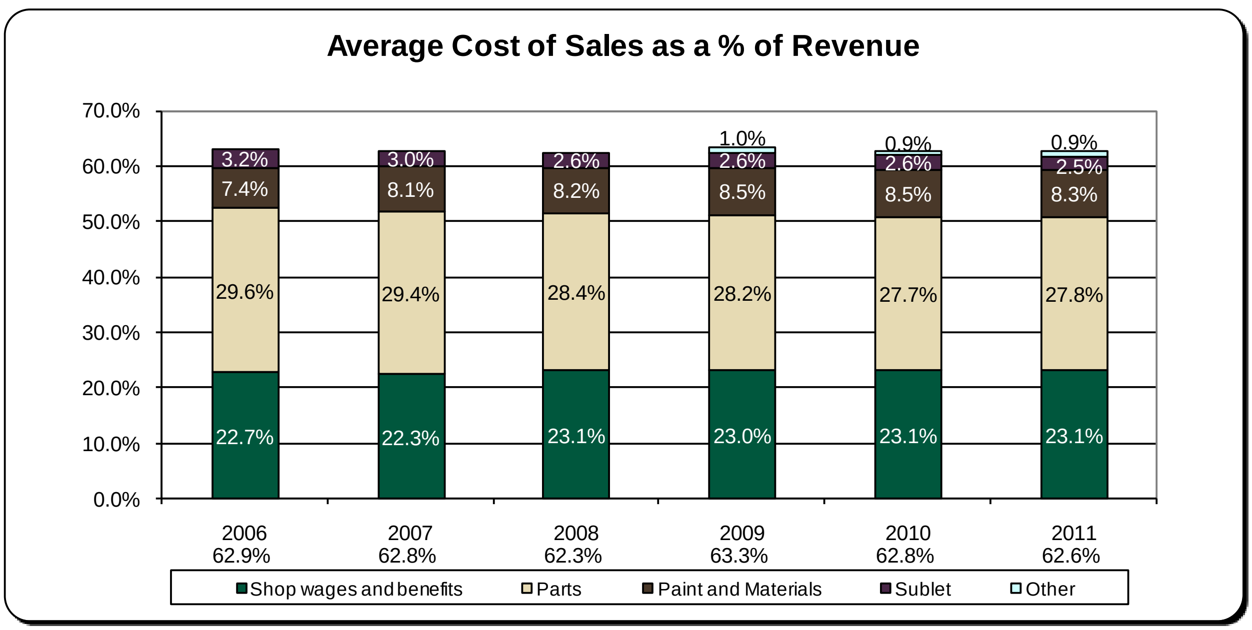
Figure 50 – Respondent Revenue by Region



Despite the drop in participant counts, total revenue has remained fairly consistent from the 2009 survey to the 2012 survey. There are more large shops in the 2012 survey than there were in the last study.

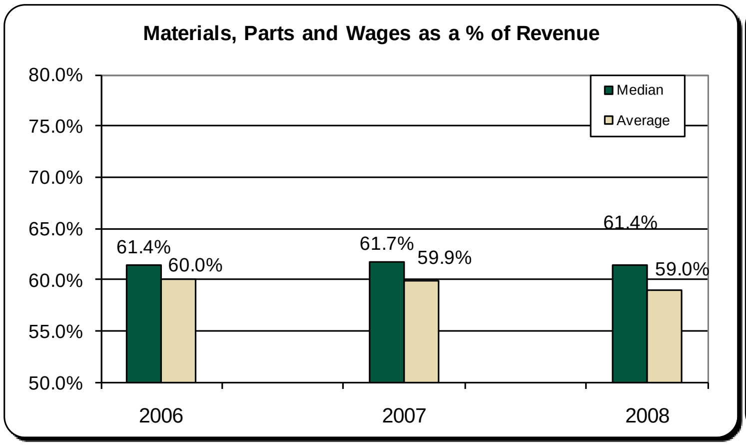
The average cost of sales as a percentage of revenue has been very consistent from 2006 to 2011.

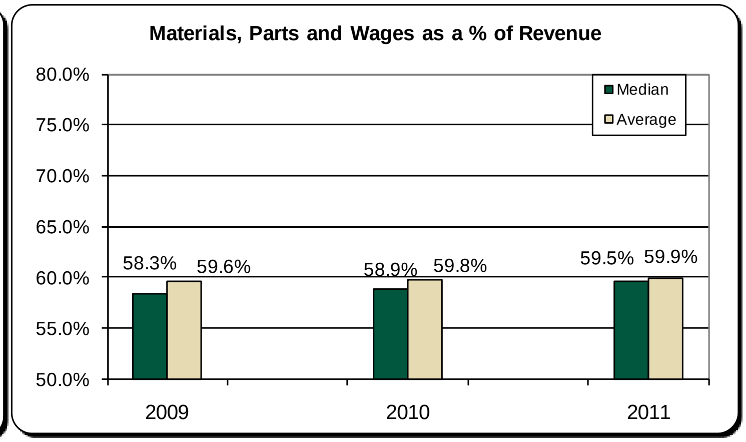
Figure 51 – Cost of Sales Components



Materials, parts and wages remained consistent from 2006 to 2011 at 59% to 60%.

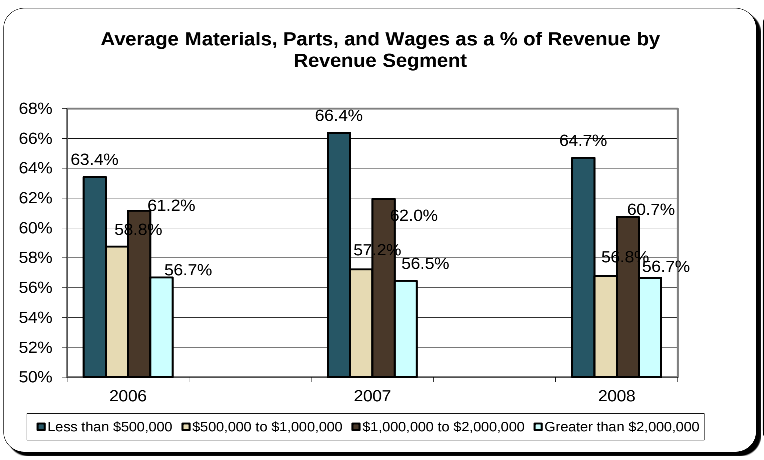
Figure 52 – Materials, Parts and Wages

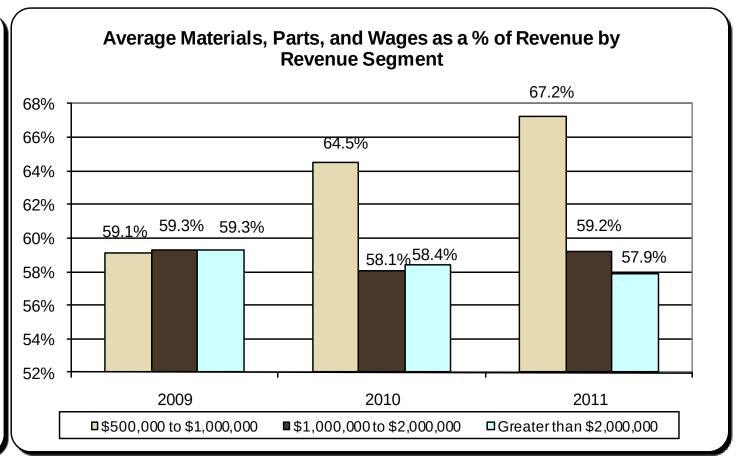




From 2006 to 2008 the average materials, parts and wages was 59.6% of revenue. From 2009 to 2011 the average materials, parts and wages were 58.9% of revenue; representing a slight decrease of 0.7%.

Figure 53 – Materials, Parts and Wages by Revenue Category





As shown above, materials, parts and wages as a percentage of revenue decreases as shop size increases, suggesting economies of scale. In 2011, for businesses with revenue between $500,000 and $1,000,000 these expenses were 67%. For businesses with revenue greater than $2,000,000 these expenses were 57.9% of revenue.

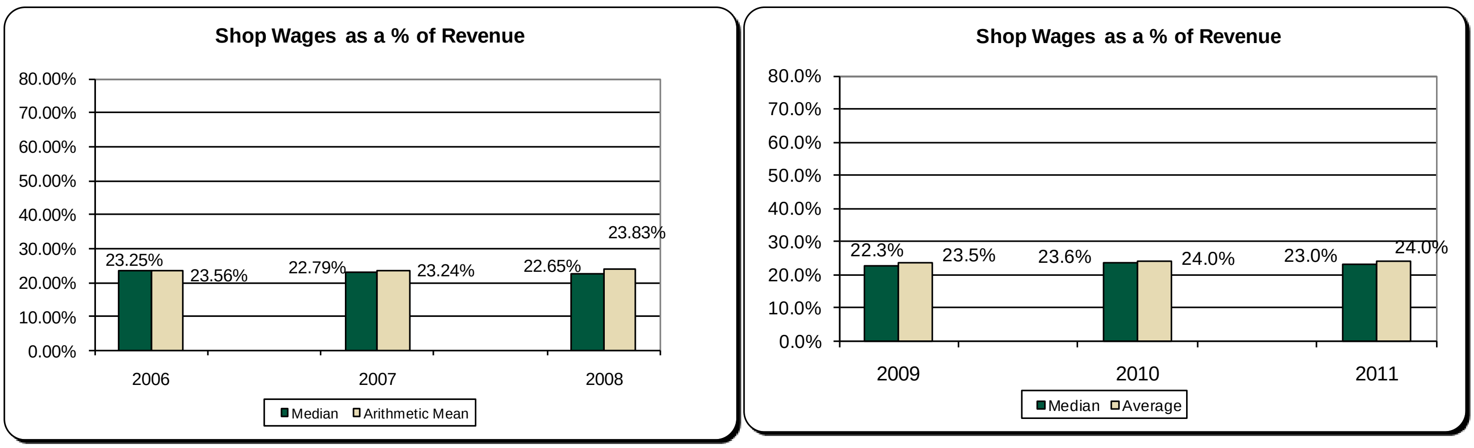
Two other trends in the graphs above have been highlighted in the table below. First, the greatest increase in materials, parts and wages as a percentage of revenue was for businesses with revenue between $500,000 and $1,000,000. Because of the low counts in this segment, it is not clear if this is a true shift in average performance or if it is due to the small sample size. Second, the difference between the two largest revenue groups is less.

Table 29 – Materials, Parts and Wages Comparison

Revenue Category	Average 2009	Average 2012	% Change
$500,000 to $1,000,000	57.6%	63.6%	6.0%
$1,000,000 to $2,000,000	61.3%	58.9%	-2.4%
Greater than $2,000,000	56.6%	58.5%	1.9%

Shop wages as a percentage of revenue between 2009 and 2011 increased by 0.5% from 2009 to 2010 and remained flat from 2010 to 2011. On average, shop wages from 2009 to 2011 equalled 23.8%. Compared to the 2009 study, shop wages as a percentage of revenue equalled 23.5% which represents a 0.3% increase from the 2009 study.

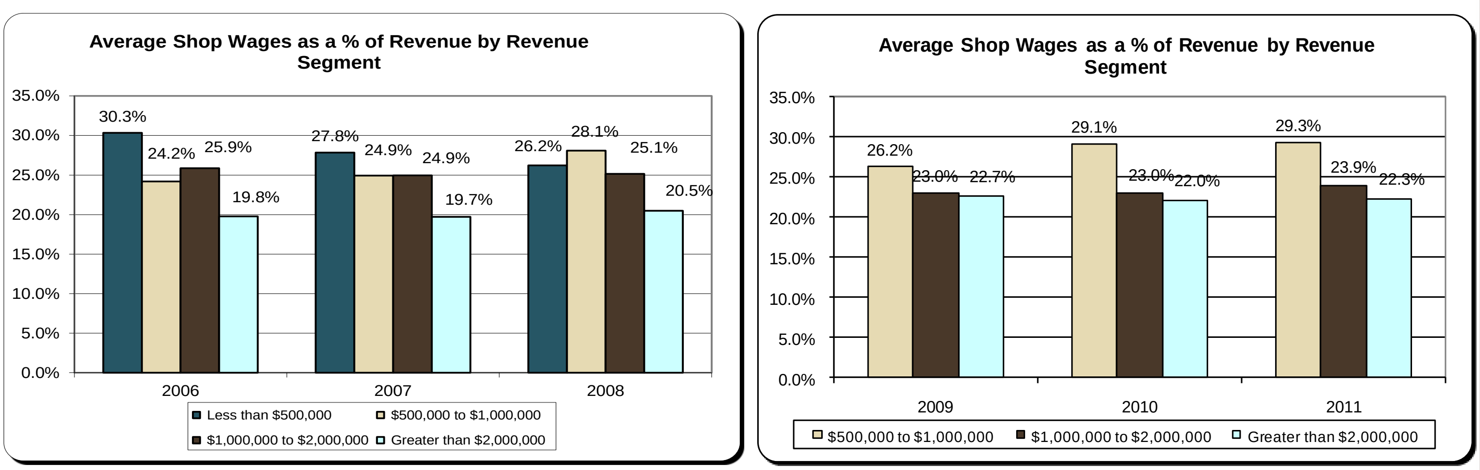
Figure 54 – Shop Wages



Shop wages decreased as a percentage of revenue as shop size increases. This follows the same trend as identified in the 2009 survey.

Where applicable, MNP substituted a market wage for owners based on owners' estimated time spent performing specific job functions. As noted earlier shop wages have been normalized.

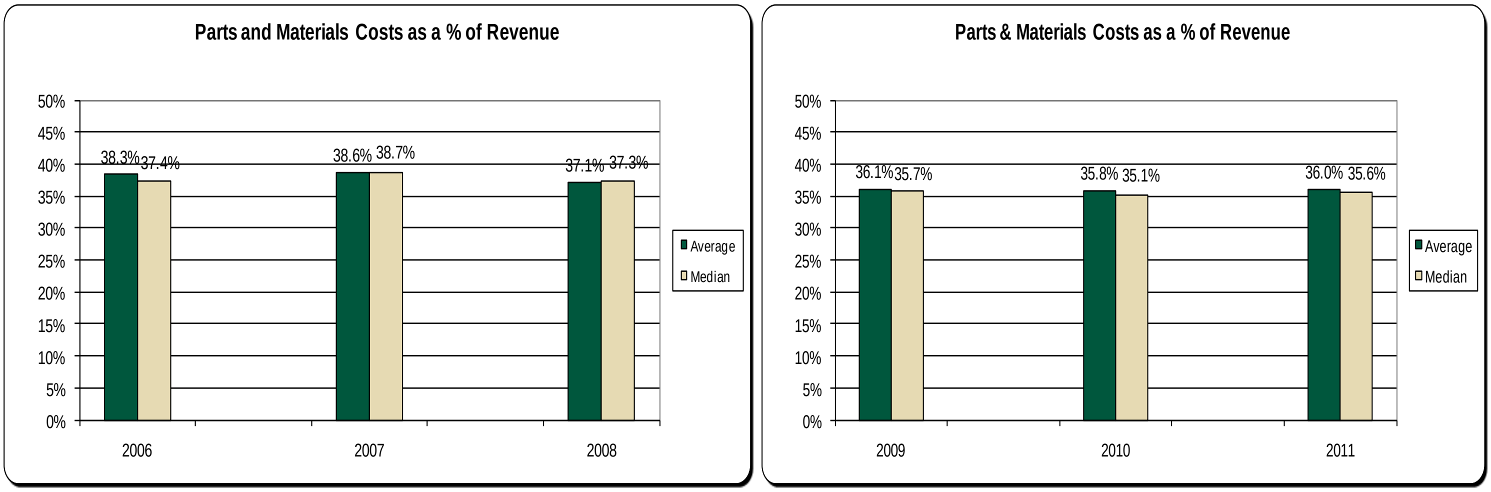
Figure 55 – Wages by Revenue Category



In each of the 2009 and 2012 surveys, parts and materials as a percentage of revenue remained relatively constant with costs within +/- 0.2% of other reporting years.

From 2008 to 2009 there was a drop in parts and materials costs as a percent of revenue. Although not conclusive, the drop maybe related to the differences between respondents versus a change in market performance.

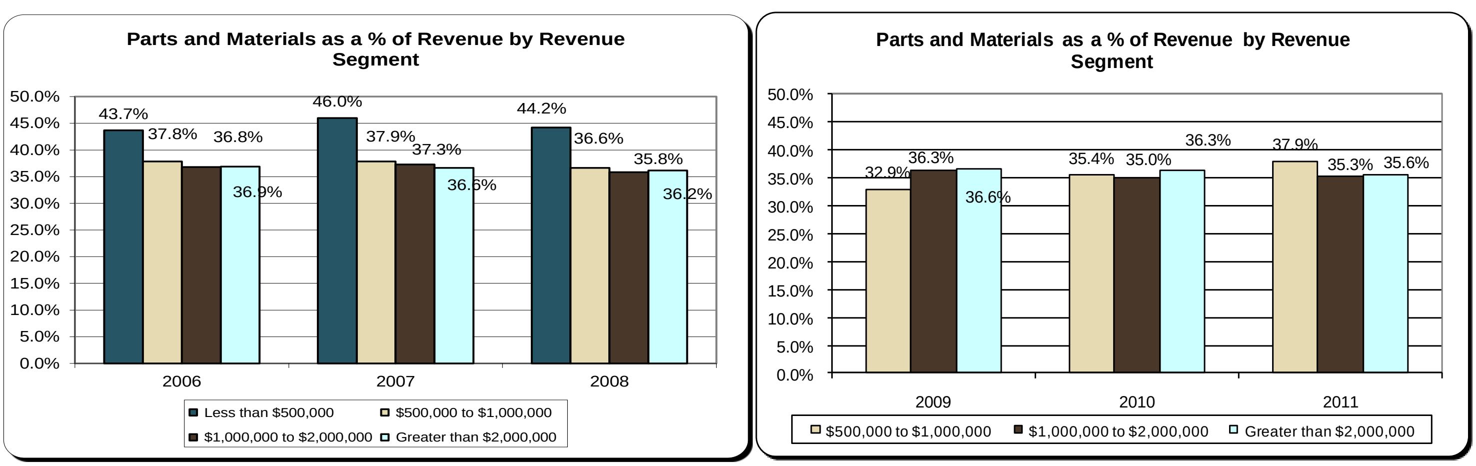
Figure 56 – Parts and Materials Cost



Parts and materials as a percent of revenue were relatively consistent from 2006 to 2011 for businesses with revenue greater than $1,000,000 per annum.

The largest fluctuation was in the $500,000 to $1,000,000 revenue segment. From 2008 to 2009 there was a 3.7% drop in parts and materials as a percentage of revenue. Give the small sample in this category, this may not be a reliable indication of a change in market performance. From 2009 to 2011, parts and materials as a percent of revenue increased from 32.9% to 37.9% of revenue. This represents an average annual increase of 2.5%.

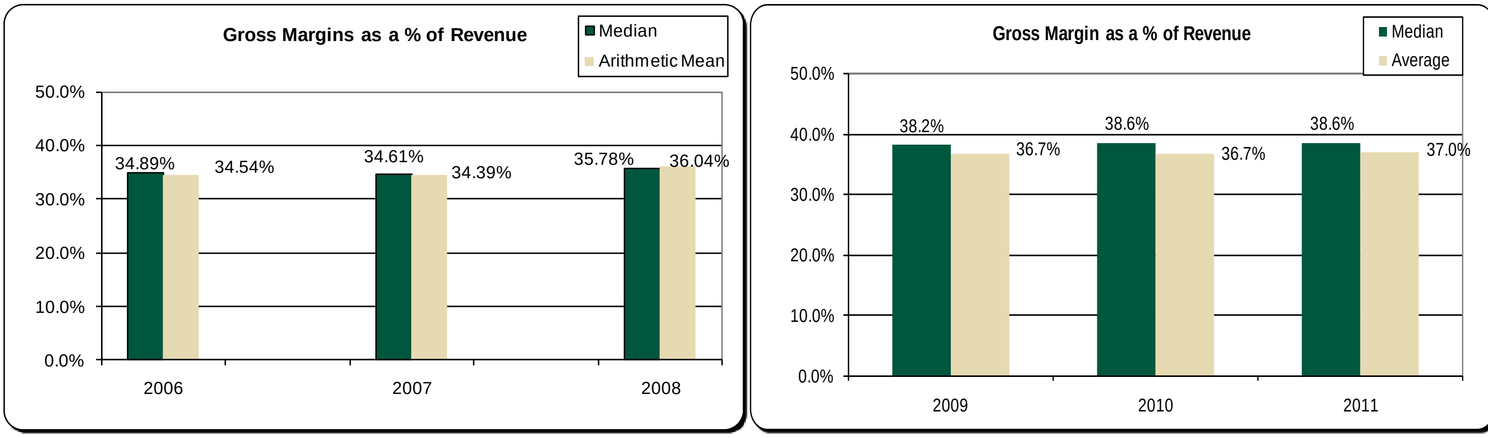
Figure 57 – Parts and Materials by Revenue Category



Gross margin is a measure of revenue once cost of sales (shop wages and benefits, parts, paint and materials and sublet and other direct expenses) are deducted. The average gross margin from 2006 to 2009 was 35%. From 2009 to 2011, the average gross margin was 36.8%, which represents a 1.8% increase from the 2009 survey.

The variance between average and median results from 2006 to 2008 was smaller than in the results from 2009 to 2011. From 2009 to 2011, the median was between 1.5% and 1.9% higher than the average. This represents a positive skew towards higher gross margin and may be related to the higher number of larger businesses in the respondent pool.

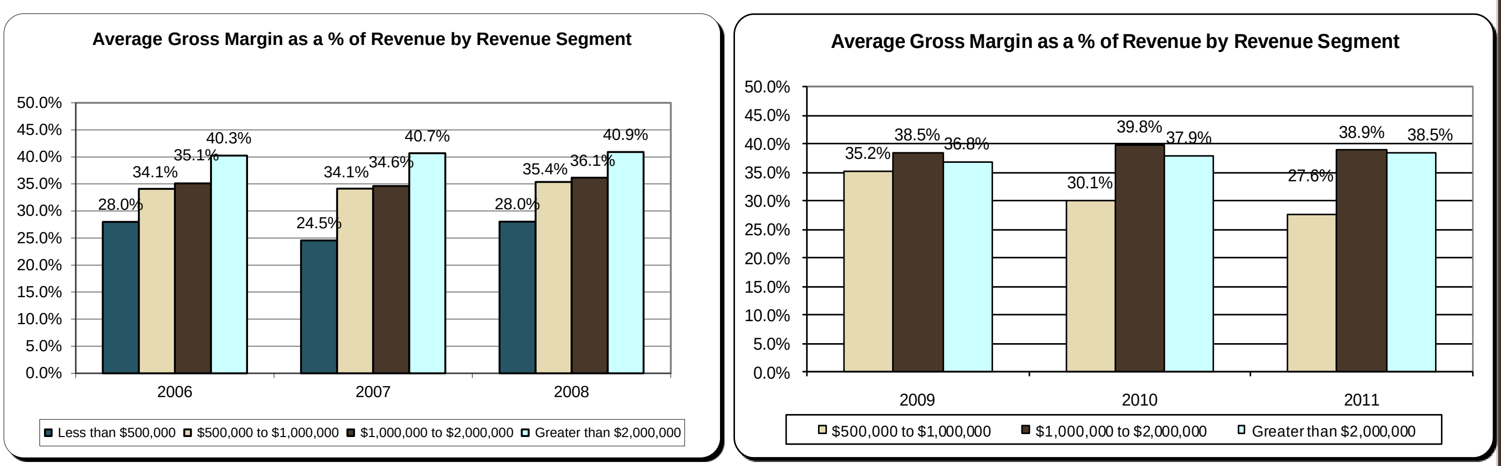
Figure 58 – Average and Median Gross Margins



By revenue segment, the gross margin in the $500,000 to $1,000,000 revenue segment has shown the greatest change. The results were consistent until 2009; at which point they drop by 5.1% in 2010 and 2.5% in 2011. The drop may be related to the fact that some stronger performing businesses in 2009 moved up a revenue category in 2010 and 2011.

In the top two revenue segments, the gap in average gross margin has closed from 2006 to 2011. In 2006, there was a 5.2% gap between the $1,000,000 to $2,000,000 and the over $2,000,000 revenue segments. By 2011, the gap was only 0.4% and the gross margin for the $1,000,000 to $2,000,000 revenue segment was actually larger than businesses with revenue greater than $2,000,000.

Figure 59 – Average Gross Margin by Revenue Category



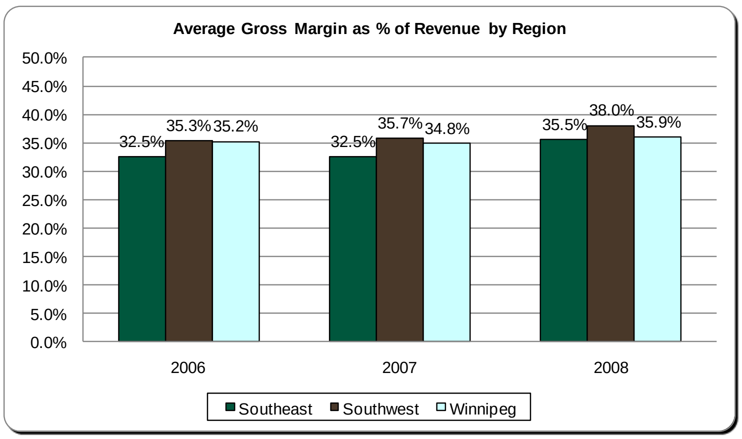
By region, the gross margin increased as a percentage of revenue in Winnipeg and Southeast Manitoba when comparing the 2009 survey and the 2012 survey. Conversely, Southwest Manitoba showed a significant decrease as shown in the table below.

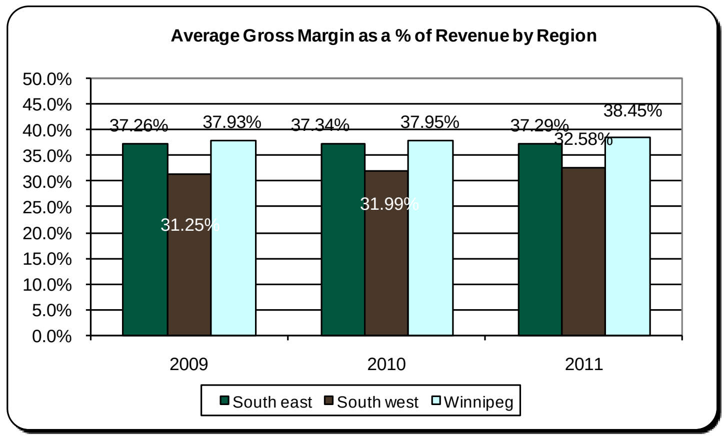
Table 30 – Gross Margin Comparison

Region	2009	2012	Change
Winnipeg	35.3%	38.1%	2.8%
Southwest	36.3%	31.9%	-4.4%
Southeast	33.5%	37.3%	3.8%

In the 2009 survey, the Southwest region had the highest gross margin as a percentage of revenue. The largest change between the 2009 and 2012 survey was in Southwest Manitoba with a 4.4% decrease in gross margin.

Figure 60 – Average Gross Margin by Region

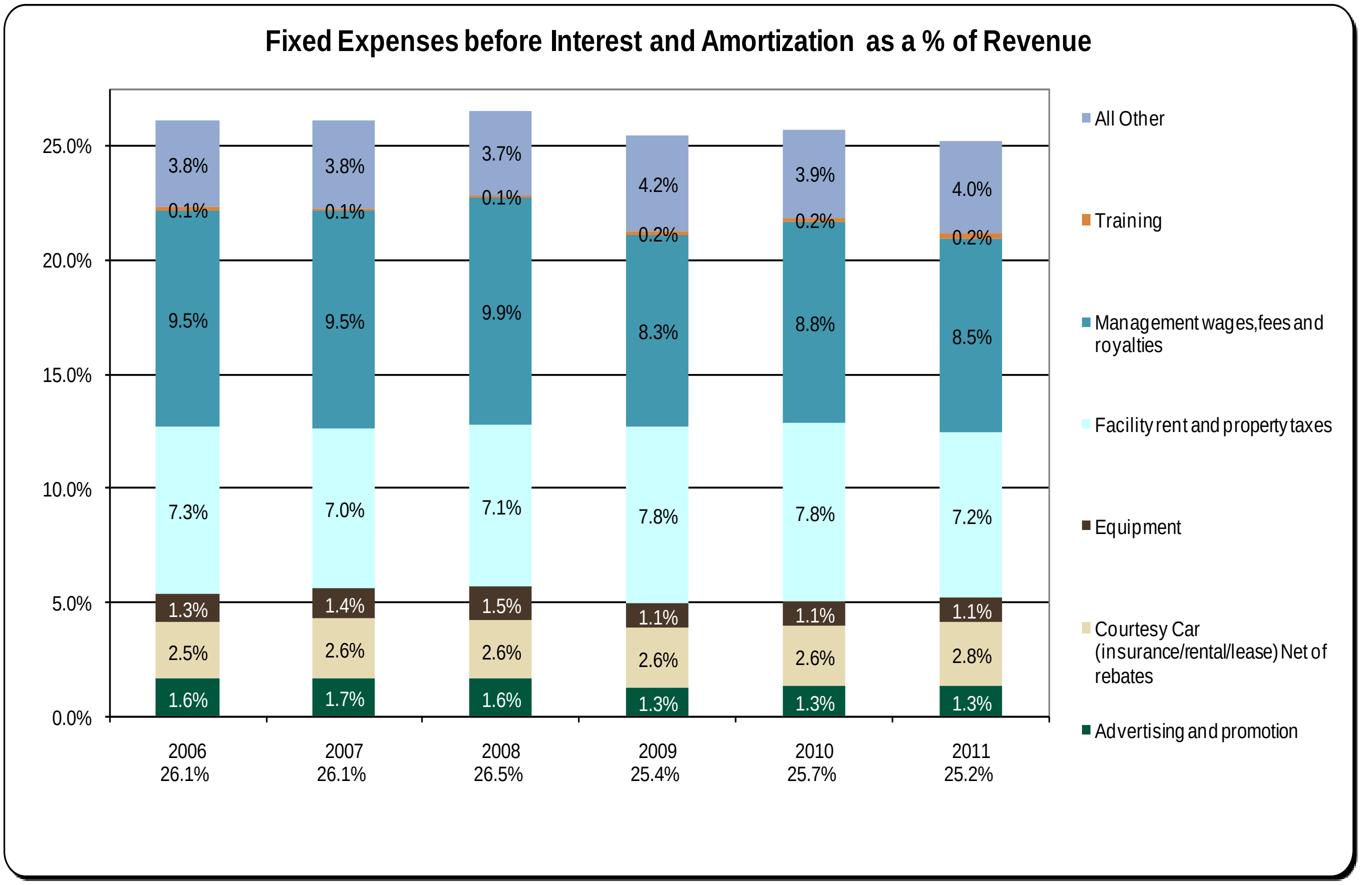




Respondents were asked to identify other general expenses such as training, management fees and royalties, facility rent and property taxes, equipment, courtesy car and advertising and promotions. Management fees and royalties and facility rent and property taxes make up the largest percentage of these expenses. From the 2009 survey to the 2012 survey, there was very little change in total expenses.

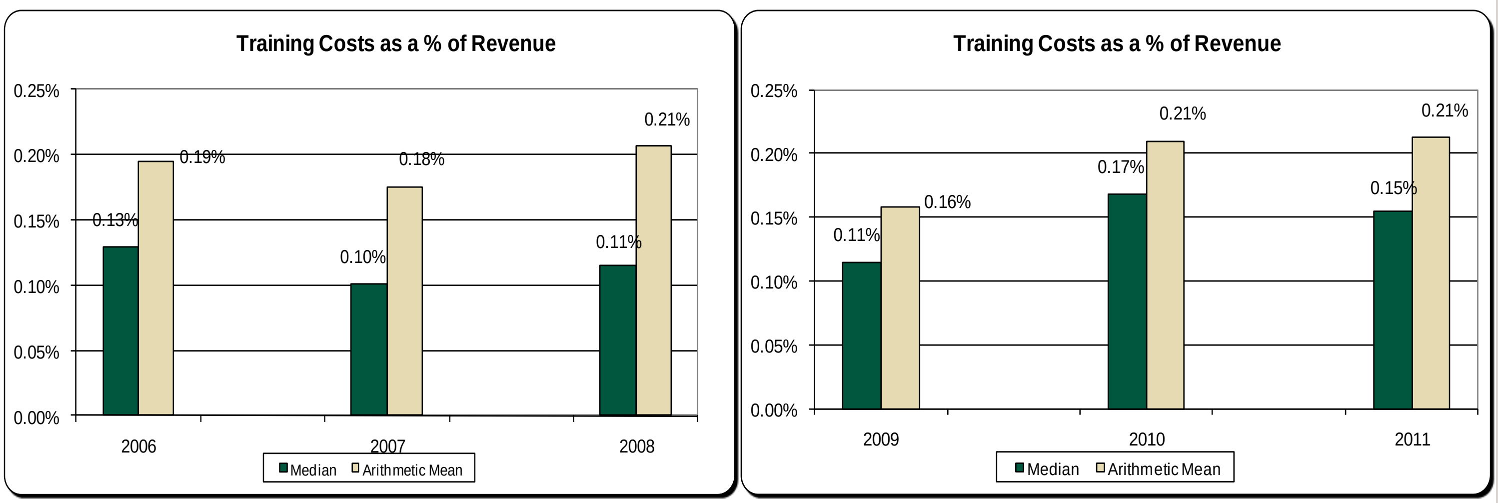
From 2006 to 2008, fixed expenses averaged 26.2% of revenue. From 2009 to 2012, fixed expenses decreased between 0.7% and 1.3% as compared to the 2008 results. Please note, differences in the approach to normalizing owner compensation and facility costs would increase this difference by approximately 0.5 – 1.3%. A more descriptive explanation of the changes can be found in Section 4.6.5.

Figure 61 – Fixed Expenses



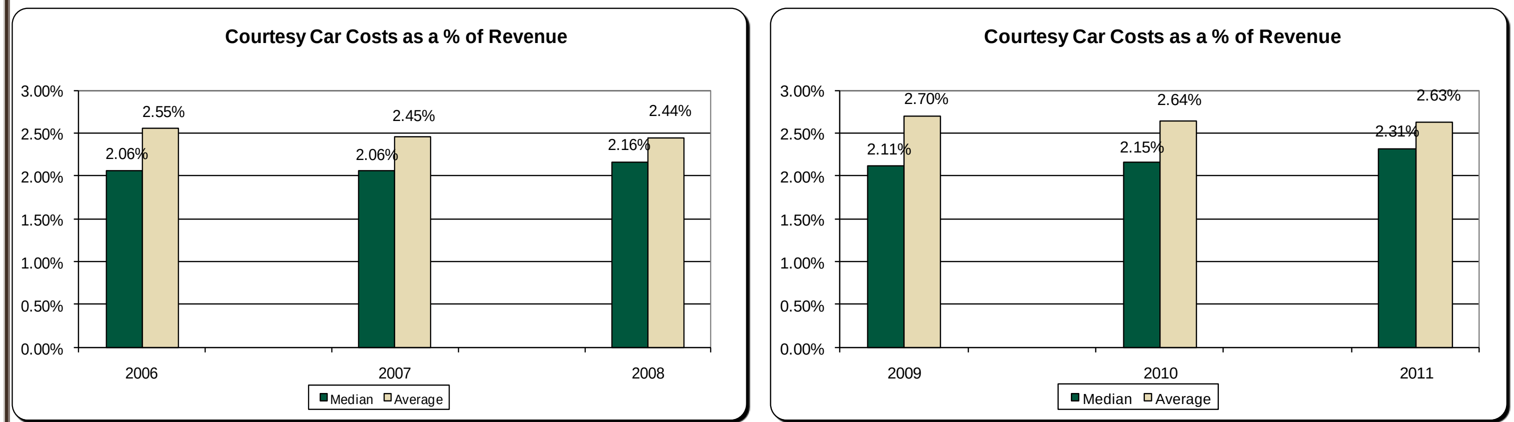
Average training costs as a percentage of revenue from 2006 to 2011 were relatively consistent and averaged 0.19%. There was considerable inconsistency between the average and median in all years, indicating a lot of variability in the data.

Figure 62 – Training Costs



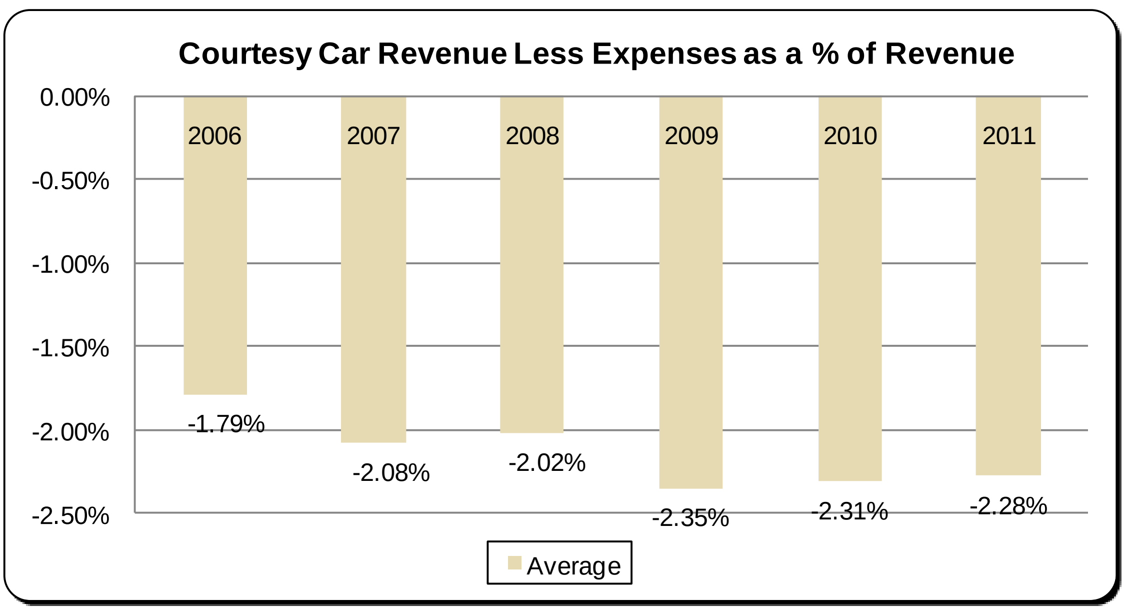
Courtesy car costs as a percentage of revenue were consistent from 2006 to 2009 and then increased in 2009 and remained consistent until 2011. Although not conclusive, the increase is likely a result of a change in the sample group as opposed to a change in market performance, as courtesy car costs are typically higher for larger shops.

Figure 63 – Courtesy Car Costs



Courtesy Car revenue, less expenses, reflect the results above and are summarized as follows:

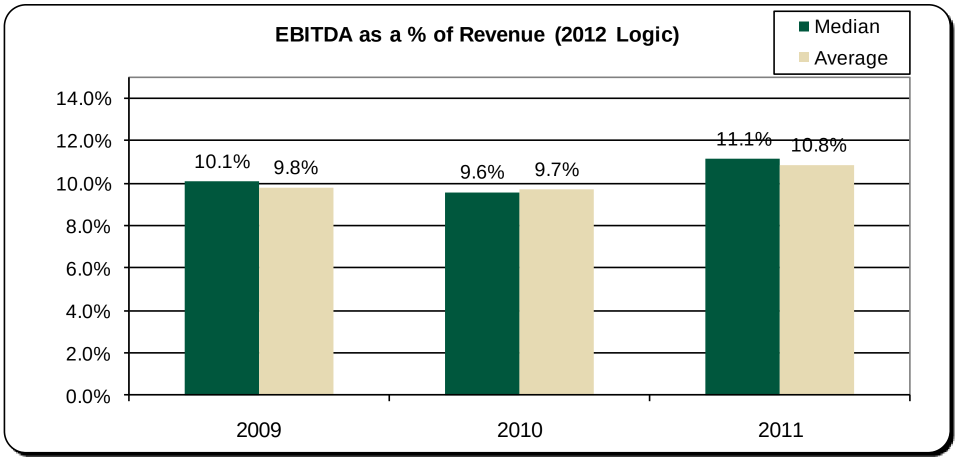
Figure 64 – Courtesy Car Revenue less Expenses



Earnings before interest, taxes, depreciation and amortization (EBITDA) are often used to measure the true operating performance of a business. One reason for this is that the results are not influenced by management's decisions regarding how much capital they purchase vs. lease and the amount or type of debt that is utilized by the business. Based on this premise, EBITDA is the primary measure of profitability considered in this study.

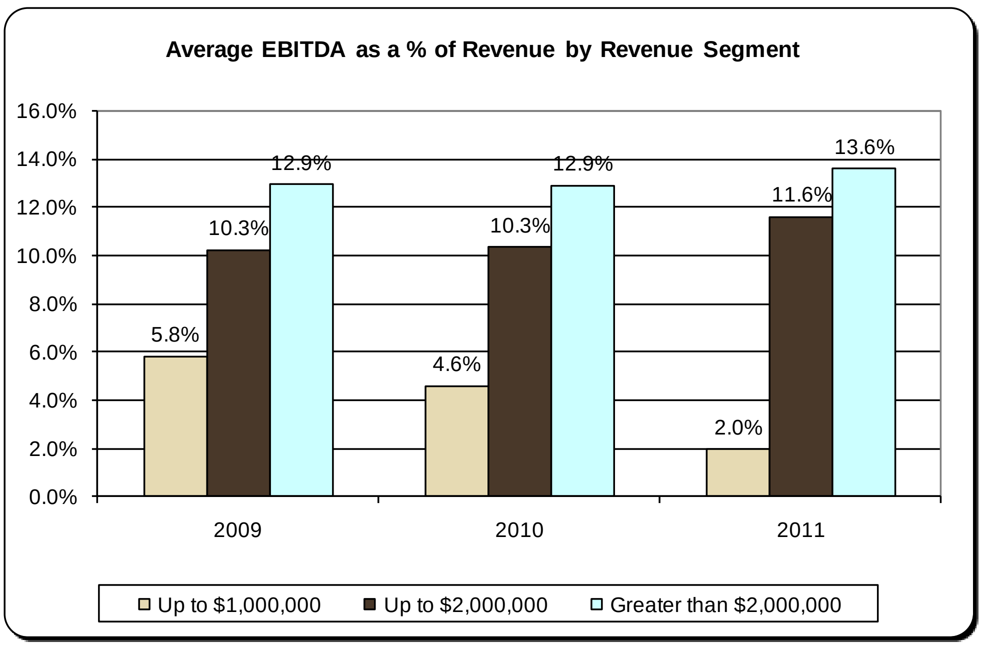
From 2009 to 2011, overall average EBITDA increased from 9.8% to 10.8% of revenue. During this time frame, the median and average are also similar which indicates the results are consistent within the sample size.

Figure 65 – Average and Median EBITDA



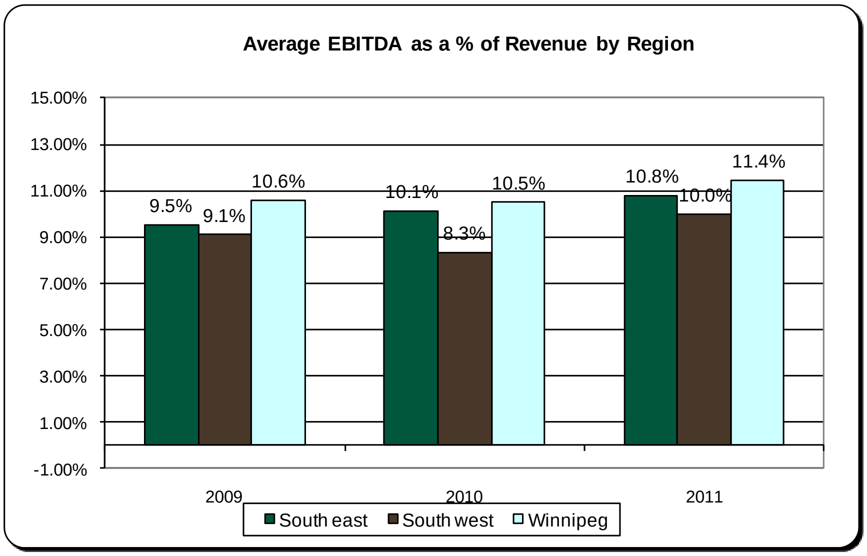
By revenue category, average EBITDA is higher in the revenue categories over $1,000,000. EBITDA in the $500,000 to $1,000,000 revenue category decreased in each year.

Figure 66 – Average EBITDA by Revenue Category



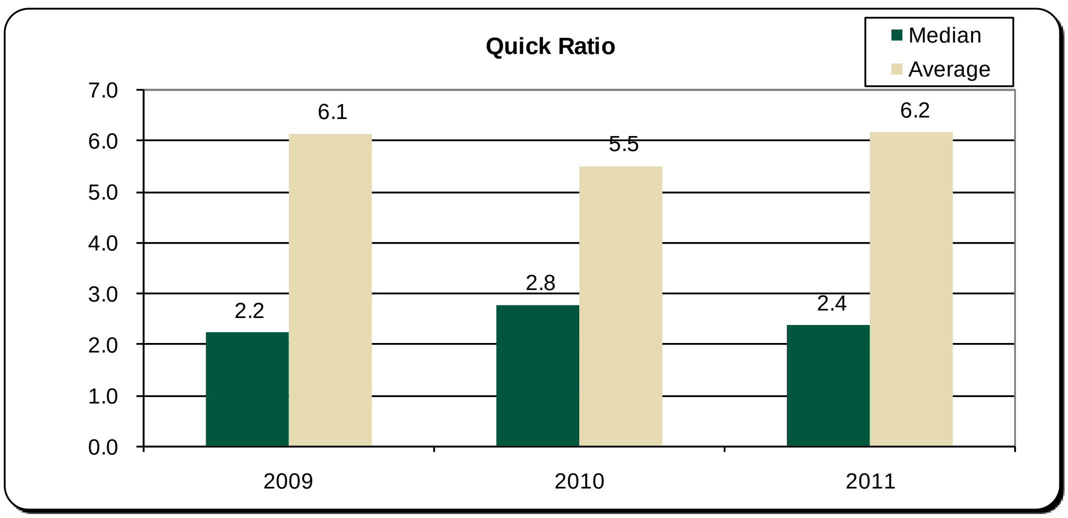
The average EBITDA as a percentage of revenue is highest in the Winnipeg region with results varying in the other regions. It should be noted that the majority of larger operations in Manitoba are located in Winnipeg, which contributes to the higher performance in that region.

Figure 67 – Average EBITDA by Region



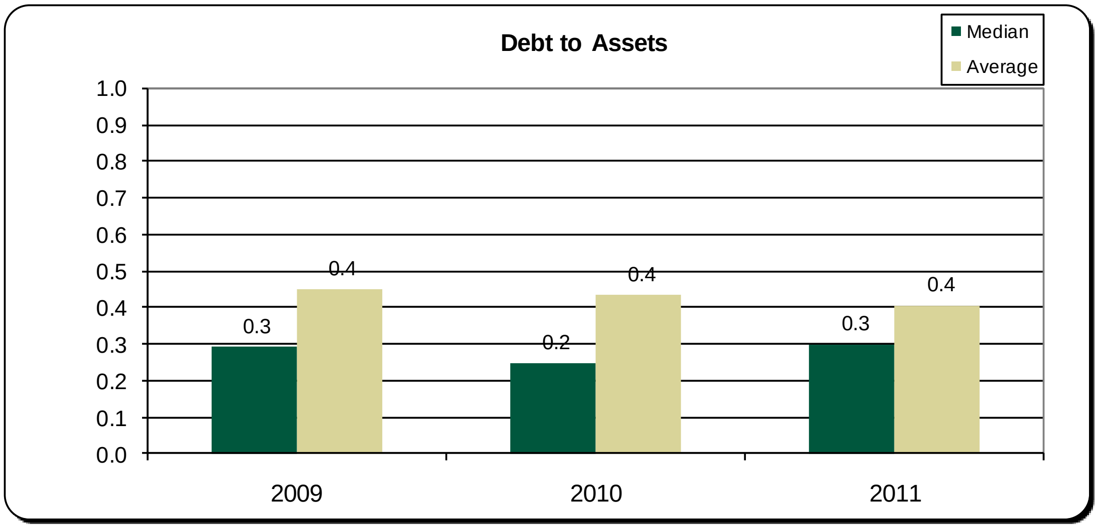
Liquidity has remained relatively constant from 2009 to 2011 based on the quick ratio. The information that was collected has a relatively high standard deviation (average of 7.0 from 2009 to 2011), which indicates significant variability in the data. This is also evident by the gaps between average and median from 2009 to 2011.

Figure 68 – Quick Ratio



The debt to asset ratio of respondents has been consistent from 2009 to 2011 with an average of 0.4 indicating a low reliance on debt. The average standard deviation from 2009 to 2011 is 0.4, which implies the data is relatively diverse.

Figure 69 – Debt to Assets Ratio



5.6.4 Top Issues Affecting Profitability

Survey respondents were asked to identify the top issues impacting the profitability of their business. A summary of the most frequent response is shown below.

Please note: the following reflects the views of respondents, not independent analysis undertaken by MNP.

Table 31 – Top Issues Affecting Profitability

Top Issues Affecting Profitability
• **MPI processes that cause delays and uncompensated hours** • Inaccurate estimates • Inefficient supplemental process • Outdated, redundant MPI administrative processes • Inefficient parts procurement process
• **Parts procurement and cost** • Poor quality aftermarket and recycled parts • Low margin on aftermarket and recycled parts • High cost of environmentally friendly parts • High freight charges for rural shops
• **Lack of skilled workers** • Low wages make it hard to compete with other industries for employees • Labour shortage is driving up cost of wages
• **Customers expecting "extras" that aren't covered by MPI claims** • Including courtesy cars and detailing
• **Shrinking margins on paint and materials**
• **Repairs are becoming more complex, MPI rates not adjusting accordingly**

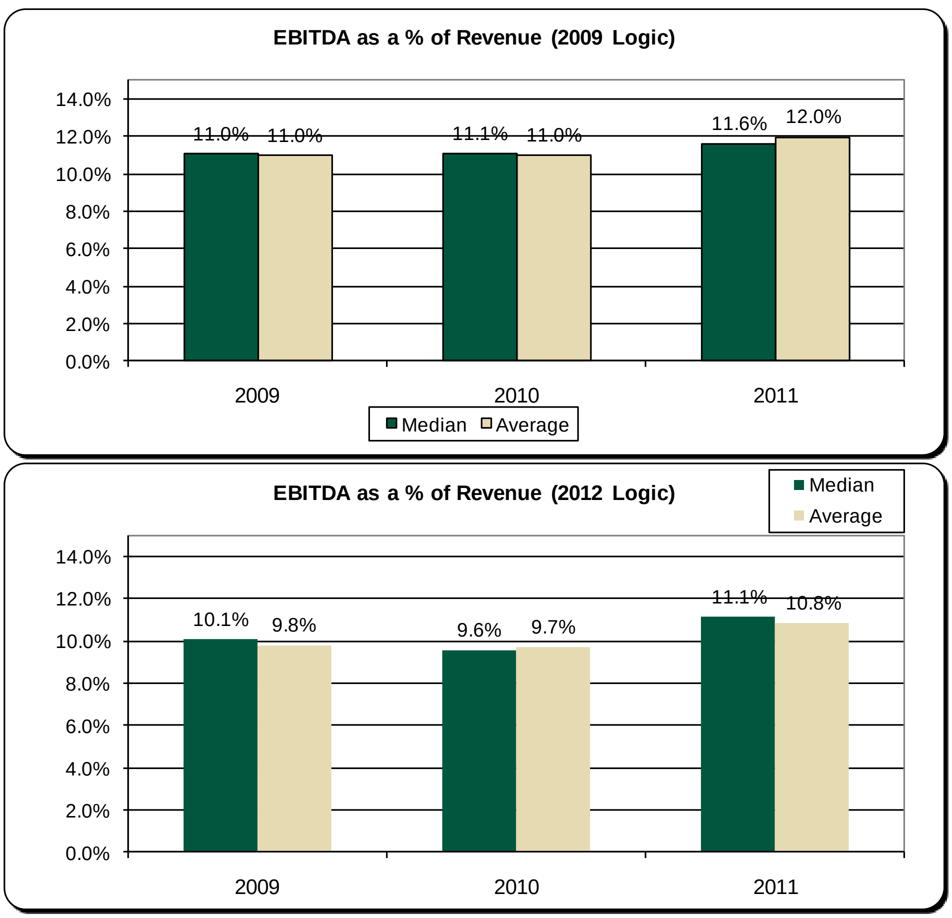
5.6.5 Change in Analysis from 2009 to 2012

From the 2009 Survey to the 2012 survey there was a change in approach to the analysis that impacted fair market wage adjustments and facility cost adjustments. In addition to location premiums/discounts, the 2012 survey also considers shop size in terms of revenue for fair market management wages. The impact is an increase in management wages for larger businesses to account for the increased responsibilities required to manage more staff and larger business operations.

There were two primary changes to the lease rate adjustment in the 2012 survey as compared to the 2009 survey. The first change was to add a question in the survey that asked participants if they pay lease rates at fair market value. No adjustment was made if the respondent indicated ‘yes’. Rates were reviewed for reasonableness based on market data to validate this approach. The second change was in how the lease rate adjustments were incorporated. In the 2009 survey lease rates were applied based on the participant’s revenue volume. In the 2012 survey, the lease rates were applied based on location and facility size.

The figures and tables below summarize the impact on EBITDA from 2009 to 2011 based on the two different analysis approaches. The first approach is referred to as "2009 logic" below and mimics the approach that was used in the 2009 survey. The second approach is referred to as "2012 logic" and incorporates the changes discussed above.

Figure 70 – Normalized EBITDA 2012 Results (2009 vs. 2012 Logic)



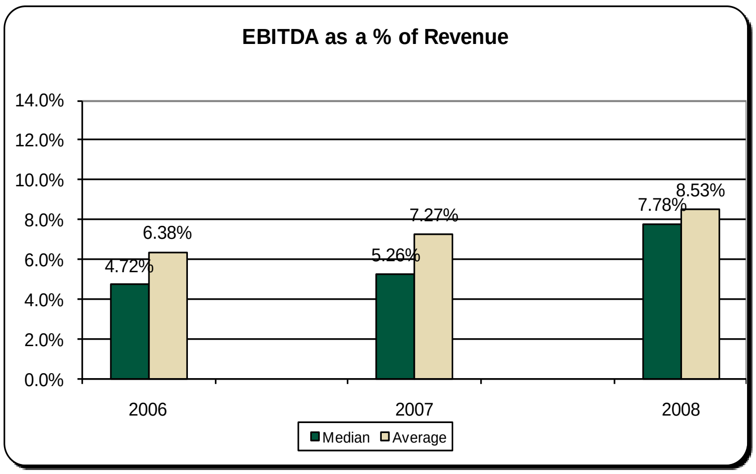
For additional analysis on the impact of the change in logic from the 2009 survey to the 2012 survey see Appendix B.

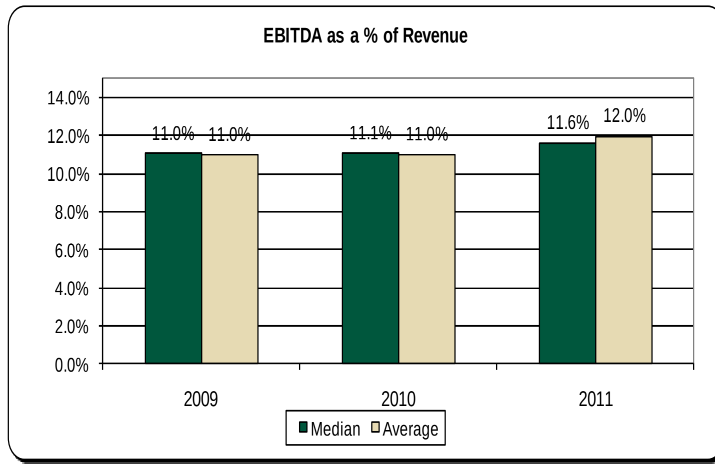
5.6.6 EBITDA Comparisons

As explained above, the impact of the change of logic is due to the change in facility cost and management wage adjustments. As such, neither of these adjustments will impact the cost of sales or gross margin summaries presented in the previous section. EBITDA will be impacted by these changes.

To fairly compare the results from the 2009 survey to the 2012 survey it is important to incorporate a consistent logic. As such, the following presentation of results compares 2009 survey results against 2012 results using the 2009 logic (as defined above).

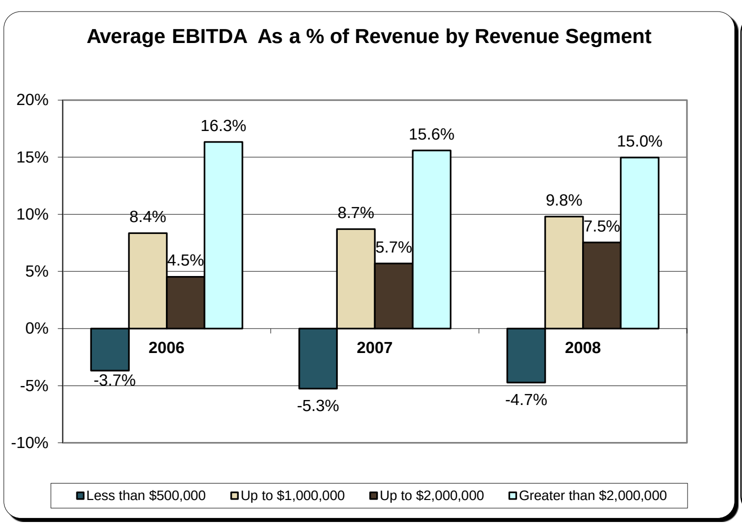
Figure 71 – Normalized EBITDA

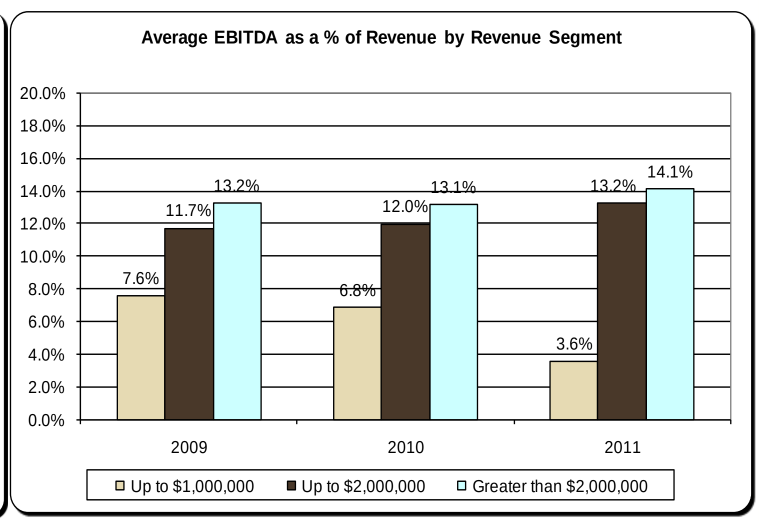




By revenue segment, EBITDA decreased in the below $1,000,000 revenue categories while increasing in the greater than $1,000,000 revenue categories. The gap that existed for businesses with revenue between $1,000,000 to $2,000,000 and businesses with revenues greater than $2,000,000 is closing.

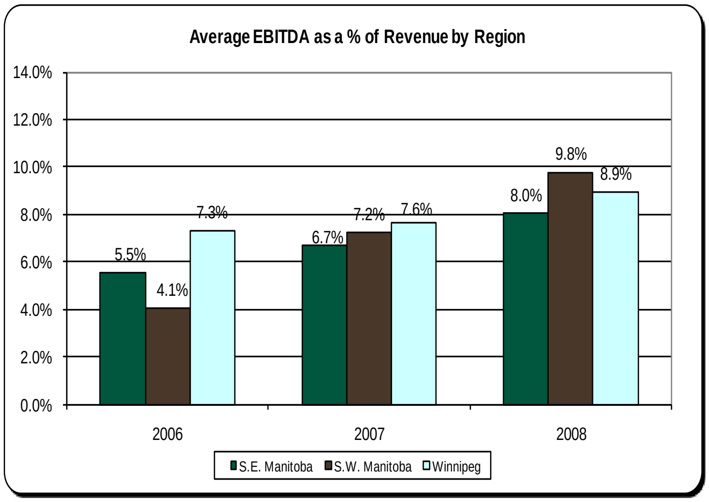
Figure 72 – Normalized EBITDA by Revenue Size

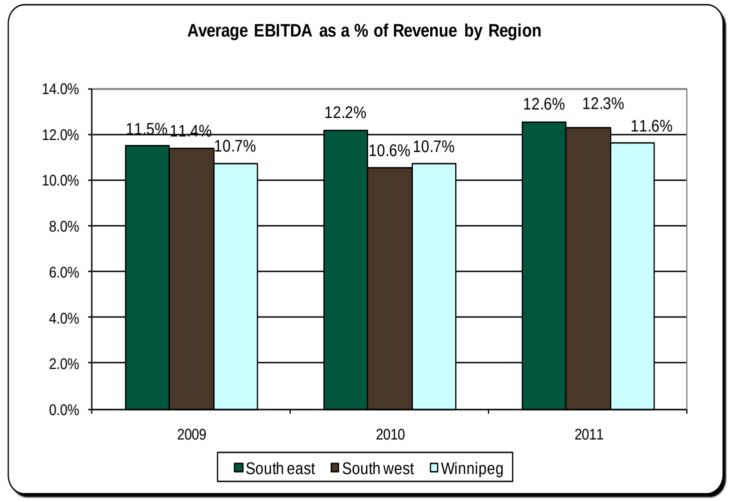




By region, EBITDA in 2012 was the highest in the Southeast region and lowest in the Winnipeg region. As compared to 2009, the Southwest region had the highest EBITDA while each region showed improvement from 2006 to 2008. Overall, all regions experienced an increase in EBITDA as a percentage of revenue. The increase from 2008 to 2009 can partially be explained by the increase in larger businesses being included in the study.

Figure 73 – Normalized EBITDA by Region





5.6.7 Average Income Statement Analysis

The following comparative income statement demonstrates the differences in costs and profitability in the responding businesses by revenue category.

Table 32 – Comparative Income Statement for 2011 from the 2012 Survey by Revenue Category

Average Income Statement	$500,000 to <$1 MM	$1 MM to < $2 MM	> $2 MM	Average
Count	8	27	24	60
Average Revenue of Business Reporting in this Category	$686,295	$1,375,448	$3,531,328	$2,129,863
Auto body	93.48%	98.34%	98.46%	98.22%
Courtesy car/Auto rental	0.10%	0.52%	0.44%	0.45%
Other	6.42%	1.14%	1.10%	1.33%
Total Revenue	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Shop wages and benefits	30.11%	23.66%	22.36%	23.08%
Parts	32.87%	26.13%	28.25%	27.80%
Paint and Materials	3.64%	7.48%	6.78%	6.88%
Body Materials	1.24%	1.81%	1.23%	1.43%
Sublet	1.71%	1.97%	2.76%	2.48%
Other related	3.07%	0.09%	1.12%	0.90%
Total Cost of Sales	72.64%	61.14%	62.50%	62.57%
Gross Profit	**27.36%**	**38.86%**	**37.49%**	**37.43%**
Expenses				
Advertising and promotion	0.50%	1.79%	1.17%	1.32%
Courtesy Car (insurance/rental/lease) Net of rebates	2.12%	2.25%	3.11%	2.81%
Environmental	0.04%	0.07%	0.04%	0.05%
Equipment	0.20%	0.53%	0.21%	0.30%
Facility rent and property taxes	6.71%	5.79%	4.68%	5.08%
Freight	0.06%	0.11%	0.04%	0.06%
IT	0.49%	0.78%	0.57%	0.62%
Management fees and royalties	0.00%	1.53%	0.91%	1.05%
Management / Administration wages and benefits	3.99%	6.92%	7.89%	7.47%
Repairs and maintenance	1.57%	1.21%	0.65%	0.85%
Supplies, tools	0.70%	0.52%	0.91%	0.79%
Training	0.12%	0.19%	0.24%	0.22%
Utilities	2.03%	1.39%	1.13%	1.26%
All Other	6.28%	4.03%	2.83%	3.33%
Total Expenses	24.81%	27.11%	24.38%	25.21%
Earnings before Interest, Taxes and Depreciation (EBITDA)	2.55%	11.75%	13.11%	12.22%

Note: The averages in the above income statements are calculated using a weighted average for the group based on the combined actual amount of each line item. As such, the information above will be smoothed as compared to the results previously presented for individual expenses, which are calculated using the averages of individual shop percentages. The weighted average is more appropriate when presenting an overall summary of industry performance.

The biggest difference between large and small shops is in cost of sales. Gross profit in businesses with revenue less than $1,000,000 was approximately 10% less in 2011 than it was for businesses with revenue greater than $1,000,000. General expenses are relatively consistent between revenue segments as a percentage of revenue.

The average EBITDA for businesses that responded in the 2012 survey was 12.22% as a percentage of revenue in 2011. This is very close to the average performance of businesses in the largest two revenue categories. Businesses with revenue between $500,000 and $1,000,000 had an EBITDA of 2.55% in 2011, which is significantly below the overall average.

Compared to the 2008 results presented below, the greatest increase in the 2011 results is in the $1,000,000 to $2,000,000 revenue category and the greatest decrease is in the $500,000 to $1,000,000 revenue category. Overall, the average EBITDA as a percentage of revenue has improved from 11.2% in 2008 to 12.22% in 2011.

Table 33 – Comparative Income Statement for 2008 from the 2009 Study by Revenue Category

Average Income Statement	$500,000 to <$1 MM	$1 MM to < $2 MM	> $2 MM	Average
Count	27	29	18	83
Average Revenue of Business Reporting in this Category	$665,274	$1,469,068	$3,530,599	$1,530,606
Auto body	98.5%	97.0%	97.1%	97.3%
Courtesy car/Auto rental	1.2%	2.7%	2.6%	2.4%
Other	0.4%	0.3%	0.3%	0.3%
Total Revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Shop wages and benefits	27.7%	25.0%	20.2%	23.1%
Parts	28.3%	26.7%	29.5%	28.4%
Materials	7.0%	9.4%	7.3%	8.2%
Sublet	2.2%	2.8%	2.6%	2.6%
Total Cost of Sales	**65.3%**	**64.0%**	**59.7%**	**62.3%**
Gross Profit	**34.7%**	**36.0%**	**40.3%**	**37.7%**
Expenses				
Advertising and promotion	0.9%	2.2%	1.4%	1.6%
Courtesy Car	1.4%	2.4%	3.0%	2.6%
Equipment	0.3%	0.8%	0.8%	0.7%
Facility	4.3%	4.6%	4.8%	4.7%
Management / Administration wages and benefits	8.1%	10.4%	10.2%	9.8%
Other Overhead	6.4%	5.9%	4.5%	5.5%
Training	0.2%	0.1%	0.1%	0.1%
Utilities	2.0%	1.7%	1.3%	1.5%
Total Expenses	23.6%	28.1%	26.1%	26.5%
Earnings before Interest, Taxes and Depreciation (EBITDA)	**11.1%**	**7.9%**	**14.2%**	**11.2%**

Sustainability of an industry requires sufficient returns to support ongoing investment and business succession. Average EBITDA for each revenue category was used to model debt service capacity and the available return on investment to build a new shop.

Table 34 – Debt Service and Investment Capacity by Revenue Category, 2011

Debt Service Capacity	$500,000 - $999,999	$1,000,000 to $1,999,999	$2,000,000 and up
EBITDA	17,564	161,429	463,833
Maximum annual payments at 1.5:1 Debt Service Ratio	11,710	107,619	309,222
Maximum debt potential, assuming 15 year amortization at 7% interest	**106,654**	**980,185**	**2,816,367**
Average shop size (s.f.)	5,770	6,420	13,741
Construction cost $200/s.f.	1,154,000	1,284,000	2,748,200
Equipment allowance	300,000	450,000	600,000
Total Capital Requirement	**1,454,000**	**1,734,000**	**3,348,200**
Equity Requirement (Capital requirement less maximum debt potential; minimum 30%)	1,347,346	753,815	1,004,460
EBITDA	17,564	161,429	463,833
Add back: Rent	41,420	71,714	148,581
Less:			
Average Annual Interest	4,600	42,273	101,081
Amortization (est. at 1/2 facility expense)	23,011	39,841	82,545
Income before taxes	31,374	151,028	428,788
Income taxes (13%)	4,079	19,634	55,742
Net Income	27,295	131,394	373,046
Return on Assets	1.88%	7.58%	11.14%
Return on Equity	**2.03%**	**17.43%**	**37.14%**
Payback Period	**> 25 Years**	**5.7 Years**	**2.7 Years**

Venture capital often requires returns on investment of 30%-40% or more per year, reflective of the relative risk of the investment, with target portfolio returns of 17-20%. Average returns of 20-25% and payback periods of 5-7 years are generally attractive for business owners. To achieve a 20% return on equity for businesses in the $500,000 to $999,999 revenue category, revenue would need to increase by 19% without a corresponding increase in expenses. Businesses with revenue between $1,000,000 and $2,000,000 in revenue would require a 0.75% increase in revenue without a corresponding increase in expenses. Businesses with over $2,000,000 in revenue show reasonably strong investment capacity and returns. Based on the 2012 survey, the payback period on shops below $1,000,000 in revenue would not be sufficient to warrant the investment with the associated level of risk.

Table 35 – Debt Service and Investment Capacity by Revenue Category, 2008

Debt Service Capacity	$500,000 - $999,999	$1,000,000 to $1,999,999	$2,000,000 and up
Net Profit	$64,245	$100,969	$418,267
Add back - Amortization (est. at ½ facility expense)	$14,303	$33,789	$84,734
Available for Debt Service	478,548	$134,758	$503,001
Maximum annual payments at 1.5:1 Debt Service Ratio	$52,392	$89,883	$335,502
Maximum debt potential, assuming 15 year amortization at 7% interest	$470,356	$806,936	$3,012,010
Average shop size (s.f.)	4,867	6,917	11,954
Construction cost $125/s.f.	$608,375	$864,625	$1,494,250
Equipment allowance	$300,000	$400,000	$500,000
Total Capital Requirement	$908,375	$1,264,625	$1,994,250
Equity Requirement (Capital requirement less maximum debt potential; minimum 30%)	$438,019	$457,689	$598,275
Earnings before Interest	$64,245	$100,969	$418,267
Average Annual Interest	$15,660	$26,866	$46,477
Net Income	$48,585	$74,103	$371,790
Return on Assets	5.3%	5.9%	18.6%
Return on Equity	11.1%	16.2%	62.1%
Payback period	9.0 years	6.2 years	1.6 Years

Based on the 2008 and 2011 results presented in the tables above, it can be concluded that there was a significant decrease in the performance of businesses with revenue between $500,000 and $1,000,000 and a significant increase for businesses with revenue between $1,000,000 and $2,000,000. There was a slight decrease for business with revenue greater than $2,000,000, but the change was less than the other revenue segments.

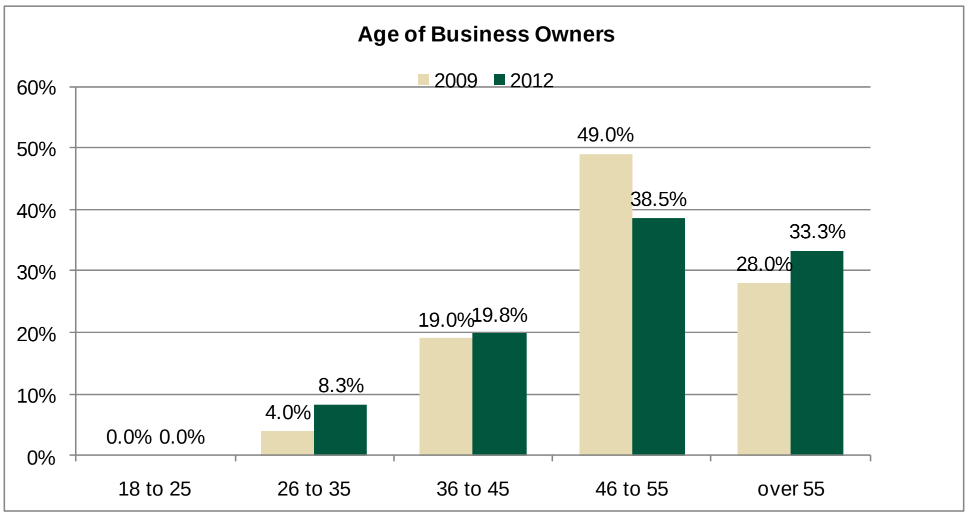
The change in logic between surveys, as previously discussed, should also be considered when comparing the 2008 results above to the 2011 data. As shown in Appendix B, the logic used in the 2012 survey assumes higher costs and lowers the overall EBITDA by approximately 0.5% to 1.6% depending on the revenue segment being considered. This would reduce the gap in the $500,000 to $1,000,000 and the greater than $2,000,000 revenue segments when you compare the 2009 survey to the 2012 survey, but it would increase the gap in the $1,000,000 to $2,000,000 revenue segment.

5.7 Business Succession

Because a large percentage of the industry in Manitoba is made up of independent, owner-managed businesses, ownership succession is extremely important. The availability of qualified individuals willing to assume ownership of these businesses and/or prepared to start new businesses to meet the needs of the market is extremely important to the health of the industry in Manitoba.

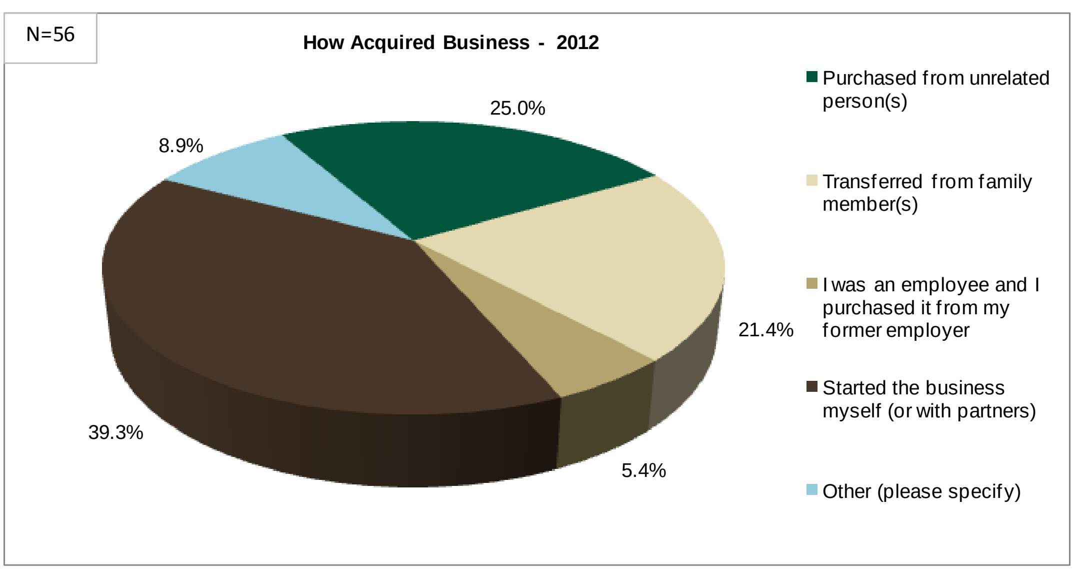
Fifty-six respondent businesses indicated the age of their business owners. Of the 96 business owners reported, the largest group, at 38.5% are between the ages of 46 and 55. 33.3% of owners are over the age of 55, creating potential for retirement within 10 years. This represents an increase in this age category of 5% over the 2009 study results.

Figure 74 – Business Owners by Age Category – 2009 and 2012



Survey respondents were asked to define how they acquired their current business. Thirty-nine (39%) percent indicated that they started the business themselves and 25% of respondents indicated that they purchased from an unrelated person.

Figure 75 – Method of Business Acquisition - 2012



When asked how long they intend to stay in the collision repair business in Manitoba, 74% of respondents indicated they expect to retain their business for 10 years or more. Seventeen percent expect to retire within 5 years, 26% within 10 years.

Figure 76 – Years to Retirement

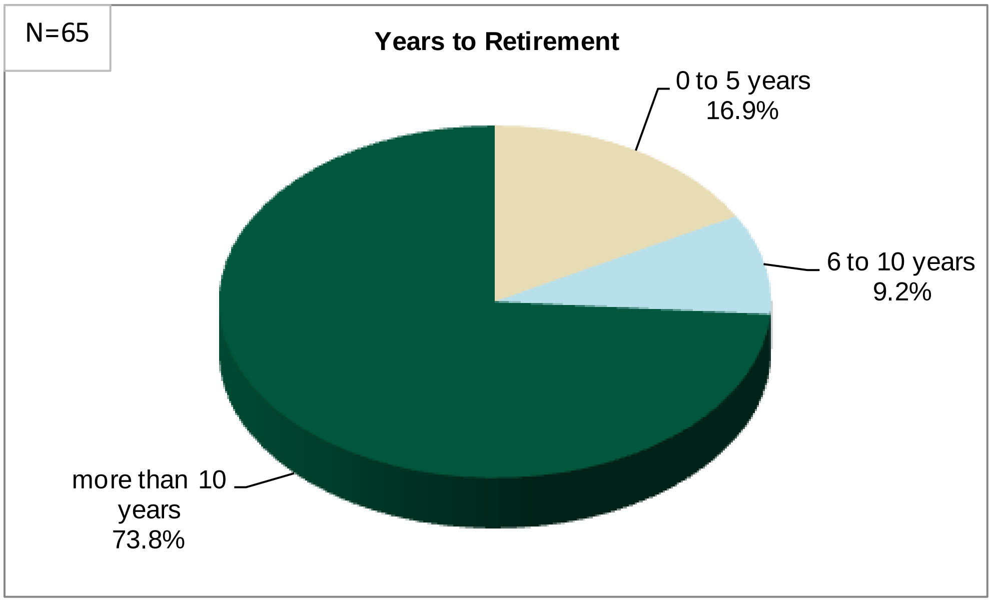
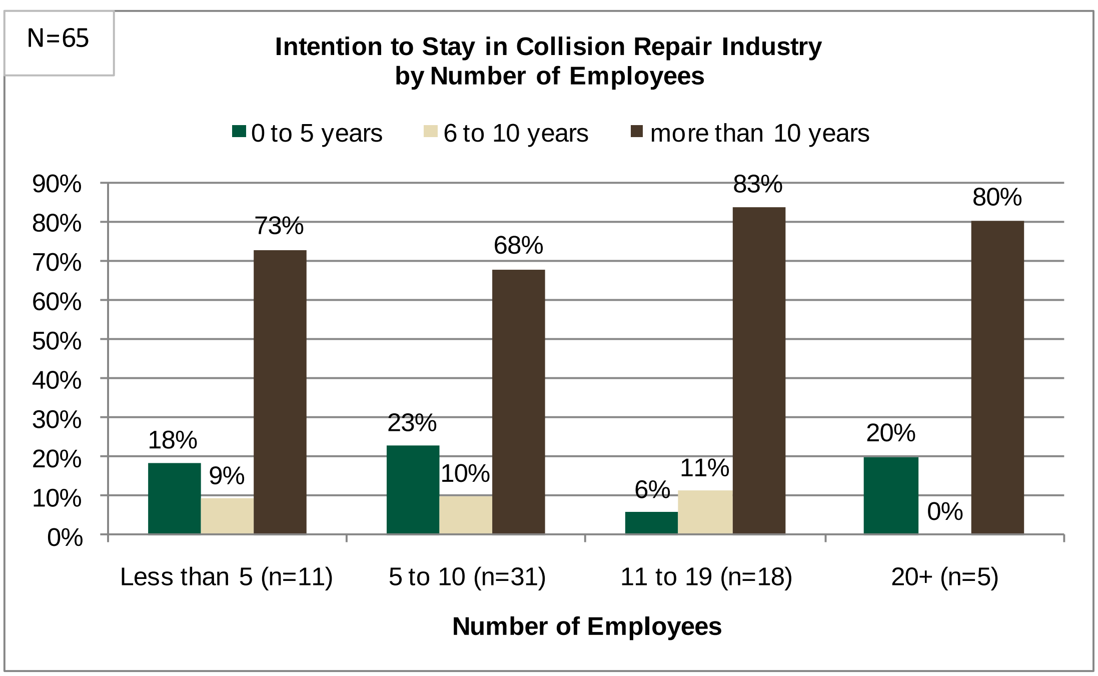
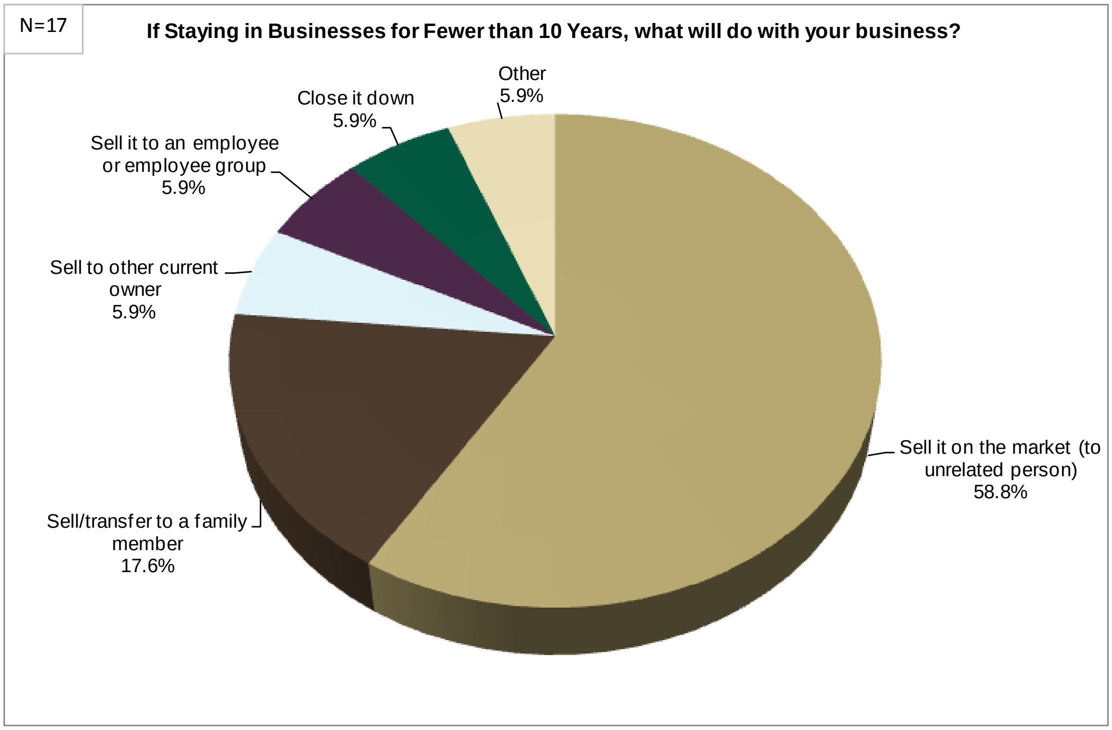


Figure 77 – Years to Retirement by Number of Employees



The 17 survey respondents who indicated they intend to retain their business for 10 years or less, were then asked how they intend to dispose of their business. Almost 60% of these respondents intend to sell their business on the market.

Figure 78 – Exit Strategies



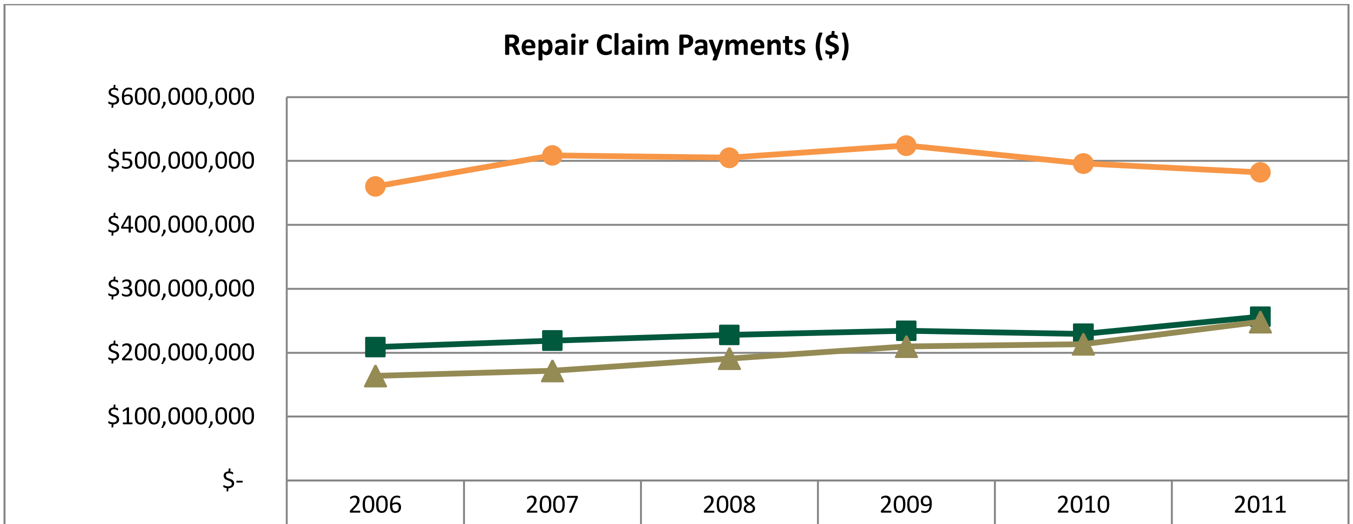
6.0 Comparative Analysis – Canadian Public Insurance Jurisdictions

The following section provides information on auto body repair activity in Manitoba from 2006 to 2011, with comparison data for Saskatchewan (SK) and British Columbia (BC), which also operate in a public insurance environment.

6.1 Claims Activity

While year to year changes can be significantly impacted by weather events, both Saskatchewan and Manitoba show modest but steady increases in repair claim payment amounts. Claim payments[5] to body shops for repairs in Manitoba increased by 9% from 2009 to 2011; 23% since 2006, for an average annual increase of 3.8%. Claim payments in Saskatchewan increased by approximately 17% since 2009, with an average annual increase of 10.3% since 2006. The total amount of repair claim payments declined in BC by over 8% from 2009 to 2011.

Figure 79 – Repair Claim Payments ($) 2006 - 2011

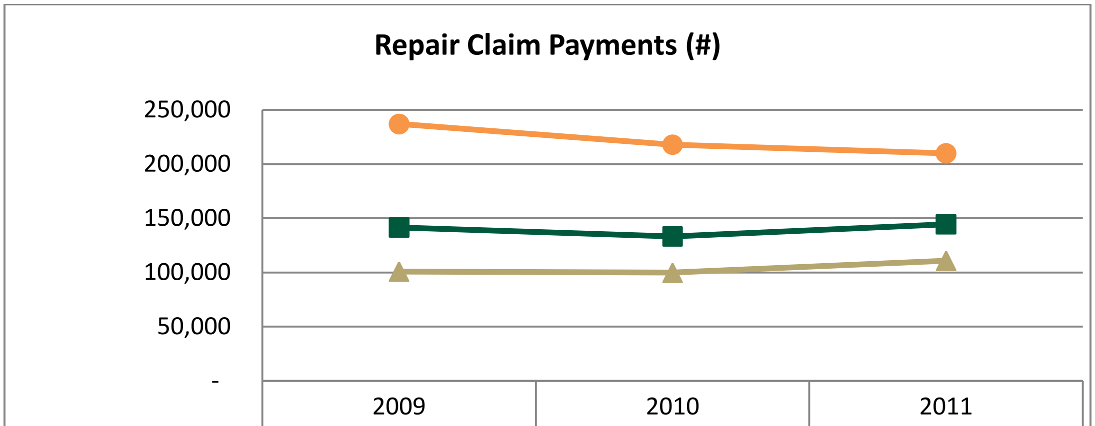


	2006	2007	2008	2009	2010	2011
Manitoba	$208,796,203	$219,075,174	$227,699,304	$234,304,244	$229,598,213	$256,405,145
Saskatchewan	$163,784,472	$171,738,230	$190,982,600	$209,797,160	$213,504,048	$248,160,872
British Columbia	$460,047,574	$508,586,585	$504,964,694	$524,000,000	$496,000,000	$482,000,000

[5] Claim payments represent the dollars paid by the insurer for automotive repairs, not including total losses or bodily injury, and net of any deductibles paid directly by the customer.

Although fluctuating down somewhat in 2010, the number of Manitoba payments in 2011 was within 2% of 2009. The number of payments in Saskatchewan increased 10% from 2009 to 2011. The number of repair claim payments in BC declined by approximately 11% from 2009 to 2011.

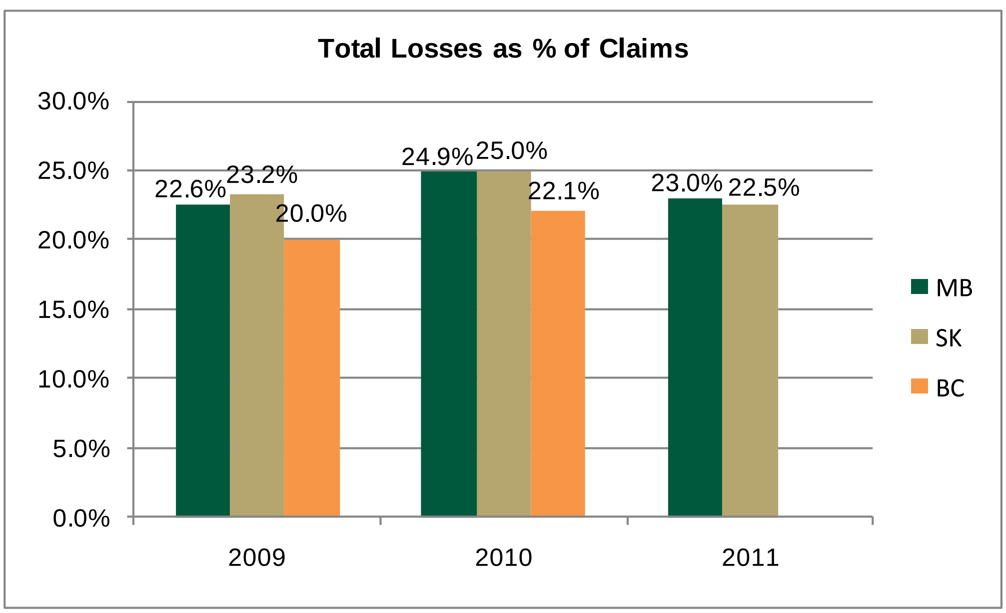
Figure 80 – Repair Claim Payments (#) 2006 - 2011



	2009	2010	2011
Manitoba	141,514	133,305	144,445
Saskatchewan	100,930	99,825	110,802
BC	237,000	218,000	210,000

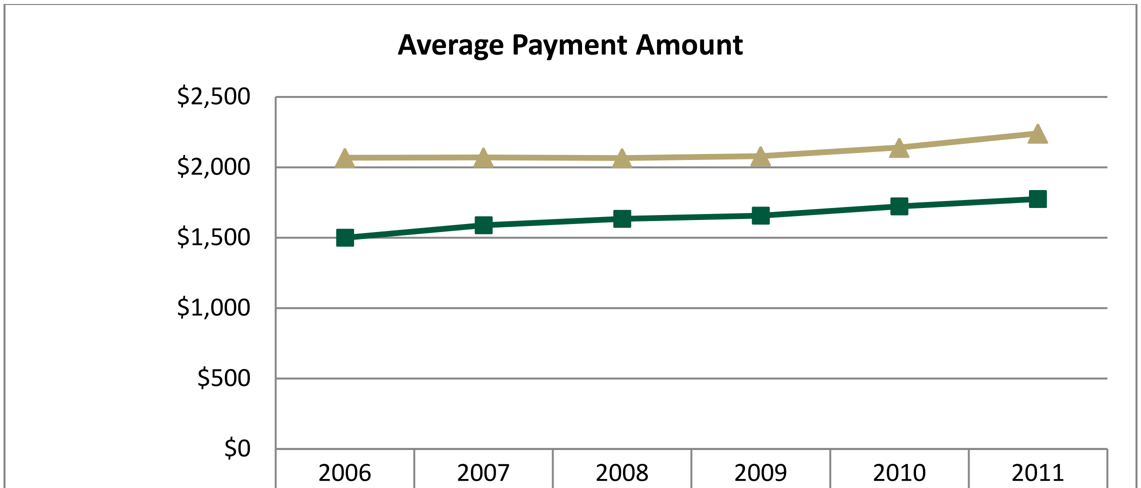
Total losses as a percentage of claims in both Manitoba and Saskatchewan showed an increase in 2010 before returning to nearer 2009 levels in 2011. This proportion is impacted by the value of the vehicles and the cost of repairs. While total losses as a percentage of claims in BC increased 2% from 2009 to 2010, it remained below levels in MB and SK. (BC data for 2011 was not available at the time this information was collected.)

Figure 81 – Total Losses as a Percentage of Total Claims



The total dollar amount of payments divided by the number of payments results in an average payment to Manitoba repair shops of $1,775 in 2011, up 7% from 2009; 8% in Saskatchewan. Average payment (a simple form of severity) is influenced by the "door rate", or rate per hour of labour, which varies by province, as well as the vehicle characteristics (age, materials and technology). BC does not publish average payment amounts.

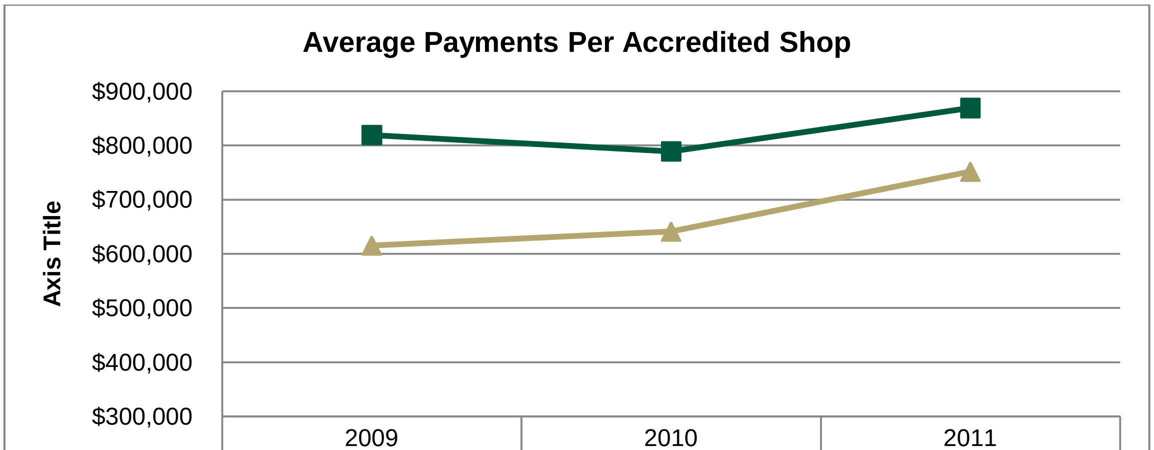
Figure 82 – Average Payment Excluding Total Losses



	2006	2007	2008	2009	2010	2011
Manitoba	$1,499	$1,588	$1,633	$1,656	$1,722	$1,775
Saskatchewan	$2,067	$2,070	$2,065	$2,079	$2,139	$2,240

The average dollar amount of payments per shop trended up in Manitoba, with a similar pattern in Saskatchewan. BC does not publish average payment data.

Figure 83 – Average Payments ($) by Accredited Shop

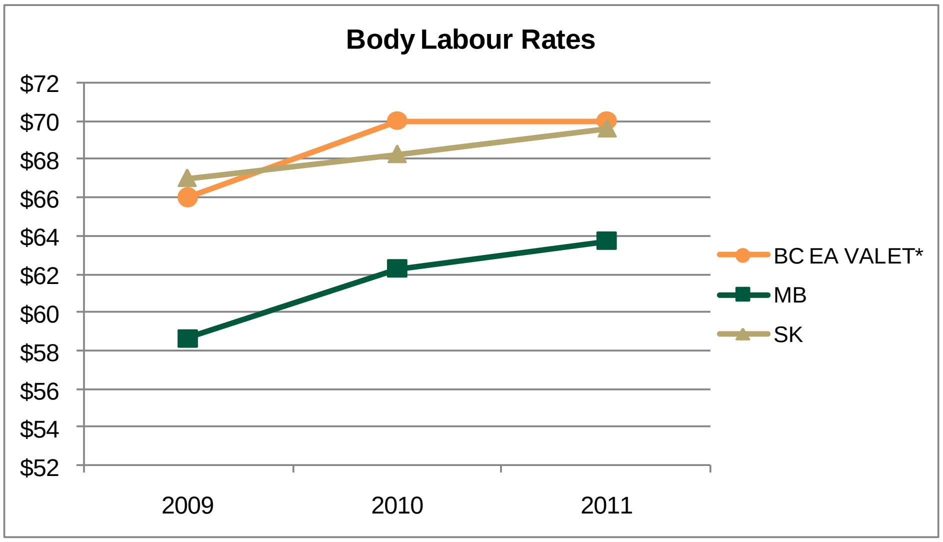


	2009	2010	2011
MB	$819,246	$788,997	$869,170
SK	$615,241	$641,153	$752,003

6.2 Labour Rates

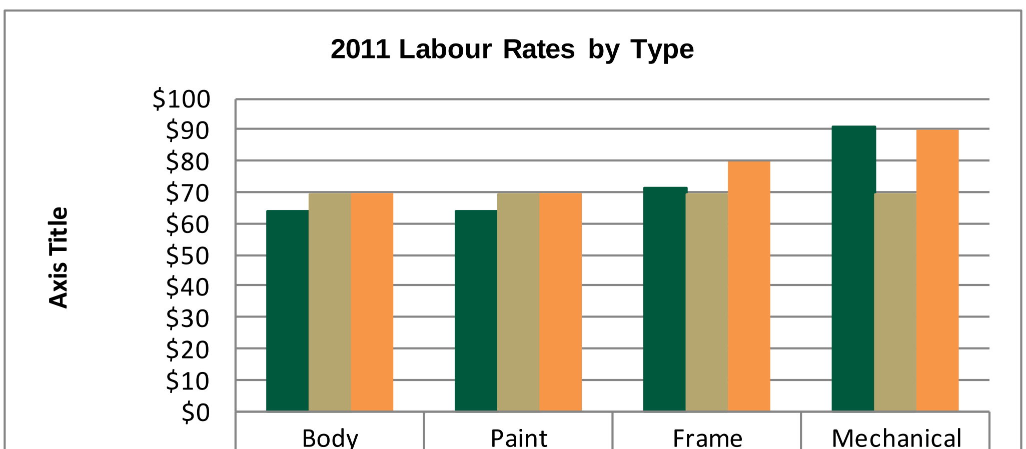
Body labour rates have increased 9% in Manitoba since 2009; 4% in Saskatchewan. In 2010, ICBC increased the labour rate from $66 to $70 (6%) for Earned Authority (EA) Valet shops. Non-Earned Authority Valet shops remained at $66. BC rates shown in the following series of slides are all for Earned Authority Shops.

Figure 84 – Body Labour Rates



All three provinces apply the same labour rate for both body repair and paint. Manitoba and BC apply different rates for frame and mechanical repairs as shown below. Saskatchewan applies a blended rate across all categories.

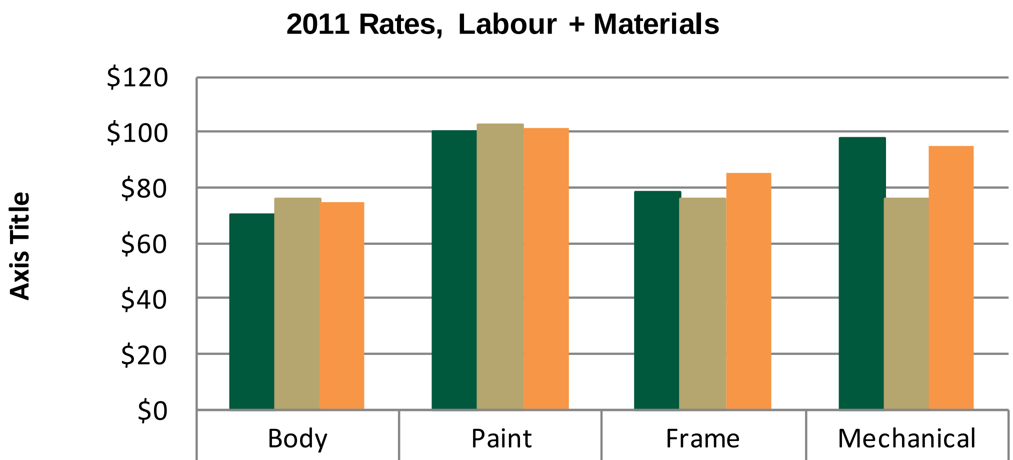
Figure 85 – 2011 Labour Rates by Type



	Body	Paint	Frame	Mechanical
MB	$63.72	$63.72	$71.37	$91.29
SK	$69.63	$69.63	$69.63	$69.63
BC EA VALET	$70.00	$70.00	$80.00	$90.00

Adding material allowances reduces the difference between jurisdictions. Manitoba's paint materials rate is $36.80 compared to $33.14 in Saskatchewan, and $31.50 in BC. The national average material rate as reported by Mitchell is $33.68 (calculation methods may vary).

Figure 86 – 2011 Labour + Material Rates



	Body	Paint	Frame	Mechanical
MB	$70.30	$100.52	$77.95	$97.87
SK	$75.75	$102.77	$75.75	$75.75
BC EA Valet	$74.88	$101.50	$84.88	$94.88

MPI provided an average distribution of labour by type for 2011 appraisals as shown in the table below. Using these percentages to create a 'blend' of Manitoba's rate, the result is an average labour and materials rate of $84.29 in Manitoba, which is approximately 3% below Saskatchewan's blended rate of $86.82.

Table 36 – Body/Frame, Paint and Mechanical Rate

	Body	Frame	Paint	Mechanical	Blended Rate
Proportion of labour, by type*	51%	3%	41%	5%	
Manitoba rate	70.30	77.95	100.52	97.87	84.29
Saskatchewan rate	75.75	75.75	102.77	75.75	86.82

*Based on FY 2011 MPI Average Appraisal Values

7.0 Conclusions and Recommendations

7.1 Conclusions

Note: *Compared to the 2009 survey, the number of respondents decreased by 28% from 83 to 60 in the 2012 survey. The revenue segments with the greatest decline in participation were the under $500,000 and the $500,000 to $1,000,000 segments. The number of respondents in the under $500,000 revenue segment were too low to segregate further, and the results for the $500,000 to $1,000,000 revenue segment is less reliable.*

6. The labour rate increases and incentives under the 2010 agreement appear to have generally achieved the intended objectives.

e. Wages and benefits have improved.

2010 and 2011 rate increases combine to a net total increase of approximately 9%. Shop wages as a percentage of revenue have remained relatively constant overall, and increased by approximately 2% for shops with revenue of $500,000-$1 million and for shops with revenue over $2 million. This suggests that the increase in rates has been passed on to shop staff.

Average annual pay increased by approximately 6% for journeyperson body repairers, and approximately 9% for body repair apprentices. While the average annual pay for journeyperson painters remained relatively flat, painter apprentices increased by 13%. As flat rate incentives are common in the industry, annual pay is influenced both by hourly rates and by the volume of work performed by the individual. Increases may be a result of either or both. A very high proportion of respondents to the 2012 survey (92%) indicated paint apprentices were offered variable pay. The higher increase in pay and higher use of flat rates for apprentices suggests some work shifting may have occurred between journeyperson and apprentice painters. Average annual pay for painters was also notably higher than other positions in the 2009 survey.

It is important to note this study did not include a comparative analysis of other competing positions in the labour market, so there is no evidence to compare wages to similar positions in other sectors. The change in industrial average wage of 8% over the given period is the only means of rough comparison, and would not address any disparity that may have existed as a starting point.

f. Recruitment and retention has improved.

The 2010 MPI – Industry agreement included a Tool Allowance and Apprenticeship Grant program. Over 100 grants were provided to apprentices in each of 2011 and 2012, with total combined apprentice grants and tool allowances of approximately $400,000 each year.

In 2011 there were 166 registered apprentices compared to 147 in 2008/09, representing a 13% increase in the number of people training for technical positions. The effectiveness of apprentice incentives established in the 2010 agreement will be more fully indicated once the increase in apprentices is also evident in the number of completions, or new journeypersons available to the trade following the four year apprenticeship period.

Turnover decreased for all positions with the exception of apprentice body repairers, which remained the same at 18%, and apprentice painters, which increased to 36%. The reduction in average annual turnover for journeyperson body repairers from over 27% to 17% brings it much closer to norms (turnover of 10-15% is generally considered within the healthy range).

g. The gap in labour rates between Manitoba and Saskatchewan has lessened.

The 2010 and subsequent increases in labour rates in Manitoba reduced the gap to Saskatchewan rates from 12% to approximately 9%. This gap is further diminished so that Saskatchewan rates are less than 3% above Manitoba when factoring in Manitoba's higher material rates and higher frame and mechanical labour rates. In 2009, the cost of living in Saskatchewan was estimated to be 7% higher than in Manitoba.

Please note, the comparison above is reflective only of rates, not any comparison of estimating systems, practices or results.

h. For larger shops, rate increases have been sufficient to keep up with costs.

Labour, parts and materials are the most significant expenses in the collision repair industry. Overall, these expenses have remained relatively consistent from 2009 to 2011 as a percentage of revenue, suggesting rates have overall kept pace with costs.

There is variability among revenue categories, however. For example, an increase of 1.2% in materials, parts and wages costs for the over $2 million revenue category is offset by a 1.5% decrease in the $1-2 million revenue category.

While less reliable as an overall indicator due to the small number of responses with financial data, materials, parts and wage costs for responding shops with revenue between $500,000 and $1 million increased as a percentage of revenue by over 10%.

Overhead costs generally improved as a percentage of revenue.

- For the $1-2 million revenue group, a 2.8% improvement in general expenses magnifies the improvement in cost of sales. In 2008, average EBITDA for this group was 7.5%. In 2011, this improved to 13.2%
- For shops with over $2 million in revenue, a 2.3% decrease in general expenses moderates the impact of increased cost of sales, resulting in a net change to average EBITDA of -0.9%.

Even with some improvement in general overhead costs, *responding* shops with revenue between $500,000 and $1 million experienced an overall reduction in EBITDA since 2008. As noted, the sample for this revenue category is small, and this data may not reliably represent all shops in this revenue category. Some stronger performing shops also moved out of this revenue category and up to the next between surveys.

(All EBITDA comparisons in this section reflect use of the consistent analysis method. Please see Figure 69).

7. A number of challenges identified in the 2009 survey continue to be evident:

f. Insurance-related business processes are driving operating costs and extending repair times.

Delays arising from the supplemental estimate process and time required for MPI related administrative processes are the most frequently cited concerns of respondent shops. Respondents identify an average of between 37 and 112 hours per week on MPI business processes, absorbing the equivalent of a full time employee even in shops with less than $1 million in revenue. This works out to approximately 3 to 4 hours of administrative time per payment. Based on the average payment amount, an average repair may involve 8 – 10 hours of labour. The need to spend 3 to 4 hours of administrative time per repair appears excessive, and validates the ongoing need to address these business processes. A success rate of only 42% (combining fill rate and return rate) in using re-cycled parts also indicates the continued need to improve. Survey respondents also frequently indicated the delays arising from the estimate and supplemental process cause frustration to the customer as well as the shop. Delays in repair times also increase courtesy car expenses for both MPI and the industry

g. Availability of skilled labour remains a significant concern.

The industry continues to report labour challenges. Extended times to fill positions, between 3 ½ and 6 months for journeymen technician positions, indicate an overall shortage.

Based on past completion rates, the apprenticeship program at current levels of activity will only meet approximately two thirds of the demand for journeyperson body repairers. While some progress appears to have been made in increasing the number of apprentices in the program, shops typically still have only one apprentice even in large shops where there are multiple journeypersons to provide the necessary supervision. While the increase from 13 to 20 apprentices in the over $2 million respondent group is encouraging, it still represents only half the potential number of apprentices.

Shops over $1 million in revenue could employ more apprentices each within established journeyperson-apprentice ratios. The fact that these shops have much lower apprentice-journeyperson ratios may be part of why they have higher productivity and profitability. Large shops' need to retain apprentices is also lower, given their greater ability to hire technicians. The result, however, may be perpetuating the challenges of smaller shops to keep the technicians they have invested in training as apprentices.

h. Training activity still remains low in an industry with significant ongoing changes in materials and technology.

As technology, materials and environmental and safety regulations continue to evolve in the collision repair industry, ongoing training is required to ensure employees are at the forefront of their respective positions. Respondents indicated an average of 1.8 days training for journeyperson body repairers per year. Journeyperson painters received slightly more with an average of 2 days per year. A lack of locally available training and difficulties related to releasing employees for training were the most frequently cited reasons for not being able to provide training.

i. A significant portion of auto body repair business is still conducted by small shops that are more vulnerable to sustainability challenges.

Shops with MPI payments under $1 million represent 74% of all accredited shops and are responsible for approximately one third of MPI auto body repair business in the province; approximately two thirds of MPI business outside Winnipeg. Almost 90% of shops outside of Winnipeg do less than $1 million in business with MPI.

Small shops experience more significant challenges in being able to make the necessary investments in equipment, technology and training to perform the full extent of repairs on modern vehicles. Small shops also encounter the greatest challenges in attracting and retaining skilled labour.

Increasingly complex vehicles means customers will increasingly need to take their vehicles to larger shops qualified to perform their repairs. This can be expected to result in declining business, and fewer sustainable small shops. Improved information to support management decisions may enable proactive business owners to better position their business for growth and succession, and also improve the overall health of the industry.

j. Courtesy cars continue to be a significant expense to the industry.

The cost of providing courtesy cars to customers is, for the most part, an unrecoverable expense that is felt to be expected by customers and necessary to compete for collision repair business. The average time to complete a repair directly influences the cost of courtesy cars. At an overall average of 2.63% of revenue, based on MPI payments for 2011 of $256,986,193 this is the equivalent of $6.7 million.

8. Mitchell is the most common shop management system among Manitoba respondents.

Approximately two thirds of respondents use a shop management system, and over 80% of these respondents use a Mitchell system. MPI uses the Mitchell Ultramate estimating product. While the majority of shops are using only the basic module, adoption of Mitchell for any system interaction between MPI and autobody shops would involve the least amount of change.

9. The physical damage re-engineering project should be well-received if it focuses on reducing the administrative burden of insurer-required processes.

As identified above, insurance-related business processes are driving operating costs and extending repair times. Contacts to encourage shop response to the survey also frequently generated complaints from shops that “nothing has changed”. While there has indeed been progress as identified above, there remains clear demand to improve business processes. The average time of three to four hours spent on these processes per repair, once further validated, provides a basis on which improvement can be made.

7.2 Recommendations

10. Proceed with the Physical Damage Re-engineering Project as soon as possible, including a clear focus on streamlining business processes that directly impact shops.

MPI has initiated a physical damage claims re-engineering project to improve the customer service experience for physical damage claims processing. Process improvements are being developed with the objective of maintaining or reducing MPI costs, while at the same time improving efficiency (increased throughput, decreased costs) for the overall collision repair industry.

The opportunity to free up employee time for more productive pursuits (or reduce demand for staff in a challenging environment) would be highly valuable to shops. Improving cycle times would both reduce costs and increase customer satisfaction.

Increased use of technology and performance standards (e.g., appraiser decision returned within a defined time) provides opportunities to improve accuracy, efficiency and cycle times. Enabling shops to conduct estimates on low-risk claims, supported by risk-based auditing and clear performance measures may also offer significant improvements in cycle times, cost and customer satisfaction.

While the data from the 2009 and 2012 surveys on the amount of time spent is relatively consistent, it is based on somewhat ‘global’ estimates of weekly time spent. Selecting a sample of shops to validate the baseline for each activity, pilot improved processes and re-evaluate the time requirements after changes have been implemented would provide important information that may enable more reliable evaluation of changes.

11. Refine the strategy to increase the future supply of technicians.

MPI has implemented programs to attract new apprentices, and the number of active apprentices has increased. On a journeyperson to apprentice ratio basis, more apprentices are currently being trained by smaller shops. These shops often experience challenges retaining this skilled labour once they become journeypersons, creating the need for ongoing investment in on-the-job training and related productivity challenges. Given the overall need for more skilled labour, the ATA, MMDA and MPI should work together to consider means of encouraging shops that invest in training apprentices, recognizing that not all apprentices are retained by the shop that invested in their training.

12. Develop performance benchmarks and related training.

Using a system of performance measures is a proven method of facilitating improved performance, both in terms of profitability and customer satisfaction. Approximately three quarters of reporting shops indicated they are using performance measures, but less than half monitor efficiency, and even smaller percentages monitor customer satisfaction. Only 38% report adopting new management practices, and this sample is heavily weighted to the larger shops that are already profitable. Respondents that have implemented new practices, particularly lean management systems, have reported improved results.

Working together, MPI and the industry could develop a useful performance score card, and assist shops to implement and use performance measures and modern management systems to improve performance.

Armed with better performance information, shops may be able to improve productivity, profitability and customer satisfaction. Incorporating performance measures may also provide MPI with a means of improving results and controlling overall claims costs without impacting industry profitability. Development of performance measures also provides an opportunity to develop options such as variable rate models to reward shops that perform well, and control costs in shops with lower quality or productivity.

Information on the volume and nature of claims within certain market areas may also allow shops to make decisions regarding growth and consolidation, ensuring better continuity of service in rural areas and more secure investments for shop owners.

13. Facilitate training in new technologies.

Training days reported by all shops appear to be at a minimum level for an industry that experiences ongoing, significant changes in technology and materials. Shops report challenges releasing employees from productive work hours as well as a lack of locally available training.

Independent Learning (on-line) courses were first made available in 2011. According to MPI data individuals completed 2,042 I-Car courses in 2012. 511 courses or 25% of the total were completed through Independent Learning.

MPI, the ATA and MMDA should consider a joint strategy to evaluate and further facilitate access to training, including potentially extending training offerings and/or increasing available channels and flexibility (e.g., distance, on-line, rural offerings) to enable more training with less impact on shop productivity.

14. Continue to use a balanced inflation adjustment approach for setting future rates.

The mechanism established in the 2010 agreement to adjust labour rates reflects a blend of both general (CPI) and wage (IAW) inflation in the province, and appears to have been effective in allowing the industry to increase wages while maintaining gross profit margins. Continuing to apply a similar mechanism for rate increases going forward is supported by both the nature of the most significant expenses for collision repair businesses (labour, parts and materials), and this evidence.

The 2009 and 2012 industry surveys provided information to evaluate industry health and help evaluate rate adjustments. The investment to conduct industry wide surveys is significant, however both for the partners to the study and the individual businesses that supply the extensive data requirements. An alternative would be to use an agreed set of indicators that can be independently monitored and verified. This would enable less intensive data collection from shops, while still providing information on changes that may impact industry profitability. The results of the 2009 and 2012 studies provide a significant base of information to enable this approach. Indicators would be expected to reflect major expense items (e.g., materials, parts and labour) as well as other agreed factors that significantly influence shop profitability. A comparison of the changes in these indicators, combined with shop input on a smaller set of questions would be more efficient on an ongoing basis, and may validate or allow further refinement of how inflation is calculated and applied for annual adjustments.

Appendix A

Survey Instrument

IMPORTANT NOTICE
MPI ACCREDITED COLLISION REPAIR BUSINESSES

Manitoba Public Insurance (MPI), the Manitoba Motor Dealers Association (MMDA) and the Automotive Trades Association (ATA) have partnered to update the 2009 comprehensive study of the collision repair industry in Manitoba. Understanding the underlying key elements of our businesses is vitally important to determining the proactive steps that must be taken now to ensure a healthy collision repair industry in Manitoba over the next decade and beyond. MNP has been retained by this partnership to conduct this study. A key part of the study is a survey of industry businesses regarding financial performance, human resources and trends impacting the industry. MNP is conducting this survey to enable access to this important information while still ensuring individual business information is kept confidential.

WE NEED YOUR INPUT!

The credibility of this study depends upon the ability to collect valid information from enough businesses to be considered representative of the collision repair industry in Manitoba. The results will be used to inform decisions about the ongoing business relationship with MPI.

Survey Response Deadline has been extended

More information regarding this project is available by emailing MBCollision.Repair@mnp.ca or calling our toll free information line at 1-877-500-0795 from 8:00 a.m. to 5:00 p.m. Monday to Friday.

CONFIDENTIALITY

MNP is committed to maintaining the security, confidentiality and accuracy of the personal information we collect to provide the highest level of service to our clients. Our privacy policy adheres to both the guidelines and principals underlying the Personal Information Protection and Electronic Documents Act, as well as our own commitment to ensuring that clients are comfortable providing us with personal information. The MNP Privacy Policy can be viewed at mnp.ca

MNP is acting as an independent third party in this study. The results will be reported collectively and in aggregate with no ability to identify individual respondents or businesses. All information provided to MNP, including completed surveys, will be used only for the purpose of this study. Individual survey responses will not be shared with project partners, and will be retained by MNP only until the final report has been accepted by the Steering Committee. Upon acceptance, all information will be destroyed.

By completing this survey you are consenting to the collection of personal information by MNP. This information will be used only for the purposes of this study and will not be disclosed to anyone, including study partners, for any reason without your further prior consent.

About MNP

MNP is one of the largest chartered accountancy and consulting firms in Canada, providing client-focused accounting, taxation and consulting advice. National in scope and local in focus, MNP has proudly served individuals and public and private companies for more than 65 years. For more information, visit www.mnp.ca

INSTRUCTIONS – PLEASE READ PRIOR TO COMPLETION OF THE SURVEY

Please complete one survey per company. If your company has more than one location, please complete one survey per location.

To make completion easier, we suggest that you take the time to gather your data and thoughts on the questions and then complete the survey. If you are completing the survey online, you may login to the survey using your assigned password as many times as necessary until you check the "finished" box in the last section. Please click the 'continue' and 'click here to finish' buttons as applicable to ensure your responses are submitted. **As a web-based survey, the information you input enters our database as soon as you enter it, but any information entered on a previous login will be "invisible" to you the next time you log in.** This information is not lost! You may change a previous answer by re-entering the new information. Otherwise, simply continue to enter the new information from where you left off. We recommend that you print off what you have completed at the end of each sitting. Once all requested information is available, the survey should take approximately 1 hour to complete.

Section B requests detailed financial information. If possible, please submit annual financial statements for the past 3 completed fiscal years. This will assist MNP in understanding how revenues and expenses are categorized, and enable validation. This information may be emailed, faxed or mailed to:

Yvonne Morrison
MNP LLP
2500 – 201 Portage Avenue
Winnipeg, MB R3B 3K6
Fax: 204-783-8329
Email: MBCollision.Repair@mnp.ca

Envelopes or subject lines should be marked "Confidential – Collision Repair Industry Study"

Please ensure that all questions are completed. If you require assistance in completion of the survey or have any questions or concerns, please call 1-877-500-0795.

MNP will be reviewing responses to identify potential errors or to confirm anything out of the ordinary. After MNP has reviewed your information, we may be contacting you for further clarification or to obtain missing information. Please provide the name and contact information of the individual who will be able to provide clarification if necessary in the space provided below.

Company Name: ____________________________________

Contact Name: ____________________________________

Direct Telephone: ____________________________________

Email: ____________________________________

SECTION A – BUSINESS INFORMATION

1. Which of the following most accurately describes your business:

   - ☐ Independently owned and operated
   - ☐ Auto dealer
   - ☐ Other (please specify)________________ (e.g. franchise, multi-location company owned)

2. Which of the following most accurately describes the ownership structure of your business:

   - ☐ Sole proprietor
   - ☐ Partnership
   - ☐ Corporation
   - ☐ Other (please specify) ______________

3. Are you a member of (check all that apply):

   - ☐ MMDA (Manitoba Motor Dealers Association)
   - ☐ ATA (Automotive Trades Association)
   - ☐ Not a member of either organization

4. Referring to the provincial map, please indicate in which region your business is located:

   - ☐ South east
   - ☐ South west
   - ☐ North
   - ☐ Winnipeg (all areas inside the Perimeter highway)

5. Please indicate the area(s) in which you are accredited with MPI (check all that apply):

   - ☐ Autobody
   - ☐ Commercial
   - ☐ Glass

6. What year was the current business started? ___________

7. Average Annual Revenue (last 3 years):

   - ☐ Under $500,000
   - ☐ $500,000 to $999,999
   - ☐ $1,000,000 to $1,999,999
   - ☐ $2,000,000 and up

8. Please indicate the approximate breakdown of the typical amount of collision repair business by type in any given year (must add up to 100%):

Body, Frame / Structure	
Paint	
Glass	
Mechanical	

9. Please indicate the approximate typical percentage of revenue from each source in any given year (must add up to 100%):

Insurance (MPI) Pay	
Other Pay	

Section B - About Your Finances

10. Please complete the following table requesting income and expense information for the past 3 years. Please enter the information according to FISCAL year end. INCLUDE ONLY FULL YEARS (exclude any 'year' with less than 12 months of activity).

Income Statement Information	2009	2010	2011
Revenue			
Auto body			
Courtesy car/Auto rental			
Other related (please explain in Q 11 below)			
Total revenue (A) *(enter total from your statement)*			
Cost of Sales			
Shop wages and benefits (See Note A below)			
Parts			
Paint/Refinishing Materials			
Body Materials			
Sublet			
Other (incl. costs associated with "other" revenue)			
Total Cost of Sales (B) *(enter total from your statement)*			
Expenses			
Advertising and promotion			
Amortization			
Courtesy Car (insurance / rental / lease) *net of rebates*			
Environmental (incl. waste disposal, levies, etc.)			
Equipment (lease, rental)			
Facility rent and property taxes			
Freight			
Interest on Long Term Debt			
IT (software, support costs)			
Management fees/ royalties (please explain in Q 12 below)			
Management / Administration wages and benefits (Note A)			
Repairs and maintenance			
Supplies, tools			
Training			
Utilities			
All Other (See Note B below)			
Total Expenses (C) *(enter total from your statement)*			
Net Income before Tax (Should equal A-B-C) *(enter total from your statement)*			

Notes:

A. Benefits include WCB premiums, EI premiums, health & life insurance premiums paid by employer, CPP, vacation pay etc.

B. "Other" includes all other expenses not otherwise specified. May include items such as bad debts, bank charges, insurance, cleaning, dues, office, outside services such as snow removal, mat rental, etc., professional fees, subscriptions, telephone/internet, travel / automobiles, uniforms, meals, entertainment, etc.

11. If you entered an amount for "other related revenue" please describe (e.g., towing, detailing, etc)

12. If you entered an amount for "management fees or royalties", please explain (who paid to, for what, etc.). Royalties include franchise or buying group fees, etc.

13. Please provide any other explanations you feel are necessary related to your Income Statement information in Question 10.

14. Please indicate the amount of OWNER compensation entered in each category in Question 10:

	2009	2010	2011
Shop Wages and Benefits			
Management fees			
Management / Administration wages and benefits			

15. Do you own or lease the facility in which your body shop operates?

- ☐ Own (skip to Q. 18)
- ☐ Lease

16. If you lease the facility, is it owned by a related party?

- ☐ Yes
- ☐ No

17. If it is leased from a related party, is the lease rate paid at fair market value?

- ☐ Yes
- ☐ No

18. If you own the facility, is any space shared or leased to another business?

- ☐ Yes
- ☐ No (skip to Q. 20)

19. Are any costs related to the space shared or leased by others included in your expenses?

- ☐ Yes
- ☐ No

20. Please complete the following table requesting information from your BALANCE SHEET specific to your body shop operations for the past 3 years:

Balance Sheet information	2009	2010	2011
Short term assets (cash, accounts receivable, inventory, etc.)			
Short term debt / liabilities (accounts payable, current portion of long term debt)			
Long term assets			
Long term debt / liabilities			

21. Our fiscal year ends _____________

22. Please indicate the top 3 things that are most affecting the PROFITABILITY OF YOUR BUSINESS.

1.	
2.	
3.	

Please note: If possible, please submit annual financial statements for the past 3 completed fiscal years. This will assist MNP in understanding how revenues and expenses are categorized, and enable validation. This information may be emailed, faxed or mailed, with envelopes or subject lines marked “Confidential – Collision Repair Industry Study” to:

MNP LLP
Attention: Yvonne Morrison
2500 – 201 Portage Avenue
Winnipeg, MB R3B 3K6
Fax: 204-783-8329
Email: MBCollision.Repair@mnp.ca

All information provided to MNP, including completed surveys and financial statements, will be used only for the purpose of this study. The results will be reported collectively and in aggregate with no ability to identify individual respondents or businesses. Individual survey responses will be kept strictly confidential and will not be shared with project partners.

SECTION C: ABOUT YOUR HUMAN RESOURCES

23. How many people do you employ (part-time and full-time) for collision repair? (including directly related support positions)

- ☐ Less than 5
- ☐ 5 – 10
- ☐ 11 – 19
- ☐ 20 – 39
- ☐ 40 +

24. How many employees do you currently have for each of the positions below? Please record EACH EMPLOYEE IN ONLY ONE POSITION. If an individual performs multiple duties, please count the individual in the area where they spend the largest amount of time. **Please count OWNERS ONLY IN THE OWNER** line.

Position	Number		Gender		Average Age
	Part-time[A]	Full-time	Male	Female	
Journeyperson motor vehicle body repairer					
Journeyperson equivalent motor vehicle body repairer[B]					
Apprentice motor vehicle body repairer					
Journeyperson motor vehicle body painter					
Apprentice motor vehicle body painter					
Other shop floor staff (e.g. preparation, detailers etc.)					
Customer service representative / service advisor / estimator					
Production supervisor / shop foreperson					
Parts person					
Management / administrative staff					
Owners					

a. Part-time is defined as fewer than 30 hours per week

b. A *journeyperson equivalent* is an individual that is *not* a certified journeyperson, who has at least six (6) years experience in all phases of collision repair.

25. Did any owners regularly perform activities in the business?

- ☐ Yes
- ☐ No (Skip to Q. 27)

26. If you answered 'yes' to Question 25, on average, approximately how many hours per week did OWNERS spend performing the activities of:

Average Hours Per Week	2009	2010	2011
Journeyperson motor vehicle body repairer			
Journeyperson equivalent motor vehicle body repairer			
Journeyperson motor vehicle body painter			
Other shop floor staff (e.g. preparation, detailers etc.)			
Customer service representative / service advisor / estimator			
Production supervisor / shop foreperson			
Parts person			
Management / administration			

27. For each of the following positions, please indicate how many employees left **IN THE PAST THREE YEARS,** whether you tried to hire for each position, and how many months the position was vacant (to date, if position is still vacant).

	How many employees left?	How many did you try to hire?	How many months did it take to hire for this position? (Average if more than one)
Journeyperson motor vehicle body repairer			
Journeyperson equivalent motor vehicle body repairer			
Apprentice motor vehicle body repairer			
Journeyperson motor vehicle body painter			
Apprentice motor vehicle body painter			
Other shop floor staff (e.g. preparation, detailers etc.)			
Customer service representative / service advisor / estimator			
Production supervisor / shop foreperson			
Parts person			
Management / administration			

28. How many people do you expect to need to hire over the next three years in each position?

Position	Number Will Need to Hire
Journeyperson motor vehicle body repairer	
Journeyperson equivalent motor vehicle body repairer	
Apprentice motor vehicle body repairer	
Journeyperson motor vehicle body painter	
Apprentice motor vehicle body painter	
Other shop floor staff (e.g. preparation, detailers etc.)	
Customer service representative / service advisor / estimator	
Production supervisor / shop foreperson	
Parts person	
Management / administration	

29. Please identify the range of actual <u>annual</u> compensation per employee **CURRENTLY** paid to **FULL TIME** employees in each category (please do not include commas, spaces or ($) symbols). **DO NOT INCLUDE OWNERS.**

	Total GROSS ANNUAL Pay - Full-Time Employees	
	Low	High
Journeyperson motor vehicle body repairer		
Journeyperson equivalent motor vehicle body repairer		
Apprentice motor vehicle body repairer		
Journeyperson motor vehicle body painter		
Apprentice motor vehicle body painter		
Other shop floor staff (e.g. preparation, detailers etc.)		
Customer service representative / service advisor / estimator		
Production supervisor / shop foreperson		
Parts person		
Management / administration		

30. Do you offer incentive compensation (variable pay) to your employees ?

- ☐ Yes
- ☐ No (skip to Q. 33)

31. *If you answered Yes to question 30*, please complete the table below (check all that apply):

Position	Type of Incentive (✓)				Estimated Average % of Total Annual Pay
	Flat rate	% of annual pay	Fixed Lump Sum	Other *	
Journeyperson motor vehicle body repairer					
Journeyperson equivalent motor vehicle body repairer					
Apprentice motor vehicle body repairer					
Journeyperson motor vehicle body painter					
Apprentice motor vehicle body painter					
Other shop floor staff (e.g. preparation, detailers etc.)					
Customer service representative / service advisor / estimator					
Production supervisor / shop foreperson					
Parts person					
Management / administration					
Owners' Family ***not*** included in the positions above					

32. If you checked "Other" in the table above, please describe the type of incentive compensation or variable pay.

33. Does your company provide a benefits package to your employees?

   - ☐ Yes
   - ☐ No (skip to Q. 35)

34. *If you answered yes to question 33,* please indicate what is included in the benefits package(s) by checking all that apply.

Type of Benefit	Who Pays for the Benefits? (✓)			
	Employer paid	Employee paid	Combination	N/A
Employee life insurance				
Dependent life insurance				
Critical illness insurance				
Accidental death or dismemberment				
Short term disability				
Long term disability				
Dental				
Vision				
Extended health care				
Prescription drug				
Employee and family assistance program				
Paramedical benefits (massage therapy, smoking, cessation, physical therapy etc.)				
RRSP or other retirement plan				
Employee Ownership				

35. How many TOTAL DAYS of training did employees in each category receive in the past THREE years (NOT INCLUDING Apprenticeship technical training)?

Position	Total Days* Training		
	2009	2010	2011
Journeyperson motor vehicle body repairer			
Journeyperson equivalent motor vehicle body repairer			
Apprentice motor vehicle body repairer			
Journeyperson motor vehicle body painter			
Apprentice motor vehicle body painter			
Other shop floor staff (e.g. preparation, detailers etc.)			
Customer service representative / service advisor / estimator			
Production supervisor / shop foreperson			
Parts person			
Management / administration			

* 6 + hours in a day = 1 day

36. What type of training did they receive? Please check all that apply.

- ☐ I-CAR Certification Requirements
- ☐ Other Paint methods/materials
- ☐ Other Body methods /materials
- ☐ Other Structural/Frame methods
- ☐ Other Electrical/Mechanical methods
- ☐ New technology / materials/ systems
- ☐ Estimating
- ☐ Lean production/management
- ☐ Management and administration (human resources, accounting, management systems, performance measures)
- ☐ Health and Safety
- ☐ Other (please list)

37. What training do your employees need that you have NOT been able to provide?

38. What has prevented you from providing this training? Please check all that apply.

- ☐ Cost
- ☐ Staff too busy to release for training
- ☐ Training not available locally
- ☐ Training not available in Manitoba
- ☐ Not sure where to find this type of training
- ☐ Other (please explain)

SECTION D: ABOUT YOUR OPERATIONS

39. What is the approximate size of the facility used for the body shop ?

Body Shop area (includes Parts Inventory area) (sq. ft)	
Office area related to body shop (sq. ft.)	
Compound / vehicle storage (# of vehicles)	

40. Is your vehicle storage area secured?
- ☐ Yes
- ☐ No (skip to Q 42)

41. *If yes*, how is it secured?

- ☐ Fence
- ☐ Video Camera
- ☐ Monitored video camera
- ☐ Other (please explain)

42. How many work bays do you have in your facility? (including frame machines, detail bays)

Bays ____

43. How many spray booths?

Booths ____

44. Please CHECK from the list below any major equipment or facility investments in the past three (3) years and the purpose of the purchase. Please check all that apply.

INVESTMENT	REPLACEMENT/ MAINTENANCE (a)	EXPANSION (b)	UPGRADE OR NEW TECHNOLOGY (c)
Paint Booth or Mixing Room	☐	☐	☐
Frame Machine/Equipment	☐	☐	☐
Welder/Plasma cutter	☐	☐	☐
Compressor	☐	☐	☐
Hoist	☐	☐	☐
Courtesy Car	☐	☐	☐
Computer software/Hardware	☐	☐	☐
Shop renovations	☐	☐	☐
Site improvements	☐	☐	☐
Other (please explain in Q. 45 below)	☐	☐	☐

a. To replace existing equipment that is at the end of its useful life with similar equipment
b. To add equipment to expand volume of work or type of work that can be done
c. New technology to increase performance or enable work on newer model vehicles

45. If you answered "Other" to question 44 above, please explain.

46. Have you incorporated any Lean production or management practices in your business in the last three years?

- ☐ Yes
- ☐ No (Skip to Q. 48)

47. If yes, please check all that apply.

- ☐ Full Lean Production System
- ☐ 5S/Shop Organization
- ☐ Visual Control/Management
- ☐ Value Stream Mapping
- ☐ Work Flow/Set Up Reduction
- ☐ Kanban/Material Replenishment Systems
- ☐ Total Productive Maintenance
- ☐ Other (please describe)

48. How has incorporating lean systems impacted your business?

49. Do you use a shop management system?

- ☐ Yes
- ☐ No (skip to Q. 50)

50. If you answered yes to Question 46, please indicate which system and modules you use (please check all that apply):

- ☐ Mitchell
  - ☐ Repair Centre (basic)
  - ☐ MAPP (alternate parts)
  - ☐ GRP (recycled parts)
  - ☐ Estimate Review (compliance)
  - ☐ Tech Advisor
  - ☐ Other (Please describe)
- ☐ Dealer System (Please describe system and modules used)
- ☐ Other (Please describe system and modules used)

51. Do you track any performance indicators?

- ☐ Yes
- ☐ No (skip to Q. 50)

52. *If yes, w*hat performance indicators do you measure and record? (please check all that apply)

- ☐ Revenue
- ☐ Number of repair orders
- ☐ Labour costs as % of repair order
- ☐ Body Labour Efficiency (actual vs estimated hours)
- ☐ Paint Labour Efficiency (actual vs estimated hours)
- ☐ Total cost as % of repair order (or repair order margins)
- ☐ Parts utilization (e.g., % OEM, recycled, aftermarket/LKQ)

☐ Cycle time (please describe, e.g., key to key, 'touch time' (work hours per day), work order days, etc.)

☐ Customer Satisfaction (please describe, e.g., follow up call, counter survey, third party contact/survey, etc.)

☐ Other (please describe)

53. Please estimate the FILL RATE and RETURN RATE for recycled parts for the past year.

Recycled Parts	Percentage
Fill Rate (On average, percentage of order received)	
Return Rate (On average, percentage of received parts that were returned/unusable)	

54. Please estimate the TOTAL hours per week spent by all employees on the following activities related to MPI processes.

Activity	Average Hours per Week
Estimating	
Parts Procurement	
Account Reconciliation	

55. What is working well in your business relationship with MPI?

56. What improvements could be made to the business relationship with MPI?

57. BUSINESS OWNERS – How did you become the owner of this collision repair business?

- ☐ Purchased from unrelated person(s)
- ☐ Transferred from family member(s)
- ☐ I was an employee and I purchased it from my former employer
- ☐ Started the business myself (or with partners).
- ☐ Other (please specify)

58. Please indicate the number of business owners in each age category below:

18 to 25	
26 to 35	
36 to 45	
46 to 55	
over 55	

59. How long do you intend to stay in the collision repair business in Manitoba?

- ☐ 0 to 5 years
- ☐ 6 to 10 years
- ☐ 10 + years

60. If you intend to stay in the business for less than 10 years, what do you believe you will do with your business?

- ☐ Sell it on the market (to an unrelated person(s))
- ☐ Sell / transfer to a family member
- ☐ Sell to other current owner
- ☐ Sell it to an employee or employee group
- ☐ Close it down
- ☐ Other ____________________________

61. What issues may affect your ability to sell your business?

62. Please indicate the top 3 things that are most affecting the health of the collision repair industry in Manitoba. Please explain the impact on the industry.

1.	
2.	
3.	

63. What other comments would you like to provide related to the health of the collision repair industry in Manitoba?

Please check this box if you have completed all sections of the survey and this is your final submission. ☐

Thank you for your participation!

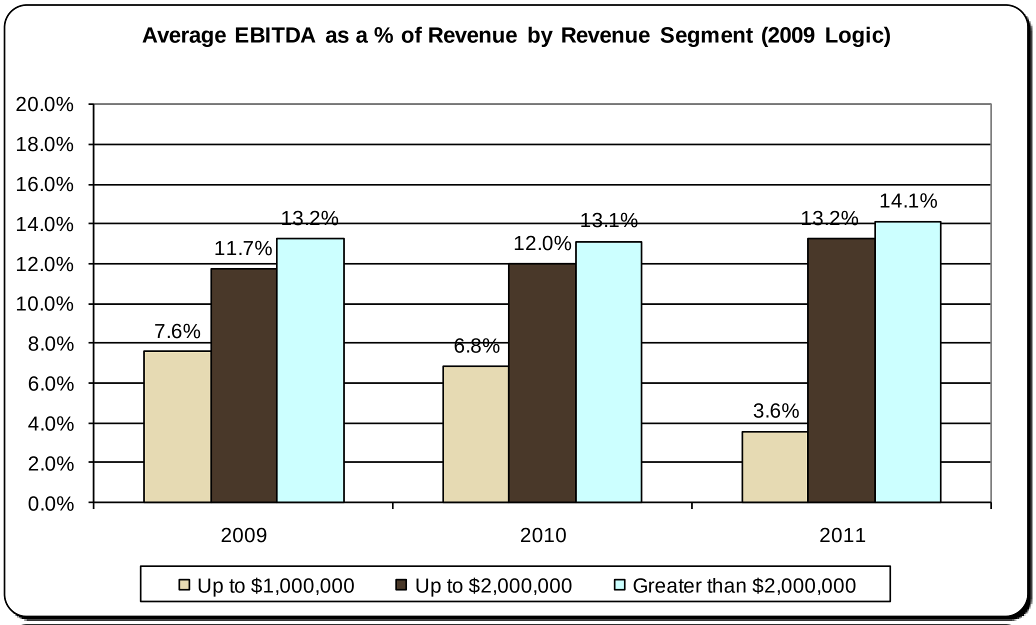
Appendix B

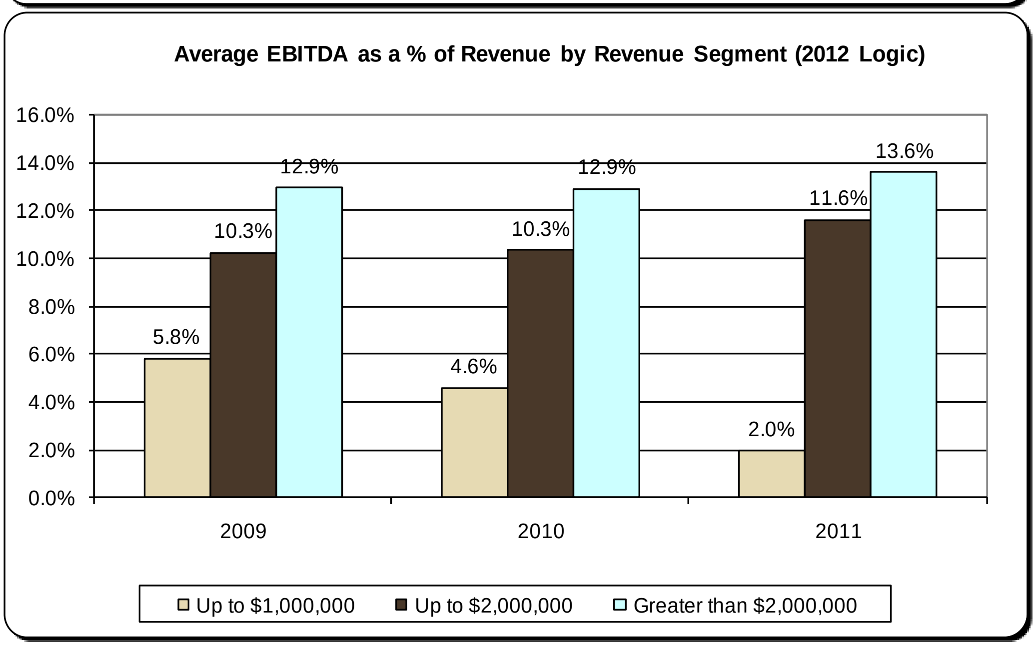
Impact of 2009 Logic vs. 2012 Logic

Supplemental Analysis – Explaining the Impact of 2009 Logic vs. 2012 Logic

By revenue segment, the impact is greater on smaller businesses than larger businesses, as fewer owners were directly performing shop activities in larger businesses.

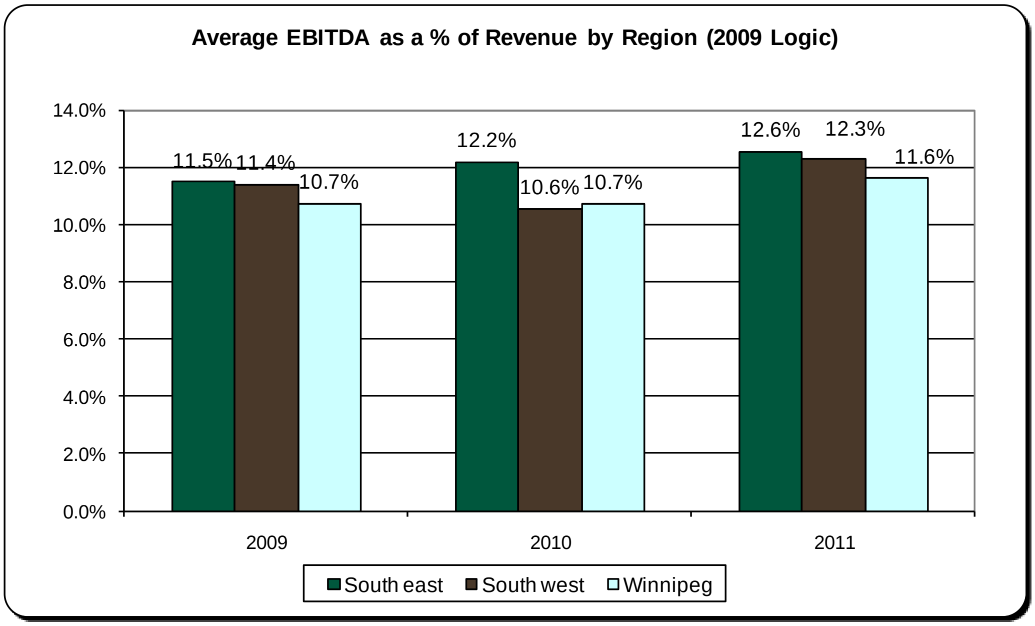
Figure 87 – Normalized EBITDA by Revenue Size

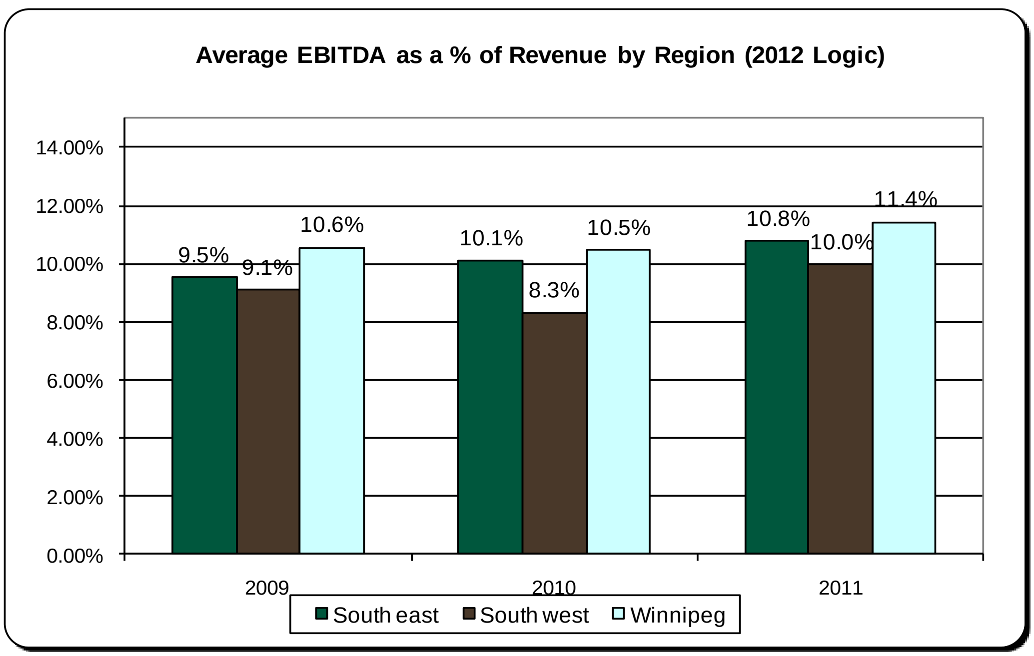




By region, the greatest impact on EBITDA is in the Southeast and Southwest regions. The impact on Winnipeg is minimal.

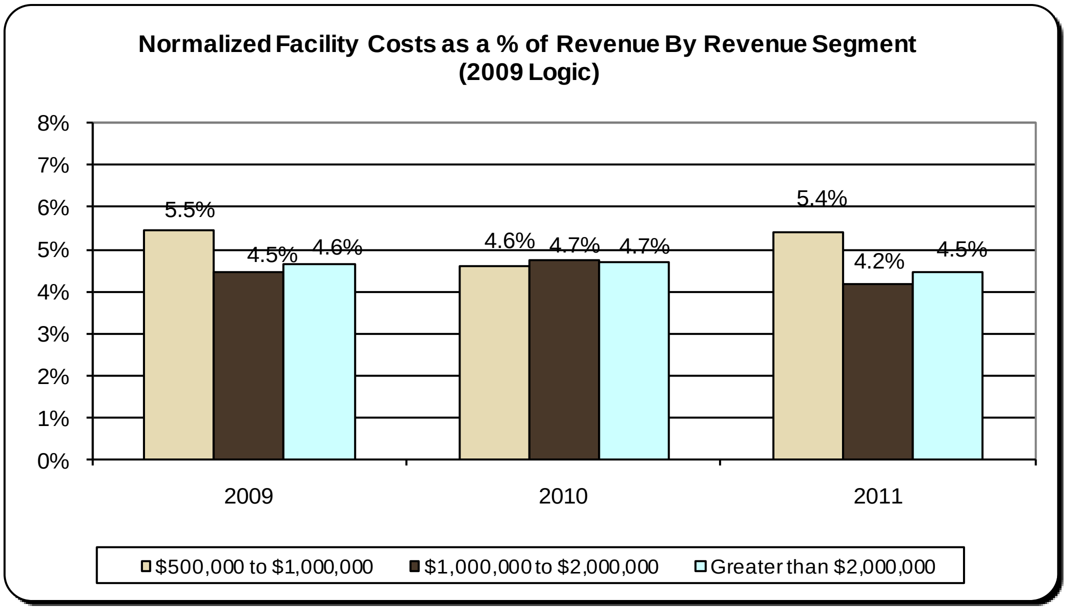
Figure 88 – Normalized EBITDA by Region

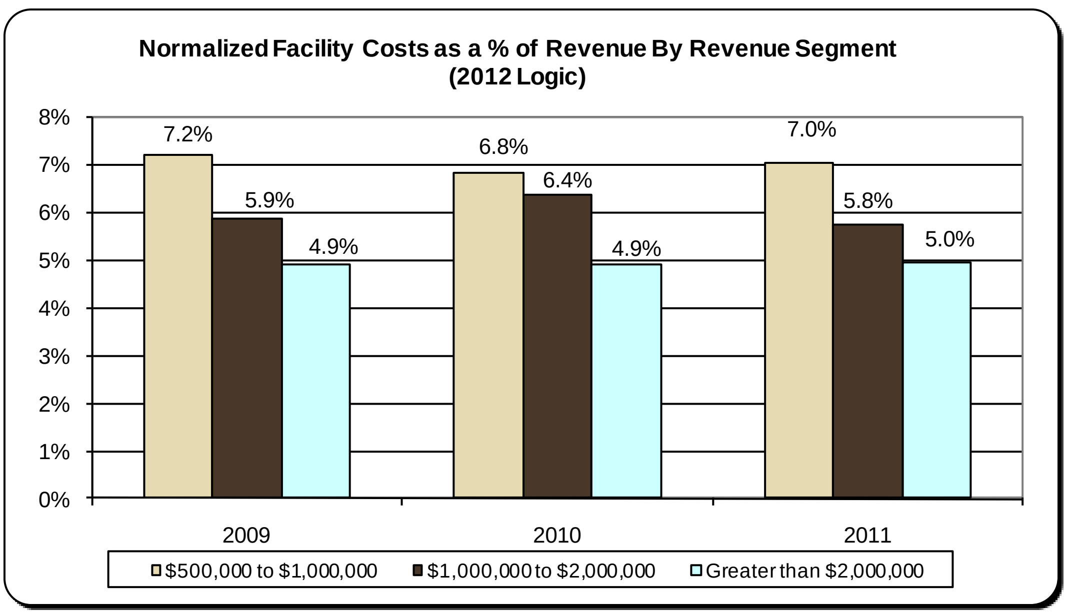




As discussed above, the change in logic from the 2009 survey to the 2012 survey resulted in changes in wage rate adjustments for management compensation and facility cost adjustments. The graphs and table below summarize the impact of these two adjustments

Figure 89 – Facility Costs by Revenue





As shown below, based on the 2011 results, the impact of the normalization adjustment is heavily weighted towards the facility adjustment. Also, the impact from both the normalization adjustments affects businesses with less than $2,000,000 in revenue more than businesses with revenue greater than $2,000,000.

Table 37 – Changes as a result of Change in Logic

Changes	Up to $1,000,000	Up to $2,000,000	Greater than $2,000,000
Changes Attributed to Facility Cost Normalization	1.6%	1.6%	.5%
Changes Attributed to Wage Normalization	.2%	.2%	.1%
Total	1.8%	1.8%	.6%

Appendix C

2009 Recommendations

The following is an excerpt from the **2009 Manitoba Collision Repair Industry Study Report**:

SUMMARY CONCLUSIONS

1. **The proportion of shops with revenue under $500,000 is too high for a healthy industry.**

Shops with under $500,000 in payments represent 60% of accredited shops in Manitoba. Even if MPI payments represent only 70% of revenue (as indicated by respondents in this category), approximately half of the accredited shops would be in the under $500,000 revenue category. While some business owners or buyers may still choose to conduct business at this level, particularly in rural areas, it is not a healthy industry structure for the majority of businesses to be in this revenue range.

2. **There are significant recruitment and retention issues in the industry.**

   A nation-wide skill shortage in this industry is also evident in Manitoba. Proactive efforts to address the identified barriers, including competitive wages, financial assistance for investments in tools, improving public perception of the trade and improving working conditions will be required.

3. **Operating costs have not significantly increased over the period reviewed in this study.**

   Survey data indicates that gross profits have either been maintained or improved in the past three years, and that general overhead expenses have not increased as a percentage of revenue. National data indicates improvements in performance from 2005 to 2007. General operating costs, therefore, are not driving a need for increased rates beyond the rate of inflation.

4. **Insurance-related business processes are driving operating costs and extending repair times.**

   Supplemental estimating and parts procurement processes require manual documentation and significant administrative handling, extending the cycle time and driving unrecoverable costs to collision repair businesses. There are opportunities to improve relationships with the industry, reduce costs, improve customer service and the overall image of the collision repair industry by addressing these processes.

5. **Courtesy cars cost the industry an average of 1.3 to 3% of revenue.**

   The cost of providing courtesy cars to customers is, for the most part, an unrecoverable expense that is felt to be expected by customers and necessary to compete for collision repair business. MPI processes that increase the average time for a repair drive up the cost of courtesy cars for the business.

6. **Door rates in Manitoba lag the industry.**

   Door rates in Manitoba are currently approximately 12% below those offered in Saskatchewan and British Columbia. This is approximately twice the cost of living differential between Winnipeg and Saskatoon.

7. **The current training investment is low, and may be insufficient to ensure necessary knowledge and skills for new technologies.**

   The rate of technological change is described as “exponential” and the associated knowledge gaps are expected to be medium to high. This combination indicates a need for ongoing training that can be expected to exceed the current level of investment, currently at approximately 0.2% of revenue or 0.8% of wages.

8. **Operating profits are insufficient to support significant capital investment for categories below $2 million in revenue.**

   Businesses with revenue of less than $500,000 have limited to no ability to invest in equipment or technology. While shops with between $500,000 and $2,000,000 in revenue have some capacity to invest, the average in these categories would not be sufficient to finance construction of a new shop.

9. Owners seeking to exit the industry may not find buyers.

Owners of businesses under $1 million in revenue were more likely to be in the group seeking to retire in the next 10 years. The limited ability of businesses with under $1 million in revenue to support investment and high competition for skilled labour will present a significant challenge to this group.

SUMMARY RECOMMENDATIONS

The following is a summary of recommendations from the 2009 report. Detail regarding rationale and estimated impact are included in the original report.

1. **Building upon the working relationship between MPI, the ATA and MMDA, develop key performance indicators, and to the extent available from MPI data, develop performance benchmarks and provide individual performance data to participating collision repair businesses as management information to enable decisions to increase their profitability and service to mutual clients**.

   Manitoba specific information about the indicators that impact or reflect profitability, productivity and client satisfaction could assist small to medium size organizations in this industry to increase their sustainability, ensure continued access to collision repair services in rural communities, and improve the overall image of the industry.

2. **Enhance recruitment and retention in the collision repair industry in Manitoba. This includes improving the competitiveness of wages as well as creating better working environments.**

   Information from a variety of sources, including the MCRIS survey, indicates that the industry is experiencing significant challenges in attracting and retaining the qualified staff needed to provide the level of service required in this industry. Barriers to employment in this industry have been identified as including the initial expense of buying tools, low salaries, lack of skills, negative public perception of skilled trades, and industry working conditions. The industry needs to increase the number of apprentices by 60% compared to recent average completion rates to meet the replacement and modest growth needs of the industry. Other trades-reliant industries are also concerned with a shortage of skilled labour. Competing effectively for new apprentices will require competitive wages.

3. **Increase the door rate paid to Manitoba accredited collision repair businesses to enable increased wages, training, profitability and overall competitiveness of the industry in Manitoba.**

   Competitive wages are important to attract necessary technicians to ensure business continuity. Ongoing investments in training are important to the overall health of the industry and investments are currently less than optimal. Profit margins are already insufficient to support much investment in businesses under $1 million in revenue. While a significant increase would be required to enable new shop construction for businesses between $500,000 and $1,000,000, a smaller increase would enable shops over $1 million to service the debt to finance a new development, and would also provide shops in the $500,000 to $1 million range improved capability to either expand/consolidate existing shops or invest in new equipment. Reasonable parity to Saskatchewan as both a neighbouring jurisdiction and one of similar population and characteristics will reduce migration of businesses and labour to this neighbouring province.

4. **Conduct a review of the estimates process to increase consistency, efficiency and reduce the non- revenue generating time and overall vehicle repair time required by the individual repair shops.**

   Respondents to the MCRIS survey indicated that an average of 24 hours per week is spent in the estimating process. Respondents to the survey and interview participants indicated that the supplemental estimates process causes delays and that the process is not necessarily consistent in its application. This causes frustration on the part of the body shop as well as the customer. Streamlining this activity will improve shop profitability independent of the labour rate.

5. **Require a condition report and/or digital photo demonstrating part condition to accompany responses to broadcast requests for parts by the Recyclers Office.**

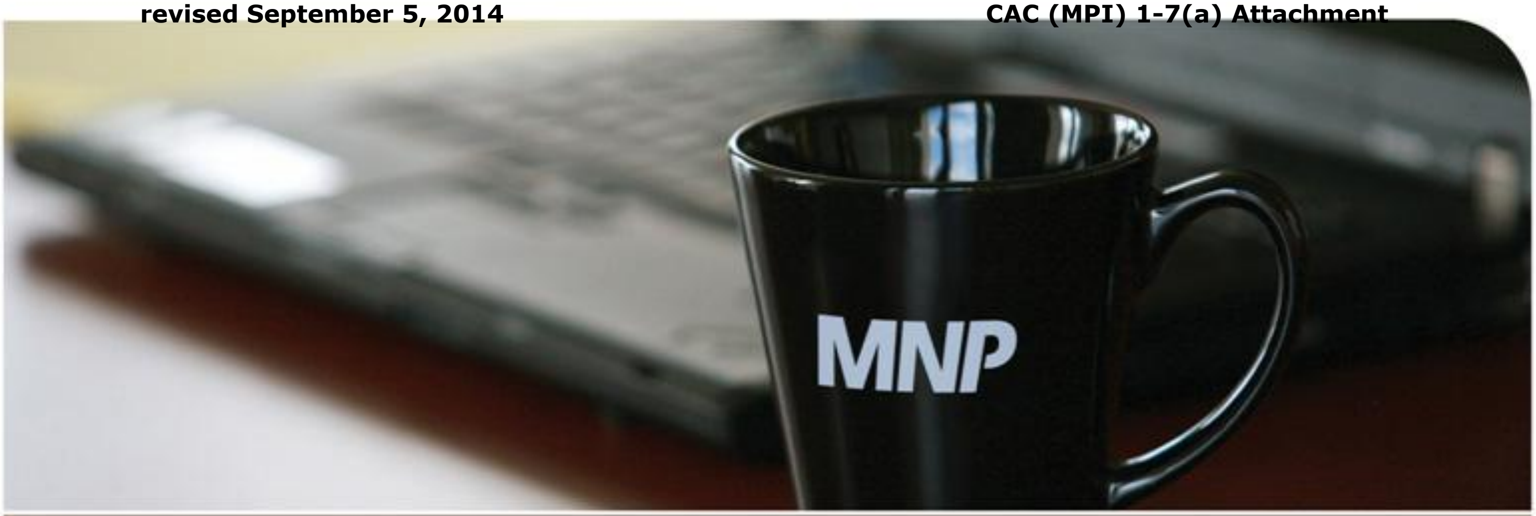
   MPI requires use of re-cycled parts where available. Receiving recycled parts in poor condition causes increased time from accident to repair and increased costs to the business from production inefficiencies and extended use of courtesy cars.

6. **Resolve the courtesy car issue.**

   Providing a courtesy car to customers is a common practice in the industry and has become a cost of doing business. Survey respondents have indicated that this expense is 1.3 to 3% of revenue, depending upon the size of the organization. MPI processes that increase the average time for a repair also drive up the cost of courtesy cars for the business. Options to address this issue include no longer exempting this activity from the giveaway provision to encourage customers to purchase loss of use coverage, or building the cost of courtesy vehicles into approved rates and increase the door rate accordingly.

7. **Consider the feasibility and viability of providing differential rates based on performance of the accredited collision repair shop.**

   Providing incentives for higher quality service is an effective way of enhancing the reputation and attractiveness of the collision repair industry in Manitoba.



ABOUT MNP

MNP is one of the largest chartered accountancy and business consulting firms in Canada. For more than 65 years, we have proudly served and responded to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a cost-effective approach to doing business and personalized strategies to help you succeed.

CAC (MPI) 1-13 **Reference: Claims Incurred Forecasting**

a) Please provide an update of the Claims Forecasting Committee membership. If there have been any changes in the membership since the 2014 GRA, please explain the changes in membership.

b) Please describe the expertise brought to the table by the current Claims Forecasting Committee members.

RESPONSE:

a) As per Board Order 98/14, a response to this question is not required.

b) The Basic claims forecasting process is led by the Corporation's Chief Actuary. The Chief Actuary is a Fellow of the Canadian Institute of Actuaries, has been with the Corporation for 12 years, and has been a member of the Claims Forecasting Committee for more than a decade. The Chief Actuary is supported by four Actuarial Analysts. These analysts all have Bachelor's degrees in either Actuarial Mathematics or Statistics, have passed three or more actuarial exams, and have been with the Corporation from 3-12 years.

   On the Financial modeling side, the claims forecasting process is led by the Executive Director of Finance and Corporate Controller. This individual is a CA with a master's in accounting and over 19 years of professional accounting experience (two years at MPI). The Corporate Controller is supported by the Manager of Risk Control and Financial Forecasting, who has over 20 years of experience in the insurance industry (one year at MPI), along with three professional accountants who have a combined 40 years of experience at MPI.

   On the Bodily Injury side, the claims forecasting process is led by the Executive Director, Injury Claims Management (ICM) who has over 30 years of experience at MPI, plus five years experience as part of the Claims Forecasting Committee.

The Executive Director is supported by four staff who have a combined 60+ years of experience in the Bodily Injury division at MPI, along with professional backgrounds in accounting and economics.

For Physical Damage, the claims forecasting process is led by the Executive Director of Service Operations. This individual, who has been with MPI for three years, has 35+ years of Operations Management Experience at a number of organizations along with a background in economics. The Executive Director is supported by three individuals with a combined 50+ years of experience at MPI and 10+ years of experience on the Claims Forecasting Committee.

CAC (MPI) 1-38 **Reference: Pre-Filed Testimony page 13**

Preamble: "The Corporation has done many things in the past to ensure that the biggest expense it has – claims costs – is managed with the state-of-the-art systems".

Please explain, in general terms, how the state-of-the-art systems aided the Corporation in controlling claims costs.

RESPONSE:

Please refer to the Preliminary Consolidated Post Implementation Review of the PIPP Infrastructure Study completed in June 2012 and filed in the 2012 Rate Application in Volume III, AI.12.

A follow-up post implementation review will be completed for the BI3 initiative at the seven-year mark, to assess the full projected savings of the business case.

Also, please refer to the Value to Manitobans section in Volume I, SM.1 of the 2015 Rate Application for other savings and cost containment initiatives.

CAC (MPI) 1-39

Preamble: Direct claims incurred, per Volume III AI.6 Part 1A page 2 Universal Compulsory Automobile Insurance Annual Financial Statement, increased from $669,398,000 in 2013 to $749,889,000 in 2014; an increase of $80,491,000.

Please explain and, if possible, quantify the financial impact the state-of-the-art systems had in controlling the increased claims incurred of about $80.5 million for this period.

RESPONSE:

Please refer to CAC (MPI) 1-38.

Severe winter driving conditions along with increasing vehicle valuations based on Black Book and other vehicle valuation tools resulted in significant increases in claims frequency and severity over the last several years. Without the cost savings initiatives discussed in the Rate Application and in CAC (MPI) 1-38, claims incurred would have been even higher.

Ongoing IT systems optimization is critical to the long term goals of the Corporation. MPI depends on highly integrated, quality systems to serve Manitobans and to support the Corporation's cost containment initiatives.

CAC (MPI) 1-40 Reference: Pre-Filed Testimony page 14 and SM.1 page 8 Value to Manitobans

Preamble: "…initiatives undertaken by the Corporation have resulted in cost savings or cost avoidance of $60 million per year".

a) In general terms, please explain the difference between cost savings and cost avoidance.

b) Please provide a table as follows:

Name of Initiative	Cost Category (Claims Incurred or Expenses)	Amount of Cost Avoidance ($000)	Amount of Cost Savings ($000)	Total Cost Avoidance and Savings ($000)
Total				**$60,575**

c) Please provide the analysis undertaken, by initiative, in estimating the annual savings of approximately $60 million.

RESPONSE:

a) Cost savings impact the current year budget by achieving an equivalent business outcome at a lesser operational cost. Cost avoidance impacts future year budgets by proactively mitigating environmental and/or external factors that would normally result in a material cost increase if no action was taken.

b) The table below provides estimates of cost avoidance and savings on an annualized basis. Cost avoidance and savings have been annualized for initiatives that span multiple years. Initiatives implemented in prior fiscal years, whose benefits have already been accounted for in the current year budget, have been categorized as cost avoidance.

Name of Initiative	Cost Category (Claims Incurred or Expenses)	Amount of Cost Avoidance ($000)	Amount of Cost Savings ($000)	Total Cost Avoidance and Savings ($000)
Streamlined Renewal Process	Expenses	$10,000		$10,000
Service Centre Model	Expenses	$1,275		$1,275
BI[3]	Expenses and Claims Incurred	$6,000		$6,000
eGlass	Expenses	$200		$200
Autotheft Strategies	Claims Incurred	$30,000		$30,000
Special Investigations Unit	Claims Incurred		$5,400	$5,400
Special Account Services	Claims Incurred		$6,700	$6,700
Salvage (Brandon)	Expenses		$100	$100
VOIP	Expenses		$600	$600
Print Reduction	Expenses	$300		$300
Total		**$47,775**	**$12,800**	**$60,575**

c) The following table summarizes the analysis undertaken, by initiative, in estimating the annual savings of approximately $60 million.

Name of Initiative	Analysis Undertake to Estimate Savings
Streamlined Renewal Process	Post Implementation Review of impact to operational costs achieved by reducing low value transactions and lowering broker commissions
Service Centre Model	Operational Analysis of staffing impacts resulting from centralizing processing of straight forward claims and other service centre process improvements
BI[3]	Post Implementation Review of process improvement impacts to staffing and claims leakage
eGlass	Post Implementation Review and Operational Analysis of the impacts of moving to a model where customers with glass claims work directly with participating repair shops to report a claim and receive repairs
Autotheft Strategies	Operational Analysis of the results of the Winnipeg Auto Theft Suppression Strategy and the Immobilizer Incentive program
Special Investigations Unit	Operational Analysis of withdrawn and denied claims
Special Account Services	Operational Analysis of recoveries through various services such as subrogation and collections
Salvage (Brandon)	Operational Analysis of impact of streamlining processes on storage fees and transportation expenses
VOIP	Operational Analysis of the impact of replacing the phone system with Voice over Internet Protocol
Print Reduction	Operational Analysis of the impact of encouraging the use of online brochures and guides over printed options and the redesign of renewal mailings

CAC (MPI) 1-44 **Reference: Pre-Filed Testimony PowerPoint Presentation page 2**

Preamble: "…Address physical damage claims cost …Offer customer service delivery options at lower operational costs…"

a) In general terms, please elaborate on the anticipated types of service delivery options at a lower operational cost to be offered to customers.

b) Please elaborate on the actions required in preparing the organization for the digital economy and in preparing the organization to adapt to meet new operational realities.

RESPONSE:

a) With the implementation of the PDR program, the Corporation has the objective of improving the overall service delivery for the following customer service experiences:
   - Claims registration (First Notice of Loss)
   - Electronic sharing of claims status/progress
   - Claims inquiry
   - Remote estimating of physical damage claims
   - Distributed estimating whereby a customer can go directly to a body shop for the claims estimate and repair

b) As per Board Order 98/14, a response to this question is not required.

CAC (MPI) 1-45 **Reference: Corporate Strategic Plan 2014-2018 AI.6 Part 2 Page 12**

Preamble: A strategy relating to Goal 2 states "To maintain claims expense per reported claim at a maximum of 50 per cent of industry average".

a) Please confirm claims expense per reported claim for fiscal years 2012/13 and 2013/14 were maintained within 50 per cent of the industry average.

b) Please file a copy of the detailed calculations, assumptions, data sources and analyses which support that claims expense per reported claim for Basic Insurance were maintained at 50 per cent of industry average. If the calculation is only performed at a corporate level, please file a copy of the corporate calculation and analyses.

RESPONSE:

a) Confirmed that the 2012/13 claims expense per reported claim were maintained within 50 per cent of the industry average. Currently the 2013/14 industry average/benchmark is not available.

b) The source of the information is the Ward Group Benchmarking report. The total claims expense costs (loss and LAE) per reported claim for the Corporation is - $263, the benchmark for the Canada Personal Auto Group is - $805, and the Canadian benchmark group - $939.

CAC (MPI) 1-46 Reference: Corporate Budget

a) Please provide the approved corporate budget for ongoing operations and for new projects and initiatives for the 2013/14 fiscal year for Basic Insurance and the Corporation.

b) Please indicate when the 2013/14 budget was approved and file a copy of the Budget and Operations Committee of the Board of Directors Minute approving the Budget.

c) Please show variances between the approved budget and actual results and explain any significant variances.

d) Please provide the budgetary guideline for ongoing operations in 2013/14 and indicate whether this guideline was met.

e) Please provide the approved budget for ongoing operations and for new projects and initiatives for the 2014/15 fiscal year for Basic Insurance and the Corporation.

f) Please indicate when the 2014/15 budget was approved and file a copy of the Budget and Operations Committee of the Board of Directors Minute approving the Budget.

g) Please provide the budgetary guideline for ongoing operations in 2014/15 and indicate whether this guideline was met.

RESPONSE:

a) Please see attachment.

b) As per Board Order 98/14, a response to this question is not required.

c) Please see attached table for each expense category budget vs. actual amount for 2012/13. Explanations have been provided below.

- Compensation – under budget by $1,333,000

  This difference is primarily related to less than expected expenses attributable to the IBM Data Centre, as well as smaller variances related to the Retirement Allowance provision.

- Data Processing – over budget by $1,697,000

  The difference is mainly due to greater than expected costs for external labor, partially offset by less than expected costs for the IBM Data Centre and License fees.

- Depreciation – Capital Assets – under budget by $2,410,000

  The variance is due to timing differences in the depreciation of data processing equipment as well as expected Data Processing Equipment purchases for the ITO project that did not materialize as anticipated.

d) The 2013/14 corporate budget guideline for normal operations was $251.1M. The 2013/14 approved normal operations budget was $250.0M. The approved budget was $1.1M lower than guideline.

e) Please see attachment.

f) As per Board Order 98/14, a response to this question is not required.

g) The 2014/15 corporate budget guideline for normal operations was $258.7M. The 2014/15 approved normal operations budget was $254.2M. The approved budget was $4.5M lower than guideline.

Corporate (000's)	2014/15 Budget		
Expense Category	Normal Operations	Improvement Initiatives	Total
Compensation - Salaries	122,479	973	123,452
Compensation - Overtime	2,134		2,134
Compensation - Benefits	26,859		26,859
Compensation - H & E Tax	2,629		2,629
Sub Total - Compensation	154,101	973	155,074
Data Processing	15,386	13,142	28,528
Special Services	7,131	442	7,573
Building Expenses	12,698	-	12,698
Safety/Loss Prevention Programs	4,271	980	5,251
Telephone/Telecommunications	2,884		2,884
Advertising & Public Info	2,994		2,994
Printing, Stationery & Supplies	4,304		4,304
Postage	3,848		3,848
Regulatory/Appeal Expenses	3,299		3,299
Travel & Vehicle Expense	1,729		1,729
Driver Education Program	3,868		3,868
Grant in Lieu of Taxes	1,975		1,975
Furniture & Equipment/DP Equipment	1,318	1,540	2,858
Merchant Fees	8,297		8,297
Other	6,856	38	6,894
Sub Total - Other Expenses	80,858	17,115	97,000
Depreciation -Capital Assets	6,174	2,788	8,962
Amortization -Deferred Development	8,906	-	8,906
Sub Total - Depreciation/Amortization	15,080	2,788	17,868
Total	**250,039**	**20,876**	**269,942**

Basic (000's)	2014/15 Budget		
Expense Category	Normal Operations	Improvement Initiatives	Total
Compensation - Salaries	89,166	818	89,984
Compensation - Overtime	1,640	-	1,640
Compensation - Benefits	19,577	-	19,577
Compensation - H & E Tax	1,916	-	1,916
Sub Total - Compensation	112,299	818	113,117
Data Processing	11,964	9,994	21,958
Special Services	4,787	419	5,206
Building Expenses	9,473	-	9,473
Safety/Loss Prevention Programs	3,991	838	4,829
Telephone/Telecommunications	2,253	-	2,253
Advertising & Public Info	2,226	-	2,226
Printing, Stationery & Supplies	1,701	-	1,701
Postage	2,452	-	2,452
Regulatory/Appeal Expenses	3,257	-	3,257
Travel & Vehicle Expense	1,218	-	1,218
Driver Education Program	3,307	-	3,307
Grant in Lieu of Taxes	1,485	-	1,485
Furniture & Equipment/DP Equipment	1,000	1,198	2,198
Merchant Fees	6,032	-	6,032
Other	5,211	29	5,240
Sub Total - Other Expenses	60,357	12,478	72,835
Depreciation -Capital Assets	4,671	2,163	6,834
Amortization -Deferred Development	7,848	-	7,848
Sub Total - Depreciation/Amortization	12,519	2,163	14,682
Total	**185,175**	**15,459**	**200,634**

Corporate (000's)	2013/14		
Expense Category	Approved Expense Budget	Actual	Increase/ (Decrease)
Compensation - Salaries	123,452	120,543	(2,909)
Compensation - Overtime	2,134	3,162	1,028
Compensation - Benefits	26,859	27,533	674
Compensation - H & E Tax	2,629	2,503	(126)
Sub Total - Compensation	**155,074**	**153,741**	**(1,333)**
Data Processing	28,528	30,225	1,697
Special Services	7,573	7,402	(171)
Building Expenses	12,698	12,434	(264)
Safety/Loss Prevention Programs	5,251	5,428	177
Telephone/Telecommunications	2,884	3,274	390
Advertising & Public Info	2,994	3,330	336
Printing, Stationery & Supplies	4,304	4,501	197
Postage	3,848	4,158	310
Regulatory/Appeal Expenses	3,299	3,707	408
Travel & Vehicle Expense	1,729	1,659	(70)
Driver Education Program	3,868	3,743	(125)
Grant in Lieu of Taxes	1,975	1,783	(192)
Furniture & Equipment/DP Equipment	2,858	1,385	(1,473)
Merchant Fees	8,440	9,176	736
Other	6,751	6,408	(343)
Sub Total - Other Expenses	97,000	98,613	1,613
Depreciation -Capital Assets	8,962	6,552	(2,410)
Amortization -Deferred Development	8,906	8,847	(59)
Sub Total - Depreciation/Amortization	17,868	15,399	(2,469)
Total	**269,942**	**267,753**	**(2,189)**

Corporate (000's)	2014/15 Budget		
Expense Category	Normal Operations	Improvement Initiatives	Total
Compensation - Salaries	122,092	1,829	123,921
Compensation - Overtime	2,192	-	2,192
Compensation - Benefits	27,868	-	27,868
Compensation - H & E Tax	2,684	-	2,684
Sub Total - Compensation	154,836	1,829	156,665
Data Processing	20,286	4,904	25,190
Special Services	7,080	431	7,511
Building Expenses	12,325	-	12,325
Safety/Loss Prevention Programs	2,984	935	3,919
Telephone/Telecommunications	2,607	-	2,607
Advertising & Public Info	3,078	-	3,078
Printing, Stationery & Supplies	3,919	-	3,919
Postage	4,403	-	4,403
Regulatory/Appeal Expenses	3,299	-	3,299
Travel & Vehicle Expense	1,719	-	1,719
Driver Education Program	4,078	-	4,078
Grant in Lieu of Taxes	1,902	-	1,902
Furniture & Equipment/DP Equipment	1,321	-	1,321
Merchant Fees	8,947	-	8,947
Other	7,169	-	7,169
Sub Total - Other Expenses	85,117	8,099	91,387
Depreciation -Capital Assets	5,579	1,701	7,280
Amortization -Deferred Development	8,634	5,797	14,431
Sub Total - Depreciation/Amortization	14,213	7,498	21,711
Total	**254,166**	**17,426**	**269,763**

Basic (000's)	2014/15 Budget		
Expense Category	Normal Operations	Improvement Initiatives	Total
Compensation - Salaries	90,578	1,526	92,104
Compensation - Overtime	1,715		1,715
Compensation - Benefits	20,724		20,724
Compensation - H & E Tax	1,996		1,996
Sub Total - Compensation	115,013	1,526	116,539
Data Processing	16,201	4,058	20,259
Special Services	7,337	431	7,768
Building Expenses	9,348	-	9,348
Safety/Loss Prevention Programs	2,742	807	3,549
Telephone/Telecommunications	2,089	-	2,089
Advertising & Public Info	2,331	-	2,331
Printing, Stationery & Supplies	1,592	-	1,592
Postage	2,944	-	2,944
Regulatory/Appeal Expenses	3,261	-	3,261
Travel & Vehicle Expense	1,234	-	1,234
Driver Education Program	3,519	-	3,519
Grant in Lieu of Taxes	1,452	-	1,452
Furniture & Equipment/DP Equipment	1,017	-	1,017
Merchant Fees	6,433	-	6,433
Other	3,126	-	3,126
Sub Total - Other Expenses	64,626	5,296	69,922
Depreciation -Capital Assets	4,278	1,359	5,637
Amortization -Deferred Development	7,701	4,630	12,331
Sub Total - Depreciation/Amortization	11,979	5,989	17,968
Total	**191,618**	**12,811**	**204,429**

CAC (MPI) 1-48 Reference: SM.2 Benchmarking

Preamble: "As indicated previously, based on the Corporation's business model a higher FTE per $100 million of GPW is expected." Currently, as reported, the FTE's per $100 million of GPW for MPI is 153.54 compared to, for example, the Canadian Personal Auto Group of 103.07.

In general terms, please elaborate and describe the required adjustment to the MPI value to be comparable to the Canadian Personal Auto Group.

RESPONSE:

The Corporation's business model permits a high claims frequency. Specifically, the model is based on managing claims incurred and services through its own internal system of appraisers, adjusters, inspectors, customer service agents, etc, in addition to business partners. As a direct result of this end-to-end customer service model, the Corporation has the ability to provide Manitobans with affordable auto insurance. It also; however, requires more staff compared to private insurers who use outsourced call centers or external repair shops for damage estimates.

In addition, unlike private insurers, Manitoba Public Insurance is a not-for-profit Crown Corporation which operates at a financial break-even level over the long term. As a result, the benchmark group's GPW will include a profit component which results in a more favourable ratio.

Therefore, it is not possible to put forward a comparable adjustment while maintaining the existing business model and adhering to the Corporation's not-for-profit mandate.

CAC (MPI) 1-51 **Reference:** **Operating Historical Statistics – CAC (MPI) 1-5 of 2014 GRA**

Please prepare and file Operational and Claims Cost History statistics similar to the attachment to CAC (MPI) 1-5 of the 2014 GRA.

RESPONSE:

Please refer to PUB (MPI) 1-64.

CAC (MPI) 1-55 Reference: Consultants

a) Please complete the following table, by fiscal year, for consultants engaged at MPI:

	2012/13 Actual	2013/14 Actual	2014/15 Budget
Number of Consultants			
Consulting fees incurred	$	$	$
Divisional Area of Engagement			

b) Please provide a detailed analysis, by project, and area of engagement of the listed consultants.

c) Please advise which firms currently provide IT consulting services to MPI.

RESPONSE:

a)

	2012/13 Actual	2013/14 Actual	2014/15 Budget
Number of Consultants	Refer to last year's response CAC (MPI) 1-14 for 2012/13	110-140	100-140 annually over the year
Consulting fees incurred	Refer to last year's response CAC (MPI) 1-14 for 2012/13	$29,396,153	$30,650,723
Divisional Area of Engagement	Refer to last year's response CAC (MPI) 1-14 for 2012/13	Strategy & Innovation, Community & Corporate Communications, Service Operations	Strategy & Innovation, Community & Corporate Communications, Service Operations

b)

Projects

2012/13	2013/14	2014/15
AOL – Operating(SOW)	AOL PUB Release	AOL PUB Release - 2015 GRA
AOL Upgrade - PUB	BI3 Fineos Upgrade	BI3/Fineos Upgrade
BTO Architecture	CARS Changes to Support Non Accredited Rate for Loss of Use	Document Management System Upgrade (Kofax)
Call Centre	Collector Insurance	Enterprise Data Masking
Disaster Recovery	DART - Does not impact Basic	High School Driver Ed - Phase 2
Ext Lab Other	Disaster Recovery	HRMS
HR Operations	Document Management System	HRMS TM10
HRMS	Enhanced SAS Data Collection & Reporting	Information Security Strategy
IT Optimization	Enterprise Telecom Optimization	IT Optimization
Operating Projects	HRMS	Legal Management Project
PD Re-Engineering	IT Optimization	Physical Damage Re-Engineering
	PCI-DSS Compliance to Credit Card Handling Requirements	Predictive Analytics
	PD Re-Engineering	
	Ticket Backlog	

c) As per Board Order 98/14, a response to this question is not required.

CAC (MPI) 1-56 Reference: External Audit and Actuary fees

a) Please complete the following table by fiscal year:

	2012/13 Actual	2013/14 Actual	2014/15 Budget
External Auditor:			
• Audit fees			
• Consulting/other fees			
Appointed Actuary:			
• Valuation fees			
• Consulting/other fees			

b) For both the external auditor and the appointed actuary please explain the purpose and reports produced or opinions rendered for their engagement and fees paid for consulting and other services, if any.

c) Please file a copy of the engagement letter (service contract) for both the external auditor and actuary as it relates to their services for 2013/14.

d) Please file a copy of the most recent external auditor search RFP.

RESPONSE:

a)

	2012/13 Actual	2013/14 Actual	2014/15 Budget
External Auditor:			
• Audit fees	240,925	173,262	353,380
• Consulting/other fees	37,663		
Appointed Actuary:			
• Valuation fees	75,492	83,441	102,520
• Consulting/other fees			

b) For 2012/13 consulting, refer to CAC (MPI) 1-15 of the 2014 GRA. No consulting fees paid in 2013/14.

c) As per Board Order 98/14, a response to this question is not required.

d) The external auditor of the Corporation is appointed by the Department of Finance and it is the Department of Finance that conducts the Request for Proposal (RFP) process for the external auditor. The RFP is not a document that the Corporation produces; therefore, we currently do not have explicit authorization to release this document.

CAC (MPI) 1-57 **Reference:** **MPI Internal Indicators – CAC (MPI) 1-17 of 2014 GRA**

Please reproduce the attachment to CAC (MPI) 1-17 from the 2014 GRA, updating it to include 2014 with Loss/Prevention/Road Safety costs removed from Claims Expenses and included with Operating expenses.

RESPONSE:

Please refer to attached.

BASIC

Basic Internal Indicators	**2010**	**NOTE 2 2011**	**2012**	**NOTE 4 2013**	**2014**	**5 Yr Average**	**Last 3 yr Average**
(1) Combined Ratio Yearly Change (%)	101.70 -2.40	75.80 -25.47	112.80 48.81	121.00 7.27	131.00 8.26	108.46	121.60
(2) Loss Ratio Yearly Change (%)	70.90 -4.83	44.40 -37.38	80.40 81.08	87.40 8.71	97.70 11.78	76.16	88.50
(3) Operating Expense Ratio Yearly Change (%)	10.10 1.00	10.50 3.96	9.70 -7.62	10.60 9.28	11.10 4.72	10.40	10.47
(4) Claims Expense Ratio Yearly Change (%)	11.60 4.50	13.00 12.07	14.40 10.77	14.30 -0.69	15.00 4.90	13.66	14.57
(5) Operating Expense/Policy Yearly Change (%)	$ 78.80 2.90	$ 82.48 4.66	$ 74.19 -10.05	$ 78.14 5.32	$ 80.90 3.54	$ 78.90	$ 77.74
(6) Claims Expense/Claims Yearly Change (%)	$ 376.53 2.96	$ 415.07 10.23	$ 484.63 16.76	$ 453.29 -6.47	$ 469.69 3.62	$ 439.84	$ 469.20
(7) Policies/Support Employee Yearly Change (%)	2,446 -4.29	2,590 5.87	2,560 -1.16	2,409 -5.89	2,365 -1.82	2,474	2,444
(8) Claims/Claims Employee Yearly Change (%)	234 0.49	245 4.61	241 -1.62	255 5.77	261 2.58	247	252
(9) Premiums/Policy Yearly Change (%)	$ 807.27 1.68	$ 804.09 -0.39	$ 790.04 -1.75	$ 736.20 -6.81	$ 763.59 3.72	$ 780.24	$ 763.28
(10) Direct Premiums Written ($000)	752,331	768,355	786,632	755,466	798,162	772,189	780,087
(11) Operating Expenses ($000)-**NOTE 3**	73,441	78,812	73,870	80,181	84,564	78,174	79,538
(12) Claims Expenses ($000)-**NOTE 3**	84,012	97,182	109,760	108,587	114,552	102,819	110,966
(13) Number of Claims-**NOTE 1**	223,119	234,135	226,484	239,551	243,891	233,436	236,642
(14) Number of Policies	931,942	955,564	995,682	1,026,164	1,045,281	990,927	1,022,376
(15) Number of Support Employees	381	369	389	426	442	401	419
(16) Number of Claims Employees	953	956	940	940	933	944	938

NOTE 1 - includes total corporate number of claims excluding claims with only Extension or SRE covers.
NOTE 2 - restated due to transition to IFRS
NOTE 3 - Road Safety expenses are included in Operating Expenses instead of Claims Expenses
NOTE 4 - restated due to IAS 19R

Net Premiums Earned	727,088	749,534	761,677	756,751	764,671	742,812	761,033

CAC (MPI) 1-58

Reference: Trend Analysis – CAC (MPI) 1-18, PUB (MPI) 1-32 (c) and PUB (MPI) 1-52 (a) and (b) from the 2014 GRA

Please reproduce Schedules 1, 2 and 3 in response to PUB (MPI) 1-32(c) and PUB (MPI) 1-52 (a) and (b) from the 2014 GRA, updating it to include 2018/19.

RESPONSE:

Please clarify the reference to PUB (MPI) 1-32 (c) from the 2014 GRA as the reference IR is on a different subject matter than trend analysis.

For the reference to PUB (MPI) 1-52 (a) and (b) from the 2014 GRA, please refer to PUB (MPI) 1-55.

CAC (MPI) 1-60 **Reference: Donations and Sponsorships**

Please provide a detailed schedule of donations and sponsorships made by MPI during 2013/14 compared to 2012/13.

RESPONSE:

For a detailed schedule of donations and sponsorships made by Manitoba Public Insurance for the year 2013/14, please see Attachment A.

For a detailed schedule of donations and sponsorships made by Manitoba Public Insurance for the year 2012/13, please see 2014 GRA Information Requests CAC (MPI) 1-19.

2013-2014 Sponsorship

CORPORATE SPONSORSHIPS/GRANTS/DONATIONS

Recipient Company	Event Details	Actual ($)
Aboriginal Chamber of Commerce	Gala Dinner	1,500.00
Aboriginal Music Manitoba Inc	Festival Champion for Aboriginal Music Week	4,500.00
Aboriginal Senior Resources Centre	Standing Strong Conference 2014	5,000.00
AON Reed Stenhouse	2013 Golf Sponsorship	500.00
Arborg Agricultural Society	Fair and Rodeo 2013	500.00
Assembly of Manitoba Chiefs	Annual General Assembly 2013	500.00
Association of Manitoba Municipalities	2013 Officials Seminar, and Convention	1,000.00
Automotive Trades Association	Golf Tournament	900.00
Brandon Aboriginal Day	Aboriginal Day 2013	1,000.00
Brandon Chamber of Commerce	Annual Dinner 2013	1,500.00
Brandon Folk Music & Art Society	2013 sponsorship	2,000.00
Brandon Police Service	BPA/Crime Stoppers Charity Golf Tournament	820.00
Brokenhead River Community	United Way	312.10
Brush Up Winnipeg	Supplies, S. Bell	101.64
Canad Inns Foundation	Dinner with the Kenyan Boys Choir - table of 10	1,000.00
Canada's National Ukrainian Festival	2013 sponsorship	500.00
Canadian Association of Chiefs of Police	CACP Annual Conference and Trade Show	4,750.00
Canadian Cancer Society	Daffodil Gala	2,500.00
Canadian Mental Health Association	Community Carnival 2014	4,500.00
Canadian Red Cross	Power of Humanity Awards	500.00
Cancer Care Manitoba	Techapalooza Sponsorship 2014	2,500.00
CGA Manitoba	Public Sector Award 2013	500.00
Children's Rehabilitation Foundation	Night of Miracles Gala and Cruisin' Down the Crescent	7,000.00
Citizen's Equity Committee	2013 Awards	1,000.00
City of Brandon	Lt. Governors' Winter Festival	4,750.00
CMA Manitoba	2013 Conference	850.00
CNIB	Dine in the Dark, Eye on Arts Benefit	2,300.00
College of Registered Psychiatric Nurses of Manitoba	6th World Congress	1,500.00
Commerce Students' Association	Annual Business Banquet	1,750.00
Community Education Development Association	Pathways to Education Program	50,000.00
Creative Communications	IPPP, Media Award	2,500.00
Dakota Nation Winterfest	Winter Festival	1,000.00
Dauphin & District United Way	United Way	652.10
Dauphin Agricultural Society	2013 sponsorship	750.00
Dauphin and District Chamber	Winter Lights	1,000.00
Dauphin's Countryfest	2013 Countryfest	6,500.00
Diversified Business Communications - Canada	Business Analyst Conference	2,250.00
Diversity World	Employment Expo	1,000.00
Double B Rodeo & Country Fair	Gold sponsorship - Beausejour	650.00

Downtown Winnipeg Biz	Downtown Lit Spheres - holiday lights display	500.00
DRIE Central Inc	DRIE Annual Conference	500.00
Dufferin Agricultural Society	Country Fair 2013	500.00
ESGS Inc. (Manitoba Metis Federation)	45th Annual General Assembly	2,600.00
Festival du Voyageur	2014 Festival sponsorship	15,000.00
Festival of Trees and Lights	Reimburse for supplies - Tel Pay	(376.46)
Festival of Trees and Lights - Friends of the gardens	Festival of Trees and Lights 2012, and Supplies	2,482.81
Flin Flon Trout Festival	Festival 2013	500.00
Fort Dauphin Museum	2013 sponsorship	200.00
Free the Children - We Day event	2013 Sponsorship	25,000.00
Frog Follies Inc	2013 Agricultural Fair	500.00
Future Leaders of Manitoba Inc	Profession Award 2013	1,000.00
Gilbert Plains & Grandview District	Fair and Rodeo 2014	500.00
Green Action Centre	Commuter Challenge 2013	2,500.00
Happy Days on Henderson	2013 Sponsorship	500.00
Health Sciences Centre	Endowed Research Professorship (Neurasthenia & Neuroscience), Savour Dinner	504,900.00
Heart and Stroke Foundation	2013 golf event sponsorship	2,000.00
Hospice and Palliative Care Manitoba	18th Annual Celebration of Life Fundraising Dinner	600.00
HRMAM	Annual Excellence in Leadership Awards, Conference	6,750.00
HRMAM	2013/14 Accrual	1,185.00
Icelandic Festival of Manitoba	Icelandic Festival 2013	1,000.00
ICTAM	Innovators Event	600.00
Imagineability	Annual Dinner and Dance 2014	1,500.00
Indian and Metis Friendship Centre	Christmas Dinner	200.00
Information & Communications Technologies Assoc. of MB	Silver Event Sponsorship	1,500.00
Institute of Internal Auditors	IIA National conference	4,000.00
Insurance Brokers Association	IBAM Spring Conference 2013	375.00
Inter-Provincial Association on Native Employment	Breakfast of Champions	500.00
Junior Achievement of Manitoba	2013 School Program	5,000.00
Juniper Centre Inc	Annual Gaiety Night	500.00
Ka Ni Kanichihk Inc	12th annual Keeping the Fires Burning	2,000.00
LEAF Manitoba	2013 sponsorship	1,000.00
Legacy Bowes Group	HR Conference for First Nations, Metis and Inuit	2,000.00
Lieutenant Governor's	Youth Experience Program	3,500.00
Ma Mawi Wi Chi Itata Centre	Holiday hamper	500.00
MacDonald Youth Services	2014 Capital Campaign Sponsorship, Spring Fling event	25,500.00
Mamawechetotan Centre	UCN Traditional pow wow	2,250.00
Manito Ahbee Festival	2013 Sponsorship	25,000.00
Manitoba Aboriginal Youth Achievement Award - J. Harper	Manitoba Aboriginal Youth Achievement Award	1,000.00
Manitoba Association of Auto Clubs	Collector Car Appreciation Day	2,500.00
Manitoba Chamber of Commerce	2013 sponsorship	1,500.00
Manitoba Chamber Orchestra	Youth Outreach Educational Program	2,500.00

Manitoba Community Newspapers	Best Historical Story	500.00
Manitoba Criminal Justice	Crime Prevention Breakfast	325.00
Manitoba Customer Contact	MECCA 2013	4,680.00
Manitoba Dragon Boat Race	Dragon Boat Race	1,200.00
Manitoba Indigenous Cultural Education Centre	Literacy Carnival	500.00
Manitoba Motor Dealers Association	MMDA Convention Table	1,800.00
Manitoba Motor Dealers Association	2013 sponsorship	12,750.00
Manitoba Motor Dealers Association	Industry Reception 2013	500.00
Manitoba Opera Association	School tour - Education and Outreach Program	4,700.00
Manitoba Theatre Centre	Regional Tour 2013-14	6,500.00
MPI Inventory Control		2,346.40
MPI United Way Fund	2013-14 sponsorship	15,000.00
Neepawa and Area Lily Festival	2013 Sponsorship	600.00
Nickel Days Inc	Nickel Days 2013	1,000.00
North End Community Helpers	10th Annual Lighting up the Avenue	1,000.00
North End Community Renewal	Picnic in the Park	5,000.00
North Point Douglas Women's Centre	Butterfly Gala	1,000.00
Omand J	Manitoba Aboriginal Youth Achievement Award	1,000.00
Operation Donation 2014	Gift cards	75.00
Pan Am Clinic Foundation	Fire & Ice Gala dinner	2,500.00
Parkland Chapter-Manitoba Brain Injury Association	2013 Conference	1,300.00
Physio Fit Fun	Annual Run	1,000.00
Pink Ribbon Ladies Golf	Hole sponsorship	1,000.00
Portage & District Arts Centre	Arts & Culture Educational Programming	1,000.00
Portage Citizens on Patrol	2013 COPP/RCMP Golf	310.00
Portage Industrial Exhibition	2013 Sponsorship	750.00
Portage la Prairie	2013 Potato Festival	1,000.00
Portage Plains United Way	Donation	500.00
Portage Plains United Way	United Way - match	1,060.22
Prairie Theatre Exchange	2013 Sponsorship	7,000.00
Provincial Exhibition of Brandon	Winter Fair 2014	17,000.00
QNET Manitoba Quality	QNET Conference 2013	1,000.00
Rainbow Resource Centre Inc	Fundraising Gala	1,500.00
Rainbow Stage	2013 Summer Show season	1,500.00
Reaching E-Quality	Rees Awards 2013	4,500.00
Red River College	Alumni Dinner 2013, Business Conference	3,700.00
Riverview Health Centre	2013 Cycle on Life, Centre Stage gala	12,000.00
Royal Winnipeg Ballet	2013 sponsorship	15,000.00
Santa Claus Parade	2013 sponsorship	8,500.00
SCE Life Works	2013 sponsorship	1,000.00
Selkirk and District	United Way	1,622.02
Shakespeare in the Ruins	2013 sponsorship	2,500.00

Siloam Mission	Breakfast briefing	350.00
Skills Canada Manitoba	2013 Sponsor	15,000.00
SOS Taste of the Nation	Chef's Dinner, Bronze Sponsorship	3,900.00
Souris and Glenwood Agricultural Society	Fair and Rodeo 2013	500.00
Southeastern Manitoba Festival	Music Festival	400.00
Special Olympics Manitoba	Safe Ride Home Program	15,000.00
St Raphael Wellness Centre	Fundraising Dinner	1,000.00
Steinbach and Area	United Way	2,247.68
Stony Mountain Community Association	Family Festival	500.00
Strata Benefits	Strata Royal 2013	1,000.00
Strauss Event and Associates	Apprenticeship Awards of Distinction	3,500.00
Sunrise School Division	2013 Tournament	200.00
Swan River Bike Rodeo	Supplies, B. Goran	200.00
Swan River Community Foundation	United Way	180.00
Swan Valley Chamber	Flower Baskets	60.00
Take Pride Winnipeg	Take Pride, Take Action and Brush up Winnipeg Programs	15,500.00
The Forks North Portage	Winter programming sponsor	15,000.00
The Motorcycle Ride for Dad	Ride for Dad sponsorship	1,000.00
The Movement Centre	Winnstock 2013	3,500.00
The Winnipeg Art Gallery	100 Masters Exhibition	4,800.00
Thompson Bike Rodeo	Supplies, G. Birch	291.55
Thompson Community Foundation	United Way	429.00
Toastmasters	District 64 Spring Convention	500.00
Town of Gretna	Gretna Hot Spot	500.00
Transportation Association of Canada	TAC Annual Conference	4,750.00
Umunna (Igbo) Cultural	Moonlight 2013	500.00
United Way of Brandon	United Way Campaign 2013	6,611.48
United Way of Winnipeg	Corporate Matching 2012	156,357.00
United Way of Winnipeg	2012/13 Accrual	(156,831.86)
United Way of Winnipeg	Corporate Sponsorship	7,500.00
United Way of Winnipeg	United Way Campaign 2013	150,135.70
University of Manitoba	Excellence in Aboriginal Business Leadership Dinner, Case Mgmt Symposium, Anniversary Gala, HRA event,	7,700.00
University of Manitoba	Human Resources Association Wine & Cheese	500.00
University of Manitoba	Sponsorship 2014	500.00
University of Winnipeg	Eco-U Summer Camp Program	10,000.00
Valley Agricultural Society Morris	2013 sponsorship	10,000.00
Villa Rosa	Celebration of Motherhood Dinner	2,500.00
Vision Quest Conference	17th Annual Vision Conference	1,000.00
Vision Quest Conference	2013/14 Accrual	1,000.00
Volunterer Manitoba	2013 Volunteer Awards	1,200.00

West End Biz	2013 sponsorship	250.00
Westshore Community Foundation	United Way	226.00
White's Drug Store	Curling Classic 2013	150.00
Winkler and District	United Way	2,683.08
Winkler Harvest Festival	2013 Festival	1,000.00
Winnipeg Art Gallery	Free School Tours - Professional Native Artists' Exhibit	4,800.00
Winnipeg Boys and Girls	2013 100 mile dinner	1,000.00
Winnipeg Chamber of Commerce	State of the City refund	(375.00)
Winnipeg Chamber of Commerce	Annual State of the Province	670.00
Winnipeg Chamber of Commerce	Luncheon table purchases	801.00
Winnipeg Chinese Cultural Community Centre	2013 Biennial Event	2,000.00
Winnipeg Folk Festival	2013 sponsorship	15,500.00
Winnipeg Habitat for Humanity	2013 sponsorship	6,800.00
Winnipeg Harvest Inc	Empty Bowls 2013	4,800.00
Winnipeg Jets Hockey Club	Fundraising Gala Dinner	4,000.00
Winnipeg Police Association	Annual Charity Ball	1,350.00
Winnipeg Police Service	Spring Feast 2013	500.00
Winnipeg Symphony Orchestra	2013 sponsorship	15,000.00
Women in Crisis	United Way	120.00
YMCA YWCA Winnipeg	Sponsorship 2013	5,000.00
YWCA of Thompson	Distinction Award 2013	500.00
Total		**1,277,576.46**

SAFETY SPONSORSHIPS/GRANTS/DONATIONS

Recipient Company	Event Details	Actual ($)
Active Living Coalition	55 Plus Games 2013	3,000.00
B&B Trophy Ltd	School Patrol Award trophies	61.24
Bell, S	RV Show table and chair rental	107.52
Bike to Work Day Winnipeg	2013 Bike to Work Day	10,000.00
Brandon Crime Stoppers	2013 Sponsorship	4,500.00
Brandon Monster Mash	2013 Sponsorship	400.00
Children's Hospital Foundation	Teddy Bears Picnic and Ice Gala	11,000.00
Coalition of Manitoba	Motorcycle Safety Awareness Rally	750.00
Commerce Students' Association	Winter Grad	1,000.00
Dauphin Ride	2013 Sponsorship	3,700.00
Deveau Y	2013 Patrol Award	211.01
Downtown Winnipeg Biz	CEO sleepout 2013	5,000.00
Downtown Winnipeg Biz	2013 Sponsorship	4,000.00
Fort Whyte Alive	EcoAdventure 2013	2,500.00
Java Jungle	Winter Cycling presentation	111.65
Manitoba Brain Injury Association	2013 Sponsorship	41,500.00

Manitoba Crime Stoppers	2013 Sponsorship	3,500.00
Manitoba Museum	Spring Break 2014 Sponsorship	4,500.00
Manitoba School Board	Safe Grad/TADD 2013	17,700.00
Manitoba Theatre for Young People	Season Sponsor 13/14	4,500.00
Mothers Against Drunk Driving	2013 Sponsorship	123,100.00
Norwood Trophies	School Patrol Award trophies - 3rd place	235.40
Recreational Vehicle Dealers Association of Manitoba	Golf and AGM	750.00
Recreational Vehicle Show	Booth at the 2014 Show	995.00
Recreational Vehicle Show	Table and chairs' rental for RV Show	64.80
Safety Services Manitoba	Operation Red Nose 2013	110,875.00
Safety Services Manitoba	Golf 2013	2,000.00
Sport Medicine Council	Bike safety and helmet use programs	1,500.00
Travel Manitoba	Helmet sponsorship 2013	600.00
West Broadway Youth Outreach	5ish Run	500.00
Winnipeg Crime Stoppers	2013-2014 Sponsorship	10,000.00
Winnipeg Police Community Challenge	Commuter Challenge Golf Tournament	1,000.00
Winnipeg Pride Festival	2013 Sponsorship	1,500.00
Total Safety Grants/Donations/Sponsorships		**371,161.62**

SAFETY ADVERTISING SPONSORSHIPS

Recipient Company	Event Details	Actual ($)
Brandon Wheat Kings	2013 sponsorship	16,500.00
Canadian Curling Association	2013 sponsorship	15,000.00
Cancer Care Manitoba	Breast cancer pledge ride	1,000.00
City of Brandon	New Year's Eve Campaign	3,000.00
City of Winnipeg	New Year's Eve Transit sponsorship	4,500.00
Curl Manitoba	Safeway Championship sponsor	4,500.00
Flin Flon Junior Bombers	2013 sponsorship	3,810.00
Green Action Centre	ASRTS Guide	3,000.00
Manitoba Junior Hockey	2013 sponsorship	30,000.00
Manitoba Marathon	2013 Marathon	750.00
Manitoba Sports Hall	Whisky Festival 2013	942.12
Red River Exhibition	Bicycle Safety Zone 2014	5,000.00
Sport Manitoba Games	2013 sponsorship	30,000.00
Wind City Productions	Branded Web Series	104,000.00
Winnipeg Blue Bombers	2013 sponsorship	125,000.00
Winnipeg Football Club	T-shirts for Patrol Captains	183.59
Winnipeg Goldeyes	2013 sponsorship	35,400.00

Winnipeg Jets Hockey	Work stoppage credit 2012/13 season	(59,843.22)
Winnipeg Jets Hockey	2013 sponsorship	189,168.11
Winnipeg Jets Hockey	GST Recovery	(8,454.09)
Total Safety Advertising Sponsorships		**503,456.51**
AUTO THEFT GRANTS		
Autotheft expenses	Various autotheft expenditures	151,935.83
Total Auto Theft Grants		**151,935.83**
TOTAL SPONSORSHIPS, GRANTS & DONATIONS		**$2,304,130.42**
	Basic Portion	**$1,352,204.99**

CAC (MPI) 1-61 Reference: 2014 GRA CAC (MPI) 1-20

The following indicators and calculations were confirmed by MPI in information requests CAC (MPI) 1-20 in the 2014 GRA.

Indicator	2006/7	2007/8	2008/9	2009/10	2010/11
i. Operating Expense Ratio	14.2%	15.0%	15.0%	16.0%	16.2%
ii. Claims Expense Ratio	14.1%	14.7%	14.8%	14.8%	15.2%
iii. Loss Ratio	82.8%	79.0%	74.5%	70.9%	44.4%
iv. Combined Ratio	111.1%	108.6%	104.3%	101.8%	75.8%
v. Investment Income Ratio	16.1%	16.4%	0.5%	11.6%	11.2%
vi. Investment Yield	6.3%	4.0%	(5.8)%	13.7%	8.4%
vii. Operating Expense/Policy	$48	$50	$48	$54	$65
viii. Claims Expense/Claims	$409	$416	$487	$482	$487
ix. Policies/Support Employee	2,485	2,499	2,556	2,446	2,590
x. Claims/Claims Employee	253	266	233	234	245
xi. Premiums/Policy	$776	$777	$794	$807	$804
xii. Insurance Costs/Capita	$553	$566	$593	$606	$615

Indicator	2011/12	2012/13	2013/14	2014/15	2015/16
i. Operating Expense Ratio	16.4%	17.1%	16.4%	16.0%	15.6%
ii. Claims Expense Ratio	16.1%	16.5%	16.1%	16.0%	15.3%
iii. Loss Ratio	80.4%	87.4%	84.5%	79.2%	76.8%
iv. Combined Ratio	112.8%	121.0%	117.0%	111.2%	107.6%
v. Investment Income Ratio	13.3%	9.0%	15.0%	7.7%	5.3%
vi. Investment Yield	6.4%	6.9%	6.2%	3.5%	2.6%
vii. Operating Expense/Policy	$61	$67	$67	$69	$68
viii. Claims Expense/Claims	$541	$521	$514	$543	$549
ix. Policies/Support Employee	2,560	2,409	2,368	2,426	2,468
x. Claims/Claims Employee	241	255	257	259	259
xi. Premiums/Policy	$790	$736	$764	$801	$823
xii. Insurance Costs/Capita	$624	$589	$614	$646	$668

Indicator	2016/17	2017/18	2018/19
i. Operating Expense Ratio	%	%	%
ii. Claims Expense Ratio	%	%	%
iii. Loss Ratio	%	%	%
iv. Combined Ratio	%	%	%
v. Investment Income Ratio	%	%	%
vi. Investment Yield	%	%	%
vii. Operating Expense/Policy	$	$	$
viii. Claims Expense/Claims	$	$	$
ix. Policies/Support Employee			
x. Claims/Claims Employee			
xi. Premiums/Policy	$	$	$
xii. Insurance Costs/Capita	$	$	$614

(i) Operating Expense Ratio (%) (The numerator to include the following—commissions, operating expenses, premium taxes and regulatory/appeal expenses.)

The ratio of operating expenses to net premiums earned measures the company's operational efficiency in underwriting its book of business.

(ii) Claims Expense Ratio (%) (The numerator to include claims expenses and loss prevention/road safety expenses.)

The ratio of claims expense to net premium earned measures the company's efficiency in adjudicating claims.

(iii) Loss Ratio (%)

The ratio of claims incurred to net premiums earned measures the company's underlying profitability, or loss experience, on its book of business.

(iv) Combined Ratio (%)

The sum of the loss, operating expense and claims expense ratios, not reflecting investment income or income taxes, measures the company's overall underwriting profitability, and a combined ratio of less than 100 indicates an underwriting profit.

(v) Investment Income Ratio (%)

The ratio of investment income to net premiums earned measures the contribution of investment income toward the combined ratio in measuring the company's overall net profitability.

(vi) Investment Yield (%)

To be calculated on current market value basis as per Annual Reports.

(vii) Operating Expense/Policy ($)

The operating expense/policy dollar value measures the cost efficiency or activity cost of issuing a policy.

(viii) Claims Expense/Claims ($)

The claims expense/claims dollar value measures the cost efficiency or activity cost of adjudicating a claim.

(ix) Policies/Support Employee (#)

The policies/support employee number value measures the number of policies a support employee can handle or the number of support employees required to manage policies effectively and efficiently.

(x) Claims/Claims Employee (#)

The claims/claims employee number value measures the number of claims a claims employee can handle or the number of claims employees required to manage claims effectively and efficiently.

(xi) Premiums/Policy ($)

The premiums/policy dollar value measures net premiums written changes per policy, year over year, even if there is no premium rate increases or decreases.

(xii) Insurance Costs/Capita ($)

The insurance costs/capita dollar value measures net premiums written (basic insurance) changes per capita based on the provincial population providing a social or public cost indicator.

a) Please update the tables with the 2013/14 actual indicators and reference the source data in the 2015 GRA and provide detailed calculations.

b) Please update the tables with 2014/15 through to 2018/19 with updated forecasted indicators and reference the source data in the 2015 GRA and provide detailed calculations.

c) Please elaborate on any significant differences in the indicators from last year.

RESPONSE:

a) Refer to PUB (MPI) 1-65 a) for 2007/8 to 2016/17.

b) Please see table below for 2017/18 and 2018/19.

Indicator	2017/18	2018/19
i. Operating Expense Ratio	15.7%	15.9%
ii. Claims Expense Ratio	14.3%	14.8%
iii. Loss Ratio	77.8%	82.2%
iv. Combined Ratio	107.8%	112.9%
v. Investment Income Ratio	8.0%	12.7%
vi. Investment Yield	2.2%	2.2%
vii. Operating Expense/Policy	$75	$80
viii. Claims Expense/Claims	$532	$564
ix. Policies/Support Employee	$2,552	$2,597
x. Claims/Claims Employee	281	286
xi. Premiums/Policy	$890	$915
xii. Insurance Costs/Capita	$682	$674

c) No significant changes.

CAC (MPI) 1-62

Reference: **Claims and Operating Expenses statistics – CAC (MPI) 1-21 from the 2014 GRA.**

a) Please update and file Tables 1 to 4 as per CAC (MPI) 1-21 (a) from the 2014 GRA with 2015 GRA "actual" and "forecasted" information.

b) Please elaborate on any significant differences from last year values.

RESPONSE:

a) Please refer to attachment, Tables 1 to 4.

b) A significant difference in between this year's GRA and last year's GRA occurs in the 2017/18 fiscal year. Last year's GRA forecasted claims expenses at $136.4 million compared to this year's GRA forecast for 2017/18 at $127.3 million. The difference in Claims Expense is the result of an increase to amortization expense for deferred development. The Physical Damage Re-engineering Project, was initially expected to conclude in 2016/17, but has been re-scheduled to conclude in 2017/18 and; therefore, amortization of the deferred development expenses has been forecasted to begin in 2018/19 rather than 2017/18.

Table 1

Basic Claims Expenses $000					
Year	Amount	Inc (Dec)	Basic Earned Vehicle Units		
	$	%	#	Avg Exp/unit $	Inc (Dec) %
2009/10	84,012	8.23%	951,585	88.29	5.79%
2010/11	97,182	15.68%	974,707	99.70	12.93%
2011/12	105,924	9.00%	1,006,627	105.23	5.54%
2012/13	108,587	2.51%	1,041,448	104.27	-0.91%
2013/14	114,552	5.48%	1,064,070	107.65	0.38%
2014/15	116,249	1.48%	1,093,331	106.33	-1.23%
2015/16	120,486	3.64%	1,123,398	107.25	0.87%
2016/17	126,010	4.58%	1,154,291	109.17	1.79%
2017/18	127,314	1.03%	1,186,035	107.34	-1.67%
2018/19	138,319	8.64%	1,218,650	113.50	5.74%

2014 GRA Forecast

2013/14	110,674	-0.92%	1,072,692	103.17	-3.80%
2014/15	118,414	6.99%	1,102,191	107.44	4.13%
2015/16	120,568	1.82%	1,132,501	106.46	-0.91%
2016/17	122,832	1.88%	1,163,645	105.56	-0.85%
2017/18	136,432	11.07%	1,195,645	114.11	8.10%

Table 2

Basic Operating Expenses $000					
Year	Amount	Inc (Dec)	Basic Earned Vehicle Units		
	$	%	#	Avg Exp/unit $	Inc (Dec) %
2009/10	45,904	11.25%	951,585	48.24	8.74%
2010/11	52,569	14.52%	974,707	53.93	11.80%
2011/12	62,879	19.61%	1,006,627	62.47	15.82%
2012/13	63,758	1.39%	1,041,448	61.22	-2.00%
2013/14	67,982	3.92%	1,064,070	63.89	1.71%
2014/15	73,568	8.22%	1,093,331	67.29	5.32%
2015/16	74,791	1.66%	1,123,398	66.58	-1.06%
2016/17	79,063	5.71%	1,154,291	68.49	2.88%
2017/18	81,043	2.50%	1,186,035	68.33	-0.24%
2018/19	87,298	7.72%	1,218,650	71.64	4.84%

2014 GRA Forecast

2013/14	66,773	2.08%	1,072,692	62.25	-0.90%
2014/15	69,942	4.75%	1,102,191	63.46	1.94%
2015/16	69,862	-0.11%	1,132,501	61.69	-2.79%
2016/17	72,163	3.29%	1,163,645	62.01	0.53%
2017/18	75,052	4.00%	1,195,645	62.77	1.22%

Table 3

Basic Claims Expenses $000						
Year	Basic Earned Vehicle Units					
	Manitoba CPI %	Average Claims Expense per Unit	Number	CPI Claims Expense	MPI Claims Expense	Inc (Dec)
1	2	3	4=(col.4 Table 1)	5= (3 X 4)	6=(col.2 Table 1)	7= (6 - 5)
2009/10	0.6%	83.79	951,585	79,733	84,012	4,279
2010/11	0.8%	84.46	974,707	82,324	97,182	14,858
2011/12	3.0%	86.99	1,006,627	87,566	105,924	18,358
2012/13	1.6%	88.38	1,041,448	92,043	108,687	16,644
2013/14	1.6%	89.79	1,064,070	95,543	114,552	19,009
2014/15	1.7%	91.32	1,093,331	99,843	116,249	16,406
2015/16	2.0%	93.15	1,123,398	104,645	120,486	15,841
2016/17	2.0%	95.01	1,154,291	109,669	126,010	16,341
2017/18	2.0%	96.91	1,186,035	114,939	127,314	12,375
2018/19	2.0%	98.85	1,218,650	120,464	138,319	17,855
2014 GRA Forecast						
2013/14	1.6%	89.79	1,072,692	96,317	110,674	14,357
2014/15	1.9%	91.50	1,102,191	100,850	118,414	17,564
2015/16	2.0%	93.33	1,132,501	105,696	120,568	14,872
2016/17	2.0%	95.20	1,163,645	110,779	122,832	12,053
2017/18	2.0%	97.10	1,195,645	116,097	136,432	20,335

Table 4

Basic Operating Expenses $000						
Year	Basic Earned Vehicle Units					
	Manitoba CPI %	Average Operating Expense per Unit	Number	CPI Operating Expense	MPI Operating Expense	Inc (Dec)
1	2	3	4=(col.4 Table 2)	5= (3 X 4)	6=(col.2 Table 2)	7= (6 - 5)
2009/10	0.6%	47.63	951,585	45,324	45,904	580
2010/11	0.8%	48.01	974,707	46,796	52,569	5,773
2011/12	3.0%	49.45	1,006,627	49,778	62,879	13,101
2012/13	1.6%	50.24	1,041,448	52,322	63,758	11,436
2013/14	1.6%	51.04	1,064,070	54,310	67,982	13,672
2014/15	1.7%	51.91	1,093,331	56,755	73,568	16,813
2015/16	2.0%	52.95	1,123,398	59,484	74,791	15,307
2016/17	2.0%	54.01	1,154,291	62,343	79,063	16,720
2017/18	2.0%	55.09	1,186,035	65,339	81,043	15,704
2018/19	2.0%	56.19	1,218,650	68,476	87,298	18,822
2014 GRA Forecast						
2013/14	1.6%	51.04	1,072,692	54,750	66,773	12,023
2014/15	1.9%	52.01	1,102,191	57,325	69,942	12,617
2015/16	2.0%	53.05	1,132,501	60,079	69,862	9,783
2016/17	2.0%	54.11	1,163,645	62,965	72,163	9,198
2017/18	2.0%	55.19	1,195,645	65,988	75,052	9,064

CAC (MPI) 1-64 **Reference:** **Pro Formas Volume II page 7**

Preamble: Normal operations expenses indicate a higher external labour costs required to support project delivery of $2,223,000 and initiative implementation expense indicate an additional external labour expense for unbudgeted projects (ITO transition) of $1,470,000.

Please provide a detailed analysis of these increased external labour costs which were over and above the forecast provided in the 2014 GRA.

RESPONSE:

Please refer to CAC (MPI) 1–68 and Volume II Expenses Appendix 1 page 4.

CAC (MPI) 1-66 **Reference: Volume II Expenses E.4 page 23**

Preamble: Capital expenditures:

($000)	13/14A	14/15P	15/16P	16/17P	17/18P	18/19P
Land & Buildings	$2,507	$2,245	$2,504	$741	$1,182	$717
Automobiles	569	609	1,253	748	1,105	1,158
Furniture & Equipment	1,034	1,215	1,518	999	999	999
Total	**$4,110**	**$4,069**	**$5,275**	**$2,488**	**$3,286**	**$2,874**

a) Please provide a detailed analysis of the items purchased for 2013/14 for Land & Buildings, Automobiles and Furniture and Equipment.

b) Please explain the significant increase in Automobile expenditures in 15/16, 17/18 and 18/19.

RESPONSE:

a) **Land & Buildings** is comprised of renovations to Service Centre – Steinbach, Service Centre – Portage, Service Centre – Dauphin and the Physical Damage Centre. It also includes a roof replacement for the Physical Damage Centre and some land costs regarding the Service Centre – Portage.

Automobiles is comprised of various corporate fleet requirements (new/replacement units) throughout the year.

Furniture and Equipment is comprised corporate requirements (additional/replacement furniture and equipment) throughout the year.

b) As previously filed.

The corporate guideline is to replace vehicles every seven years or 160,000 kms. The need to replace vehicles is dependent on these factors as well as the type of vehicle and its use. As a result, each year the fleet is reviewed and estimates made on replacements based on these factors which does not result in smooth growth factors but rather is based on usage. The policy is reviewed every two years and is scheduled for a review in 2014/15.

CAC (MPI) 1-68 Reference: Volume II Expenses Appendix 1 page 4.

Preamble: Data Processing Variance of $4 million 2013/14. "$4.0 million increase over the 2014 GRA related to greater than forecasted expenses for initiative implementation external labour costs."

Please provide a breakdown of the variance related to external labour costs by initiative.

RESPONSE:

The variance is driven by more operational projects undertaken than originally planned (and hence forecasted). The improvement initiatives that drove the variance are as follows:

On Line Credit Cards	949,399
Driver & Vehicle Licencing	873,022
Customer Statement Update	379,344
KMS Project Support	343,129
Data Classification	326,709
Security Framework	322,979
Specialty Plates	198,974
International Registration Program	110,765
Other Projects	1,460,679

CAC (MPI) 1-69 **Reference: Volume II Expenses Appendix 1 page 3.**

Preamble: Special Services for basic insurance.

Please provide a detailed account analysis of the special services amount of $5,164,000 for basic insurance or corporate for 2013/14.

RESPONSE:

Please see PUB (MPI) 1-59 (d).

CAC (MPI) 1-72 **Reference: Volume III Benchmarking Appendices Page 1 and 7**

Preamble: Operational Efficiency and Claims Performance

Please provide targets for MPI's Corporate Performance Measures for years 2013, 2014 and 2015 for each Metric for Operational Efficiency and Claims Performance. If targets have not been developed, please elaborate as to when they will be developed.

RESPONSE:

The benchmarking exercise compares the Corporation's practices and performance against similar organizations. In addition to understanding performance relative to industry peers, benchmarking provides an objective analysis of the operational and cost structure of the Corporation that is used as an analytical tool to identify potential differences in resources as compared to the benchmark. Thus, the goal of the benchmarking exercise is not to establish benchmark targets (aside from the macro mandate measures which have historically had targets) for the Corporation, rather it is focused on making external comparisons to identify potential areas of improvement.

CAC (MPI) 1-73 Reference: SM.2

Preamble: On page 19 of Section SM.2 a comparison is made between MPI and other auto groups.

Please specify which insurers are included in the Canadian Personal Auto Group, the Canadian Benchmark Group and the US Personal Auto Group.

RESPONSE:

Canadian Personal Auto Benchmark Group – 9 insurers (2 public)
Canadian Benchmark Group – 13 insurers (2 public)
US Personal Auto Benchmark Group – 13 insurers (0 public)

CAC (MPI) 1-74 Reference: SM.2

Preamble: On page 21 of section SM.2 a comparison is made of insurance rates in Winnipeg, Calgary and Toronto.

What companies are being used in this comparison?

RESPONSE:

The Corporation uses an external party (Applied Systems) to provide coverage and premium information for private insurers in Calgary and Toronto. In these jurisdictions, ten competitors are used and the average of those rates is determined for comparative rating purposes. The names of the specific companies used in the analysis are considered by Applied Systems to be proprietary information.

CAC (MPI) 1-82 Reference: Volume III AI.10 Charter PDR page 8.

Preamble: PD Re-engineering Program Charter budget of $65,485,774

Please provide a copy of the detailed budget, by cost category/project, and broken down by fiscal year for the Physical Damage Re-engineering Program.

RESPONSE:

Please refer to PUB (MPI) 1-75 b).

CAC (MPI) 1-88 Reference: Audit Committee Minutes

Please file a copy of the Audit Committee of the Board of Directors Minutes for the 2013/14 fiscal year.

RESPONSE:

The Corporation has never refused the request to provide a particular minute from the Board of Directors or Audit Committee relating to an issue of importance to the rate setting process. The public release of minutes of the Audit Committee can compromise the efficient and effective functioning of these meetings. Given the nature of the request for the wholesale release of all minutes of the Audit Committee, the Corporation will decline to release all such minutes.

In declining to release all such minutes, the Corporation notes that it will release the specific minutes as requested by the Board and Interveners if these relate directly to significant issues before the PUB in the rate setting process.

CAC (MPI) 1-92 Reference: Compliance to Legislation

Please file a copy of the most recent Compliance to Legislation Authority Audit report.

RESPONSE:

There is currently no legislated requirement for an external auditor opinion on compliance with the legislative authorities for filing to the Office of the Auditor General (OAG) or the Province of Manitoba. As a result, no opinion is available for the 2013/14 fiscal year.

CAC (MPI) 1-94 **Reference: 2013 Annual Report**
AI.6 Part 1B pages 31.

Preamble: In the Risk Management section of the 2013 Annual Report the Corporation describes the corporate Risk Management Framework and risk mitigation strategies.

a) Please elaborate on the Risk Management Framework.

b) Have there been any changes to the Risk Management Framework since last year.

RESPONSE:

a) There are five foundational elements to the framework: risk identification, risk measurement, risk mitigation, monitoring and reporting. A risk management framework has been in place for many years so key risks are well identified. All of the identified risks have been cross referenced to strategic objectives. Risks are measured, or rated, for both inherent and residual risk using a point system that encompasses likelihood and severity. Inherent risk rating categories are Critical, High, Medium and Low; residual risk rating categories are High, Medium and Low. Risks are monitored on an ongoing basis using methods appropriate to the risk. Reporting occurs in April and October of each year to the Audit Committee according to a schedule based on the inherent and residual risk rating. Risks that have an inherent and residual risk of Critical/High are reported on in both April and October, with a full review of the risk response plan. The risk response plan provides a detailed analysis of the nature of the inherent risk as well as the specific monitoring and mitigation activities undertaken.

b) There have been no material changes in the risk management framework since last year.

CAC (MPI) 1-95 **Reference: 2013 Annual Report AI.6 Part 1B pages 31.**

Preamble: "Much of the risk management process is focused on Goal 1. Rates, on average, will be lower than those charged by private insurance companies for comparable coverage and services." The key risk mitigation areas are listed on page 31.

Please list or elaborate on the key risk mitigation areas for Goals 2 to 7 described in the Corporate Strategic Plan 2014-2018 Volume III AI.6 Part2 pages 12 to 17.

RESPONSE:

The risk mitigation areas listed on page 31 of the 2013 Annual Report are not goal exclusive and; therefore, also impact goals 2 to 7. For example, investment income which is addressed in the risk mitigation area - Governance of Investments, assists the Corporation in meeting Goal 2 (The Basic plan will return at least 85 per cent of premium revenue to Manitobans in the form of claim benefits) and Goal 5 (Retained earnings and Rate Stabilization Reserve will be maintained within the established target levels).

In addition to the key risk mitigation areas listed on page 31 of the 2013 Annual Report, other risk mitigation areas include the Reinsurance program (submitted in Volume II RSR, section R.3), Customer and Employee targets and surveys, and the Road Safety program (submitted in Volume I Road Safety, section SM.3). For specific strategies to achieve the corporate goals, see the Strategies listed under each goal detailed in the 2013 Annual Report.

CAC (MPI) 1-99 Reference: 2013 Annual Report AI.6 Part 1B page 23

Preamble: The rate comparison chart in the Annual Report measures Winnipeg, Calgary and Toronto.

Please prepare and file an updated chart including Halifax, Regina and Vancouver.

RESPONSE:

Please refer to the table below for the requested rate comparisons. All 2014 rates are based on a 2010 Dodge Caravan SE with $500 all perils deductible and $2 million third party liability.

21 year old male primary driver, claims and convictions free; and no secondary driver:					
Winnipeg	Calgary	Toronto	Halifax	Regina	Vancouver
$1,322	$3,002	$8,069	$2,804	$1,129	$2,289
35 year old female primary driver; 35 year old male secondary driver; both claims and conviction free:					
Winnipeg	Calgary	Toronto	Halifax	Regina	Vancouver
$1,047	$1,432	$3,986	$1,114	$1,018	$1,406
40 year old female primary driver, claims and conviction free; secondary 40 year old male driver claims and convictions free; and secondary 16 year-old male claims and conviction free:					
Winnipeg	Calgary	Toronto	Halifax	Regina	Vancouver
$1,092	$2,181	$7,221	$2,638	$1,018	$1,589

CAC (MPI) 1-111 Reference: Volume I Overview page 29

Preamble: "..while we wait for the results of the asset liability matching study…"

a) Please advise when the asset liability matching study will be completed and, when completed will the study be filed with PUB?

b) Please file a copy of the asset liability study Request for Proposal, Terms of Reference and the service agreement with the consulting firm engaged to perform the study.

RESPONSE:

a) and b)
Please see PUB (MPI) 1-18.

CAC (MPI) 1-127 **Reference: Volume II, Investment Income, PDF Page 20 Attachment A**

Preamble: Paragraph 8.4 of PDF Page 20 Attachment A appears to grant certain discretionary authority to remove fixed income assets from the duration calculation.

a) Has the Working Group exercised that authority at any time, and if so, please discuss the reason for the decision?

b) Are any of the duration calculations actual or forecast in this application based on the exercise of that authority, and if so, please provide the unaffected calculation?

RESPONSE:

a) The Working Group exercised the authority to remove fixed income assets from the duration calculation from October 2010 to May 2012. During this period cash for investments and floating rate notes were removed from the monthly duration calculations. The average amount excluded from the monthly duration calculation was approximately $186.2 million. Increased cash balances, beyond what is normally required, were held to fund alternative asset classes such as real estate and infrastructure.

b) The actual duration at February 28, 2014 is adjusted to exclude cash held for investment in infrastructure ($5.7 million) from the duration calculation. The duration at February 28, 2014 excluding this cash was 7.33 years. The unadjusted duration at February 28, 2014 was 7.30 years. The financial model does not remove fixed income assets for duration calculation purposes.

CAC (MPI) 1-131 **Reference: Volume II, Investment Income, PDF Page 12 Attachment A**

Preamble: PDF Page 12 Attachment A indicates that the benchmark for MUSH is the DEX Provincial Total Return Bond Index. We are unclear how the characteristics of the benchmark match the characteristics of the MUSH portfolio.

Please compare or contrast the characteristics of the MUSH portfolio to the characteristics of the DEX Provincial Total Return Bond Index?

RESPONSE:

The table below compares and contrasts the characteristics of the MUSH portfolio to the characteristics of the DEX Provincial Total Return Bond Index.

Characteristics	MUSH Portfolio	DEX Provincial Total Return Index
Issuer	Manitoba	All Provinces
Valuation	Book Value	Market Value
Return	Income	Income plus Capital Gain/Loss
Modified Duration	6.76 years	9.46 years
Average Term to Maturity	11.31 years	14.05 years

CAC (MPI) 1-132 Reference: Volume II, Investment Income, PDF Page 16 Attachment A

Preamble: PDF Page 16 Attachment A indicates that Fund may purchase derivatives and enter into forward transactions, futures or "swaps" consistent with risk management. Interest rate swaps can alter the duration of a bond portfolio. The Board will be aware from previous Manitoba Hydro hearing that MH has entered into interest rate swap transactions.

a) Has the Fund ever entered into an interest rate swap forward or future transaction, and if so please provide the details of the transaction and the purpose for which it was entered into?

b) Has the management or the Working Group considered a derivative or swap transaction as a method to reduce the interest rate risk or duration variance identified in this application, and if so, please provide details of the transaction considered?

c) Has the management or the Working Group considered a derivative or swap transaction as a method to reduce the interest rate risk or duration variance identified in this application, and if not, in what if any circumstances would considering such a transaction, clearly considered reasonable in section 6.12 of Attachment A, be appropriate?

RESPONSE:

a) The fixed income manager has occasionally purchased USD denominated bonds issued by provinces and swapped the cash flows into Canadian dollars when it was advantageous to do so.

b) The bond manager has considered using derivatives, but the manager concluded that it is more effective to buy or sell physical bonds in order to achieve the necessary duration targets.

c) See the response to b) above.

CAC (MPI) 1-133 Reference: Volume II, Investment Income, PDF Page 19 Attachment A

Preamble: PDF Page 19 Attachment A, in section 7.2 removes a sentence which indicates the date of the last allocation review without providing a new date.

a) What was the date of the last allocation review?

b) When is the next allocation review contemplated?

c) If there is no specific date for review of asset allocation, has a threshold been identified to trigger such a review?

RESPONSE:

a) The last asset liability study was completed in January 2008.

b) Please see the response to PUB (MPI) 1-18.

c) Please see the response to PUB (MPI) 1-18.

CAC (MPI) 1-134

Reference: **Volume II, Investment Income, Page 29 lines 18 and 19, MUSH, Attachment F**

Preamble: Lines 18 and 19, indicate that the MUSH bonds provide additional yield over a 10 year Canada bond, but do not provide any information as to the term, amortization, or other features of the MUSH bonds. Attachment F indicates that the Non-marketable bonds underperformed the benchmark in several years, including 2012 and 2010.

a) For the 3 most recent MUSH bonds purchased for MPI please provide term sheets setting out the maturity, coupon, repayment terms and average life, and the spread to the relevant or most comparable Canada bond at date of purchase.

b) Please extend the annual performance information in Attachment F back in time to allow the calculation of the compound annual return in MUSH and its benchmark for a period of 10 years.

c) Please discuss the factors which lead to the 7.7% underperformance in 2012 and the 2.5% underperformance in 2010.

RESPONSE:

a) The table below provides the requested information for the three most recent MUSH bonds purchased during June 2014.

CUSIP	Maturity Date	Coupon Rate	Frequency	Principal + Interest	Weighted Average Life	Modified Duration	Spread (MUSH - CAD Bond)
BPS0534$A	31-May-34	4.25%	Annual	43,259	11.8	9.2	1.8%
BLS0534$A	31-May-34	4.25%	Annual	13,269	11.8	9.2	1.8%
FMS0634$A	15-Jun-34	4.25%	Annual	196,076	11.8	9.2	1.8%

The spread is based on a comparable Canada bond with a similar modified duration.

b) The table below provides annual performance information for MUSH bonds and the DEX Provincial Bond index a period of ten years as well as the annualized returns for both data series.

Annual Performance Ending February			
Date	MUSH	DEX Provincial Bond	Value Added
Feb-14	5.2%	1.3%	3.9%
Feb-13	5.4%	3.7%	1.7%
Feb-12	5.7%	13.3%	-7.6%
Feb-11	6.2%	5.5%	0.7%
Feb-10	6.2%	8.7%	-2.5%
Feb-09	6.5%	2.6%	3.9%
Feb-08	6.9%	4.1%	2.8%
Feb-07	7.4%	6.0%	1.4%
Feb-06	7.8%	7.2%	0.6%
Feb-05	8.0%	6.0%	2.0%
Annualized Return	6.53%	5.79%	0.74%

c) The MUSH portfolio is valued at book value; therefore, its performance reflects coupon income only and capital appreciation/depreciation is not reflected in the performance. The benchmark's performance is valued at market value; therefore, its performance includes both coupon income and capital appreciation/ depreciation.

A declining yield environment generates capital appreciation while a rising yield environment produces capital depreciation, all else being equal.

In 2010 and in 2012, interest rates declined which created capital appreciation for the benchmark. As a result, the benchmark outperformed the MUSH portfolio in 2010 and 2012 because its performance includes capital appreciation while the MUSH portfolio did not earn capital appreciation.

CAC (MPI) 1-146

Reference: **Volume II, Investment Income, Page 7 line 23-28, 'significant forecasting risk' and 'benefits', and Duration Matching Discussion Paper**

Preamble: MPI notes that a negative duration gap between fixed income and claims may give rises to "benefits from a rising interest rate forecast". In its discussion of "duration" MPI appears to use the duration of the entire fixed income holdings. To better understand the use of marching assets and liabilities to reduce risk, we have observed that the Saskatchewan Auto Fund appears to segment its portfolios into a "Matching Portfolio" and a "Return Seeking Portfolio". Within the Saskatchewan Auto Fund "Matching Portfolio" into 6 buckets of different ranges terms, e.g. "Over 1 to 3 years", and "Over 5 to 10 years", and "Over 15 years …". See page 222/279 of the pdf found at http://www.saskratereview.ca/images/docs/sgi-2013/saf-minimum-filing-requirements-srrp-website.pdf

a) Please confirm that the assumption underlying your duration calculation of "parallel shifts in the yield curve", is that each point on the interest rate curve [including, 3 months, 1 year, 3 years, 5 years, 10 years, 20 years, 30 years] is increased, or decreased, by an equal measure [say 1%]., or if unable to confirm provide the correct assumption.

b) Please confirm that the changes in the interest rate curves rarely if ever move in a parallel shift.

c) Please confirm that the changes in interest rates forecast in Tables 13.2.2 and 13.2.3 suggest that markets will move from a relatively steep T-bill to 10 year yield curve to a relatively flat T-bill to 10 year yield curve.

d) Would we be correct in thinking that by segmenting its portfolios into "buckets" of a few years duration, all other things being equal, there is more reduce the financial risk of non-parallel changes in interest rates in one portion of the yield curve, or, if not why not?

e) Saskatchewan indicates it will match "Buckets with terms over 1 year" to "within +/- 5% of the estimated liability cash flow for each bucket", does this represent a more precise matching range providing consumers with greater protection from interest rate risk than a +/- 1 year matching range or duration bandwidth, and if not why not?

f) At line 27 of page 2 of the Duration Matching Discussion Paper, MPI indicates that the "duration bandwidth … was increased from +/- 1.5 years to +/- 2 years which increased the Corporation's exposure to interest rate risk."

(i) Was it the change of policy alone that "increased the Corporation's exposure to interest rate risk", or did the Corporation have to act to use this larger range to increase the risk?

(ii) Please discuss the internal actions that lead to this policy change, including the administrative studies that indicated the benefits outweighed the cost, the process that lead to the recommendation to the decision maker or decision making body, and rational for the decision.

(iii) Please provide a table showing the claims duration and fixed income portfolio duration on a quarterly basis from November 2009 and the variance, to permit one to see the extent to which the newly permitted bandwidth expansion increased risk, and the amount of aggregate claims liability and amount of the fixed income portfolio.

(iv) Since in Attachment C, at page 18, the authors observe that "MPI duration mismatch must be within +/- 2 years" and that organizations "with shorter term liabilities had higher tolerance for mismatch", please discuss the underlying factors that resulted in the apparent reversal of the policy change increasing the bandwidth to +/- 2 to now +/- 1.

g) Please confirm that it is possible that a $500 million and a $1 billion bond portfolio could each have the same duration, but neither would immunize or match the risk of $750 million liability portfolio owing to the size mismatch, or, if unable to confirm provide the correct statement.

h) Since in Attachment C, at page 17, the authors observe that the "majority" appear to use buckets, does MPI use buckets, and if not, please provide the reasoning for holding this minority position?

i) Please provide the duration for fixed income assets and claims liabilities for each of the following periods.

(i) Up to one year

(ii) Over 1 to 3 years

(iii) Over 3 to 5 years

(iv) Over 5 to 10 years

(v) Over 10 to 15 years

(vi) Over 15 years

RESPONSE:

a) As previously filed.
Confirmed. Parallel shifts in the yield curve occur when the yield of all maturities on the yield curve move by an equal amount.

b) As previously filed.
Confirmed. As defined in a), parallel shifts in the yield curve rarely occur in reality.

c) As previously filed.
   Confirmed.

d) As previously filed.
   This issue of segmenting the asset and liability portfolios into “buckets” will be studied and the benefits, if any, quantified during the upcoming ALM study. Until the results to the ALM study are received we cannot comment on this question.

e) As previously filed.
   See the response to Part d) above.

f) As previously filed.
   (i) The Corporation was not compelled to use the larger range.

   (ii) This change to the duration bandwidth was made for several reasons. First, because the definition of the liabilities was changed from total liabilities to claims liabilities. Second, because the bond portfolio was in transition with the elimination of real return bonds and the addition of long bonds. Third, interest rates were forecasted to increase.

   (iii) The requested data is provided in the following table.

Date	Fixed Income Duration	Liability Duration*	Variance Duration **	Fixed Income Assets ($ Billion) ***	Aggregate Claims Liability
Nov-09	7.4	7.6	-0.2	1.77	1.66
Feb-10	7.2	9.0	-1.8	1.80	1.62
May-10	6.6	9.0	-2.4	1.82	1.56
Aug-10	6.7	9.4	-2.7	1.85	1.67
Nov-10	7.6	9.4	-1.8	1.54	1.66
Feb-11	7.6	9.4	-1.9	1.50	1.44
May-11	7.5	9.4	-1.9	1.39	1.43
Aug-11	7.4	9.1	-1.7	1.40	1.48
Nov-11	7.5	9.1	-1.6	1.41	1.51
Feb-12	8.3	9.1	-0.9	1.33	1.48
May-12	8.3	9.1	-0.8	1.34	1.48
Aug-12	6.9	8.9	-2.0	1.53	1.52
Nov-12	6.6	8.9	-2.3	1.53	1.54
Feb-13	7.4	8.9	-1.5	1.51	1.55
May-13	7.2	8.9	-1.7	1.48	1.59
Aug-13	8.1	8.9	-0.8	1.48	1.56
Nov-13	6.7	8.9	-2.2	1.61	1.59
Feb-14	7.3	9.4	-2.1	1.61	1.70
May-14	8.1	9.4	-1.3	1.65	1.69

* Prior to February 2010, liability duration was total liability duration
* After February 2010, liability duration was claim liability duration
** Variance Duration = Fixed Income Duration - Liability Duration
*** Fixed Income Assets utilized to calculate fixed income duration

I. Please see Attachment B Duration Matching Discussion Paper for a full discussion of the reasons why the duration bandwidth was changed from +/- 2.0 years to +/-1.0 year.

g) As previously filed.

Immunization requires that[1]:

1. Average duration of assets and liabilities are equal at all times.
2. The market value of assets must be greater than or equal to the present value of liabilities.
3. The dispersion of assets be greater than or equal to the dispersion of liabilities.

In the above example only the $1.0 billion bond portfolio can potentially immunize or match the risk of $750 million liability portfolio. The $500 million bond portfolio does not have sufficient funds to fund the liability and has a large current deficit (of $250.0 million).

h) As previously filed.

The Corporation does not currently use time buckets to segment its liabilities or bond portfolio. However, the upcoming ALM study will address this issue and the consultant has been asked to quantify the benefits of adopting a cash flow matching strategy to manage interest rate risk.

i) The duration for fixed income assets and claims liabilities for the requested periods are shown in the table below.

Period	Fixed Income Asset Duration	Claims Liability Duration
Up to one year	0.3 years	0.5 years
Over 1 to 3 years	2.0 years	1.9 years
Over 3 to 5 years	4.1 years	4.0 years
Over 5 to 10 years	7.6 years	7.4 years
Over 10 to 15 years	12.3 years	12.4 years
Over 15 years	22.9 years	23.3 years

[1] Source: The Handbook of Fixed Income Securities fourth Edition Edited by Frank J. Fabozzi and T.Dessa Fabozzi, Page 901

CAC (MPI) 1-148 **Reference: Volume II, Investment Income, PDF Page 2 Attachment A, Governance**

Preamble: Page 2 Attachment A, Governance appears to indicate that the next review date is "April 2013" and thereafter, the policy is to be reviewed on an annual basis.

a) Was the April 2013 review completed?

b) What is the status of the April 2014 review?

c) If the April 2014 review has been completed, please supply any policy revisions resulting there from.

RESPONSE:

a) The April 2013 Investment Policy Review was completed in February 28, 2013.

b) The Investment Policy Statement was reviewed on March 6, 2014. These dates are reflected on the cover page and the footer of each page in the Investment Policy Statement. The dates on page 2 were not updated in the Investment Policy Statement version supplied in the Rate Application.

c) The March 6, 2014 policy revisions are listed on page 77 of the Investment Income Document.

   Pages 130 and 131 of PUB Order No. 98/14 refer to CAC (MPI) 1-148 and discuss the use of a guideline to book approximately $5 million in gains or losses from the fixed income assets each fiscal year (page 6 of the Investment Policy Statement). The next sentence in the Investment Policy Statement states that "This is a guideline only, and does not preclude taking more or less gains in response to changing market conditions or equity market volatility." As stated in

CAC (MPI) 1-125 b), this practice is not currently used. The financial model is now used to predict the amount of gains that will be generated based on the factors mentioned in CAC 1-125 b). Therefore, the reference to the guideline on booking gains or losses from the fixed income portfolio will be removed from the Investment Policy Statement in next year's Investment Policy Statement review.

CAC (MPI) 1-154 Reference: Volume II Pro Formas

Please prepare a summary Basic Insurance Income Statement and Retained Earnings Statement (historical and projected) for the fiscal years 2010/11A through 2018/19P (One spreadsheet for the Income Statement and one spreadsheet for the Retained Earnings Statement).

RESPONSE:

Please refer to the attachment.

Manitoba Public Insurance
Multi-year Statements

2015 GRA-2.4 % Rate Change plus 1.0% RSR Rebuild - 2015/16

(C$ 000s, except where noted)

For the Years Ended February,

	2011A	2012A	2013A Restated	2014A	2015F	2016P	2017P	2018P	2019P
BASIC									
Motor Vehicles	738,559	760,039	722,774	756,642	795,233	859,397	897,828	937,861	979,588
Drivers	29,796	26,593	32,692	41,520	46,992	51,284	55,427	59,418	62,982
Reinsurance Ceded	(8,803)	(6,679)	(9,422)	(13,422)	(13,661)	(13,934)	(14,213)	(14,497)	(14,787)
Total Net Premiums Written	**759,552**	**779,953**	**746,044**	**784,740**	**828,564**	**896,747**	**939,042**	**982,782**	**1,027,783**
Net Premiums Earned									
Motor Vehicles	728,894	748,948	739,654	741,077	769,872	829,240	879,765	919,045	959,977
Drivers	31,055	24,037	29,299	37,015	44,330	49,138	53,355	57,422	61,201
Reinsurance Ceded	(10,414)	(11,308)	(12,202)	(13,422)	(13,722)	(13,934)	(14,213)	(14,497)	(14,787)
Total Net Premiums Earned	**749,535**	**761,677**	**756,751**	**764,670**	**800,480**	**864,444**	**918,908**	**961,971**	**1,006,390**
Service Fees & Other Revenues	18,742	18,736	18,452	20,383	19,799	21,079	22,815	24,671	26,786
Total Earned Revenues	**768,277**	**780,413**	**775,203**	**785,053**	**820,279**	**885,523**	**941,723**	**986,641**	**1,033,176**
Net Claims Incurred	333,071	612,037	661,288	747,435	624,776	672,137	725,356	748,183	826,983
Claims Expense	97,182	109,760	108,587	114,552	116,249	120,486	126,010	127,314	138,319
Road Safety/Loss Prevention	16,758	12,982	13,032	12,816	11,350	10,514	10,564	10,606	10,648
Total Claims Costs	**447,011**	**734,779**	**782,907**	**874,803**	**752,376**	**803,137**	**861,930**	**886,103**	**975,950**
Expenses									
Operating	57,976	57,465	63,758	67,982	73,568	74,791	79,063	81,043	87,298
Commissions	46,016	41,034	37,545	32,057	33,496	34,173	35,970	37,450	38,991
Premium Taxes	13,148	22,766	23,068	23,342	24,426	26,351	27,994	29,294	30,635
Regulatory/Appeal	4,078	3,423	3,392	3,766	3,261	3,314	3,380	3,447	3,516
Total Expenses	**121,219**	**124,688**	**127,763**	**127,147**	**134,751**	**138,630**	**146,406**	**151,233**	**160,440**
Underwriting Income (Loss)	**200,047**	**(79,054)**	**(135,466)**	**(216,897)**	**(66,848)**	**(56,245)**	**(66,613)**	**(50,694)**	**(103,213)**
Investment Income	83,808	101,243	72,363	147,735	28,807	49,907	84,606	77,345	128,259
Allocated from Property		89							
Net Income (Loss) from Operations	**283,855**	**22,278**	**(63,103)**	**(69,162)**	**(38,042)**	**(6,337)**	**17,993**	**26,651**	**25,046**

Manitoba Public Insurance
Statement of Retained Earnings

2015 GRA-2.4 % Rate Change plus 1.0% RSR Rebuild - 2015/16

(C$ 000s, except where noted) *For the Years Ended February,*

RATE STABILIZATION RESERVE (RSR)	2011A	2012A	2013A Restated	2014A	2015P	2016P	2017P	2018P	2019P
Basic Insurance Rate Stabilization Reserve									
Beginning Balance	154000	140,525	155,700	149,800	99,878	61,836	55,499	73,492	100,142
Transfer from (to) Basic Retained Earnings	(13,475)	15,175	(5,900)	(49,922)	(38,042)	(6,337)	17,993	26,651	25,046
Ending Balance	**140,525**	**155,700**	**149,800**	**99,878**	**61,836**	**55,499**	**73,496**	**100,142**	**125,188**
Minimum RSR based on PUB rules	77,000	77,000	77,900	78,500	82,300	89,000	93,200	97,600	102,100
Maximum RSR based on PUB rules	154,000	154,000	149,800	156,900	165,700	179,300	187,800	196,500	205,600
MPI RSR Target	$107 - 214	210,000	200,000	172,000	194,000	194,000	194,000	194,000	194,000
Retained Earnings									
Beginning Balance	70,709	-	57,983	19,240	-	-	-	-	-
Restatement of Beginning Balance			18,460						
Restated Beginning Balance			76,443						
Net Income (Loss) from annual operations	283,855	22,278	(63,103)	(69,162)	(38,042)	(6,337)	17,993	26,651	25,046
Retained Earnings Prior to Transfers	354,564	22,278	13,340	(49,922)	(38,042)	(6,337)	17,993	26,651	25,046
Transfer from (to) Rate Stabilization Reserv	13,475	(15,175)	5,900	49,922	38,042	6,337	(17,993)	(26,651)	(25,046)
Premium Rebate	(321,678)	(14,120)			-	-	-	-	
Transition to IFRS Mar 1/10	18,639			-	-	-	-	-	
Balance of Fund	**-**	**57,983**	**19,240**	**-**	**-**	**-**	**-**	**-**	**-**
Total Basic Retained Earnings	**$ 205,525**	**$ 213,683**	**$ 169,040**	**$ 99,878**	**$ 61,836**	**$ 55,499**	**$ 73,492**	**$ 100,142**	**$ 125,188**

Manitoba Public Insurance

CAC (MPI) 1-182 Reference: Volume III AI.12 Benchmarking page 17.

Preamble: "Manitoba Public Insurance is using a higher proportion of contractors than either its peers or the Insurance Industry as a whole."

Please elaborate on MPI's IT strategy, going forward, as it relates to the use of contractors as opposed to using internal staff to implement and/or develop IT applications for MPI.

RESPONSE:

Manitoba Public Insurance leverages contractors to provide additional capacity and specialized skills that supplement our current workforce. Contractor usage is reviewed on a regular basis to ensure optimum value to the Corporation and sufficient cross-training is completed. Contractors will continue to be leveraged, as required, to support the achievement of corporate objectives.

CAC (MPI) 1-183 **Reference:** **Volume III AI.12 Benchmarking Appendix 4 page 3**

Preamble: "Despite a 2.3% reduction in the IT to Company FTE ratio, MPI spent 8% more on Personnel and 9% more on Outsourcing and used 12% more contractors than Peers."

Please elaborate on MPI's IT strategy to contain the Personnel, Outsourcing and contractors costs relative to MPI's peers in light of MPI basic insurance being a monopoly.

RESPONSE:

As noted on Volume III AI.12 Benchmarking Appendices, Appendix 4, PDF page 6, the Corporation invested significantly in one-time remediation. This one-time remediation included incremental personnel and contractor costs. The Corporation will continue to engage in benchmarking (Gartner, Ward Group) and act upon recommendations which provide value within our current business model (monopoly). Please see Volume III AI.12 Benchmarking Appendices, Appendix 4, PDF page 14 Cost Containment, as a measure of this improvement.

CAC (MPI) 1-184 **Reference:** **Volume III AI.12 Benchmarking Appendix 4 page 4.**

Preamble: "On average, over a 15 year lifecycle, only 8% of an application's lifecycle costs occur during Development, so as you increase the footprint, you increase the support base"

Please elaborate on the lifecycle costs vs. development costs of an IT application (for example, the PD Re-engineering program –Volume III Charters page 8—is budgeted to cost $65.5 million. Does this mean that the life cycle cost for this program are expected to be $819 million {$65.5 million / 0.08} with annual projected savings of $13.3 million for a payback period of 62 years {$819 million / $13.3 million?)

RESPONSE:

As per PUB (MPI) 1-79, which provides details on the Corporation's actions on the Gartner recommendations, this model is currently under evaluation to confirm applicability to Manitoba Public Insurance. Please note, that in this case the model would include all vendor costs to develop, distribute, and support the product. Additionally, the Gartner Scorecard states the retirement of applications needs to be factored into the lifetime cost. These costs would be divided across all customers who purchase the product. The Corporation's costs for these parts of the lifecycle would be limited to the investment outlined in the approved software/service agreements.

CAC (MPI) 1-186 **Reference: Pre-Filed Testimony page 19**

Preamble: "…I propose that we move from discussing road safety to discussing a comprehensive loss prevention strategy."

In general terms, please elaborate on the content of a comprehensive loss prevention plan for the Basic line of business.

RESPONSE:

Details of the comprehensive loss prevention strategy are under consideration at this time and will be addressed in more detail with the 2016/17 GRA.

CAC (MPI) 1-188 Reference: SM.3 Road Safety page 14.

Preamble: Services of an external firm have been retained to assist in developing a formal process to review current road safety priorities and establish a three-year Road Safety Strategic Plan.

a) Please file a copy of the Request for Proposal, Terms of Reference and service agreement relating to the external firm.

b) Please indicate when the three-year Road Safety Strategic Plan will be completed and filed with the PUB.

RESPONSE:

a) and b)

Please refer to PUB (MPI) 1-100.

CAC (MPI) 1-189 Reference: SM.3 Road Safety page 22

Preamble: "With respect to the High School Redevelopment project, project scoping is underway and the Corporation expects to finalize terms of reference for the multi-year redevelopment project and release of RFP by the fall of 2014."

a) In general terms, please describe the project scoping completed to-date.

b) Please file a copy of the RFP when released in fall with the PUB.

RESPONSE:

a) Project scoping for the High School Driver Education Redevelopment project is summarized in the Project Charter that was provided in Volume III at AI.10.

b) Acknowledged.

CAC (MPI) 1-190 Reference: SM.3 Road Safety page 26.

Preamble: "These maps demonstrate that motor vehicle collisions with vulnerable road users are broadly dispersed throughout Winnipeg and Brandon. Collision "hotspots" are generally associated to multi-lane intersections with high traffic volumes…..Other patterns are not readily apparent based on the broad dispersion of collision with vulnerable road users and the relative randomness of these occurrences. For this reason, the Corporation continues to focus its efforts primarily on broad public awareness campaigns aimed at educating both motorists and vulnerable road users on how to share the road safely."

a) Please describe the methodology applied to conclude that "other patterns are not readily apparent based on the broad dispersion of collision with vulnerable road users and the relative randomness of these occurrences".

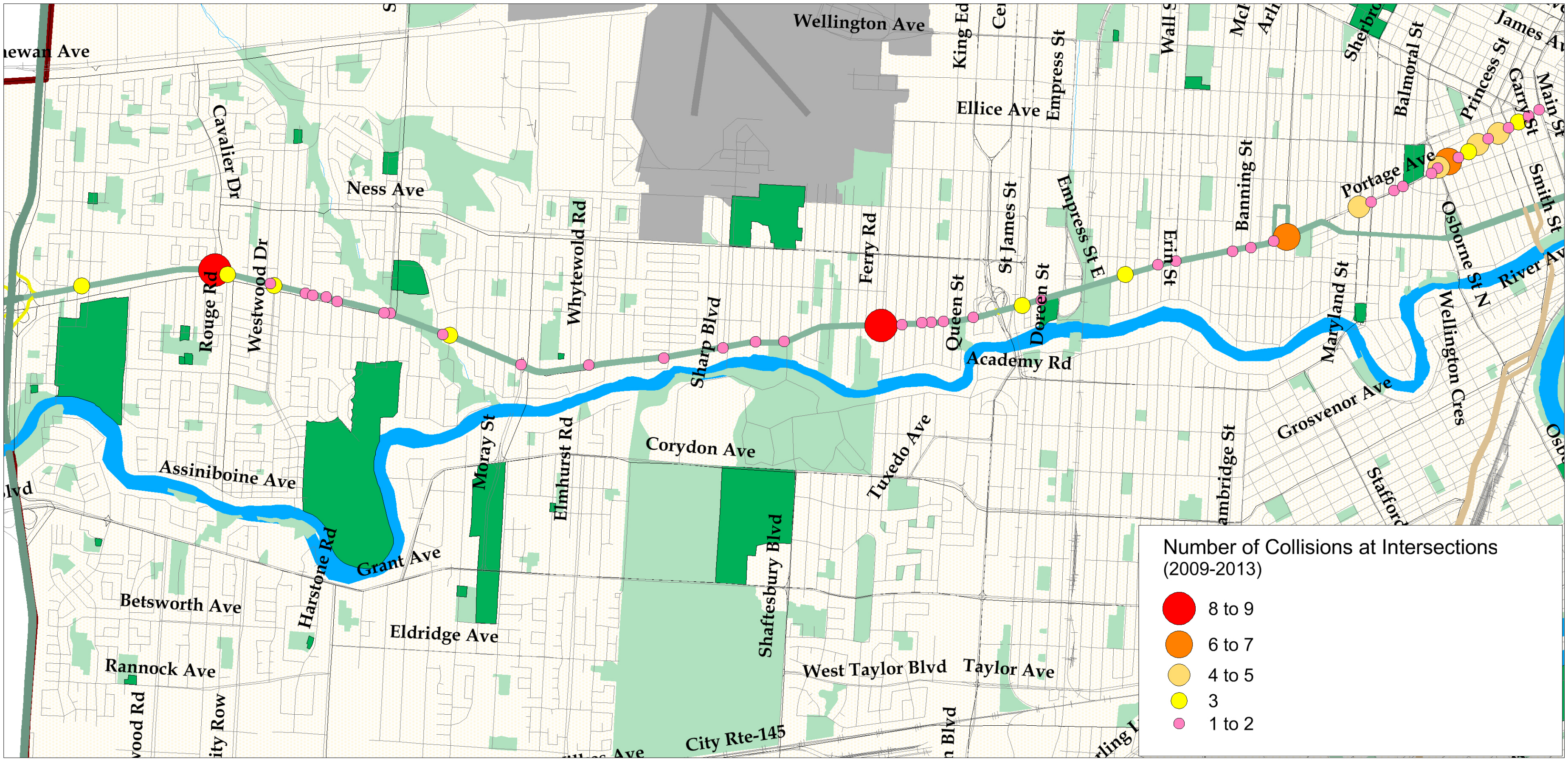
b) Please reproduce the Map on page 1 and 2 of Attachment F enlarging and only highlighting occurrences on Portage Avenue. For reference please review the following open data video: http://youtu.be/War1pSs2LAM.

RESPONSE:

a) The number of vulnerable road users killed or injured at intersections is relatively low compared to overall casualties, and year-to-year analysis of vulnerable road user collisions using the mapping dispersion does not show systematic patterns that would inform targeted education and awareness campaigns. Conducting additional analysis, such as direction of travel, time of day, month, or day of the week, would only result in smaller numbers and; therefore, reinforce the randomness of these collisions. As noted in PUB (MPI) 1-103, collision location data is shared with Provincial and City of Winnipeg agencies responsible for roadway infrastructure design and improvement and may help to inform roadway improvement priorities.

b) Refer to the attachment for a map of collisions on Portage Avenue in Winnipeg.

Accident Map: Pedestrian-Related Collisions at Intersections - Portage Avenue Winnipeg MB (2009-2013)



CAC (MPI) 1-192 **Reference:** **CAC (MPI) 1-55 from the 2014 GRA**

Please review CAC (MPI) 1-55 from last year's GRA and provide updated responses to a), b) and c) for 2013/14.

RESPONSE:

a) Please refer to the attached table below identifying road safety programs and initiatives introduced since 2000 with new initiatives for 2013/14 added:

Road Safety Initiative	When Introduced
K-9 Road Safety Curriculum	2000
60 Second Driver	2001
Manitoba Addictions Awareness Week	2001
Speed Watch	2001
Citizens on Patrol	2001
Mock Car Collision	2002
Summer Student program	2002
MADD Multi-Media School Assembly Program	2003
TADD and Safe Grad	2003
Drivers Ed Challenge	2004
Rollover Simulator	2004
Mini Car Town	2004
Crash Course	2004
Freeze Frame	2006
Wildlife Hotspot Mapping Initiative	2006
Impaired Drivers Speakers Bureau	2007
Manitoba Child Car Seat Program	2008
Friends for Life Speaker Series	2010
Report Impaired Drivers – Campaign 911	2010
Adult Cycling initiative	2010
Manitoba Integrated Awareness Enforcement Calendar	2010
Adult Driver Education Pilot Program	2011/12
Changing Seats – the Transition from Driver to Passenger	2011/12
Rethink Road Safety – Youth Video Challenge	2011/12

Friends for Life – Northern Speaker Series	2011/12
I Need a Boost – Booster Seat Awareness Campaign	2011/12
Distracted Driving Awareness and Enforcement Campaign	2011/12
Hurt Seriously Video Testimonials	2011/12
Cycling Champion Program	2011/12
School Zone Safety initiative	2012/13
Citizens Bridge Adult Driver Training Program	2012/13
Experienced Motorcycle Rider Training Program	2012/13
“Your Last Words” Distracted Driving Campaign	2012/13
“Sharing the Road is a Two Way Street” Cycling Safety Campaign	2012/13
Distracted Driving simulator	2013/14
Vehicle Blind Spots	2013/14
Medical Conditions and Driving resources initiative	2013/14

b) All ongoing road safety programs and initiatives are reviewed, refined, and updated annually to ensure continued relevance to the road safety issues they are intended to address and the audiences they are intended to reach.

In 2014/15, the Corporation will offer the following road safety and driver education programs and initiatives:

- The High School Driver Education Program;
- Citizens Bridge Adult Driver Education Program;
- Support for motorcycle, scooter, snowmobile, and ATV training programs and workshops for mature drivers offered through Safety Services Manitoba;
- Road Watch;
- Enhanced enforcement initiatives for distracted driving and school zone safety awareness
- Support for Teens Against Drunk Drivers (TADD) and Safe Grad-related initiatives;
- Mock Car Collision;
- Support for the PARTY Program (Manitoba Brain Injury Association);
- Support for Manitoba Addictions Awareness Week;
- MADD Canada multi-media presentations in Manitoba schools;
- Friends for Life Speaker Series and Northern Speaker Series;

- Support for Report Impaired Drivers 911 program;
- Operation Red Nose;
- Community-based Speed Watch program, School Zone Speed Watch program, and the Speed Watch residential loaning program;
- Wildlife-related awareness initiatives;
- Manitoba Child Car Seat program;
- Citizens on Patrol program (COPP);
- Manitoba School Patrol program;
- Cycling safety initiatives targeting children, teens and adult commuter/recreational cyclists;
- Mini-Car Town, bicycle rodeos, and support for other community-based road safety awareness events;
- Collaboration with the Alzheimer's Society and the Transportation Options Network on presentations to raise awareness of how the aging process can affect driving ability and options for post-licensure transportation alternatives;
- Various public and community presentations including the rollover simulator, distracted driving simulator and simulated impaired driving activities using pedal cars and fatal vision goggles;
- 60-Second Driver;
- Mass media advertising focused primarily on drinking and driving, speed, seatbelts, distracted driving, motorcycle safety, and wildlife collisions;
- Integrated Awareness and Enforcement Calendar;
- Various corporate sponsorships which provide opportunities for the Corporation to educate a variety of target audiences on key road safety risks.

All current initiatives are expected to be continued in 2015/16.

c) No Studies or analyses have been undertaken or commissioned by the Corporation having to do with the impacts of red light cameras or photo radar.

CAC (MPI) 1-193 **Reference:** **PUB (MPI) 1-94 and CAC (MPI) 1-56 from the 2014 GRA**

Please provide a five year comparative history of actual vs. budgeted expenditures by road safety and loss prevention program category. Please explain any significant differences between budget and actual expenditures.

RESPONSE:

Please refer to Volume II - Expenses – Appendix 6, page 34.

CAC (MPI) 1-194 **Reference:** **CAC (MPI) 1-57 from the 2014 GRA**

Please update the Inter-Jurisdictional Comparison for Casualty Rates table, included in the 2014 GRA, to current.

RESPONSE:

Please see attachment A for the table which has been updated to include Casualty Rates for 2011.

Inter-Jurisdictional Comparison of Casualty Rates (2001-2011)
(per billion motor vehicle-kilometers)

Jurisdiction	Fatalities										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Canada	9.0	9.3	8.9	8.8	9.3	8.9	8.3	7.4	6.6	6.6	5.8
Newfoundland	9.3	10.0	11.0	9.7	9.8	8.5	9.4	8.0	6.9	5.8	5.5
Prince Edward Island	12.2	14.3	12.0	22.6	11.3	25.0	5.6	14.9	9.4	6.9	13.4
Nova Scotia	8.2	8.5	6.7	9.4	7.1	8.4	9.3	8.6	7.2	6.9	6.2
New Brunswick	11.7	12.2	11.8	9.6	13.6	12.3	11.0	9.6	8.3	11.5	7.6
Quebec	8.8	9.9	8.4	9.0	10.6	10.3	8.8	8.1	7.1	6.6	6.6
Ontario	7.3	7.1	7.3	6.6	6.3	6.0	6.2	5.0	4.2	4.5	3.7
Manitoba	8.3	10.8	8.5	9.5	10.3	9.9	7.9	8.1	7.3	7.2	8.9
Saskatchewan	13.0	12.3	12.1	11.0	13.2	12.2	10.6	12.2	11.8	12.8	11.2
Alberta	10.0	10.1	9.8	9.9	10.6	10.0	9.6	8.6	7.1	6.6	5.7
British Columbia	11.7	12.4	12.9	12.4	13.9	12.9	11.6	9.9	10.5	10.1	8.0
Yukon	10.9	25.3	14.1	9.4	12.3	24.2	10.3	15.4	13.7	7.9	17.9
Northwest Territories	7.5	8.4	8.2	9.6	5.4	5.3	13.9	11.8	15.9	9.4	0.0
Nunavut	47.6	N/A	N/A	33.7	N/A	N/A	N/A	132.5	65.1	60.2	83.5

Jurisdiction	Injuries										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Canada	713.0	721.2	711.0	680.8	668.0	604.2	584.4	549.2	518.7	504.1	485.0
Newfoundland	690.2	701.2	768.5	699.1	537.1	501.3	519.0	385.9	508.9	426.2	407.5
Prince Edward Island	896.0	789.8	753.3	759.5	565.7	803.6	565.6	496.5	596.2	493.7	503.6
Nova Scotia	647.6	574.0	504.1	533.2	487.7	470.8	577.9	743.6	751.5	476.9	480.1
New Brunswick	686.5	592.3	572.5	572.9	508.5	452.3	459.5	482.2	480.7	425.9	344.3
Quebec	707.5	749.1	754.3	778.0	871.2	711.1	678.6	632.1	592.2	594.2	565.6
Ontario	705.4	679.4	669.2	599.8	571.5	525.2	534.8	479.9	490.7	498.3	479.8
Manitoba	799.3	948.9	795.9	890.8	788.4	729.1	617.1	689.1	615.9	583.9	662.6
Saskatchewan	547.5	652.7	618.0	647.1	612.8	604.4	509.0	541.0	526.0	499.5	512.6
Alberta	682.4	783.6	671.8	621.5	555.1	570.7	513.2	464.2	385.6	349.5	338.7
British Columbia	838.5	776.6	902.5	842.4	873.3	789.5	725.5	613.1	562.6	579.3	536.1
Yukon	836.7	572.6	468.3	397.4	396.4	434.5	427.0	461.4	341.1	433.9	383.0
Northwest Territories	512.8	643.2	471.4	485.2	505.7	294.3	435.0	408.8	419.8	353.6	332.5
Nunavut	N/A	N/A	N/A	2,222.2	N/A	N/A	461.5	1,357.6	1,368.1	1,234.6	1197.0

Source: Transport Canada, Canadian Motor Vehicle Traffic Collision Statistics: 2012, Catalogue No. T45-3/2010E-PDF, 2014.
*N/A: Data is not available.
*Data for 2012 is not available at the time of this publication.

CAC (MPI) 1-196

Reference: **CAC (MPI) 1-48 from the 2014 GRA, Volume III AI.6 Part 2 page 17.**

Preamble: Goal 7 states "Manitoba Public Insurance will lead driver and vehicle safety initiatives that reduce risk and protect Manitobans, on our streets and in their neighbourhoods. Manitobans will recognize the Corporation is living its mission". Strategy 7.1 states "To develop an evidence-based road safety strategy with an aim to reduce automobile collisions, using a multi-faceted approach".

a) For fiscal years 2007/08 through 2013/14, please provide electronic copies of the annual province wide collision statistics reports available to MPI.

b) Please provide any province-wide program monitoring and evaluation studies or plans that consider the effectiveness with which MPI and other partners currently operate and integrate their loss prevention programming.

c) Please provide any published papers, conference proceedings that provide province-wide program overviews of loss prevention programs.

RESPONSE:

a) Electronic copies of the annual Traffic Collision Statistics Report were provided for the years 2007 through 2011 in response to CAC (MPI) 1-48 from the 2014 GRA. The Traffic Collision Statistics Report for 2012 is available on the Manitoba Public Insurance website at http://www.mpi.mb.ca/en/PDFs/TCSR2012.pdf

   The 2013 TCSR is not yet available.

b) No such reports exist.

c) No such reports exist.

CAC (MPI) 1-197 Reference: Volume 3, AI.10 Charter – HSDE

Preamble: CAC MB is interested in the expected outcome from the High School Driver Education and Redevelopment Program. The Project Charter, on page 3, states the following:

> "...The program provides a unique opportunity to shape the long-term driving behaviors of approximately 12,000 new teen drivers annually. This is critically important to improving road safety given that young drivers in Manitoba, as in other jurisdictions, are over-represented in fatal, serious injury, and property damage collisions"

Please consider vulnerable road users (VRU) as a group (composed of pedestrians, cyclists, motor cyclists, other un-protected victims) rather than listing the particular victim types.

a) Please provide the statistical basis for the above statement.

b) Please provide the statistical basis for young drivers being over-represented in fatal and serious injury collisions that involve vulnerable road users as victims.

c) Please provide the age distribution of all drivers involved in fatal and serious injury collisions that involve vulnerable road users as victims.

RESPONSE:

a) Refer to Attachment A (response a).

b) Refer to Attachment A (response b).

c) Refer to Attachment A (response c).

Please note: Vulnerable Road Users include Bicyclist, Motorcyclist, Moped, and Pedestrains.

Response a)

Young Drivers by Total Licensed Drivers and Accident Severity (Fatal, Serious Injury, PDO): 2007-2012

	2007		2008		2009		2010		2011		2012	
	16-19	20-24	16-19	20-24	16-19	20-24	16-19	20-24	16-19	20-24	16-19	20-24
% of Total Licensed Drivers	6.0%	8.1%	6.1%	8.1%	6.0%	8.1%	6.0%	8.1%	6.0%	8.3%	5.9%	8.5%
% Drivers Involved in Fatal Crashes	8.1%	16.3%	9.9%	13.2%	9.2%	13.3%	11.4%	13.3%	12.3%	11.5%	10.9%	15.1%
% Drivers Involved in Serious Injury Crashes	10.4%	11.4%	9.9%	11.3%	11.4%	12.5%	11.5%	12.7%	10.3%	12.8%	9.1%	13.5%
% Drivers Involved in PDO Crashes	8.7%	9.3%	8.5%	9.7%	8.6%	9.6%	8.1%	9.4%	8.6%	11.1%	9.5%	13.6%

Source: Traffic Collision Statistics Report, 2007-2012, Tables 2-2 and 8-3.

NOTE: Crashes in the above table are limited to fatal, serious injury and property damage only crashes.

Response b)

Young Drivers invloved in Fatal and Serious Injury Collisions that Involve Vulnerable Road User as Victims: 2007-2012

	2007		2008		2009		2010		2011		2012	
	16-19	20-24	16-19	20-24	16-19	20-24	16-19	20-24	16-19	20-24	16-19	20-24
% of Total Licensed Drivers	6.0%	8.1%	6.1%	8.1%	6.0%	8.1%	6.0%	8.1%	6.0%	8.3%	5.9%	8.5%
% Drivers Involved in Fatal Crashes	.0%	13.6%	9.7%	19.4%	6.3%	.0%	8.7%	4.3%	11.1%	11.1%	4.2%	16.7%
% Drivers Involved in Serious Injury Crashes	4.7%	8.2%	4.9%	14.6%	8.5%	12.7%	7.7%	11.5%	5.3%	14.0%	6.5%	19.6%

Source: Traffic Accident Report Database, 2007-2012.

Response c)

All Drivers invloved in Fatal and Serious Injury Collisions that Involve Vulnerable Road User as Victims: 2007-2012

Age Group	2007			2008			2009			2010			2011			2012		
	Fatal	Injury	Total	Fatal	Injury	Total	Fatal	Injury	Total	Fatal	Injury	Total	Fatal	Injury	Total	Fatal	Injury	Total
0 to 15	4.5%	.0%	.9%	3.2%	.0%	.9%	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%	.0%
16 to 19	.0%	4.7%	3.7%	9.7%	4.9%	6.2%	6.3%	8.5%	8.0%	8.7%	7.7%	8.0%	11.1%	5.3%	6.7%	4.2%	6.5%	5.7%
20 to 24	13.6%	8.2%	9.3%	19.4%	14.6%	15.9%	.0%	12.7%	10.3%	4.3%	11.5%	9.3%	11.1%	14.0%	13.3%	16.7%	19.6%	18.6%
25 to 34	27.3%	21.2%	22.4%	16.1%	23.2%	21.2%	12.5%	19.7%	18.4%	13.0%	21.2%	18.7%	27.8%	19.3%	21.3%	25.0%	21.7%	22.9%
35 to 44	18.2%	20.0%	19.6%	19.4%	20.7%	20.4%	25.0%	12.7%	14.9%	21.7%	13.5%	16.0%	27.8%	10.5%	14.7%	20.8%	17.4%	18.6%
45 to 54	9.1%	17.6%	15.9%	16.1%	19.5%	18.6%	25.0%	22.5%	23.0%	26.1%	23.1%	24.0%	11.1%	26.3%	22.7%	12.5%	19.6%	17.1%
55 to 64	22.7%	12.9%	15.0%	9.7%	12.2%	11.5%	6.3%	11.3%	10.3%	13.0%	9.6%	10.7%	11.1%	19.3%	17.3%	16.7%	15.2%	15.7%
65 or older	4.5%	7.1%	6.5%	3.2%	3.7%	3.5%	25.0%	8.5%	11.5%	13.0%	9.6%	10.7%	.0%	5.3%	4.0%	4.2%	.0%	1.4%
Not stated	.0%	8.2%	6.5%	3.2%	1.2%	1.8%	.0%	4.2%	3.4%	.0%	3.8%	2.7%	.0%	.0%	.0%	.0%	.0%	.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Traffic Accident Report Database, 2007-2012.

CAC (MPI) 1-198 **Reference:** **2015 GRA, Volume 2, Appendix D – Claims Incurred**

Preamble: CAC MB is interested in the number of injury claims based on the severity (ICD10) of injury for those who are inside a motor vehicle ("MVA") and those in the class or group of persons who are external to a motor vehicle ("vulnerable road users").

Please consider vulnerable road users (VRU) as a group (composed of pedestrians, cyclists, motor cyclists, other un-protected victims) rather than listing the particular victim types.

Please provide the chart in Volume 2, Appendix D - Claims Incurred regarding PIPP Claims Statistics by Injury Type (ICD10) for number of claims, $ Incurred, and Severity ($) with clear distinction of victim type as motor vehicle occupants or vulnerable road users, for each year from 2010 to 2014.

RESPONSE:

See the attached tables.

The data is organized by reported insurance year as per the annual report and contains all bodily injury claims reported in a fiscal insurance year. The injury information is based on the injury group level [primary ICD10 injury code] assigned on the claim. If the claim is either missing role or vehicle type, the claim is grouped into the “Unknown/Error” category grouping.

The vulnerable road user grouping consists of the following: Motorcycle and Moped drivers, Motorcycle and Moped passengers, and Motorcycle and Moped Other Injured, including cyclists and pedestrians.

The non-vulnerable group results is comprised of all other combinations that fall outside the above definition of vulnerable road user.

The financials presented are based on the incurred at the end of the first insurance year in which the bodily injury claim is reported.

		2010			2011			2012			2013		
		Claim Count	Incurred	Severity	Claim Count	Incurred	Severity	Claim Count	Incurred	Severity	Claim Count	Incurred	Severity
Unknown/Errors	Amputation Paraplegic Quadriplegic	2	$508,200	$254,100	1	$1,634,271	$1,634,271	0	$0		0	$0	
	Brain Injury	7	$831,887	$118,841	7	$545,331	$77,904	20	$3,113,596	$155,680	20	$1,445,957	$72,298
	Broken Bones	48	$1,918,538	$39,970	65	$2,048,956	$31,522	48	$1,397,311	$29,111	68	$1,987,244	$29,224
	Bruising and Lacerations	27	$98,676	$3,655	44	$104,871	$2,383	40	$129,787	$3,245	75	$210,190	$2,803
	Burns	1	$20,500	$20,500	1	$12,400	$12,400	2	$9,600	$4,800	3	$60,950	$20,317
	Dental	6	$19,364	$3,227	3	$27,904	$9,301	3	$9,550	$3,183	4	$8,816	$2,204
	Fatality	10	$502,393	$50,239	22	$1,784,438	$81,111	12	$1,367,732	$113,978	15	$749,393	$49,960
	Internal Injury	0	$0		1	$4,670	$4,670	3	$71,162	$23,721	0	$0	
	Other	11	$16,585	$1,508	10	$71,698	$7,170	12	$64,141	$5,345	12	$22,935	$1,911
	Psychological	3	$9,600	$3,200	37	$101,579	$2,745	23	$26,960	$1,172	10	$12,505	$1,251
	Sensory Loss	0	$0		0	$0		2	$12,200	$6,100	0	$0	
	Sprains & Strains	60	$385,344	$6,422	95	$423,491	$4,458	154	$659,484	$4,282	294	$1,076,120	$3,660
	Whiplash	177	$1,013,513	$5,726	132	$600,274	$4,548	189	$862,641	$4,564	422	$1,170,099	$2,773
	Unknown	24	$56,019	$2,334	48	$125,248	$2,609	38	$221,569	$5,831	73	$153,360	$2,101
	Total	**376**	**$5,380,619**	**$14,310**	**466**	**$7,485,131**	**$16,063**	**546**	**$7,945,733**	**$14,553**	**996**	**$6,897,568**	**$6,925**

		2010			2011			2012			2013		
		Claim Count	Incurred	Severity	Claim Count	Incurred	Severity	Claim Count	Incurred	Severity	Claim Count	Incurred	Severity
Non-Vulnerable	Amputation Paraplegic Quadriplegic	7	$5,115,400	$730,771	6	$4,667,460	$777,910	10	$5,473,196	$547,320	5	$1,494,779	$298,956
	Brain Injury	111	$6,708,381	$60,436	154	$4,861,688	$31,569	188	$8,331,284	$44,315	142	$9,734,055	$68,550
	Broken Bones	404	$14,023,946	$34,713	468	$13,072,785	$27,933	469	$13,037,018	$27,797	441	$13,575,170	$30,783
	Bruising and Lacerations	757	$2,564,731	$3,388	673	$2,510,092	$3,730	614	$1,869,299	$3,044	645	$1,882,403	$2,918
	Burns	17	$71,557	$4,209	17	$49,695	$2,923	6	$44,293	$7,382	11	$70,379	$6,398
	Chronic	3	$14,786	$4,929	1	$4,985	$4,985	0	$0		0	$0	
	Dental	60	$320,303	$5,338	48	$316,886	$6,602	35	$103,592	$2,960	42	$211,922	$5,046
	Fatality	68	$6,940,835	$102,071	76	$6,741,838	$88,708	69	$5,847,028	$84,740	80	$6,805,521	$85,069
	Internal Injury	17	$315,347	$18,550	17	$180,955	$10,644	12	$217,781	$18,148	10	$289,050	$28,905
	Other	281	$1,206,263	$4,293	365	$1,087,580	$2,980	437	$898,084	$2,055	321	$630,516	$1,964
	Psychological	61	$635,780	$10,423	124	$542,420	$4,374	194	$335,591	$1,730	168	$696,619	$4,147
	Sensory Loss	1	$1,232,386	$1,232,386	2	$57,533	$28,766	10	$88,742	$8,874	9	$23,500	$2,611
	Sprains & Strains	2276	$10,893,703	$4,786	3161	$13,909,004	$4,400	3929	$11,905,262	$3,030	4701	$13,710,311	$2,916
	Whiplash	7972	$34,131,033	$4,281	7792	$36,934,833	$4,740	7806	$27,252,170	$3,491	7300	$25,840,105	$3,540
	Unknown	624	$1,348,451	$2,161	823	$3,386,041	$4,114	707	$1,325,145	$1,874	571	$998,945	$1,749
	Total	**12659**	**$85,522,900**	**$6,756**	**13727**	**$88,323,794**	**$6,434**	**14486**	**$76,728,485**	**$5,297**	**14446**	**$75,963,276**	**$5,258**

		2010			2011			2012			2013		
		Claim Count	Incurred	Severity	Claim Count	Incurred	Severity	Claim Count	Incurred	Severity	Claim Count	Incurred	Severity
Vulnerable Road Users	Amputation Paraplegic Quadriplegic	1	$630,547	$630,547	4	$1,729,680	$432,420	0	$0		4	$681,728	$170,432
	Brain Injury	40	$4,590,446	$114,761	43	$3,176,749	$73,878	36	$6,954,118	$193,170	35	$4,950,358	$141,439
	Broken Bones	193	$6,346,106	$32,881	267	$7,833,249	$29,338	208	$5,813,282	$27,948	196	$6,477,485	$33,048
	Bruising and Lacerations	137	$621,186	$4,534	221	$1,181,422	$5,346	203	$683,811	$3,369	148	$416,942	$2,817
	Burns	5	$38,537	$7,707	1	$0	$0	2	$12,600	$6,300	1	$0	$0
	Dental	3	$32,921	$10,974	6	$39,569	$6,595	1	$16,080	$16,080	7	$48,838	$6,977
	Fatality	23	$1,613,373	$70,147	18	$769,249	$42,736	27	$2,132,219	$78,971	16	$1,248,342	$78,021
	Internal Injury	4	$81,210	$20,303	2	$39,099	$19,549	1	$2,850	$2,850	0	$0	
	Other	27	$218,696	$8,100	14	$66,231	$4,731	19	$100,311	$5,280	8	$102,179	$12,772
	Psychological	1	$17,748	$17,748	7	$24,740	$3,534	20	$54,775	$2,739	4	$7,090	$1,773
	Sensory Loss	0	$0		0	$0		1	$24,165	$24,165	0	$0	
	Sprains & Strains	183	$1,572,523	$8,593	312	$2,418,477	$7,752	310	$1,738,574	$5,608	294	$2,110,915	$7,180
	Whiplash	168	$1,224,769	$7,290	160	$1,297,365	$8,109	130	$879,043	$6,762	130	$849,947	$6,538
	Unknown	62	$220,014	$3,549	40	$113,678	$2,842	35	$70,087	$2,002	27	$43,165	$1,599
	Total	**847**	**$17,208,076**	**$20,317**	**1095**	**$18,689,508**	**$17,068**	**993**	**$18,481,914**	**$18,612**	**870**	**$16,936,989**	**$19,468**

		2010			2011			2012			2013		
		Claim Count	Incurred	Severity	Claim Count	Incurred	Severity	Claim Count	Incurred	Severity	Claim Count	Incurred	Severity
Total	Amputation Para Quad	10	$6,254,147	$625,415	11	$8,031,411	$730,128	10	$5,473,196	$547,320	9	$2,176,507	$241,834
	Brain Injury	158	$12,130,713	$76,777	204	$8,583,767	$42,077	244	$18,398,999	$75,406	197	$16,130,371	$81,880
	Broken Bones	645	$22,288,590	$34,556	800	$22,954,991	$28,694	725	$20,247,612	$27,928	705	$22,039,899	$31,262
	Bruising and Lacerations	921	$3,284,594	$3,566	938	$3,796,384	$4,047	857	$2,682,897	$3,131	868	$2,509,534	$2,891
	Burns	23	$130,595	$5,678	19	$62,095	$3,268	10	$66,493	$6,649	15	$131,329	$8,755
	Chronic	3	$14,786	$4,929	1	$4,985	$4,985	0	$0		0	$0	
	Dental	69	$372,587	$5,400	57	$384,359	$6,743	39	$129,222	$3,313	53	$269,576	$5,086
	Fatality	101	$9,056,601	$89,669	116	$9,295,525	$80,134	108	$9,346,979	$86,546	111	$8,803,256	$79,309
	Internal Injury	21	$396,557	$18,884	20	$224,724	$11,236	16	$291,793	$18,237	10	$289,050	$28,905
	Other	319	$1,441,544	$4,519	389	$1,225,510	$3,150	468	$1,062,536	$2,270	341	$755,630	$2,216
	Psychological	65	$663,128	$10,202	168	$668,739	$3,981	237	$417,326	$1,761	182	$716,214	$3,935
	Sensory Loss	1	$1,232,386	$1,232,386	2	$57,533	$28,766	13	$125,107	$9,624	9	$23,500	$2,611
	Sprains & Strains	2519	$12,851,569	$5,102	3568	$16,750,972	$4,695	4393	$14,303,319	$3,256	5289	$16,897,346	$3,195
	Whiplash	8317	$36,369,315	$4,373	8084	$38,832,472	$4,804	8125	$28,993,854	$3,568	7852	$27,860,151	$3,548
	Unknown	710	$1,624,484	$2,288	911	$3,624,967	$3,979	780	$1,616,800	$2,073	671	$1,195,470	$1,782
	Grand Total with financials	**13882**	**$108,111,595**	**$7,788**	**15288**	**$114,498,433**	**$7,489**	**16025**	**$103,156,133**	**$6,437**	**16312**	**$99,797,833**	**$6,118**
	Claims with no financials	3,304			1,307			1,085			1,055		
	Grand Total claims	17,186			16,595			17,110			17,367		

CAC (MPI) 1-199 Reference: Traffic Collision Statistics Report 2012

Preamble: CAC MB is interested in the contributing factors of drivers involved in traffic collisions for fatal and serious injuries and the distribution of the contributing factors when the victim is either a motor vehicle occupant or a vulnerable road user.

Please consider vulnerable road users (VRU) as a group (composed of pedestrians, cyclists, motor cyclists, other un-protected victims) rather than listing the particular victim types.

a) Please refer to Table 9-7 of the 2012 Traffic Collision Statistics Report, titled "Historical Summary of Contributing Factors Recorded for Victims of Collisions". Please list the contributing factor and total victims by year, but with clear distinction of the victims as either motor vehicle occupants, vulnerable road users or unknown.

b) Please refer to Table 9-9 of the 2012 Traffic Collision Statistics Report, titled "Summary of Speed, Distracted, and Impaired as Contributing Factors". Please make a clear distinction of the victims as motor vehicle occupants, vulnerable road users or unknown for each category of collisions, victims and driver involvement.

RESPONSE:

a) Refer to Attachments A1, A2, and A3.

b) Refer to Attachments B1, B2, and B3.

Summary of Contributing Factors for **Motor Occupant Victims*** (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	2012 Total Victims	% of 2012 Total Victims
Driver Action - Driving Properly and Human Condition - Apparently Normal	4,306	55.6%	3,434	48.3%	3,270	49.6%	3,424	54.0%	4,709	61.6%	**8,492**	**83.0%**
Driver Action - Driving properly	**541**	**7.0%**	**559**	**7.9%**	**634**	**9.6%**	**569**	**9.0%**	**460**	**6.0%**	**329**	**3.2%**
Any At-fault Driver Action	**3,004**	**38.8%**	**2,924**	**41.2%**	**2,589**	**39.3%**	**2,401**	**37.9%**	**3,510**	**45.9%**	**5,699**	**55.7%**
Following too closely	416	5.4%	357	5.0%	357	5.4%	413	6.5%	940	12.3%	**2,185**	**21.4%**
Turning improperly	188	2.4%	160	2.3%	178	2.7%	187	3.0%	269	3.5%	**413**	**4.0%**
Passing improperly	46	0.6%	30	0.4%	22	0.3%	32	0.5%	37	0.5%	**50**	**0.5%**
Changing lanes improperly	56	0.7%	53	0.7%	49	0.7%	64	1.0%	119	1.6%	**259**	**2.5%**
Fail to yield right-of-way	502	6.5%	383	5.4%	363	5.5%	358	5.6%	472	6.2%	**507**	**5.0%**
Disobey traffic control device/officer	315	4.1%	295	4.2%	282	4.3%	232	3.7%	245	3.2%	**188**	**1.8%**
Drive wrong way on roadway	30	0.4%	15	0.2%	5	<0.1%	12	0.2%	22	0.3%	**17**	**0.2%**
Passing a vehicle at pedestrian X-walk	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Back unsafely	17	0.2%	23	0.3%	19	0.3%	27	0.4%	66	0.9%	**173**	**1.7%**
Parking improperly	10	0.1%	1	<0.1%	5	<0.1%	2	<0.1%	10	0.1%	**8**	**<0.1%**
Lost control/Drive off road	376	4.9%	618	8.7%	531	8.1%	343	5.4%	357	4.7%	**311**	**3.0%**
Driverless vehicle ran out of control	1	<0.1%	0	-	3	<0.1%	2	<0.1%	1	<0.1%	**1**	**<0.1%**
Leave stop sign before safe to do so	167	2.2%	167	2.4%	145	2.2%	177	2.8%	202	2.6%	**196**	**1.9%**
Failed to signal	1	<0.1%	5	<0.1%	4	<0.1%	0	-	4	<0.1%	**7**	**<0.1%**
Take avoiding action	123	1.6%	133	1.9%	129	2.0%	101	1.6%	85	1.1%	**59**	**0.6%**
Driver inexperience	190	2.5%	211	3.0%	138	2.1%	105	1.7%	86	1.1%	**54**	**0.5%**
Pedestrian error/confusion	8	0.1%	5	<0.1%	5	<0.1%	8	0.1%	5	<0.1%	**5**	**<0.1%**
NET Speed	723	9.3%	782	11.0%	653	9.9%	440	6.9%	541	7.1%	**528**	**5.2%**
Exceeding speed limit	100	1.3%	103	1.5%	78	1.2%	77	1.2%	26	0.3%	**13**	**0.1%**
Driving too fast for conditions	553	7.1%	546	7.7%	352	5.3%	275	4.3%	440	5.8%	**482**	**4.7%**
Unsafe operating speed (Too fast or too slow)	87	1.1%	154	2.2%	239	3.6%	107	1.7%	82	1.1%	**34**	**0.3%**
NET Distracted driving	791	10.2%	899	12.7%	712	10.8%	619	9.8%	658	8.6%	**1,201**	**11.7%**
Careless Driving	301	3.9%	446	6.3%	340	5.2%	255	4.0%	379	5.0%	**1,071**	**10.5%**
Distraction/Inattention	552	7.1%	516	7.3%	404	6.1%	401	6.3%	313	4.1%	**154**	**1.5%**
Human Condition - Apparently Normal	**2,042**	**26.3%**	**1,865**	**26.3%**	**1,550**	**23.5%**	**1,552**	**24.5%**	**1,539**	**20.1%**	**2,164**	**21.2%**
Any At-fault Human Condition	**956**	**12.3%**	**911**	**12.8%**	**781**	**11.9%**	**716**	**11.3%**	**588**	**7.7%**	**292**	**2.9%**
Loss of consciousness/Blackout prior to collision	27	0.3%	40	0.6%	25	0.4%	40	0.6%	28	0.4%	**20**	**0.2%**
Extreme fatigue/Fell asleep	65	0.8%	69	1.0%	65	1.0%	47	0.7%	50	0.7%	**26**	**0.3%**
Defective eyesight	9	0.1%	7	<0.1%	5	<0.1%	3	<0.1%	3	<0.1%	**5**	**<0.1%**
Defective hearing	3	<0.1%	3	<0.1%	0	-	1	<0.1%	0	-	**0**	**-**
Medical disability	11	0.1%	10	0.1%	14	0.2%	10	0.2%	11	0.1%	**5**	**<0.1%**
Physical disability	1	<0.1%	6	<0.1%	6	<0.1%	7	0.1%	9	0.1%	**0**	**-**
Mental disability	4	<0.1%	3	<0.1%	2	<0.1%	6	<0.1%	5	<0.1%	**3**	**<0.1%**
Mental confusion/Inability to remember	18	0.2%	12	0.2%	10	0.2%	11	0.2%	8	0.1%	**7**	**<0.1%**
Sudden illness	7	<0.1%	8	0.1%	12	0.2%	4	<0.1%	7	<0.1%	**5**	**<0.1%**
Exceed hours of service (commercial drivers only)	1	<0.1%	0	-	1	<0.1%	0	-	0	-	**0**	**-**
NET Impaired	295	3.8%	277	3.9%	263	4.0%	223	3.5%	176	2.3%	**92**	**0.9%**
Ability impaired alcohol	194	2.5%	167	2.4%	171	2.6%	150	2.4%	112	1.5%	**64**	**0.6%**
Ability impaired drugs	15	0.2%	18	0.3%	5	<0.1%	8	0.1%	5	<0.1%	**1**	**<0.1%**
Had been drinking/Suspected alcohol use	108	1.4%	117	1.6%	101	1.5%	77	1.2%	64	0.8%	**32**	**0.3%**

Summary of Contributing Factors for **Motor Occupant Victims*** (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
No Apparent (Vehicle) Defect	**4,922**	**63.5%**	**4,149**	**58.4%**	**3,759**	**57.0%**	**3,928**	**62.0%**	**5,014**	**65.6%**	**8,796**	**86.0%**
Any At-fault Vehicle Defect	**80**	**1.0%**	**69**	**1.0%**	**90**	**1.4%**	**107**	**1.7%**	**45**	**0.6%**	**23**	**0.2%**
Defective brakes	19	0.2%	15	0.2%	29	0.4%	24	0.4%	7	<0.1%	**9**	**<0.1%**
Defective steering	6	<0.1%	5	<0.1%	6	<0.1%	4	<0.1%	3	<0.1%	**0**	**-**
Defective headlights	4	<0.1%	5	<0.1%	4	<0.1%	11	0.2%	2	<0.1%	**0**	**-**
Defective brake lights	0	-	0	-	0	-	3	<0.1%	0	-	**3**	**<0.1%**
Defective lighting (unspecified)	3	<0.1%	1	<0.1%	1	<0.1%	3	<0.1%	1	<0.1%	**0**	**-**
Defective engine controls/drive train	6	<0.1%	7	<0.1%	7	0.1%	12	0.2%	3	<0.1%	**0**	**-**
Defective suspension/wheels	5	<0.1%	3	<0.1%	3	<0.1%	6	<0.1%	3	<0.1%	**0**	**-**
Defective tires	25	0.3%	7	<0.1%	9	0.1%	20	0.3%	23	0.3%	**3**	**<0.1%**
Tow hitch/yoke defective	1	<0.1%	3	<0.1%	2	<0.1%	8	0.1%	1	<0.1%	**1**	**<0.1%**
Defective exhaust system	1	<0.1%	7	<0.1%	1	<0.1%	1	<0.1%	0	-	**3**	**<0.1%**
Hood/tailgate/door/covering opened	2	<0.1%	4	<0.1%	12	0.2%	1	<0.1%	0	-	**0**	**-**
Defective glazing (obscured windows)	1	<0.1%	1	<0.1%	5	<0.1%	2	<0.1%	0	-	**2**	**<0.1%**
Vehicle modifications	0	-	1	<0.1%	0	-	0	-	1	<0.1%	**0**	**-**
Fire	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Overloaded/oversized	1	<0.1%	0	-	2	<0.1%	1	<0.1%	0	-	**0**	**-**
Load shifted/spilled	4	<0.1%	8	0.1%	0	-	1	<0.1%	0	-	**1**	**<0.1%**
Jack-knife/trailer swing	2	<0.1%	1	<0.1%	4	<0.1%	3	<0.1%	0	-	**0**	**-**
Hydroplaning tires	1	<0.1%	2	<0.1%	8	0.1%	8	0.1%	2	<0.1%	**1**	**<0.1%**
Any At-fault Environmental Condition	**1,230**	**15.9%**	**915**	**12.9%**	**975**	**14.8%**	**924**	**14.6%**	**1,118**	**14.6%**	**675**	**6.6%**
Animal action - Wild	303	3.9%	226	3.2%	240	3.6%	226	3.6%	266	3.5%	**268**	**2.6%**
Animal action - Domestic	36	0.5%	27	0.4%	19	0.3%	20	0.3%	38	0.5%	**1**	**<0.1%**
Slippery road surface	564	7.3%	417	5.9%	483	7.3%	367	5.8%	544	7.1%	**286**	**2.8%**
Snow drift	46	0.6%	33	0.5%	18	0.3%	27	0.4%	39	0.5%	**1**	**<0.1%**
Obstruction/debris on roadway	18	0.2%	24	0.3%	21	0.3%	27	0.4%	27	0.4%	**10**	**<0.1%**
View obstructed/limited	92	1.2%	57	0.8%	86	1.3%	53	0.8%	85	1.1%	**14**	**0.1%**
Glare/reflection	18	0.2%	20	0.3%	14	0.2%	27	0.4%	25	0.3%	**14**	**0.1%**
Construction zone	17	0.2%	7	<0.1%	8	0.1%	15	0.2%	5	<0.1%	**9**	**<0.1%**
Defective driving surface	60	0.8%	40	0.6%	38	0.6%	75	1.2%	52	0.7%	**15**	**0.1%**
Shoulders defective	7	<0.1%	3	<0.1%	3	<0.1%	9	0.1%	5	<0.1%	**1**	**<0.1%**
Lane markings inadequate	1	<0.1%	3	<0.1%	3	<0.1%	2	<0.1%	5	<0.1%	**1**	**<0.1%**
Defective/inoperative traffic control device	9	0.1%	2	<0.1%	10	0.2%	3	<0.1%	5	<0.1%	**1**	**<0.1%**
Weather	101	1.3%	74	1.0%	97	1.5%	94	1.5%	116	1.5%	**64**	**0.6%**
Pedestrian corridor in use	13	0.2%	7	<0.1%	7	0.1%	1	<0.1%	4	<0.1%	**0**	**-**
Uninvolved vehicle	44	0.6%	24	0.3%	20	0.3%	23	0.4%	14	0.2%	**2**	**<0.1%**
Uninvolved pedestrian	11	0.1%	8	0.1%	6	<0.1%	2	<0.1%	6	<0.1%	**3**	**<0.1%**
Presence of prior accident	20	0.3%	8	0.1%	17	0.3%	16	0.3%	13	0.2%	**0**	**-**
No Contributing Factor(s) Identified	**2,996**	**38.7%**	**2,716**	**38.2%**	**2,550**	**38.7%**	**2,432**	**38.4%**	**2,152**	**28.2%**	**1,439**	**14.1%**
Not Applicable/Not Stated	**0**	**-**	**5**	**<0.1%**	**0**	**-**	**1**	**<0.1%**	**163**	**2.1%**	**0**	**-**
Total	**7,751**	**100%**	**7,103**	**100%**	**6,590**	**100%**	**6,338**	**100%**	**7,644**	**100%**	**10,228**	**100%**

*Motor Occupants include Drivers (of motor vehicles), Passengers (in motor vehicles), and those Riding/Hanging On (to a motor vehicle).

NOTE: For each vehicle and/or driver involved in a collision, up to three contributing factors can be recorded. Because multiple factors can be noted, the counts and percentages under each year will add to more than the total victims for that year.

Source: Traffic Accident Report Database, 2007-2012.

Summary of Contributing Factors for **Vulnerable Road User Victims*** (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
Driver Action - Driving Properly and Human Condition - Apparently Normal	348	39.6%	309	37.6%	237	33.3%	338	42.7%	258	38.7%	**173**	**47.0%**
Driver Action - Driving properly	**34**	**3.9%**	**52**	**6.3%**	**50**	**7.0%**	**61**	**7.7%**	**26**	**3.9%**	**17**	**4.6%**
Any At-fault Driver Action	**290**	**33.0%**	**276**	**33.6%**	**213**	**30.0%**	**240**	**30.3%**	**186**	**27.9%**	**149**	**40.5%**
Following too closely	2	0.2%	4	0.5%	2	0.3%	7	0.9%	4	0.6%	**4**	**1.1%**
Turning improperly	12	1.4%	15	1.8%	12	1.7%	15	1.9%	12	1.8%	**21**	**5.7%**
Passing improperly	6	0.7%	1	0.1%	4	0.6%	4	0.5%	4	0.6%	**3**	**0.8%**
Changing lanes improperly	8	0.9%	4	0.5%	6	0.8%	2	0.3%	3	0.5%	**11**	**3.0%**
Fail to yield right-of-way	67	7.6%	57	6.9%	45	6.3%	50	6.3%	44	6.6%	**42**	**11.4%**
Disobey traffic control device/officer	19	2.2%	22	2.7%	5	0.7%	15	1.9%	12	1.8%	**6**	**1.6%**
Drive wrong way on roadway	6	0.7%	6	0.7%	2	0.3%	7	0.9%	3	0.5%	**0**	**-**
Passing a vehicle at pedestrian X-walk	1	0.1%	3	0.4%	3	0.4%	1	0.1%	1	0.2%	**2**	**0.5%**
Back unsafely	5	0.6%	3	0.4%	6	0.8%	4	0.5%	2	0.3%	**9**	**2.4%**
Parking improperly	1	0.1%	2	0.2%	0	-	0	-	1	0.2%	**0**	**-**
Lost control/Drive off road	12	1.4%	13	1.6%	13	1.8%	14	1.8%	8	1.2%	**10**	**2.7%**
Driverless vehicle ran out of control	0	-	0	-	0	-	0	-	0	-	**1**	**0.3%**
Leave stop sign before safe to do so	13	1.5%	9	1.1%	5	0.7%	9	1.1%	5	0.8%	**6**	**1.6%**
Failed to signal	0	-	0	-	2	0.3%	0	-	0	-	**0**	**-**
Take avoiding action	8	0.9%	11	1.3%	8	1.1%	8	1.0%	6	0.9%	**7**	**1.9%**
Driver inexperience	14	1.6%	19	2.3%	13	1.8%	9	1.1%	6	0.9%	**2**	**0.5%**
Pedestrian error/confusion	101	11.5%	84	10.2%	82	11.5%	75	9.5%	59	8.9%	**20**	**5.4%**
NET Speed	27	3.1%	23	2.8%	17	2.4%	17	2.1%	9	1.4%	**10**	**2.7%**
Exceeding speed limit	4	0.5%	4	0.5%	5	0.7%	3	0.4%	1	0.2%	**0**	**-**
Driving too fast for conditions	15	1.7%	14	1.7%	5	0.7%	11	1.4%	6	0.9%	**8**	**2.2%**
Unsafe operating speed (Too fast or too slow)	9	1.0%	6	0.7%	10	1.4%	5	0.6%	2	0.3%	**2**	**0.5%**
NET Distracted driving	100	11.4%	92	11.2%	70	9.8%	90	11.4%	52	7.8%	**41**	**11.1%**
Careless Driving	16	1.8%	34	4.1%	18	2.5%	21	2.7%	22	3.3%	**34**	**9.2%**
Distraction/Inattention	87	9.9%	62	7.6%	54	7.6%	72	9.1%	32	4.8%	**9**	**2.4%**
Human Condition - Apparently Normal	**225**	**25.6%**	**225**	**27.4%**	**182**	**25.6%**	**195**	**24.6%**	**123**	**18.5%**	**95**	**25.8%**
Any At-fault Human Condition	**139**	**15.8%**	**110**	**13.4%**	**90**	**12.7%**	**100**	**12.6%**	**51**	**7.7%**	**16**	**4.3%**
Loss of consciousness/Blackout prior to collision	4	0.5%	2	0.2%	2	0.3%	0	-	0	-	**0**	**-**
Extreme fatigue/Fell asleep	0	-	2	0.2%	0	-	0	-	1	0.2%	**0**	**-**
Defective eyesight	4	0.5%	1	0.1%	1	0.1%	0	-	0	-	**0**	**-**
Defective hearing	0	-	3	0.4%	0	-	1	0.1%	1	0.2%	**0**	**-**
Medical disability	2	0.2%	0	-	0	-	0	-	0	-	**0**	**-**
Physical disability	3	0.3%	0	-	4	0.6%	2	0.3%	0	-	**0**	**-**
Mental disability	2	0.2%	9	1.1%	0	-	3	0.4%	4	0.6%	**0**	**-**
Mental confusion/Inability to remember	2	0.2%	1	0.1%	1	0.1%	1	0.1%	1	0.2%	**0**	**-**
Sudden illness	2	0.2%	0	-	0	-	0	-	2	0.3%	**0**	**-**
Exceed hours of service (commercial drivers only)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
NET Impaired	38	4.3%	35	4.3%	30	4.2%	25	3.2%	14	2.1%	**8**	**2.2%**
Ability impaired alcohol	21	2.4%	22	2.7%	14	2.0%	15	1.9%	10	1.5%	**6**	**1.6%**
Ability impaired drugs	1	0.1%	1	0.1%	0	-	1	0.1%	0	-	**0**	**-**
Had been drinking/Suspected alcohol use	18	2.0%	13	1.6%	16	2.3%	10	1.3%	4	0.6%	**2**	**0.5%**

Summary of Contributing Factors for **Vulnerable Road User Victims*** (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
No Apparent (Vehicle) Defect	**471**	**53.6%**	**433**	**52.7%**	**307**	**43.2%**	**412**	**52.0%**	**305**	**45.8%**	**195**	**53.0%**
Any At-fault Vehicle Defect	**8**	**0.9%**	**5**	**0.6%**	**3**	**0.4%**	**7**	**0.9%**	**4**	**0.6%**	**0**	**-**
Defective brakes	2	0.2%	4	0.5%	0	-	3	0.4%	1	0.2%	**0**	**-**
Defective steering	0	-	1	0.1%	0	-	0	-	1	0.2%	**0**	**-**
Defective headlights	1	0.1%	0	-	0	-	0	-	0	-	**0**	**-**
Defective brake lights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective lighting (unspecified)	1	0.1%	0	-	0	-	1	0.1%	2	0.3%	**0**	**-**
Defective engine controls/drive train	1	0.1%	0	-	0	-	1	0.1%	0	-	**0**	**-**
Defective suspension/wheels	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective tires	0	-	0	-	1	0.1%	0	-	0	-	**0**	**-**
Tow hitch/yoke defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective exhaust system	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hood/tailgate/door/covering opened	0	-	0	-	0	-	1	0.1%	0	-	**0**	**-**
Defective glazing (obscured windows)	0	-	0	-	2	0.3%	0	-	0	-	**0**	**-**
Vehicle modifications	1	0.1%	0	-	0	-	1	0.1%	0	-	**0**	**-**
Fire	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Overloaded/oversized	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Load shifted/spilled	2	0.2%	0	-	0	-	0	-	0	-	**0**	**-**
Jack-knife/trailer swing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hydroplaning tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Any At-fault Environmental Condition	**85**	**9.7%**	**71**	**8.6%**	**67**	**9.4%**	**55**	**6.9%**	**53**	**8.0%**	**37**	**10.1%**
Animal action - Wild	16	1.8%	15	1.8%	6	0.8%	13	1.6%	8	1.2%	**6**	**1.6%**
Animal action - Domestic	1	0.1%	2	0.2%	2	0.3%	0	-	1	0.2%	**0**	**-**
Slippery road surface	14	1.6%	17	2.1%	15	2.1%	7	0.9%	14	2.1%	**3**	**0.8%**
Snow drift	0	-	1	0.1%	0	-	0	-	0	-	**0**	**-**
Obstruction/debris on roadway	5	0.6%	3	0.4%	1	0.1%	3	0.4%	2	0.3%	**0**	**-**
View obstructed/limited	15	1.7%	6	0.7%	10	1.4%	14	1.8%	4	0.6%	**8**	**2.2%**
Glare/reflection	8	0.9%	9	1.1%	7	1.0%	4	0.5%	7	1.1%	**3**	**0.8%**
Construction zone	5	0.6%	1	0.1%	2	0.3%	0	-	0	-	**0**	**-**
Defective driving surface	1	0.1%	2	0.2%	6	0.8%	2	0.3%	6	0.9%	**1**	**0.3%**
Shoulders defective	0	-	0	-	1	0.1%	1	0.1%	2	0.3%	**0**	**-**
Lane markings inadequate	1	0.1%	0	-	0	-	0	-	0	-	**0**	**-**
Defective/inoperative traffic control device	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Weather	9	1.0%	3	0.4%	5	0.7%	5	0.6%	4	0.6%	**5**	**1.4%**
Pedestrian corridor in use	9	1.0%	11	1.3%	14	2.0%	5	0.6%	7	1.1%	**11**	**3.0%**
Uninvolved vehicle	3	0.3%	1	0.1%	2	0.3%	0	-	0	-	**1**	**0.3%**
Uninvolved pedestrian	1	0.1%	2	0.2%	2	0.3%	2	0.3%	1	0.2%	**2**	**0.5%**
Presence of prior accident	0	-	0	-	0	-	0	-	0	-	**0**	**-**
No Contributing Factor(s) Identified	538	61.2%	513	62.5%	454	63.9%	468	59.1%	453	68.0%	**164**	**44.6%**
Not Applicable/Not Stated	**0**	**-**	**0**	**-**	**2**	**0.3%**	**0**	**-**	**13**	**2.0%**	**0**	**-**
Total	**879**	**100%**	**821**	**100%**	**711**	**100%**	**792**	**100%**	**666**	**100%**	**368**	**100%**

*Vulnerable Road User include Bicyclist, Motorcyclist, Moped, and Pedestrains.

NOTE: For each vehicle and/or driver involved in a collision, up to three contributing factors can be recorded. Because multiple factors can be noted, the counts and percentages under each year will add to more than the total victims for that year.

Source: Traffic Accident Report Database, 2007-2012.

Manitoba Public Insurance

Summary of Contributing Factors for **Unknown Victims** (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
Driver Action - Driving Properly and Human Condition - Apparently Normal	0	-	0	-	0	-	0	-	23	85.2%	**13**	**48.1%**
Driver Action - Driving properly	**0**	**-**	**0**	**-**	**1**	**100.0%**	**0**	**-**	**0**	**-**	**2**	**7.4%**
Any At-fault Driver Action	**1**	**50.0%**	**0**	**-**	**0**	**-**	**0**	**-**	**21**	**77.8%**	**18**	**66.7%**
Following too closely	0	-	0	-	0	-	0	-	6	22.2%	**2**	**7.4%**
Turning improperly	0	-	0	-	0	-	0	-	3	11.1%	**0**	**-**
Passing improperly	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Changing lanes improperly	0	-	0	-	0	-	0	-	1	3.7%	**0**	**-**
Fail to yield right-of-way	0	-	0	-	0	-	0	-	2	7.4%	**1**	**3.7%**
Disobey traffic control device/officer	1	50.0%	0	-	0	-	0	-	1	3.7%	**0**	**-**
Drive wrong way on roadway	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Passing a vehicle at pedestrian X-walk	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Back unsafely	0	-	0	-	0	-	0	-	0	-	**2**	**7.4%**
Parking improperly	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Lost control/Drive off road	0	-	0	-	0	-	0	-	1	3.7%	**3**	**11.1%**
Driverless vehicle ran out of control	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Leave stop sign before safe to do so	0	-	0	-	0	-	0	-	4	14.8%	**0**	**-**
Failed to signal	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Take avoiding action	0	-	0	-	0	-	0	-	0	-	**1**	**3.7%**
Driver inexperience	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Pedestrian error/confusion	0	-	0	-	0	-	0	-	0	-	**0**	**-**
NET Speed	0	-	0	-	0	-	0	-	3	11.1%	**5**	**18.5%**
Exceeding speed limit	0	-	0	-	0	-	0	-	0	-	**2**	**7.4%**
Driving too fast for conditions	0	-	0	-	0	-	0	-	2	7.4%	**2**	**7.4%**
Unsafe operating speed (Too fast or too slow)	0	-	0	-	0	-	0	-	1	3.7%	**1**	**3.7%**
NET Distracted driving	1	50.0%	0	-	0	-	0	-	5	18.5%	**7**	**25.9%**
Careless Driving	0	-	0	-	0	-	0	-	2	7.4%	**6**	**22.2%**
Distraction/Inattention	1	50.0%	0	-	0	-	0	-	3	11.1%	**1**	**3.7%**
Human Condition - Apparently Normal	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**3**	**11.1%**	**5**	**18.5%**
Any At-fault Human Condition	**1**	**50.0%**	**0**	**-**	**0**	**-**	**0**	**-**	**3**	**11.1%**	**7**	**25.9%**
Loss of consciousness/Blackout prior to collision	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Extreme fatigue/Fell asleep	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective eyesight	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective hearing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Medical disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Physical disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Mental disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Mental confusion/Inability to remember	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Sudden illness	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Exceed hours of service (commercial drivers only)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
NET Impaired	0	-	0	-	0	-	0	-	0	-	**6**	**22.2%**
Ability impaired alcohol	0	-	0	-	0	-	0	-	0	-	**6**	**22.2%**
Ability impaired drugs	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Had been drinking/Suspected alcohol use	0	-	0	-	0	-	0	-	0	-	**0**	**-**

Summary of Contributing Factors for **Unknown Victims** (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
No Apparent (Vehicle) Defect	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**22**	**81.5%**	**18**	**66.7%**
Any At-fault Vehicle Defect	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**
Defective brakes	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective steering	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective headlights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective brake lights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective lighting (unspecified)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective engine controls/drive train	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective suspension/wheels	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Tow hitch/yoke defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective exhaust system	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hood/tailgate/door/covering opened	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective glazing (obscured windows)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Vehicle modifications	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Fire	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Overloaded/oversized	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Load shifted/spilled	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Jack-knife/trailer swing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hydroplaning tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Any At-fault Environmental Condition	**1**	**50.0%**	**0**	**-**	**0**	**-**	**0**	**-**	**1**	**3.7%**	**1**	**3.7%**
Animal action - Wild	0	-	0	-	0	-	0	-	1	3.7%	**0**	**-**
Animal action - Domestic	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Slippery road surface	1	50.0%	0	-	0	-	0	-	0	-	**1**	**3.7%**
Snow drift	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Obstruction/debris on roadway	0	-	0	-	0	-	0	-	0	-	**0**	**-**
View obstructed/limited	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Glare/reflection	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Construction zone	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective driving surface	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Shoulders defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Lane markings inadequate	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective/inoperative traffic control device	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Weather	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Pedestrian corridor in use	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Uninvolved vehicle	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Uninvolved pedestrian	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Presence of prior accident	0	-	0	-	0	-	0	-	0	-	**0**	**-**
No Contributing Factor(s) Identified	**1**	**50.0%**	**0**	**-**	**1**	**100.0%**	**0**	**-**	**0**	**-**	**2**	**7.4%**
Not Applicable/Not Stated	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**2**	**7.4%**	**0**	**-**
Total	**2**	**100%**	**0**	**-**	**1**	**100%**	**0**	**-**	**27**	**100%**	**27**	**100%**

NOTE: For each vehicle and/or driver involved in a collision, up to three contributing factors can be recorded. Because multiple factors can be noted, the counts and percentages under each year will add to more than the total victims for that year.

Source: Traffic Accident Report Database, 2007-2012.

Summary of 'Speed', 'Distracted driving' & 'Impaired' as Contributing Factors for **Motor Occupant Victims***: 2007 to 2012

		2007	2008	2009	2010	2011	2007-2011 average	**2012**
NET Speed ('Exceeding speed limit', 'Driving too fast for conditions' and 'Unsafe operating speed (too fast or too slow)' combined)								
Collisions	All collisions	500	557	431	289	369	429	**401**
		8.8%	10.5%	9.0%	6.1%	6.4%	8.2%	**5.0%**
	Fatal collisions	19	19	20	19	29	21	**17**
		24.7%	28.8%	28.2%	31.7%	36.7%	30.0%	**22.7%**
	Injury collisions	481	538	411	270	340	408	**384**
		8.6%	10.3%	8.7%	5.8%	6.0%	7.9%	**4.8%**
Victims	All victims (killed or injured)	723	782	653	440	541	628	**528**
		9.3%	11.0%	9.9%	6.9%	7.1%	8.9%	**5.2%**
	People killed	23	19	21	22	36	24	**17**
		26.4%	28.4%	29.2%	33.3%	39.1%	31.5%	**23.3%**
	People seriously injured	55	75	50	42	52	55	**33**
		16.2%	24.3%	16.0%	16.2%	18.5%	18.3%	**11.5%**
Driver Involvement (/10,000 drivers)	All collisions	6.6	7.3	5.6	3.7	4.5	5.5	**4.8**
	Fatal collisions	0.3	0.2	0.3	0.2	0.4	0.3	**0.2**
	Injury collisions	6.4	7.0	5.3	3.4	4.2	5.3	**4.6**
NET Distracted driving ('Distraction/ inattention' and 'Careless driving' combined)								
Collisions	All collisions	538	595	473	397	452	491	**948**
		9.5%	11.3%	9.9%	8.4%	7.8%	9.4%	**11.8%**
	Fatal collisions	13	15	17	22	20	17	**30**
		0.2%	0.3%	0.4%	0.5%	0.3%	24.6%	**40.0%**
	Injury collisions	525	580	456	375	432	474	**918**
		9.3%	11.0%	9.5%	8.0%	7.5%	9.2%	**11.5%**
Victims	All victims (killed or injured)	791	899	712	619	658	736	**1,201**
		10.2%	12.7%	10.8%	9.8%	8.6%	10.4%	**11.7%**
	People killed	19	17	18	22	25	20	**29**
		21.8%	25.4%	25.0%	33.3%	27.2%	26.3%	**39.7%**
	People seriously injured	49	56	55	50	38	50	**38**
		14.5%	18.1%	17.6%	19.3%	13.5%	16.5%	**13.2%**
Driver Involvement (/10,000 drivers)	All collisions	7.2	7.8	6.1	5.0	5.6	6.3	**11.3**
	Fatal collisions	0.2	0.2	0.2	0.3	0.2	0.2	**0.4**
	Injury collisions	7.0	7.6	5.9	4.7	5.3	6.0	**10.9**
NET Impaired ('Impaired by alcohol', 'Impaired by drugs' and 'Had been drinking/Suspected alcohol use' combined)								
Collisions	All collisions	180	156	156	133	95	144	**57**
		3.2%	3.0%	3.3%	2.8%	1.6%	2.7%	**0.7%**
	Fatal collisions	30	29	20	20	18	23	**24**
		39.0%	43.9%	28.2%	33.3%	22.8%	33.1%	**32.0%**
	Injury collisions	150	127	136	113	77	121	**33**
		2.7%	2.4%	2.9%	2.4%	1.4%	2.3%	**0.4%**
Victims	All victims (killed or injured)	295	277	263	223	176	247	**92**
		3.8%	3.9%	4.0%	3.5%	2.3%	3.5%	**0.9%**
	People killed	34	31	21	21	24	26	**26**
		39.1%	46.3%	29.2%	31.8%	26.1%	34.1%	**35.6%**
	People seriously injured	51	41	37	36	33	40	**19**
		15.0%	13.3%	11.8%	13.9%	11.7%	13.2%	**6.6%**
Driver Involvement (/10,000 drivers)	All collisions	2.4	2.0	2.0	1.7	1.2	1.8	**0.7**
	Fatal collisions	0.4	0.4	0.3	0.3	0.2	0.3	**0.3**
	Injury collisions	2.0	1.7	1.8	1.4	0.9	1.5	**0.4**

*Motor Occupants include Drivers (of motor vehicles), Passengers (in motor vehicles), and those Riding/Hanging On (to a motor vehicle).

NOTE: Proportions provided for each contributing factor in a specific category are for the count of contributing factor as a portion of all collisions in the specific category. E.g., the proportion of fatal collisions where speed is a factor is derived from the count of fatal collisions in the specific year where speed is a factor divided by the total fatal collisions in that year.

Source: Traffic Accident Report Database, 2007-2012.

Summary of 'Speed', 'Distracted driving' & 'Impaired' as Contributing Factors for **Vulnerable Road User Victims***: 2007 to 2012

		2007	2008	2009	2010	2011	2007-2011 average	**2012**
NET Speed ('Exceeding speed limit', 'Driving too fast for conditions' and 'Unsafe operating speed (too fast or too slow)' combined)								
Collisions	All collisions	24	21	16	16	8	17	**9**
		2.8%	2.6%	2.3%	2.1%	1.2%	2.3%	**2.5%**
	Fatal collisions	2	3	3	1	1	2	**2**
		9.5%	12.5%	21.4%	5.0%	5.6%	10.3%	**8.7%**
	Injury collisions	22	18	13	15	7	15	**7**
		2.6%	2.3%	1.9%	2.0%	1.1%	2.0%	**2.1%**
Victims	All victims (killed or injured)	27	23	17	17	9	19	**10**
		3.1%	2.8%	2.4%	2.1%	1.4%	2.4%	**2.7%**
	People killed	2	3	3	1	1	2	**2**
		9.1%	12.0%	21.4%	4.8%	5.6%	10.0%	**8.7%**
	People seriously injured	9	1	3	1	4	4	**2**
		10.3%	1.1%	4.2%	1.9%	7.1%	5.1%	**4.3%**
Driver Involvement (/10,000 drivers)	All collisions	0.3	0.3	0.2	0.2	<0.1	0.2	**0.1**
	Fatal collisions	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	**<0.1**
	Injury collisions	0.3	0.2	0.2	0.2	<0.1	0.2	**<0.1**
NET Distracted driving ('Distraction/ inattention' and 'Careless driving' combined)								
Collisions	All collisions	97	85	68	86	51	77	**40**
		11.4%	10.7%	9.8%	11.1%	7.8%	10.3%	**11.1%**
	Fatal collisions	4	4	2	9	5	5	**8**
		0.5%	0.5%	0.3%	1.2%	0.8%	24.7%	**34.8%**
	Injury collisions	93	81	66	77	46	73	**32**
		10.9%	10.2%	9.5%	9.9%	7.1%	9.9%	**9.5%**
Victims	All victims (killed or injured)	100	92	70	90	52	81	**41**
		11.4%	11.2%	9.8%	11.4%	7.8%	10.4%	**11.1%**
	People killed	4	5	2	9	5	5	**8**
		18.2%	20.0%	14.3%	42.9%	27.8%	25.0%	**34.8%**
	People seriously injured	17	19	7	6	8	11	**7**
		19.5%	21.8%	9.9%	11.3%	14.3%	16.1%	**15.2%**
Driver Involvement (/10,000 drivers)	All collisions	1.3	1.1	0.9	1.1	0.6	0.6	**0.4**
	Fatal collisions	<0.1	<0.1	<0.1	0.1	<0.1	<0.1	**<0.1**
	Injury collisions	1.2	1.1	0.9	1.0	0.6	0.5	**0.3**
NET Impaired ('Impaired by alcohol', 'Impaired by drugs' and 'Had been drinking/Suspected alcohol use' combined)								
Collisions	All collisions	35	34	29	25	14	27	**8**
		4.1%	4.3%	4.2%	3.2%	2.2%	3.6%	**2.2%**
	Fatal collisions	6	8	4	1	3	4	**6**
		28.6%	33.3%	28.6%	5.0%	16.7%	22.7%	**26.1%**
	Injury collisions	29	26	25	24	11	23	**2**
		3.5%	3.4%	3.7%	3.2%	1.7%	3.1%	**0.6%**
Victims	All victims (killed or injured)	38	35	30	25	14	28	**8**
		4.3%	4.3%	4.2%	3.2%	2.1%	3.7%	**2.2%**
	People killed	6	7	4	1	3	4	**6**
		27.3%	28.0%	28.6%	4.8%	16.7%	21.0%	**26.1%**
	People seriously injured	9	7	9	4	5	7	**1**
		10.3%	8.0%	12.7%	7.5%	8.9%	9.6%	**2.2%**
Driver Involvement (/10,000 drivers)	All collisions	0.5	0.4	0.4	0.3	0.2	<0.1	**<0.1**
	Fatal collisions	<0.1	0.1	<0.1	<0.1	<0.1	<0.1	**<0.1**
	Injury collisions	0.4	0.3	0.3	0.3	0.1	<0.1	**<0.1**

*Vulnerable Road Users include Bicyclist, Motorcyclist, Moped, and Pedestrains.

NOTE: Proportions provided for each contributing factor in a specific category are for the count of contributing factor as a portion of all collisions in the specific category. E.g., the proportion of fatal collisions where speed is a factor is derived from the count of fatal collisions in the specific year where speed is a factor divided by the total fatal collisions in that year.

Source: Traffic Accident Report Database, 2007-2012.

Summary of 'Speed', 'Distracted driving' & 'Impaired' as Contributing Factors for **Unknown Victims**: 2007 to 2012

		2007	2008	2009	2010	2011	2007-2011 average	**2012**
NET Speed ('Exceeding speed limit', 'Driving too fast for conditions' and 'Unsafe operating speed (too fast or too slow)' combined)								
Collisions	All collisions	0	0	0	0	2	1	**4**
		0.0%	-	0.0%	-	10.5%	9.1%	**18.2%**
	Fatal collisions	0	0	0	0	0	0	**1**
		-	-	-	-	-	-	**20.0%**
	Injury collisions	0	0	0	0	2	1	**3**
		0.0%	-	0.0%	-	10.5%	9.1%	**17.6%**
Victims	All victims (killed or injured)	0	0	0	0	3	1	**5**
		0.0%	-	0.0%	-	11.1%	10.0%	**18.5%**
	People killed	0	0	0	0	0	0	**0**
		-	-	-	-	-	-	**-**
	People seriously injured	0	0	0	0	0	0	**0**
		-	-	-	-	-	-	**-**
Driver Involvement	All collisions	-	-	-	-	<0.1	<0.1	**<0.1**
	Fatal collisions	-	-	-	-	-	-	**<0.1**
	Injury collisions	-	-	-	-	<0.1	<0.1	**<0.1**
NET Distracted								
Collisions	All collisions	1	0	0	0	3	1	**6**
		50.0%	-	0.0%	-	15.8%	18.2%	**27.3%**
	Fatal collisions	0	0	0	0	0	0	**2**
		0.0%	-	0.0%	-	0.0%	-	**40.0%**
	Injury collisions	1	0	0	0	3	1	**4**
		50.0%	-	0.0%	-	15.8%	18.2%	**23.5%**
Victims	All victims (killed or injured)	1	0	0	0	5	1	**7**
		50.0%	-	0.0%	-	18.5%	20.0%	**25.9%**
	People killed	0	0	0	0	0	0	**0**
		-	-	-	-	-	-	**-**
	People seriously injured	0	0	0	0	0	0	**0**
		-	-	-	-	-	-	**-**
Driver Involvement	All collisions	<0.1	-	-	-	<0.1	<0.1	**<0.1**
	Fatal collisions	-	-	-	-	-	-	**<0.1**
	Injury collisions	<0.1	-	-	-	<0.1	<0.1	**<0.1**
NET Impaired								
Collisions	All collisions	0	0	0	0	0	0	**3**
		0.0%	-	0.0%	-	0.0%	0.0%	**13.6%**
	Fatal collisions	0	0	0	0	0	0	**2**
		-	-	-	-	-	-	**40.0%**
	Injury collisions	0	0	0	0	0	0	**1**
		0.0%	-	0.0%	-	0.0%	0.0%	**5.9%**
Victims	All victims (killed or injured)	0	0	0	0	0	0	**6**
		0.0%	-	0.0%	-	0.0%	0.0%	**22.2%**
	People killed	0	0	0	0	0	0	**0**
		-	-	-	-	-	-	**-**
	People seriously injured	0	0	0	0	0	0	**3**
		-	-	-	-	-	-	**60.0%**
Driver Involvement	All collisions	-	-	-	-	-	-	**<0.1**
	Fatal collisions	-	-	-	-	-	-	**<0.1**
	Injury collisions	-	-	-	-	-	-	**<0.1**

NOTE: Proportions provided for each contributing factor in a specific category are for the count of contributing factor as a portion of all collisions in the specific category. E.g., the proportion of fatal collisions where speed is a factor is derived from the count of fatal collisions in the specific year where speed is a factor divided by the total fatal collisions in that year.
Source: Traffic Accident Report Database, 2007-2012.

CAC (MPI) 1-200 Reference: CAC/Bike Winnipeg (MPI) 1-1 2014 GRA

Preamble: CAC MB seeks to continue reviewing long term MPI fatality and serious injury data in a disaggregated fashion to better understand trends relating to fatalities and serious injuries. CAC MB wishes to review the distribution of these fatalities and serious injuries amongst different road users including drivers, passengers and different categories of vulnerable road users including pedestrians, cyclists and motorcyclists.

In the request below, a working definition for the terms current and ultimate is:

Current (Current Fiscal Year Claims Incurred):

> Current fiscal year claims incurred represent the accumulation or sum of all changes in claims dollar activity (paid, reserves, recoveries, IBNR, etc.) for all previous Insurance Accident Years.

Ultimate (Ultimate Claims Incurred):

> Ultimate claims incurred for a year represent the sum of the dollar activity expected/projected/developed to be incurred for a particular Insurance Accident Year (for example what will be the ultimate claims incurred for collision for the Insurance Accident Year for 2012/13).

Please complete the tables provided in **Attachment A**, with regard to the victim type and classifications for fatalities and serious injuries.

1) MPI Fatalities - Count of Claims
2) MPI Serious Injuries - Count of Claims
3) MPI Fatalities - Cost - Current value - ($000)
4) MPI Serious Injuries - Cost - Current value - ($000)

5) MPI data – Fatalities -Cost per Claim - ($000)
6) MPI data – Serious Injuries - Cost per Claim - ($000)
7) MPI data – Serious Injuries - Ultimate value - ($000)
8) MPI Ratios – Fatalities per Licensed Active Drivers
9) MPI Ratios – Fatalities per Registered Vehicle (Commercial and Non-Commercial)
10) MPI Ratios – Serious Injuries per Licensed Active Drivers
11) MPI Ratios – Serious Injuries per Registered Vehicle (Commercial and Non-Commercial)

Please provide the formal definition of "serious injury" as used in the above statistics and reconciled with the Traffic Collision Report. Has the definition of serious injury been amended since last year?

RESPONSE:

See the attached tables.

For the purpose of this query, the Corporation has defined a "serious injury" as any claim with incurred-to-date PIPP losses in excess of $250,000.

The Traffic Collision Report defines "serious injury" as a non-fatal injury where the victim is admitted to a hospital. This information is entered by police into a Traffic Accident Report. The last revision to any definitions in these reports was in January 1992. The Corporation does not have Traffic Accident Report information in its Enterprise Data Warehouse, and therefore, cannot reconcile to this definition.

Note: The sum of the fatalities and the serious injuries in the attached queries will not add up to the overall number of fatalities and serious injuries. The reason is that for some claims the "role code" is "unknown" in the Enterprise Data Warehouse.

1. MPI Fatalities - Count of Claims - Insurance Year Incurred-to-date as of Aug 31, 2014

Insurance Year	All Fatalities	Unknown/ Errors	Motor Vehicles (MV) Driver	Passenger	Total	Vulnerable Road Users (VRU) Motorcycle & Mopeds	Peds	Cyclists	Total	Ratio MV / All	Ratio VRU/All
2000	145	34	68	28	96	2	12	1	15	66.21%	10.34%
2001	145	38	59	28	87	3	13	4	20	60.00%	13.79%
2002	147	37	53	40	93	4	13	0	17	63.27%	11.56%
2003	142	34	61	30	91	1	14	2	17	64.08%	11.97%
2004	163	40	66	36	102	2	17	2	21	62.58%	12.88%
2005	135	39	51	28	79	5	10	2	17	58.52%	12.59%
2006	169	23	80	46	126	2	16	2	20	74.56%	11.83%
2007	155	32	69	26	95	1	23	4	28	61.29%	18.06%
2008	131	19	59	32	91	2	16	3	21	69.47%	16.03%
2009	132	20	72	20	92	4	15	1	20	69.70%	15.15%
2010	128	14	58	31	89	3	19	3	25	69.53%	19.53%
2011	156	15	74	44	118	1	19	3	23	75.64%	14.74%
2012	121	12	51	26	77	5	20	7	32	63.64%	26.45%
2013	148	17	65	44	109	5	12	5	22	73.65%	14.86%
2014*	39	3	20	6	26	4	3	3	10	66.67%	25.64%

*Reflects first six months of the year

2. MPI Serious Injuries - Count of Claims - Insurance Year Incurred-to-date as of Aug 31, 2014

Insurance Year	All Serious Injuries	Unknown/ Errors	Motor Vehicles (MV) Driver	Passenger	Total	Vulnerable Road Users (VRU) Motorcycle & Mopeds	Peds	Cyclists	Total	Ratio MV / All	Ratio VRU/All
2000	77	15	33	22	55	2	4	1	7	71.43%	9.09%
2001	71	21	32	13	45	3	2	0	5	63.38%	7.04%
2002	79	19	28	21	49	4	7	0	11	62.03%	13.92%
2003	73	19	38	11	49	1	4	0	5	67.12%	6.85%
2004	64	13	21	22	43	2	5	1	8	67.19%	12.50%
2005	85	13	38	20	58	5	8	1	14	68.24%	16.47%
2006	107	13	56	24	80	8	6	0	14	74.77%	13.08%
2007	102	6	53	29	82	5	5	4	14	80.39%	13.73%
2008	106	7	58	20	78	4	15	2	21	73.58%	19.81%
2009	103	6	58	24	82	5	7	3	15	79.61%	14.56%
2010	96	5	46	23	69	14	6	2	22	71.88%	22.92%
2011	73	3	36	19	55	4	8	3	15	75.34%	20.55%
2012	58	1	35	9	44	3	6	4	13	75.86%	22.41%
2013	34	0	14	11	25	2	5	2	9	73.53%	26.47%
2014*	13	5	4	1	5	0	3		3	38.46%	23.08%

*Reflects first six months of the year

3. MPI Fatalities - Cost - Insurance Year Incurred-to-date as of Aug 31, 2014 ($000)

			Motor Vehicles (MV)			Vulnerable Road Users (VRU)					
Insurance Year	All Fatalities	Unknown/ Errors	Driver	Passenger	Total	Motorcycle & Mopeds	Peds	Cyclists	Total	Ratio MV / All	Ratio VRU/All
2000	11,120	4,175	4,101	1,566	5,667	171	1,029	78	1,278	50.96%	11.50%
2001	9,728	3,080	4,332	1,518	5,850	27	613	158	797	60.14%	8.20%
2002	9,976	1,380	5,281	2,564	7,845	393	359	0	752	78.63%	7.54%
2003	8,528	1,841	4,383	1,498	5,881	82	662	63	807	68.95%	9.46%
2004	9,125	1,262	4,443	2,253	6,696	57	1,016	95	1,167	73.38%	12.79%
2005	11,091	1,749	4,038	3,811	7,849	876	582	35	1,493	70.77%	13.46%
2006	13,580	1,280	6,462	4,069	10,531	523	1,200	46	1,769	77.55%	13.03%
2007	10,312	1,524	4,660	2,011	6,670	382	1,305	431	2,117	64.69%	20.53%
2008	9,979	1,104	4,409	2,392	6,801	51	1,326	697	2,074	68.16%	20.78%
2009	10,099	455	5,528	2,136	7,664	637	1,342	0	1,980	75.89%	19.60%
2010	10,075	952	5,205	1,842	7,047	1,047	833	197	2,076	69.95%	20.61%
2011	9,531	446	5,790	2,313	8,102	137	704	142	983	85.01%	10.31%
2012	10,822	1,139	5,437	1,543	6,980	830	1,370	502	2,703	64.50%	24.97%
2013	9,665	393	4,353	3,670	8,023	725	317	206	1,248	83.02%	12.91%
2014*	2,758	216	2,005	210	2,215	25	90	212	327	80.30%	11.86%

*Reflects first six months of the year

4. MPI Serious Injuries - Cost - Insurance Year Incurred-to-date as of Aug 31, 2014 ($000)

Insurance Year	All Serious Injuries	Unknown/ Errors	Motor Vehicles (MV) Driver	Passenger	Total	Vulnerable Road Users (VRU) Motorcycle & Mopeds	Peds	Cyclists	Total	Ratio MV / All	Ratio VRU/All
2000	62,569	11,014	29,130	18,255	47,384	1,400	2,378	393	4,170	75.73%	6.67%
2001	66,183	28,782	22,068	12,092	34,159	2,140	1,102	0	3,242	51.61%	4.90%
2002	72,983	27,018	20,859	17,448	38,306	2,286	5,374	0	7,659	52.49%	10.49%
2003	70,071	19,840	34,044	9,069	43,114	353	6,764	0	7,117	61.53%	10.16%
2004	72,516	10,285	15,724	39,704	55,428	2,313	4,107	383	6,803	76.43%	9.38%
2005	72,572	12,155	31,334	19,216	50,550	4,075	5,273	519	9,867	69.66%	13.60%
2006	103,728	19,617	40,618	32,607	73,225	5,716	5,170	0	10,885	70.59%	10.49%
2007	96,413	4,682	45,909	35,644	81,552	4,659	2,084	3,435	10,179	84.59%	10.56%
2008	86,723	6,216	42,811	22,972	65,783	3,228	10,818	678	14,723	75.85%	16.98%
2009	77,994	3,728	36,863	23,484	60,346	3,662	6,473	3,784	13,919	77.37%	17.85%
2010	70,398	6,076	27,224	21,115	48,339	9,592	5,552	839	15,983	68.67%	22.70%
2011	66,127	1,818	24,878	29,052	53,930	4,706	4,226	1,446	10,379	81.56%	15.70%
2012	50,041	289	28,610	7,732	36,342	1,606	7,967	3,837	13,410	72.62%	26.80%
2013	31,569	0	10,931	9,023	19,954	2,645	7,978	993	11,615	63.21%	36.79%
2014*	6,518	2,730	1,591	534	2,125	0	1,662		1,662	32.60%	25.51%

*Reflects first six months of the year

5. MPI Fatalities - Cost per Claim

			Motor Vehicles (MV)			Vulnerable Road Users (VRU)			
Insurance Year	All Fatalities	Unknown/ Errors	Driver	Passenger	Total	Motorcycle & Mopeds	Peds	Cyclists	Total
2000	76,693	122,803	60,306	55,928	59,029	85,623	85,754	78,043	85,223
2001	67,090	81,061	73,430	54,212	67,245	9,026	47,117	39,447	39,869
2002	67,867	37,287	99,641	64,090	84,351	98,202	27,644	0	44,246
2003	60,058	54,134	71,853	49,917	64,622	81,875	47,288	31,569	47,473
2004	55,983	31,556	67,314	62,588	65,646	28,381	59,751	47,303	55,578
2005	82,154	44,836	79,178	136,119	99,360	175,232	58,204	17,259	87,807
2006	80,354	55,648	80,773	88,452	83,577	261,420	75,001	23,245	88,467
2007	66,530	47,635	67,532	77,333	70,215	381,935	56,729	107,667	75,620
2008	76,174	58,091	74,733	74,755	74,741	25,260	82,866	232,413	98,744
2009	76,507	22,768	76,783	106,789	83,306	159,323	89,481	0	98,975
2010	78,709	67,990	89,737	59,426	79,179	348,833	43,819	65,642	83,039
2011	61,097	29,710	78,241	52,558	68,664	136,998	37,070	47,239	42,741
2012	89,435	94,909	106,611	59,345	90,651	166,078	68,504	71,725	84,455
2013	65,304	23,146	66,975	83,412	73,610	144,941	26,443	41,189	56,726
2014*	70,720	72,021	100,257	34,948	85,186	6,297	30,139	70,529	32,719

*Reflects first six months of the year

6. MPI Serious Injuries - Cost per Claim

Insurance Year	All Serious Injuries	Unknown/ Errors	Motor Vehicles (MV) Driver	Passenger	Total	Vulnerable Road Users (VRU) Motorcycle & Mopeds	Peds	Cyclists	Total
2000	812,588	734,289	882,713	829,768	861,535	700,009	594,439	392,724	595,785
2001	932,150	1,370,550	689,615	930,124	759,096	713,435	550,766	0	648,368
2002	923,836	1,421,977	744,949	830,835	781,757	571,394	767,691	0	696,311
2003	959,871	1,044,204	895,902	824,488	879,870	353,162	1,690,980	0	1,423,417
2004	1,133,065	791,164	748,744	1,804,732	1,289,017	1,156,308	821,490	383,259	850,416
2005	853,787	934,970	824,579	960,804	871,553	814,938	659,183	519,084	704,803
2006	969,417	1,508,995	725,322	1,358,637	915,317	714,442	861,643	0	777,528
2007	945,224	780,274	866,200	1,229,100	994,543	931,758	416,900	858,846	727,048
2008	818,141	888,021	738,119	1,148,624	843,377	806,880	721,183	339,064	701,114
2009	757,223	621,381	635,568	978,481	735,933	732,456	924,649	1,261,465	927,948
2010	733,312	1,215,227	591,827	918,042	700,565	685,112	925,339	419,589	726,490
2011	905,845	605,863	691,042	1,529,066	980,541	1,176,611	528,307	482,145	691,956
2012	862,777	288,821	817,430	859,095	825,953	535,361	1,327,799	959,366	1,031,565
2013	928,511	0	780,794	820,254	798,156	1,322,556	1,595,569	496,250	1,290,606
2014*	501,346	546,072	397,769	533,700	424,955	0	554,122	0	554,122

*Reflects first six months of the year

7. MPI Serious Injuries - Cost - Ultimate Value ($000)

Insurance Year	All Serious Injuries	Unknown/ Errors	Motor Vehicles (MV) Driver	Motor Vehicles (MV) Passenger	Motor Vehicles (MV) Total	Vulnerable Road Users (VRU) Motorcycle & Mopeds	Vulnerable Road Users (VRU) Peds	Vulnerable Road Users (VRU) Cyclists	Vulnerable Road Users (VRU) Total	Ratio MV / All	Ratio VRU/All
2000	64,063	11,277	29,825	18,691	48,515	1,433	2,435	402	4,270	75.73%	6.67%
2001	68,134	29,630	22,718	12,448	35,166	2,203	1,134	0	3,337	51.61%	4.90%
2002	74,214	27,473	21,210	17,742	38,952	2,324	5,464	0	7,789	52.49%	10.49%
2003	71,354	20,203	34,668	9,236	43,903	360	6,888	0	7,247	61.53%	10.16%
2004	73,970	10,491	16,039	40,500	56,539	2,359	4,190	391	6,940	76.43%	9.38%
2005	74,485	12,475	32,160	19,723	51,883	4,182	5,412	533	10,127	69.66%	13.60%
2006	106,327	20,109	41,636	33,424	75,060	5,859	5,299	0	11,158	70.59%	10.49%
2007	99,480	4,831	47,369	36,778	84,147	4,807	2,151	3,545	10,502	84.59%	10.56%
2008	90,300	6,473	44,577	23,920	68,497	3,361	11,264	706	15,331	75.85%	16.98%
2009	82,655	3,951	39,066	24,887	63,953	3,881	6,859	4,011	14,751	77.37%	17.85%
2010	75,858	6,547	29,335	22,753	52,088	10,335	5,983	904	17,222	68.67%	22.70%
2011	76,886	2,113	28,925	33,779	62,704	5,472	4,914	1,682	12,068	81.56%	15.70%
2012	62,020	358	35,459	9,583	45,041	1,991	9,874	4,756	16,620	72.62%	26.80%
2013	42,930	0	14,865	12,270	27,135	3,597	10,849	1,350	15,796	63.21%	36.79%
2014*	16,741	7,013	4,087	1,371	5,458	0	4,270	0	4,270	32.60%	25.51%

*Reflects first six months of the year

8. MPI Fatalities - Count per 1000 Licensed Active Drivers

Insurance Year	Licensed Active Drivers*	All Fatalities	Unknown/ Errors	Motor Vehicles (MV) Driver	Motor Vehicles (MV) Passenger	Motor Vehicles (MV) Total	Vulnerable Road Users (VRU) Motorcycle & Mopeds	Vulnerable Road Users (VRU) Peds	Vulnerable Road Users (VRU) Cyclists	Vulnerable Road Users (VRU) Total
2001	695,668	0.2084	0.0546	0.0848	0.0402	0.1251	0.0043	0.0187	0.0057	0.0287
2002	701,061	0.2097	0.0528	0.0756	0.0571	0.1327	0.0057	0.0185	0.0000	0.0242
2003	712,785	0.1992	0.0477	0.0856	0.0421	0.1277	0.0014	0.0196	0.0028	0.0239
2004	721,305	0.2260	0.0555	0.0915	0.0499	0.1414	0.0028	0.0236	0.0028	0.0291
2005	725,636	0.1860	0.0537	0.0703	0.0386	0.1089	0.0069	0.0138	0.0028	0.0234
2006	728,518	0.2320	0.0316	0.1098	0.0631	0.1730	0.0027	0.0220	0.0027	0.0275
2007	735,506	0.2107	0.0435	0.0938	0.0353	0.1292	0.0014	0.0313	0.0054	0.0381
2008	748,304	0.1751	0.0254	0.0788	0.0428	0.1216	0.0027	0.0214	0.0040	0.0281
2009	760,143	0.1737	0.0263	0.0947	0.0263	0.1210	0.0053	0.0197	0.0013	0.0263
2010	772,922	0.1656	0.0181	0.0750	0.0401	0.1151	0.0039	0.0246	0.0039	0.0323
2011	795,972	0.1960	0.0188	0.0930	0.0553	0.1482	0.0013	0.0239	0.0038	0.0289
2012	810,697	0.1493	0.0148	0.0629	0.0321	0.0950	0.0062	0.0247	0.0086	0.0395
2013	822,988	0.1798	0.0207	0.0790	0.0535	0.1324	0.0061	0.0146	0.0061	0.0267
2014**	418,695	0.0931	0.0072	0.0478	0.0143	0.0621	0.0096	0.0072	0.0072	0.0239

*Earned Driver Units per the Revenues section of the 2015 GRA
2014 projected and pro-rated to reflect six months of the year
**Reflects first six months of the year

9. MPI Fatalities - Count per 1000 Registered Vehicles

Insurance Year	Number of Registered Vehicles*	All Fatalities	Unknown/ Errors	Motor Vehicles (MV)			Vulnerable Road Users (VRU)			
				Driver	Passenger	Total	Motorcycle & Mopeds	Peds	Cyclists	Total
2000	670,416	0.2163	0.0507	0.1014	0.0418	0.1432	0.0030	0.0179	0.0015	0.0224
2001	677,862	0.2139	0.0561	0.0870	0.0413	0.1283	0.0044	0.0192	0.0059	0.0295
2002	688,603	0.2135	0.0537	0.0770	0.0581	0.1351	0.0058	0.0189	0.0000	0.0247
2003	694,822	0.2044	0.0489	0.0878	0.0432	0.1310	0.0014	0.0201	0.0029	0.0245
2004	703,612	0.2317	0.0568	0.0938	0.0512	0.1450	0.0028	0.0242	0.0028	0.0298
2005	713,135	0.1893	0.0547	0.0715	0.0393	0.1108	0.0070	0.0140	0.0028	0.0238
2006	721,357	0.2343	0.0319	0.1109	0.0638	0.1747	0.0028	0.0222	0.0028	0.0277
2007	735,221	0.2108	0.0435	0.0938	0.0354	0.1292	0.0014	0.0313	0.0054	0.0381
2008	751,933	0.1742	0.0253	0.0785	0.0426	0.1210	0.0027	0.0213	0.0040	0.0279
2009	763,245	0.1729	0.0262	0.0943	0.0262	0.1205	0.0052	0.0197	0.0013	0.0262
2010	774,765	0.1652	0.0181	0.0749	0.0400	0.1149	0.0039	0.0245	0.0039	0.0323
2011	791,384	0.1971	0.0190	0.0935	0.0556	0.1491	0.0013	0.0240	0.0038	0.0291
2012	811,247	0.1492	0.0148	0.0629	0.0320	0.0949	0.0062	0.0247	0.0086	0.0394
2013	822,677	0.1799	0.0207	0.0790	0.0535	0.1325	0.0061	0.0146	0.0061	0.0267
2014**	418,537	0.0932	0.0072	0.0478	0.0143	0.0621	0.0096	0.0072	0.0072	0.0239

*HTA vehicles per the Revenues section of the 2015 GRA
2014 projected and pro-rated to reflect six months of the year
**Reflects first six months of the year

10. MPI Serious Injuries - Count per 1000 Licensed Active Drivers

Insurance Year	Licensed Active Drivers*	All Serious Injuries	Unknown/ Errors	Motor Vehicles (MV)			Vulnerable Road Users (VRU)			
				Driver	Passenger	Total	Motorcycle & Mopeds	Peds	Cyclists	Total
2001	695,668	0.1021	0.0302	0.0460	0.0187	0.0647	0.0043	0.0029	0.0000	0.0072
2002	701,061	0.1127	0.0271	0.0399	0.0300	0.0699	0.0057	0.0100	0.0000	0.0157
2003	712,785	0.1024	0.0267	0.0533	0.0154	0.0687	0.0014	0.0056	0.0000	0.0070
2004	721,305	0.0887	0.0180	0.0291	0.0305	0.0596	0.0028	0.0069	0.0014	0.0111
2005	725,636	0.1171	0.0179	0.0524	0.0276	0.0799	0.0069	0.0110	0.0014	0.0193
2006	728,518	0.1469	0.0178	0.0769	0.0329	0.1098	0.0110	0.0082	0.0000	0.0192
2007	735,506	0.1387	0.0082	0.0721	0.0394	0.1115	0.0068	0.0068	0.0054	0.0190
2008	748,304	0.1417	0.0094	0.0775	0.0267	0.1042	0.0053	0.0200	0.0027	0.0281
2009	760,143	0.1355	0.0079	0.0763	0.0316	0.1079	0.0066	0.0092	0.0039	0.0197
2010	772,922	0.1242	0.0065	0.0595	0.0298	0.0893	0.0181	0.0078	0.0026	0.0285
2011	795,972	0.0917	0.0038	0.0452	0.0239	0.0691	0.0050	0.0101	0.0038	0.0188
2012	810,697	0.0715	0.0012	0.0432	0.0111	0.0543	0.0037	0.0074	0.0049	0.0160
2013	822,988	0.0413	0.0000	0.0170	0.0134	0.0304	0.0024	0.0061	0.0024	0.0109
2014**	418,695	0.0310	0.0119	0.0096	0.0024	0.0119	0.0000	0.0072	0.0000	0.0072

*Earned Driver Units per the Revenues section of the 2015 GRA
2014 projected and pro-rated to reflect six months of the year
**Reflects first six months of the year

11. MPI Serious Injuries - Count per 1000 Registered Vehicles

				Motor Vehicles (MV)			Vulnerable Road Users (VRU)			
Insurance Year	Number of Registered Vehicles*	All Serious Injuries	Unknown/ Errors	Driver	Passenger	Total	Motorcycle & Mopeds	Peds	Cyclists	Total
2000	670,416	0.1149	0.0224	0.0492	0.0328	0.0820	0.0030	0.0060	0.0015	0.0104
2001	677,862	0.1047	0.0310	0.0472	0.0192	0.0664	0.0044	0.0030	0.0000	0.0074
2002	688,603	0.1147	0.0276	0.0407	0.0305	0.0712	0.0058	0.0102	0.0000	0.0160
2003	694,822	0.1051	0.0273	0.0547	0.0158	0.0705	0.0014	0.0058	0.0000	0.0072
2004	703,612	0.0910	0.0185	0.0298	0.0313	0.0611	0.0028	0.0071	0.0014	0.0114
2005	713,135	0.1192	0.0182	0.0533	0.0280	0.0813	0.0070	0.0112	0.0014	0.0196
2006	721,357	0.1483	0.0180	0.0776	0.0333	0.1109	0.0111	0.0083	0.0000	0.0194
2007	735,221	0.1387	0.0082	0.0721	0.0394	0.1115	0.0068	0.0068	0.0054	0.0190
2008	751,933	0.1410	0.0093	0.0771	0.0266	0.1037	0.0053	0.0199	0.0027	0.0279
2009	763,245	0.1350	0.0079	0.0760	0.0314	0.1074	0.0066	0.0092	0.0039	0.0197
2010	774,765	0.1239	0.0065	0.0594	0.0297	0.0891	0.0181	0.0077	0.0026	0.0284
2011	791,384	0.0922	0.0038	0.0455	0.0240	0.0695	0.0051	0.0101	0.0038	0.0190
2012	811,247	0.0715	0.0012	0.0431	0.0111	0.0542	0.0037	0.0074	0.0049	0.0160
2013	822,677	0.0413	0.0000	0.0170	0.0134	0.0304	0.0024	0.0061	0.0024	0.0109
2014**	418,537	0.0311	0.0119	0.0096	0.0024	0.0119	0.0000	0.0072	0.0000	0.0072

*HTA vehicles per the Revenues section of the 2015 GRA
2014 projected and pro-rated to reflect six months of the year
**Reflects first six months of the year

CAC (MPI) 1-201 **Reference: CAC/Bike Winnipeg (MPI) 2-4 2014 GRA**

Preamble: CAC MB is of the opinion that better informed consumers are an essential component in any effort to reduce the traffic social and economic costs arising from motor vehicle accidents.

a) Please complete the tables provided in Attachment B, with regard to the victim type and group of motor vehicle occupants and vulnerable road users, and indicate the actual annual total losses, including the count of claims and incurred costs, from 200 to 2014YTD.

b) Has MPI developed a projected (forecast or estimate) of claims or total annual losses (costs) for motor vehicle occupants and vulnerable road users into the future? If so, please provide the projection.

RESPONSE:

a) See the attached.

b) No. The methodology used to forecast claims is provided in the Claims Incurred section of the 2015 Rate Application.

MPI Collision Bodily Injury (BI) Claims - Count of Claims with Financials
Includes Basic Policies Only
From Reported Insurance Year 2000 to 2014 YTD (Aug 31)

1. MPI Collision Bodily Injury (BI) Claims - Count of Claims with Financials

		Motor Vehicles			Calculated	Vulnerable Road Users (VRU)				Calculated	Ratio	Ratio
Reported Insurance Year	All Collision BI Claims	Driver	Passenger	Other Injured / Unknown	Sub-total Vehicle BI Claims	Motorcycle or Moped Driver & Pass	Peds	Cyclist	Other Injured / Unknown	Sub-total VRU BI Claims	Motor Vehicles / All BI Claims	VRU / All BI claims
2000	10,721	6,661	2,954	454	10,069	125	366	151	10	652	93.9%	6.1%
2001	11,153	6,920	3,027	587	10,534	143	311	152	13	619	94.4%	5.6%
2002	11,634	7,341	3,095	575	11,011	160	303	148	12	623	94.6%	5.4%
2003	11,671	7,553	3,045	404	11,002	163	318	180	8	669	94.3%	5.7%
2004	11,373	7,393	2,984	409	10,786	108	304	171	4	587	94.8%	5.2%
2005	10,862	7,077	2,776	417	10,270	135	284	165	8	592	94.5%	5.5%
2006	11,991	7,784	3,178	322	11,284	160	356	185	6	707	94.1%	5.9%
2007	11,922	7,957	3,046	194	11,197	154	378	192	1	725	93.9%	6.1%
2008	11,389	7,559	2,992	154	10,705	180	357	145	2	684	94.0%	6.0%
2009	11,292	7,349	3,066	163	10,578	160	373	179	2	714	93.7%	6.3%
2010	11,752	7,825	2,957	185	10,967	160	395	227	3	785	93.3%	6.7%
2011	11,779	7,538	3,030	186	10,754	157	605	259	4	1,025	91.3%	8.7%
2012	12,431	8,199	3,049	277	11,525	150	489	250	17	906	92.7%	7.3%
2013	13,231	8,886	2,909	640	12,435	156	429	205	6	796	94.0%	6.0%
2014*	5,654	3,666	1,327	210	5,203	125	181	143	2	451	92.0%	8.0%
Totals	**168,855**	**109,708**	**43,435**	**5,177**	**158,320**	**2,236**	**5,449**	**2,752**	**98**	**10,535**	**93.8%**	**6.2%**

* Partial year - Until Aug 31

MPI Collision Bodily Injury (BI) Claims - Incurred Dollars
Includes Basic Policies Only
From Reported Insurance Year 2000 to 2014 YTD (Aug 31)

2. MPI Collision Bodily Injury (BI) Claims - Incurred Dollars

		Motor Vehicles			Calculated	Vulnerable Road Users (VRU)				Calculated	Ratio	Ratio
Reported Insurance Year	All Collision BI Claims	Driver	Passenger	Other Injured / Unknown	Sub-total Vehicle BI Claims	Motorcycle or Moped Driver & Pass	Peds	Cyclist	Other Injured / Unknown	Sub-total VRU BI Claims	Motor Vehicles / All BI Claims	VRU / All BI claims
2000	114,598,437	54,669,921	30,443,741	15,994,640	101,108,302	3,264,968	8,107,871	1,394,406	722,889	13,490,135	88.2%	11.8%
2001	126,633,788	55,909,037	25,357,266	34,025,784	115,292,086	3,986,914	4,837,714	1,231,071	1,286,004	11,341,702	91.0%	9.0%
2002	129,549,075	48,852,846	31,774,742	34,516,834	115,144,422	4,727,654	8,366,917	814,004	496,078	14,404,653	88.9%	11.1%
2003	127,197,681	62,208,183	22,568,994	24,826,122	109,603,299	3,728,413	10,923,909	1,552,312	1,389,747	17,594,382	86.2%	13.8%
2004	126,065,430	42,661,261	52,112,102	17,217,936	111,991,299	4,155,017	8,394,380	1,428,275	96,459	14,074,131	88.8%	11.2%
2005	129,425,340	62,902,201	30,272,230	17,962,092	111,136,523	7,121,009	9,446,963	1,186,459	534,385	18,288,816	85.9%	14.1%
2006	168,251,298	73,007,182	48,038,094	20,948,290	141,993,567	8,835,828	10,936,314	2,163,413	4,322,176	26,257,732	84.4%	15.6%
2007	159,773,820	78,637,280	51,000,764	6,600,837	136,238,882	8,434,803	8,844,613	5,687,782	567,741	23,534,938	85.3%	14.7%
2008	141,970,791	71,688,661	36,468,532	8,630,576	116,787,770	7,570,992	15,623,180	1,938,234	50,614	25,183,021	82.3%	17.7%
2009	135,018,147	71,839,271	31,781,034	5,542,279	109,162,584	7,831,370	12,469,663	5,427,160	127,370	25,855,563	80.9%	19.1%
2010	141,793,534	65,141,219	39,760,699	8,649,057	113,550,975	13,184,159	11,504,860	3,449,590	103,950	28,242,558	80.1%	19.9%
2011	132,228,408	64,151,860	41,259,390	3,103,370	108,514,621	8,111,223	11,868,755	3,762,553	-28,745	23,713,787	82.1%	17.9%
2012	139,456,214	80,404,336	27,446,111	2,341,882	110,192,328	4,959,921	17,409,341	6,547,665	346,958	29,263,886	79.0%	21.0%
2013	113,283,393	59,537,285	25,676,578	3,374,477	88,588,340	7,390,214	14,024,481	3,017,289	263,068	24,695,054	78.2%	21.8%
2014*	32,839,510	17,952,698	5,784,190	3,093,003	26,829,891	1,384,452	3,030,399	899,417	695,350	6,009,619	81.7%	18.3%
Totals	**1,918,084,866**	**909,563,242**	**499,744,467**	**206,827,180**	**1,616,134,890**	**94,686,938**	**155,789,363**	**40,499,631**	**10,974,045**	**301,949,977**	**84.3%**	**15.7%**

* Partial year - Until Aug 31

MPI Collision Bodily Injury (BI) Claims - Ultimate Incurred Dollars
Includes Basic Policies Only
From Reported Insurance Year 2000 to 2014 YTD (Aug 31)

3. MPI Collision Bodily Injury (BI) Claims - Ultimate Value

		Motor Vehicles			Calculated	Vulnerable Road Users (VRU)				Calculated	Ratio	Ratio
Reported Insurance Year	All Collision BI Claims	Driver	Passenger	Other Injured / Unknown	Sub-total Vehicle BI Claims	Motorcycle or Moped Driver & Pass	Peds	Cyclist	Other Injured / Unknown	Sub-total VRU BI Claims	Motor Vehicles / All BI Claims	VRU / All BI claims
2000	117,333,715	55,974,803	31,170,383	16,376,406	103,521,593	3,342,897	8,301,393	1,427,689	740,143	13,812,122	88.2%	11.8%
2001	130,367,100	57,557,300	26,104,828	35,028,903	118,691,031	4,104,452	4,980,335	1,267,364	1,323,917	11,676,069	91.0%	9.0%
2002	131,734,390	49,676,927	32,310,739	35,099,085	117,086,751	4,807,403	8,508,056	827,735	504,446	14,647,639	88.9%	11.1%
2003	129,527,882	63,347,807	22,982,447	25,280,924	111,611,179	3,796,716	11,124,030	1,580,750	1,415,207	17,916,703	86.2%	13.8%
2004	128,593,159	43,516,659	53,156,998	17,563,172	114,236,828	4,238,329	8,562,695	1,456,913	98,393	14,356,331	88.8%	11.2%
2005	132,837,688	64,560,642	31,070,369	18,435,669	114,066,680	7,308,757	9,696,036	1,217,741	548,474	18,771,008	85.9%	14.1%
2006	172,467,910	74,836,844	49,241,995	21,473,284	145,552,123	9,057,266	11,210,394	2,217,632	4,430,496	26,915,787	84.4%	15.6%
2007	164,856,343	81,138,790	52,623,136	6,810,815	140,572,741	8,703,120	9,125,967	5,868,714	585,801	24,283,602	85.3%	14.7%
2008	147,827,014	74,645,782	37,972,841	8,986,583	121,605,206	7,883,292	16,267,629	2,018,186	52,702	26,221,808	82.3%	17.7%
2009	143,086,382	76,132,146	33,680,163	5,873,468	115,685,777	8,299,347	13,214,809	5,751,469	134,981	27,400,605	80.9%	19.1%
2010	152,790,357	70,193,258	42,844,347	9,319,836	122,357,442	14,206,659	12,397,121	3,717,123	112,012	30,432,915	80.1%	19.9%
2011	153,742,591	74,589,669	47,972,487	3,608,303	126,170,459	9,430,958	13,799,857	4,374,738	-33,422	27,572,131	82.1%	17.9%
2012	172,838,911	99,651,335	34,016,096	2,902,476	136,569,906	6,147,216	21,576,748	8,115,030	430,012	36,269,005	79.0%	21.0%
2013	154,050,950	80,963,105	34,916,868	4,588,857	120,468,830	10,049,748	19,071,504	4,103,128	357,739	33,582,120	78.2%	21.8%
2014*	84,351,780	46,113,417	14,857,308	7,944,709	68,915,434	3,556,113	7,783,903	2,310,249	1,786,081	15,436,346	81.7%	18.3%
Totals	**2,116,406,171**	**1,012,898,484**	**544,921,003**	**219,292,491**	**1,777,111,979**	**104,932,273**	**175,620,477**	**46,254,460**	**12,486,982**	**339,294,191**	**84.0%**	**16.0%**

* Partial year - Until Aug 31

CMMG (MPI)

CMMG (MPI) 1-2

Please provide the current forecast for 2015 for motorcycle specific road safety programs and initiatives - comparing same to overall road safety expenditure (relative percentages and amounts with breakdowns of expenditures).

Are there any new initiatives for motorcycle road safety? Did the advanced motorcycle rider program pilot yet?

RESPONSE:

The forecasted spending in 2014/15 for Motorcycle Safety programs is $227,000 (Basic share). Specific funding components are as follows:

Motorcycle Safety	$105,000
Motorcycle Training Rebates	$122,000
Total	**$227,000**

These numbers do not include budget for awareness campaigns related to road safety risks that target motorcyclists equally as much as motorists, such impaired driving, speed and distracted driving.

The overall spending on the road safety programs in 2014/15 is forecasted at $9.374 million, not including departmental expenses. Motorcycle safety programs therefore represent 2.4% of total forecasted funding for road safety programs in 2014/15.

There are no new initiatives planned for motorcycle safety programs for the 2014/15 year. With respect to the advanced motorcycle rider training program, the Corporation can confirm that this program was made available by Safety Services Manitoba in 2013/14.

CMMG (MPI) 1-3

Any new initiatives for wildlife collision reduction?

RESPONSE:

For 2014 the Corporation is planning the following public awareness initiatives to inform drivers of the risk of wildlife collisions during the fall and early winter, when wildlife activity is most prevalent on roadways:

- News release to remind drivers of deer/vehicle collision “hotspots”
- Public website updates
- Manitoba Driver article for rural print media
- Winnipeg Free Press and CJOB traffic safety tips
- CTV 60-second driver segment
- Radio campaign in Winnipeg, rural and Northern Manitoba
- Partnership with the City of Winnipeg to deploy roadside message boards along high-collision corridors in Winnipeg from October to December

CMMG (MPI) 1-6

Please update CMMG (MPI) 1-6 from last year with the annual numbers/claims costs for persons killed or injured annually due to wildlife/livestock collision in Manitoba.

RESPONSE:

See the attached chart. Due to the low number of fatality claims, only the Grand Total is shown in the table in order to prevent individual claims from being identified.

Manitoba Public Insurance
Collision with Wildlife and Domestic Animals
Injuries and Fatalities in Manitoba
Loss Insurance Year 2004-2013

	Fatality				Injury			
Loss Insurance Year	All Claims	Claims with Incurred <> $0	Total Incurred $	Incurred/Claim	All Claims	Claims with Incurred <> $0	Total Incurred $	Incurred/Claim
2004					300	223	2,312,003	10,368
2005					271	192	696,265	3,626
2006					307	224	2,296,082	10,250
2007					379	267	2,201,999	8,247
2008					319	229	3,656,932	15,969
2009					415	303	3,209,768	10,593
2010					406	273	2,162,142	7,920
2011					419	324	1,525,195	4,707
2012					394	289	1,432,667	4,957
2013					330	258	1,812,002	7,023
Grand Total	***5***	***5***	***527,063***	***105,413***	***3,540***	***2,582***	***21,305,055***	***8,251***

CMMG (MPI) 1-7

Please update the total for MPI's advertising expenses, also breaking that total down for the type of media (radio, television, newspaper, magazine, others).

RESPONSE:

Advertising expenses by type of media

Television	$642,526
Radio	$607,588
Newspaper	$182,569
Magazine/Pub.	$ 41,193
Transit	$173,388
Outdoor	$267,464
Online	$ 89,863
Digital interactive	$ 11,662
Total	$2,016,253

CMMG (MPI) 1-8

Please breakdown the advertising expenditures in the I.R. above according to type of message (ie: road safety, program/coverages/etc.) Please break out the cost of the specific motorcycle ads and indicate expenditures.

RESPONSE:

Road safety (excluding Motorcycle)	$1,741,664
Public Information	$101,676
Extension products	$62,779
Miscellaneous*	$16,439
Motorcycle	$93,695
Total	$2,016,253

* includes advertorials

Motorcycle expenditures breakdown:

Radio	$ 24,366
Television	$ 5,032
Newspaper	$ 3,291
Transit	$ 28,688
Outdoor	$ 32,318
Total	$ 93,695

CMMG (MPI) 1-9

Has there been any use by the Corporation of the "hot mapping" results for motorcycle collision as provided response to CMMG (MPI) 2-2 last year? Does the Corporation plan to develop any initiatives or responses using the data in the coming year?

RESPONSE:

The “hot mapping” results produced in CMMG (MPI) 2-2 last year do not identify any discernible patterns that would help to inform targeted awareness and education campaigns relative to motorcycle safety. However, the Corporation plans to continue monitoring this information to identify new or emerging trends that may be useful in developing new education and awareness initiatives.

Refer to PUB (MPI) 1-103 for additional information on how collision location data is utilized by the Corporation and shared with other road safety stakeholders.

CMMG (MPI) 1-11

Please compare the average required rate for motorcycles for all 4 Western Canadian provinces with adjustment for the variance in policy term, ie full calendar year policy vs. Manitoba's 5/12 year policy period. Please provide examples for a 2013 Harley Davidson Electroglide [sic], a 2000 Honda, and a 2010 BMW examples (or similar make/model/age).

RESPONSE:

The Corporation attempted to conduct an 'apples-to-apples' motorcycle rate comparison by adjusting the rates in other provinces to reflect the policy term used by MPI. However, the Corporation concluded that such a comparison could not be made because:

(i) seasonal quotes were not available from other provinces;

(ii) even though Basic motorcycle premiums in Manitoba are earned over a five month period (May to September), motorcyclists who keep their insurance in-force outside of the riding season can continue to ride in October through April as weather permits. This is not true in other jurisdictions.

CMMG (MPI) 1-14

Were there any motorcycle claims during the winter months November 30, 2014 to March 30, 2015. Please state amount of claims costs incurred if answer is in the affirmative.

RESPONSE:

Yes. The table below summarizes the reported-to-date incurred on the claims in this period as of August 31, 2014.

	Basic	
Claim Classification	**Claim Count**	**Incurred Amount**
Injury	3	$ 77,065.94
Physical Damage	6	$ 32,500.53
Total	**9**	**$ 109,566.47**

CMMG (MPI) 1-18

Please provide a comparison of the average claims costs for vehicles in which the owner has a motorcycle insured versus vehicles where the owner does not also have a motorcycle insured.

RESPONSE:

See the attached table. To complete this request the Corporation did the following:

- Two groups of customers were created:
  - (i) Private passenger vehicle owners who do not have a motorcycle registered
  - (ii) Private passenger vehicle owners who do have a motorcycle registered.
- Policy information (i.e. earned vehicle units, earned premium) was then collected on the private passenger vehicles and (if applicable) motorcycles owned by the customers in the two groups.
- Claims experience (i.e. reported-to-date claims incurred) was then collected for the registered owner only.

The claims cost per vehicle unit for each group (as shown in the attached table) is very low because only the registered vehicle owners' claims experience was collected. The claims costs per unit would increase significantly if the claims experience of all drivers of the vehicles were included. However, the Corporation did not believe that the intent of the question was to show the experience of all drivers on the policy, but rather, just the experience of the private passenger vehicle owners with or without a registered motorcycle.

Registered Owner does not have a Motorcycle Registered

	Private Passenger Vehicle Policy and Claims Data for Registered Owner Only				
Insurance Year	Earned Units	Earned Premium	Average Premium	Claims Incurred to Date Claims Costs	Claims Incurred per Unit
2009	641,913	$577,074,896	$899	238,117,836	$371
2010	652,593	$597,214,299	$915	255,410,932	$391
2011	666,777	$613,418,044	$920	260,750,094	$391
2012	677,662	$603,691,412	$891	278,899,497	$412
2013	686,307	$605,051,380	$882	287,613,487	$419
Grand Total	**3,325,252**	**$2,996,450,031**	**$901**	**1,320,791,845**	**$397**

Registered Owner does have a Motorcycle Registered

	Private Passenger Vehicle Policy and Claims Data for Registered Owner Only				
Insurance Year	Earned Units	Earned Premium	Average Premium	Claims Incurred to Date Claims Costs	Claims Incurred per Unit
2009	27,965	$25,805,862	$923	5,790,023	$207
2010	29,603	$27,674,715	$935	8,676,019	$293
2011	31,347	$29,314,272	$935	5,826,051	$186
2012	33,929	$30,269,895	$892	8,280,502	$244
2013	34,688	$30,314,530	$874	8,625,681	$249
Grand Total	**157,532**	**$143,379,275**	**$910**	**37,198,275**	**$236**

CMMG (MPI) 1-19

Please provide a comparison of the bonus/malus points accumulated of motorcycle insured vs. the private passenger pool of insured.

RESPONSE:

The attached table shows the earned driver units by DSR level for registered owners (i) without a motorcycle registered and (ii) with a motorcycle registered. The average DSR level of the two groups is not materially different. Note: The number of driver units in the table will not match the figures shown in the Revenue section of the Rate Application because the query includes registered owners only.

Driver Earned Units by DSR Level and Insurance Year for Registered Owners

	2012			2013		
DSR Level	Without Motorcycle	With Motorcycle	Total	Without Motorcycle	With Motorcycle	Total
15	148,628	3,577	152,205	146,905	3,665	150,570
14	9,304	302	9,605	9,531	296	9,827
13	10,465	331	10,796	49,215	1,541	50,756
12	51,693	1,543	53,237	66,535	2,045	68,580
11	75,259	2,284	77,542	33,233	1,046	34,279
10	38,126	1,203	39,329	35,268	1,139	36,408
9	32,442	1,112	33,554	28,072	889	28,961
8	28,763	915	29,678	17,664	531	18,195
7	17,292	485	17,777	25,767	771	26,539
6	24,894	740	25,634	21,945	654	22,598
5	19,512	536	20,047	15,903	422	16,325
4	14,303	365	14,668	18,808	469	19,277
3	17,992	431	18,423	15,819	321	16,140
2	14,650	251	14,901	14,367	265	14,633
1	13,127	226	13,353	16,704	335	17,039
0	16,506	298	16,804	17,833	281	18,114
-1	5,158	115	5,272	5,506	144	5,650
-2	3,942	95	4,037	5,385	130	5,515
-3	3,247	92	3,338	3,463	81	3,544
-4	3,290	89	3,379	3,826	104	3,930
-5	2,433	56	2,489	2,961	79	3,040
-6	1,649	49	1,698	1,956	56	2,012
-7	1,365	50	1,415	1,830	55	1,885
-8	987	21	1,008	1,299	38	1,337
-9	948	21	968	1,179	37	1,216
-10	688	18	706	1,007	24	1,031
-11	480	14	495	696	19	715
-12	418	17	435	617	12	629
-13	335	14	349	538	12	549
-14	262	8	270	360	10	370
-15	187	7	194	323	7	329
-16	166	3	169	273	7	280
-17	120	6	126	172	8	180
-18	107	3	110	151	4	156
-19	64	1	65	120	2	122
-20	307	4	312	596	12	608
Grand Total	**559,108**	**15,280**	**574,388**	**565,826**	**15,511**	**581,338**
Average DSR Level	9.377	9.537	9.381	9.329	9.643	9.337

Percentage of Driver Earned Units by DSR Level and Insurance Year for Registered Owners

	2012			2013		
DSR Level	Without Motorcycle	With Motorcycle	Total	Without Motorcycle	With Motorcycle	Total
15	26.6%	23.4%	26.5%	26.0%	23.6%	25.9%
14	1.7%	2.0%	1.7%	1.7%	1.9%	1.7%
13	1.9%	2.2%	1.9%	8.7%	9.9%	8.7%
12	9.2%	10.1%	9.3%	11.8%	13.2%	11.8%
11	13.5%	14.9%	13.5%	5.9%	6.7%	5.9%
10	6.8%	7.9%	6.8%	6.2%	7.3%	6.3%
9	5.8%	7.3%	5.8%	5.0%	5.7%	5.0%
8	5.1%	6.0%	5.2%	3.1%	3.4%	3.1%
7	3.1%	3.2%	3.1%	4.6%	5.0%	4.6%
6	4.5%	4.8%	4.5%	3.9%	4.2%	3.9%
5	3.5%	3.5%	3.5%	2.8%	2.7%	2.8%
4	2.6%	2.4%	2.6%	3.3%	3.0%	3.3%
3	3.2%	2.8%	3.2%	2.8%	2.1%	2.8%
2	2.6%	1.6%	2.6%	2.5%	1.7%	2.5%
1	2.3%	1.5%	2.3%	3.0%	2.2%	2.9%
0	3.0%	1.9%	2.9%	3.2%	1.8%	3.1%
-1	0.9%	0.8%	0.9%	1.0%	0.9%	1.0%
-2	0.7%	0.6%	0.7%	1.0%	0.8%	0.9%
-3	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%
-4	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%
-5	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%
-6	0.3%	0.3%	0.3%	0.3%	0.4%	0.3%
-7	0.2%	0.3%	0.2%	0.3%	0.4%	0.3%
-8	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%
-9	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%
-10	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
-11	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
-12	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
-13	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
-14	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%
-15	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
-16	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-17	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
-18	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-20	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%
Grand Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

CMMG (MPI) 1-22

What are the estimated total claims cost attributable to distracted drivers over last year?

RESPONSE:

The Corporation does not have this information.

CMMG (MPI) 1-23

Please show the number of contract employees working for MPI over the last five (5) years, indicating annual expenditures and annual increases/decreases in numbers of contractors. Please also provide the average wage broken down for each level of employee: ie. clerical, administrative, managers, supervisors, executive, senior executive.

RESPONSE:

The Corporation does not have any contract employees. If the question was with respect to people who the Corporation engages through mutual agreement to provide consulting services, then please refer to CAC (MPI) 1-55.

CMMG (MPI) 1-24

Please provide what are the percentage changes in executive remuneration over the past 5 years? Please also advise in any changes in the numbers of executives.

RESPONSE:

Remuneration includes regular salary, taxable benefits, retiring allowances, retroactive pay, vacation pay and severance pay as outlined in the Annual Compensation Disclosure Reports (see PUB (MPI) 1-53).

Time Frame	Percentage Change to Executive Remuneration	Number of Executive Positions
Year Ended December 31st, 2008	-	7
Year Ended December 31st, 2009	22.96%	8
Year Ended December 31st, 2010	-18.09%	7
Year Ended December 31st, 2011	-5.14%	7
Year Ended December 31st, 2012	6.85%	7
Year Ended December 31st, 2013	-14.89%	6

CMMG (MPI) 1-28

Please provide the wage to premium ratio percentage. Has the increases at MPI surpassed Canadian inflation rates? Have the wages stayed in line with private insurance companies?

RESPONSE:

Wage to premium ratio percentage has been calculated using total corporate salaries and total net premiums earned.

Total Corporate Salaries to Total Net Premiums Earned Ratio Percentage

(C$000's)	2014A	2015F	2016P	2017P	2018P
Total Corporate Salaries	120,543	123,921	128,516	133,380	137,788
Total Net Premiums Earned	764,670	800,480	864,444	918,908	961,971
Salaries/Premiums	**15.76%**	**15.48%**	**14.87%**	**14.52%**	**14.32%**

Note: 2016P includes 2.4 % Rate Change plus 1.0% RSR Rebuild

Please note, unlike private insurers, Manitoba Public Insurance is a not-for-profit Crown Corporation which operates at a financial break-even level over the long-term. Therefore, as the Corporation is successful in achieving financial breakeven, operating expenses (which are primarily driven by FTE counts) relative to revenue will be a higher proportion than those of private insurers where gross premiums written include a significant profit component.

Salary increases do not follow Canadian inflation rates primarily due to the negotiated increases under the collective agreement. Please refer to the table on page 13 of Volume II Expenses, section E.2.1.1 for a schedule of Economic Increases Negotiated and Appendix 2 of Volume II Expenses for a comparison of average salaries to Manitoba CPI.

Salaries remain lower than those in the private sector at both the staff and management levels. When bonuses are included, the difference in salaries between the Corporation and the private sector is even greater since the Corporation does not pay bonuses to their employees.

CMMG (MPI) 1-30

How has the cost of administrative process of a claim changed in the past 5 years?

RESPONSE:

Please refer to page 5 of the Value to Manitobans in Volume 1 - SM.1. As noted there, the total claims handled per claims handler FTE has increased, demonstrating the increased efficiency in the administrative process of a claim.

CMMG (MPI) 1-32

Adjusters now work as a team of, as opposed to the previous procedure of one adjuster per claim. How has this affected the costs of administering a claim?

RESPONSE:

This initiative for Service Centre Operations was aimed at improved customer service to our claimants and vendors by ensuring availability of any member of an adjusting team to promptly process claims and respond to queries. There has been no material change in the cost of administering a claim.

CMMG (MPI) 1-33

What process has MPI used to lower operational costs and how does MPI compare to other province's crown corporations that handle vehicle insurance coverage?

RESPONSE:

Comparative information to other provincial crown corporations that handle vehicle insurance (where available), is provided as part of the 2015/16 GRA Volume I, SM.1 Value to Manitobans and SM.2 Benchmarking.

In addition, the following table is a comparison of the 2013/14 expense ratio between SGI, ICBC, and MPI. The expense ratio is a commonly used within the insurance industry to determine a company's operating efficiency.

2013/14 (figures in $000)

(General Expenses = Regulatory/Appeal Expenses plus Operating Expenses)

	MPI - Basic	SGI (Auto Fund)	ICBC
Net Premium Earned	764,671	806,964	3,974,594
Commissions	32,058	42,629	311,162
% of NPE	4.19%	5.28%	7.83%
Premium Taxes	23,343	40,664	178,414
% of NPE	3.05%	5.04%	4.49%
General Expenses	71,748	77,766	192,979
% of NPE	9.38%	9.64%	4.86%
Total Expenses	127,149	161,059	682,555
Expense Ratio (Exp. / NPE)	16.63%	19.96%	17.17%

Sources: 2014 Canadian Underwriter Statistical Issue and 2014 Manitoba Public Insurance Automobile Insurance Division Statement of Operations

CMMG (MPI) 1-34

How does MPI compare to operational costs of private insurance companies, who compete for business and have to advertise to attract clients?

RESPONSE:

The table below compares the expense ratio between Manitoba Public Insurance and the insurance industry.

2013/14 (figures in $000)

	MPI	Insurance Industry
Net Premium Earned	764,671	30,418,852
Total Expenses	127,149	9,538,609
Expense Ratio (Exp. / NPE)	**16.63%**	**31.36%**

MPI total expenses includes commissions, premium taxes, operating and regulatory/appeal expenses
Insurance industry total expenses includes commissions, taxes, other and general expenses

CMMG (MPI) 1-36

What is the amount of capital invested in buildings in the past 5 years and are assets disposed of when no longer required? How may assets are donated or disposed off at a loss in the past 5 years? Are assets handled through crown asset disposal?

RESPONSE:

Total capital invested in buildings in the last five years is $98,458,000
(Basic = $74,318,000).

Assets are disposed of when no longer required.

There was one asset donated or disposed of at a loss in the past five years.

The Corporation handles their own asset disposals; however, the Crown Lands & Property Agency is consulted when assets are disposed.

CMMG (MPI) 1-39

Does MPI receive any "perks" from its advertising? Jets tickets, Bomber tickets? And how much is spent on advertising in these sport venues? Does MPI contribute other events such as marathons, Junior Hockey, Goldeyes games, etc. that are not motor vehicle related?

RESPONSE:

Manitoba Public Insurance has sponsorship agreements for road safety advertising programs with various professional sports teams. These road safety advertising program agreements allow Manitoba Public Insurance to reach a specific target audience with road safety messaging during events.

Messaging is delivered through power ring advertising, score clock advertising, signage in arenas and stadiums, public address announcements and other means. Tickets to games or events are also part of what the Corporation receives in exchange for sponsorship. Where possible, tickets are distributed to community groups, charitable organizations or not-for-profit organizations as a means of supporting Manitoba's communities. Tickets are also provided to road safety partners such as school patrols, Operation Red Nose volunteers and Mothers Against Drunk Driving volunteers in recognition of their efforts to keep Manitoba's roads safe.

Total expenditures for all sponsorships have been provided in response to CAC (MPI) 1-60.

CMMG (MPI) 1-40

How much money has MPI spent on Police officer wages and overtime for traffic enforcement?

RESPONSE:

	2009/10	2010/11	2011/12	2012/13	2013/14
Enforcement Funding (Basic share)	$279,190	$305,271	$487,662	$562,174	$631,924

CMMG (MPI) 1-43

Does MPl provide funding to any other police department? Brandon? RCMP? Reserve Police? And is that included in the total? What other insurance company in Canada contributes to police wages for traffic enforcement?

RESPONSE:

The Corporation has provided funding for strategic enhanced enforcement initiatives to police agencies in Winnipeg, Brandon, Morden, Altona, Winkler, Ste. Anne, Rivers, Dakota Ojibway Tribal Council, and the RCMP. Participation may vary by enhanced enforcement initiative. Funding for all agencies is included in the totals provided in CMMG (MPI) 1-40.

Saskatchewan Government Insurance (SGI) and the Insurance Corporation of British Columbia (ICBC) both provide funding to support traffic enforcement initiatives. Information on other insurance companies is not readily available.

BW (MPI)

BW (MPI) 1-1

Preamble: In accordance with the scope of its intervention, Bike Winnipeg ("BW") wants to determine the trend in collisions that result in bodily injuries to cyclists, in comparison to other victim types.

Please complete the form for collisions from 2000-2014 YTD by victim type attached as Schedule “A".

RESPONSE:

Refer to CAC (MPI) 1-201.

BW (MPI) 1-2 **Reference: Volume 1, Pre-filed Testimony, p.3**

Preamble: In accordance with the scope of its intervention, BW requires information regarding MPI's understanding of the future development of road transportation in Manitoba and its inherent risk for collisions and injuries.

a) Please provide the total number of registered vehicles in Manitoba by general class, since the inception of no-fault in 1994.

b) Please provide any estimates of total traffic volume in Winnipeg.

c) Please provide any and all analysis, reports or studies regarding the change in risk for property loss and/or bodily injuries linked to the volume of traffic in Winnipeg.

RESPONSE:

a) Refer to the attachment.

b) The Corporation has not conducted such analysis; however, the City of Winnipeg has posted 2012 traffic flow maps on their website. A link to this data is provided for reference:

http://winnipeg.ca/publicworks/PDF/Transportation/Traffic-Flow-Map-2012.pdf.

c) No such report or analysis is currently available.

Registration Class	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	**2012**
Vehicle Class (Non-Commercial)																			
Passenger	555,912	536,565	491,518	492,729	488,974	496,295	502,987	511,300	469,420	476,834	483,274	487,158	491,363	499,078	509,856	516,185	521,894	529,406	**539,384**
Antique	96	55	32	37	54	58	68	73	83	79	71	74	80	82	84	77	95	103	**131**
Motorcycle/Moped	9,932	9,542	4,431	4,435	5,128	4,893	5,217	5,694	6,677	7,210	7,339	7,605	8,357	9,143	10,059	10,413	10,732	11,229	**12,329**
Truck	131,926	125,232	105,914	110,381	113,777	116,054	115,740	116,702	112,549	113,302	114,818	115,755	117,278	120,217	123,766	127,154	133,057	139,530	**145,405**
Farm Truck	63,367	65,526	51,220	51,041	48,725	47,912	46,726	46,263	48,971	48,370	47,650	46,512	45,083	44,477	44,073	43,746	43,517	42,942	**43,384**
Snow Vehicle	76	77	28	29	26	27	25	22	59	55	52	49	48	49	47	49	50	48	**46**
Trailer	94,005	107,375	68,930	70,535	69,491	72,175	73,334	76,633	85,986	88,375	92,396	97,684	103,840	111,630	120,891	127,080	134,358	143,249	**154,603**
Tractor (non-farm)	194	197	75	85	84	78	73	80	144	140	131	122	125	120	117	122	123	120	**117**
Subtotal	748,450	756,286	722,148	729,272	726,259	737,492	744,170	756,767	723,889	734,365	745,731	754,959	766,174	784,796	808,892	824,824	843,825	866,628	**895,400**
Commercial Vehicle Class																			
Truck	28,904	26,424	15,020	15,588	16,002	16,249	16,196	16,372	22,798	23,130	23,520	23,833	24,305	24,987	26,123	26,851	27,690	28,928	**30,391**
PSV – Truck	5,253	5,091	2,544	2,964	3,289	3,646	3,776	5,686	6,907	7,366	8,313	8,988	9,526	10,115	9,863	9,818	9,849	10,244	**10,934**
Dealer/Repairer	5,853	6,141	3,634	3,977	4,142	4,538	4,814	5,015	7,238	6,987	6,644	6,561	6,512	6,511	6,546	6,347	6,229	6,185	**6,178**
Taxi/Livery	840	866	843	1,077	803	763	833	840	747	735	756	764	772	769	778	834	854	871	**885**
PSV-Bus	161	148	23	20	19	64	71	71	139	135	132	135	134	143	146	155	161	150	**143**
Trailers	24,936	26,920	27,893	29,383	25,628	29,062	31,134	34,017	32,273	30,022	33,073	33,453	37,226	38,183	42,304	41,846	45,249	45,221	**49,389**
PSV-Trailers	20	18	12	14	23	26	30	35	44	57	57	54	58	56	51	57	57	57	**71**
Subtotal	65,967	65,608	49,969	53,023	49,906	54,348	56,854	62,036	70,146	68,432	72,495	73,788	78,533	80,764	85,811	85,909	90,089	91,655	**97,991**
Total Registrations																			
Total Registrations	814,417	821,894	772,117	782,295	776,165	791,840	801,024	818,803	794,035	802,797	818,226	828,747	844,707	865,560	894,703	910,732	933,914	958,283	**993,390**

NOTE:

1994 and 1995 extracted from 1997 Traffic Collision Statistics Report

1998 to 2001 extracted from 2001 Traffic Collision Statistics Report

2002 to 2012 extracted from 2012 Traffic Collision Statistics Report

BW (MPI) 1-3 **Reference: Volume 1, Pre-filed Testimony, p.19**

Preamble: In accordance with its scope of intervention, BW is concerned with the extent and effectiveness of MPI's Road safety initiatives.

Further, in his pre-filed testimony, Mr. Guimond proposed to move from discussing "road safety" to discussing "a comprehensive loss prevention strategy".(p.19)

a) Please advise of the strengths and benefits of this proposed move from "road safety" to "a comprehensive loss prevention strategy"?

b) Please advise as to how it would change the discussion about road safety.

c) Please advise what sort of change in primary loss prevention initiatives would be likely to result from an MPI comprehensive loss prevention strategy?

d) Please advise if cost reduction is the only criterion for achieving better results in road safety?

e) Please advise if in addition to cost reduction MPI also has a legal responsibility and to effectively promote changes that will reduce the number of deaths and serious injuries on Manitoba roads? If so, how does MPI meet these responsibilities and obligations?

RESPONSE:

a) Refer to CAC (MPI) 1-186.

b) Refer to CAC (MPI) 1-186.

c) Details of the comprehensive loss prevention strategy are under consideration at this time and will be addressed in more detail with the 2016/17 GRA.

d) No.

e) The Corporation's legal responsibilities with respect to road safety are governed by legislation as addressed in Volume I Road Safety, section SM.3.1.

BW (MPI) 1-4 **Reference:** **Volume 1, Pre-filed Testimony, PowerPoint, p.32**

Preamble: MPI's Contribution to Manitoba's Economic Landscape" notes that $495.5 million for physical damages, 145.9 million for injury claims plus 26.3 million for Manitoba Health (total injury = $172.2 million (25.8% of total)

Please provide a detailed yearly break-out of the amounts provided for physical damage, injury claims and Manitoba Health from 1994 to 2014YTD.

RESPONSE:

The amounts incurred by the Corporation for physical damage claims, injury claims, and Manitoba Health payments are provided in detail in the Claims Incurred section of the 2015 Rate Application (Volume II). For example, CI.5, page 35 provides the ultimate claims incurred for Basic collision coverage by year from 2004/05 to 2013/14, while Claim Incurred (CI) Exhibit 5 provides a more detailed history on Basic collision payments and claims incurred from 1994/95 to 2013/14. There are similar exhibits for all other Basic coverages in the Claims Incurred section.

Section CI.8.2 of the 2015 Rate Application provides a five year history of the payments made by the Corporation to Manitoba Health.

BW (MPI) 1-5 Reference: Road Safety - SM.3, p.9

Preamble: MPI stated: "With respect to evaluation of road safety programs and campaigns, it remains very difficult to attribute specific road safety initiatives directly to reductions in claims and claims costs due to the complexity of road safety issues. Many confounding variables or factors ultimately influence collision frequency and severity. There is also the inability to measure collisions that "do not occur" as a result of successfully influencing road user behavior."

a) Is the change in collisions in Manitoba difficult to measure because the programs are too small to make a measureable difference?

b) Please advise what tests or other metrics have MPI's statistical analysts run to determine whether there is likely to have been an impact on road behaviour and collisions from any one of your programs?

c) Which methodologies, programs, analyses and/or metrics has MPI explored and/or considered that have been successfully used to track changes in road behaviour in other jurisdictions?

RESPONSE:

a) Changes in collision frequency and severity are not difficult to measure. What is difficult to measure, for the reasons stated in Volume I Road Safety, section SM.3.3, is the extent to which specific road safety programs and initiatives can be directly attributed to reductions in collisions, claims and claims costs.

b) Examples of the evaluation methods used to assess road safety program effectiveness are addressed in Volume I Road Safety, section SM.3.3. Copies of previous program summary reports were provided in last year’s GRA. 2013 program summary reports for Road Watch and Distracted Driving were also filed as Attachments D and E to Volume I SM.3 Road Safety of this year’s GRA.

c) Refer to response to (b).

BW (MPI) 1-6 Reference: Road Safety - SM.3, p.9

a) Please Identify and explain MPI programs and campaigns aimed to influence driver behaviour towards cyclists.

b) Please specify the particular documents, ads, press releases or other MPI data aimed at changing driver behaviour towards cyclists.

c) Please provide any research or examples of ads from other jurisdictions that directed ads aimed at drivers about their behaviour towards cyclists or other vulnerable road users which MPI has examined, considered or used in Manitoba.

RESPONSE:

a) Please refer to the following table:

Program / Campaign	**Audience**	
I-Cycle Safely	Young cyclists	Website and print-based materials and community-based Bike Rodeo Events targeted to pre-school and elementary school aged cyclists
Bike Safely	Older Youth and Adult Cyclists	Website and print-based materials and presentations targeted to older youth and adult recreational and commuter cyclists
Cycling Champion Training	Drivers and cyclists	In-class and practical on-road cycling safety skills offered free of charge and delivered by certified Can-Bike instructors in partnership with Bike Winnipeg
High School Driver Education Program	New teen drivers	Extensive information on cycling safety and sharing the road safely. Information updated in 2013 specific to motor vehicle

		and cyclists interactions
Provincial Driver's Handbook	All new drivers	Extensive information on cycling safety and sharing the road safely. Information updated in 2013 specific to motor vehicle and cyclists interactions
"Share the Road" campaign	Drivers and cyclists	Full-scale awareness campaign featuring news releases, printed and electronic materials, 60-second driver segment, and advertisements on Winnipeg Transit and radio stations (June 2013 and June 2014)
60 Second Driver: "Cars and cyclists"	Drivers and cyclists	Aired on CTV and available at www.mpi.mb.ca
Presentations to community groups	New / experienced drivers and cyclists	Examples include Smart Start Program and Newcomers Employment and Education Development Services (NEEDS)
Information booths at community events	Drivers and cyclists	• "Try our Cycling Challenge" spinning wheel for drivers and cyclists • Helmet fitting displays
Winnipeg Free Press Driving Tips	Drivers and cyclists	Traffic tips featured in the Winnipeg Free Press.
Brian Barkley Traffic Tips	Drivers and cyclists	Traffic tips on CJOB and Power 97

b) See response to (a).

c) The requested information from other jurisdictions is not readily available.

BW (MPI) 1-7 Reference: Road Safety - SM.3, p.10

Preamble: MPI stated: "The Corporation's practices are consistent with other public insurers including the insurance Corporation of British Columbia and Saskatchewan Government Insurance (SGI).

a) Is MPI aware of other public insurers in Canada who have successful road safety programs?

b) Please specify and demonstrate how MPI's practices are consistent with other public insurers.

c) Please file all statistically significant reports provided by other public insurers demonstrating the impact of their programs on driver behaviour.

RESPONSE:

a) The other public insurer in Canada is the SAAQ in Quebec and information on their road safety evaluation practices is not readily available.

b) The provided reference was in relation to methods used to assess the effectiveness of road safety programs and initiatives. To this end, the Corporation is aware that ICBC and SGI both evaluate the effectiveness of individual road safety programs by measuring factors such as reach to target audience, message recall, and self-reported influences in driving behaviour as a result of messaging received.

c) No such reports are provided from SGI. Information on ICBC road safety programs have been filed with the BC regulator and are; therefore, a matter of public record.

BW (MPI) 1-8 **Reference: Volume 2, Expenses, Appendix 6, p.34**

Preamble: Basic's Share - "Vulnerable Road User Education Strategies"

a) Please outline the plans, projects, outputs and outcome measures for this category of expenditures.

b) Please identify the intended target (driver, motorcycle driver, cyclist, pedestrian) for behavioural change for each strategy.

RESPONSE:

a) This category includes expenditures for program delivery, sponsorship support, advertising, and evaluation related to cycling, pedestrian, Mini-cartown and off-road vehicle safety. Program delivery includes funding for the Manitoba School Patrol program, Cycling Champion Training, and Mini-cartown. Sponsorship support includes costs of promotional items to relay relevant safety messages.

   Current ouputs and outcome measures to assess program effectiveness are addressed in Volume I Road Safety, section SM.3.3. It is anticipated that completion and implementation of the road safety research and analytical frameworks will provide additional evaluation outcomes that may be useful in assessing the effectiveness of road safety portfolios and programs.

b) The Manitoba School Patrol program targets pedestrians and drivers. Cycling Champion training targets both cyclists and motorists. Mini-cartown provides early introduction to road rules, pedestrian and cycling safety. Cycling advertising targets motorists and cyclists. Promotional items are aimed at making pedestrians and cyclists more visible to motorists.

BW (MPI) 1-9

Reference: Volume 2 – Claims Incurred
– Appendix D Statistics by Injury Type, p.1

Preamble: In accordance with its scope of intervention, BW is concerned about the number of injury claims and physical severity (ICD10) of injury of cyclists in comparison to other victim types who are external to a motor vehicle ("vulnerable road users").

Please provide the chart in Volume 2, Appendix D – Claims Incurred regarding PIPP Claims Statistics by Injury Type (ICD10) for number of claims, $ Incurred, and Severity ($) with clear distinction of victim type by vulnerable road users, for each year from 2010 to 2014YTD.

RESPONSE:

Refer to response to CAC (MPI) 1-198.

BW (MPI) 1-10 **Reference: Traffic Collision Statistics Report 2012**

Preamble: In accordance with its scope of intervention, BW is concerned about MPI's collection, analysis and reporting of contributing factors when the victim is a cyclist, and in comparison, other vulnerable road user.

a) Please refer to Table 9-7 of the 2012 Traffic Collision Statistics Report, titled "Historical Summary of Contributing Factors Recorded for Victims of Collisions". Please list the contributing factor and total victims by year, but with clear distinction of the victims by vulnerable road user type or unknown.

b) With reference to Table 9-9 of the 2012 Traffic Collision Statistics Report, titled "Summary of Speed, Distracted, and Impaired as Contributing Factors". Relying on MPI’s data and information on hand, please create this table for involvement of cyclists in collisions, cyclists as fatal or injury victims, and driver involvement ratio for cycling collisions or cyclist victims.

RESPONSE:

a) Refer to attachments 1 to 4.

b) Refer to attachment.

Summary of Contributing Factors for BICYCLIST Victims (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
Driver Action - Driving Properly and Human Condition - Apparently Normal	141	48.8%	116	48.9%	82	37.1%	131	49.1%	102	52.0%	50	69.4%
Driver Action - Driving properly	**12**	**4.2%**	**18**	**7.6%**	**18**	**8.1%**	**29**	**10.9%**	**11**	**5.6%**	**7**	**9.7%**
Any At-fault Driver Action	**87**	**30.1%**	**70**	**29.5%**	**59**	**26.7%**	**75**	**28.1%**	**66**	**33.7%**	**26**	**36.1%**
Following too closely	1	0.3%	1	0.4%	0	-	2	0.7%	0	-	**0**	**-**
Turning improperly	4	1.4%	6	2.5%	4	1.8%	4	1.5%	6	3.1%	**8**	**11.1%**
Passing improperly	0	-	1	0.4%	3	1.4%	0	-	1	0.5%	**2**	**2.8%**
Changing lanes improperly	3	1.0%	1	0.4%	2	0.9%	1	0.4%	1	0.5%	**0**	**-**
Fail to yield right-of-way	22	7.6%	14	5.9%	20	9.0%	14	5.2%	18	9.2%	**10**	**13.9%**
Disobey traffic control device/officer	15	5.2%	11	4.6%	2	0.9%	6	2.2%	7	3.6%	**0**	**-**
Drive wrong way on roadway	5	1.7%	5	2.1%	2	0.9%	7	2.6%	2	1.0%	**0**	**-**
Passing a vehicle at pedestrian X-walk	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Back unsafely	0	-	1	0.4%	3	1.4%	2	0.7%	0	-	**0**	**-**
Parking improperly	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Lost control/Drive off road	1	0.3%	2	0.8%	0	-	4	1.5%	1	0.5%	**0**	**-**
Driverless vehicle ran out of control	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Leave stop sign before safe to do so	8	2.8%	3	1.3%	1	0.5%	5	1.9%	2	1.0%	**1**	**1.4%**
Failed to signal	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Take avoiding action	1	0.3%	1	0.4%	1	0.5%	2	0.7%	3	1.5%	**0**	**-**
Driver inexperience	5	1.7%	8	3.4%	4	1.8%	4	1.5%	2	1.0%	**0**	**-**
Pedestrian error/confusion	19	6.6%	12	5.1%	16	7.2%	19	7.1%	24	12.2%	**3**	**4.2%**
NET Speed	5	1.7%	4	1.7%	4	1.8%	5	1.9%	1	0.5%	**3**	**4.2%**
Exceeding speed limit	0	-	0	-	1	0.5%	0	-	0	-	**0**	**-**
Driving too fast for conditions	0	-	4	1.7%	2	0.9%	2	0.7%	0	-	**2**	**2.8%**
Unsafe operating speed (Too fast or too slow)	5	1.7%	0	-	1	0.5%	3	1.1%	1	0.5%	**1**	**1.4%**
NET Distracted driving	31	10.7%	25	10.5%	27	12.2%	28	10.5%	14	7.1%	**7**	**9.7%**
Careless Driving	8	2.8%	9	3.8%	5	2.3%	9	3.4%	7	3.6%	**6**	**8.3%**
Distraction/Inattention	26	9.0%	17	7.2%	22	10.0%	21	7.9%	7	3.6%	**1**	**1.4%**
Human Condition - Apparently Normal	**75**	**26.0%**	**67**	**28.3%**	**55**	**24.9%**	**63**	**23.6%**	**40**	**20.4%**	**13**	**18.1%**
Any At-fault Human Condition	**34**	**11.8%**	**22**	**9.3%**	**27**	**12.2%**	**25**	**9.4%**	**7**	**3.6%**	**2**	**2.8%**
Loss of consciousness/Blackout prior to collision	1	0.3%	0	-	0	-	0	-	0	-	**0**	**-**
Extreme fatigue/Fell asleep	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective eyesight	0	-	1	0.4%	0	-	0	-	0	-	**0**	**-**
Defective hearing	0	-	2	0.8%	0	-	1	0.4%	0	-	**0**	**-**
Medical disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Physical disability	1	0.3%	0	-	1	0.5%	0	-	0	-	**0**	**-**
Mental disability	0	-	1	0.4%	0	-	2	0.7%	0	-	**0**	**-**
Mental confusion/Inability to remember	1	0.3%	0	-	0	-	0	-	0	-	**0**	**-**
Sudden illness	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Exceed hours of service (commercial drivers only)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
NET Impaired	5	1.7%	2	0.8%	4	1.8%	2	0.7%	0	-	**1**	**1.4%**
Ability impaired alcohol	1	0.3%	2	0.8%	2	0.9%	1	0.4%	0	-	**1**	**1.4%**
Ability impaired drugs	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Had been drinking/Suspected alcohol use	4	1.4%	0	-	2	0.9%	1	0.4%	0	-	**0**	**-**

Manitoba Public Insurance

Summary of Contributing Factors for BICYCLIST Victims (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
No Apparent (Vehicle) Defect	**171**	**59.2%**	**137**	**57.8%**	**104**	**47.1%**	**146**	**54.7%**	**116**	**59.2%**	**54**	**75.0%**
Any At-fault Vehicle Defect	**2**	**0.7%**	**3**	**1.3%**	**0**	**-**	**2**	**0.7%**	**1**	**0.5%**	**0**	**-**
Defective brakes	1	0.3%	2	0.8%	0	-	1	0.4%	1	0.5%	**0**	**-**
Defective steering	0	-	1	0.4%	0	-	0	-	0	-	**0**	**-**
Defective headlights	1	0.3%	0	-	0	-	0	-	0	-	**0**	**-**
Defective brake lights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective lighting (unspecified)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective engine controls/drive train	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective suspension/wheels	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Tow hitch/yoke defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective exhaust system	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hood/tailgate/door/covering opened	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective glazing (obscured windows)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Vehicle modifications	0	-	0	-	0	-	1	0.4%	0	-	**0**	**-**
Fire	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Overloaded/oversized	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Load shifted/spilled	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Jack-knife/trailer swing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hydroplaning tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Any At-fault Environmental Condition	**14**	**4.8%**	**8**	**3.4%**	**8**	**3.6%**	**7**	**2.6%**	**2**	**1.0%**	**5**	**6.9%**
Animal action - Wild	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Animal action - Domestic	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Slippery road surface	0	-	2	0.8%	0	-	0	-	1	0.5%	**0**	**-**
Snow drift	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Obstruction/debris on roadway	1	0.3%	1	0.4%	0	-	0	-	0	-	**0**	**-**
View obstructed/limited	6	2.1%	1	0.4%	5	2.3%	5	1.9%	1	0.5%	**2**	**2.8%**
Glare/reflection	6	2.1%	1	0.4%	1	0.5%	0	-	0	-	**0**	**-**
Construction zone	1	0.3%	0	-	0	-	0	-	0	-	**0**	**-**
Defective driving surface	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Shoulders defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Lane markings inadequate	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective/inoperative traffic control device	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Weather	0	-	0	-	0	-	2	0.7%	0	-	**1**	**1.4%**
Pedestrian corridor in use	0	-	1	0.4%	3	1.4%	0	-	0	-	**1**	**1.4%**
Uninvolved vehicle	1	0.3%	0	-	0	-	0	-	0	-	**0**	**-**
Uninvolved pedestrian	0	-	2	0.8%	0	-	0	-	0	-	**1**	**1.4%**
Presence of prior accident	0	-	0	-	0	-	0	-	0	-	**0**	**-**
No Contributing Factor(s) Identified	**173**	**59.9%**	**131**	**55.3%**	**140**	**63.3%**	**144**	**53.9%**	**121**	**61.7%**	**27**	**37.5%**
Not Applicable/Not Stated	**0**	**-**	**0**	**-**	**1**	**0.5%**	**0**	**-**	**2**	**1.0%**	**0**	**-**
Total	**289**	**100%**	**237**	**100%**	**221**	**100%**	**267**	**100%**	**196**	**100%**	**72**	**100%**

*NOTE: For each vehicle and/or driver involved in a collision, up to three contributing factors can be recorded. Because multiple factors can be noted, the counts and percentages under each year will add to more than the total victims for that year.

Summary of Contributing Factors for PEDESTRIAN Victims (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
Driver Action - Driving Properly and Human Condition - Apparently Normal	146	32.8%	134	30.6%	105	28.5%	144	36.1%	101	29.7%	**45**	**25.6%**
Driver Action - Driving properly	**15**	**3.4%**	**21**	**4.8%**	**19**	**5.2%**	**19**	**4.8%**	**10**	**2.9%**	**9**	**5.1%**
Any At-fault Driver Action	**150**	**33.7%**	**147**	**33.6%**	**110**	**29.9%**	**116**	**29.1%**	**76**	**22.4%**	**69**	**39.2%**
Following too closely	0	-	0	-	1	0.3%	0	-	0	-	**0**	**-**
Turning improperly	5	1.1%	3	0.7%	5	1.4%	7	1.8%	3	0.9%	**10**	**5.7%**
Passing improperly	3	0.7%	0	-	0	-	2	0.5%	0	-	**0**	**-**
Changing lanes improperly	1	0.2%	0	-	0	-	0	-	0	-	**1**	**0.6%**
Fail to yield right-of-way	32	7.2%	35	8.0%	17	4.6%	29	7.3%	24	7.1%	**22**	**12.5%**
Disobey traffic control device/officer	4	0.9%	10	2.3%	2	0.5%	5	1.3%	2	0.6%	**6**	**3.4%**
Drive wrong way on roadway	1	0.2%	0	-	0	-	0	-	1	0.3%	**0**	**-**
Passing a vehicle at pedestrian X-walk	1	0.2%	3	0.7%	3	0.8%	1	0.3%	1	0.3%	**2**	**1.1%**
Back unsafely	5	1.1%	2	0.5%	3	0.8%	2	0.5%	1	0.3%	**8**	**4.5%**
Parking improperly	1	0.2%	2	0.5%	0	-	0	-	0	-	**0**	**-**
Lost control/Drive off road	3	0.7%	1	0.2%	1	0.3%	0	-	0	-	**2**	**1.1%**
Driverless vehicle ran out of control	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Leave stop sign before safe to do so	2	0.4%	4	0.9%	1	0.3%	2	0.5%	1	0.3%	**2**	**1.1%**
Failed to signal	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Take avoiding action	6	1.3%	4	0.9%	2	0.5%	3	0.8%	1	0.3%	**5**	**2.8%**
Driver inexperience	2	0.4%	4	0.9%	3	0.8%	2	0.5%	1	0.3%	**0**	**-**
Pedestrian error/confusion	82	18.4%	71	16.2%	66	17.9%	55	13.8%	35	10.3%	**17**	**9.7%**
NET Speed	8	1.8%	9	2.1%	4	1.1%	7	1.8%	1	0.3%	**2**	**1.1%**
Exceeding speed limit	0	-	2	0.5%	1	0.3%	2	0.5%	0	-	**0**	**-**
Driving too fast for conditions	7	1.6%	7	1.6%	2	0.5%	7	1.8%	1	0.3%	**2**	**1.1%**
Unsafe operating speed (Too fast or too slow)	1	0.2%	0	-	2	0.5%	0	-	0	-	**0**	**-**
NET Distracted driving	56	12.6%	49	11.2%	33	9.0%	52	13.0%	30	8.8%	**25**	**14.2%**
Careless Driving	5	1.1%	12	2.7%	7	1.9%	6	1.5%	8	2.4%	**22**	**12.5%**
Distraction/Inattention	51	11.5%	38	8.7%	26	7.1%	47	11.8%	24	7.1%	**5**	**2.8%**
Human Condition - Apparently Normal	**106**	**23.8%**	**117**	**26.7%**	**104**	**28.3%**	**98**	**24.6%**	**57**	**16.8%**	**61**	**34.7%**
Any At-fault Human Condition	**88**	**19.8%**	**75**	**17.1%**	**55**	**14.9%**	**70**	**17.5%**	**41**	**12.1%**	**8**	**4.5%**
Loss of consciousness/Blackout prior to collision	2	0.4%	2	0.5%	2	0.5%	0	-	0	-	**0**	**-**
Extreme fatigue/Fell asleep	0	-	1	0.2%	0	-	0	-	1	0.3%	**0**	**-**
Defective eyesight	2	0.4%	0	-	1	0.3%	0	-	0	-	**0**	**-**
Defective hearing	0	-	1	0.2%	0	-	0	-	1	0.3%	**0**	**-**
Medical disability	2	0.4%	0	-	0	-	0	-	0	-	**0**	**-**
Physical disability	1	0.2%	0	-	2	0.5%	1	0.3%	0	-	**0**	**-**
Mental disability	2	0.4%	8	1.8%	0	-	1	0.3%	4	1.2%	**0**	**-**
Mental confusion/Inability to remember	1	0.2%	1	0.2%	1	0.3%	1	0.3%	1	0.3%	**0**	**-**
Sudden illness	2	0.4%	0	-	0	-	0	-	0	-	**0**	**-**
Exceed hours of service (commercial drivers only)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
NET Impaired	30	6.7%	28	6.4%	25	6.8%	22	5.5%	14	4.1%	**3**	**1.7%**
Ability impaired alcohol	18	4.0%	17	3.9%	11	3.0%	14	3.5%	10	2.9%	**2**	**1.1%**
Ability impaired drugs	1	0.2%	0	-	0	-	1	0.3%	0	-	**0**	**-**
Had been drinking/Suspected alcohol use	13	2.9%	11	2.5%	14	3.8%	8	2.0%	4	1.2%	**1**	**0.6%**

Summary of Contributing Factors for PEDESTRIAN Victims (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
No Apparent (Vehicle) Defect	**221**	**49.7%**	**212**	**48.4%**	**148**	**40.2%**	**189**	**47.4%**	**134**	**39.4%**	**60**	**34.1%**
Any At-fault Vehicle Defect	**2**	**0.4%**	**0**	**-**	**2**	**0.5%**	**2**	**0.5%**	**0**	**-**	**0**	**-**
Defective brakes	0	-	0	-	0	-	1	0.3%	0	-	**0**	**-**
Defective steering	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective headlights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective brake lights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective lighting (unspecified)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective engine controls/drive train	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective suspension/wheels	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Tow hitch/yoke defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective exhaust system	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hood/tailgate/door/covering opened	0	-	0	-	0	-	1	0.3%	0	-	**0**	**-**
Defective glazing (obscured windows)	0	-	0	-	2	0.5%	0	-	0	-	**0**	**-**
Vehicle modifications	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Fire	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Overloaded/oversized	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Load shifted/spilled	2	0.4%	0	-	0	-	0	-	0	-	**0**	**-**
Jack-knife/trailer swing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hydroplaning tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Any At-fault Environmental Condition	**38**	**8.5%**	**39**	**8.9%**	**33**	**9.0%**	**26**	**6.5%**	**27**	**7.9%**	**24**	**13.6%**
Animal action - Wild	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Animal action - Domestic	0	-	0	-	0	-	0	-	1	0.3%	**0**	**-**
Slippery road surface	12	2.7%	13	3.0%	11	3.0%	6	1.5%	7	2.1%	**3**	**1.7%**
Snow drift	0	-	1	0.2%	0	-	0	-	0	-	**0**	**-**
Obstruction/debris on roadway	0	-	0	-	0	-	0	-	0	-	**0**	**-**
View obstructed/limited	8	1.8%	5	1.1%	4	1.1%	6	1.5%	3	0.9%	**6**	**3.4%**
Glare/reflection	2	0.4%	7	1.6%	4	1.1%	4	1.0%	7	2.1%	**3**	**1.7%**
Construction zone	1	0.2%	1	0.2%	0	-	0	-	0	-	**0**	**-**
Defective driving surface	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Shoulders defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Lane markings inadequate	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective/inoperative traffic control device	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Weather	6	1.3%	3	0.7%	3	0.8%	3	0.8%	3	0.9%	**3**	**1.7%**
Pedestrian corridor in use	9	2.0%	10	2.3%	10	2.7%	5	1.3%	7	2.1%	**10**	**5.7%**
Uninvolved vehicle	1	0.2%	0	-	1	0.3%	0	-	0	-	**1**	**0.6%**
Uninvolved pedestrian	1	0.2%	0	-	2	0.5%	2	0.5%	1	0.3%	**1**	**0.6%**
Presence of prior accident	0	-	0	-	0	-	0	-	0	-	**0**	**-**
No Contributing Factor(s) Identified	**326**	**73.3%**	**337**	**76.9%**	**279**	**75.8%**	**294**	**73.7%**	**287**	**84.4%**	**119**	**67.6%**
Not Applicable/Not Stated	**0**	**-**	**0**	**-**	**1**	**0.3%**	**0**	**-**	**9**	**2.6%**	**0**	**-**
Total	**445**	**100%**	**438**	**100%**	**368**	**100%**	**399**	**100%**	**340**	**100%**	**176**	**100%**

*NOTE: For each vehicle and/or driver involved in a collision, up to three contributing factors can be recorded. Because multiple factors can be noted, the counts and percentages under each year will add to more than the total victims for that year.

Summary of Contributing Factors for MOTORCYCLIST AND MOPED RIDER Victims (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
Driver Action - Driving Properly and Human Condition - Apparently Normal	61	42.1%	59	40.4%	50	41.0%	63	50.0%	55	42.3%	**78**	**65.0%**
Driver Action - Driving properly	**7**	**4.8%**	**13**	**8.9%**	**13**	**10.7%**	**13**	**10.3%**	**5**	**3.8%**	**1**	**0.8%**
Any At-fault Driver Action	**53**	**36.6%**	**59**	**40.4%**	**44**	**36.1%**	**49**	**38.9%**	**44**	**33.8%**	**54**	**45.0%**
Following too closely	1	0.7%	3	2.1%	1	0.8%	5	4.0%	4	3.1%	**4**	**3.3%**
Turning improperly	3	2.1%	6	4.1%	3	2.5%	4	3.2%	3	2.3%	**3**	**2.5%**
Passing improperly	3	2.1%	0	-	1	0.8%	2	1.6%	3	2.3%	**1**	**0.8%**
Changing lanes improperly	4	2.8%	3	2.1%	4	3.3%	1	0.8%	2	1.5%	**10**	**8.3%**
Fail to yield right-of-way	13	9.0%	8	5.5%	8	6.6%	7	5.6%	2	1.5%	**10**	**8.3%**
Disobey traffic control device/officer	0	-	1	0.7%	1	0.8%	4	3.2%	3	2.3%	**0**	**-**
Drive wrong way on roadway	0	-	1	0.7%	0	-	0	-	0	-	**0**	**-**
Passing a vehicle at pedestrian X-walk	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Back unsafely	0	-	0	-	0	-	0	-	1	0.8%	**1**	**0.8%**
Parking improperly	0	-	0	-	0	-	0	-	1	0.8%	**0**	**-**
Lost control/Drive off road	8	5.5%	10	6.8%	12	9.8%	10	7.9%	7	5.4%	**8**	**6.7%**
Driverless vehicle ran out of control	0	-	0	-	0	-	0	-	0	-	**1**	**0.8%**
Leave stop sign before safe to do so	3	2.1%	2	1.4%	3	2.5%	2	1.6%	2	1.5%	**3**	**2.5%**
Failed to signal	0	-	0	-	2	1.6%	0	-	0	-	**0**	**-**
Take avoiding action	1	0.7%	6	4.1%	5	4.1%	3	2.4%	2	1.5%	**2**	**1.7%**
Driver inexperience	7	4.8%	7	4.8%	6	4.9%	3	2.4%	3	2.3%	**2**	**1.7%**
Pedestrian error/confusion	0	-	1	0.7%	0	-	1	0.8%	0	-	**0**	**-**
NET Speed	14	9.7%	10	6.8%	9	7.4%	5	4.0%	7	5.4%	**5**	**4.2%**
Exceeding speed limit	4	2.8%	2	1.4%	3	2.5%	1	0.8%	1	0.8%	**0**	**-**
Driving too fast for conditions	8	5.5%	3	2.1%	1	0.8%	2	1.6%	5	3.8%	**4**	**3.3%**
Unsafe operating speed (Too fast or too slow)	3	2.1%	6	4.1%	7	5.7%	2	1.6%	1	0.8%	**1**	**0.8%**
NET Distracted driving	13	9.0%	18	12.3%	10	8.2%	10	7.9%	8	6.2%	**9**	**7.5%**
Careless Driving	3	2.1%	13	8.9%	6	4.9%	6	4.8%	7	5.4%	**6**	**5.0%**
Distraction/Inattention	10	6.9%	7	4.8%	6	4.9%	4	3.2%	1	0.8%	**3**	**2.5%**
Human Condition - Apparently Normal	**44**	**30.3%**	**41**	**28.1%**	**23**	**18.9%**	**34**	**27.0%**	**26**	**20.0%**	**21**	**17.5%**
Any At-fault Human Condition	**17**	**11.7%**	**13**	**8.9%**	**8**	**6.6%**	**5**	**4.0%**	**3**	**2.3%**	**6**	**5.0%**
Loss of consciousness/Blackout prior to collision	1	0.7%	0	-	0	-	0	-	0	-	**0**	**-**
Extreme fatigue/Fell asleep	0	-	1	0.7%	0	-	0	-	0	-	**0**	**-**
Defective eyesight	2	1.4%	0	-	0	-	0	-	0	-	**0**	**-**
Defective hearing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Medical disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Physical disability	1	0.7%	0	-	1	0.8%	1	0.8%	0	-	**0**	**-**
Mental disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Mental confusion/Inability to remember	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Sudden illness	0	-	0	-	0	-	0	-	2	1.5%	**0**	**-**
Exceed hours of service (commercial drivers only)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
NET Impaired	3	2.1%	5	3.4%	1	0.8%	1	0.8%	0	-	**4**	**3.3%**
Ability impaired alcohol	2	1.4%	3	2.1%	1	0.8%	0	-	0	-	**3**	**2.5%**
Ability impaired drugs	0	-	1	0.7%	0	-	0	-	0	-	**0**	**-**
Had been drinking/Suspected alcohol use	1	0.7%	2	1.4%	0	-	1	0.8%	0	-	**1**	**0.8%**

Summary of Contributing Factors for MOTORCYCLIST AND MOPED RIDER Victims (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
No Apparent (Vehicle) Defect	**79**	**54.5%**	**84**	**57.5%**	**55**	**45.1%**	**77**	**61.1%**	**55**	**42.3%**	**81**	**67.5%**
Any At-fault Vehicle Defect	**4**	**2.8%**	**2**	**1.4%**	**1**	**0.8%**	**3**	**2.4%**	**3**	**2.3%**	**0**	**-**
Defective brakes	1	0.7%	2	1.4%	0	-	1	0.8%	0	-	**0**	**-**
Defective steering	0	-	0	-	0	-	0	-	1	0.8%	**0**	**-**
Defective headlights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective brake lights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective lighting (unspecified)	1	0.7%	0	-	0	-	1	0.8%	2	1.5%	**0**	**-**
Defective engine controls/drive train	1	0.7%	0	-	0	-	1	0.8%	0	-	**0**	**-**
Defective suspension/wheels	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective tires	0	-	0	-	1	0.8%	0	-	0	-	**0**	**-**
Tow hitch/yoke defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective exhaust system	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hood/tailgate/door/covering opened	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective glazing (obscured windows)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Vehicle modifications	1	0.7%	0	-	0	-	0	-	0	-	**0**	**-**
Fire	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Overloaded/oversized	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Load shifted/spilled	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Jack-knife/trailer swing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hydroplaning tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Any At-fault Environmental Condition	**33**	**22.8%**	**24**	**16.4%**	**26**	**21.3%**	**22**	**17.5%**	**24**	**18.5%**	**8**	**6.7%**
Animal action - Wild	16	11.0%	15	10.3%	6	4.9%	13	10.3%	8	6.2%	**6**	**5.0%**
Animal action - Domestic	1	0.7%	2	1.4%	2	1.6%	0	-	0	-	**0**	**-**
Slippery road surface	2	1.4%	2	1.4%	4	3.3%	1	0.8%	6	4.6%	**0**	**-**
Snow drift	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Obstruction/debris on roadway	4	2.8%	2	1.4%	1	0.8%	3	2.4%	2	1.5%	**0**	**-**
View obstructed/limited	1	0.7%	0	-	1	0.8%	3	2.4%	0	-	**0**	**-**
Glare/reflection	0	-	1	0.7%	2	1.6%	0	-	0	-	**0**	**-**
Construction zone	3	2.1%	0	-	2	1.6%	0	-	0	-	**0**	**-**
Defective driving surface	1	0.7%	2	1.4%	6	4.9%	2	1.6%	6	4.6%	**1**	**0.8%**
Shoulders defective	0	-	0	-	1	0.8%	1	0.8%	2	1.5%	**0**	**-**
Lane markings inadequate	1	0.7%	0	-	0	-	0	-	0	-	**0**	**-**
Defective/inoperative traffic control device	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Weather	3	2.1%	0	-	2	1.6%	0	-	1	0.8%	**1**	**0.8%**
Pedestrian corridor in use	0	-	0	-	1	0.8%	0	-	0	-	**0**	**-**
Uninvolved vehicle	1	0.7%	1	0.7%	1	0.8%	0	-	0	-	**0**	**-**
Uninvolved pedestrian	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Presence of prior accident	0	-	0	-	0	-	0	-	0	-	**0**	**-**
No Contributing Factor(s) Identified	**39**	**26.9%**	**45**	**30.8%**	**35**	**28.7%**	**30**	**23.8%**	**45**	**34.6%**	**18**	**15.0%**
Not Applicable/Not Stated	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**2**	**1.5%**	**0**	**-**
Total	**145**	**100%**	**146**	**100%**	**122**	**100%**	**126**	**100%**	**130**	**100%**	**120**	**100%**

*NOTE: For each vehicle and/or driver involved in a collision, up to three contributing factors can be recorded. Because multiple factors can be noted, the counts and percentages under each year will add to more than the total victims for that year.

Summary of Contributing Factors for UNKNOWN Victims (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
Driver Action - Driving Properly and Human Condition - Apparently Normal	0	-	0	-	0	-	0	-	23	85.2%	**13**	**48.1%**
Driver Action - Driving properly	**0**	**-**	**0**	**-**	**1**	**100.0%**	**0**	**-**	**0**	**-**	**2**	**7.4%**
Any At-fault Driver Action	**1**	**50.0%**	**0**	**-**	**0**	**-**	**0**	**-**	**21**	**77.8%**	**18**	**66.7%**
Following too closely	0	-	0	-	0	-	0	-	6	22.2%	**2**	**7.4%**
Turning improperly	0	-	0	-	0	-	0	-	3	11.1%	**0**	**-**
Passing improperly	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Changing lanes improperly	0	-	0	-	0	-	0	-	1	3.7%	**0**	**-**
Fail to yield right-of-way	0	-	0	-	0	-	0	-	2	7.4%	**1**	**3.7%**
Disobey traffic control device/officer	1	50.0%	0	-	0	-	0	-	1	3.7%	**0**	**-**
Drive wrong way on roadway	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Passing a vehicle at pedestrian X-walk	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Back unsafely	0	-	0	-	0	-	0	-	0	-	**2**	**7.4%**
Parking improperly	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Lost control/Drive off road	0	-	0	-	0	-	0	-	1	3.7%	**3**	**11.1%**
Driverless vehicle ran out of control	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Leave stop sign before safe to do so	0	-	0	-	0	-	0	-	4	14.8%	**0**	**-**
Failed to signal	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Take avoiding action	0	-	0	-	0	-	0	-	0	-	**1**	**3.7%**
Driver inexperience	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Pedestrian error/confusion	0	-	0	-	0	-	0	-	0	-	**0**	**-**
NET Speed	0	-	0	-	0	-	0	-	3	11.1%	**5**	**18.5%**
Exceeding speed limit	0	-	0	-	0	-	0	-	0	-	**2**	**7.4%**
Driving too fast for conditions	0	-	0	-	0	-	0	-	2	7.4%	**2**	**7.4%**
Unsafe operating speed (Too fast or too slow)	0	-	0	-	0	-	0	-	1	3.7%	**1**	**3.7%**
NET Distracted driving	1	50.0%	0	-	0	-	0	-	5	18.5%	**7**	**25.9%**
Careless Driving	0	-	0	-	0	-	0	-	2	7.4%	**6**	**22.2%**
Distraction/Inattention	1	50.0%	0	-	0	-	0	-	3	11.1%	**1**	**3.7%**
Human Condition - Apparently Normal	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**3**	**11.1%**	**5**	**18.5%**
Any At-fault Human Condition	**1**	**50.0%**	**0**	**-**	**0**	**-**	**0**	**-**	**3**	**11.1%**	**7**	**25.9%**
Loss of consciousness/Blackout prior to collision	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Extreme fatigue/Fell asleep	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective eyesight	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective hearing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Medical disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Physical disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Mental disability	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Mental confusion/Inability to remember	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Sudden illness	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Exceed hours of service (commercial drivers only)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
NET Impaired	0	-	0	-	0	-	0	-	0	-	**6**	**22.2%**
Ability impaired alcohol	0	-	0	-	0	-	0	-	0	-	**6**	**22.2%**
Ability impaired drugs	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Had been drinking/Suspected alcohol use	0	-	0	-	0	-	0	-	0	-	**0**	**-**

Summary of Contributing Factors for UNKNOWN Victims (Killed and Injured, Combined) of Collisions: 2007 to 2012

Contributing Factor	2007 Total Victims	% of 2007 Total Victims	2008 Total Victims	% of 2008 Total Victims	2009 Total Victims	% of 2009 Total Victims	2010 Total Victims	% of 2010 Total Victims	2011 Total Victims	% of 2011 Total Victims	**2012 Total Victims**	**% of 2012 Total Victims**
No Apparent (Vehicle) Defect	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**22**	**81.5%**	**18**	**66.7%**
Any At-fault Vehicle Defect	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**
Defective brakes	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective steering	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective headlights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective brake lights	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective lighting (unspecified)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective engine controls/drive train	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective suspension/wheels	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Tow hitch/yoke defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective exhaust system	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hood/tailgate/door/covering opened	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective glazing (obscured windows)	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Vehicle modifications	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Fire	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Overloaded/oversized	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Load shifted/spilled	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Jack-knife/trailer swing	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Hydroplaning tires	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Any At-fault Environmental Condition	**1**	**50.0%**	**0**	**-**	**0**	**-**	**0**	**-**	**1**	**3.7%**	**1**	**3.7%**
Animal action - Wild	0	-	0	-	0	-	0	-	1	3.7%	**0**	**-**
Animal action - Domestic	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Slippery road surface	1	50.0%	0	-	0	-	0	-	0	-	**1**	**3.7%**
Snow drift	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Obstruction/debris on roadway	0	-	0	-	0	-	0	-	0	-	**0**	**-**
View obstructed/limited	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Glare/reflection	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Construction zone	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective driving surface	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Shoulders defective	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Lane markings inadequate	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Defective/inoperative traffic control device	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Weather	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Pedestrian corridor in use	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Uninvolved vehicle	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Uninvolved pedestrian	0	-	0	-	0	-	0	-	0	-	**0**	**-**
Presence of prior accident	0	-	0	-	0	-	0	-	0	-	**0**	**-**
No Contributing Factor(s) Identified	**1**	**50.0%**	**0**	**-**	**1**	**100.0%**	**0**	**-**	**0**	**-**	**2**	**7.4%**
Not Applicable/Not Stated	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**2**	**7.4%**	**0**	**-**
Total	**2**	**100%**	**0**	**-**	**1**	**100%**	**0**	**-**	**27**	**100%**	**27**	**100%**

NOTE: For each vehicle and/or driver involved in a collision, up to three contributing factors can be recorded. Because multiple factors can be noted, the counts and percentages under each year will add to more than the total victims for that year.

Source: Traffic Accident Report Database, 2007-2012.

Summary of 'Speed', 'Distracted driving' & 'Impaired' as Contributing Factors IN BICYCLIST RELATED COLLISIONS (AT LEAST ONE OF THE VEHICLES OR VICTIMS WAS A BICYCLIST): 2007 to 2012

		2007	2008	2009	2010	2011	2007-2011 average	**2012**
NET Speed ('Exceeding speed limit', 'Driving too fast for conditions' and 'Unsafe operating speed (too fast or too slow)' combined)								
Collisions	All collisions	17	11	12	10	7	11	**8**
		3.8%	2.9%	3.4%	2.4%	1.9%	2.9%	**3.1%**
	Fatal collisions	1	2	2	0	1	1	**2**
		16.7%	33.3%	50.0%	0.0%	12.5%	20.7%	**25.0%**
	Injury collisions	15	9	10	10	6	10	**6**
		3.6%	2.5%	3.0%	2.6%	1.9%	2.8%	**3.4%**
Victims	All victims (killed or injured)	5	4	4	5	1	4	**3**
		1.7%	1.7%	1.8%	1.9%	0.5%	1.6%	**4.2%**
	People killed	1	0	0	0	0	0	**2**
		25.0%	0.0%	0.0%	0.0%	0.0%	6.3%	**40.0%**
	People seriously injured	1	0	1	0	0	0	**0**
		10.0%	0.0%	10.0%	0.0%	0.0%	4.5%	**-**
Driver Involvement (/10,000 drivers)	All collisions	0.2	0.1	0.2	0.1	<0.1	0.1	**<0.1**
	Fatal collisions	<0.1	<0.1	<0.1	-	<0.1	<0.1	**<0.1**
	Injury collisions	0.2	0.1	0.1	0.1	<0.1	0.1	**<0.1**
NET Distracted driving ('Distraction/ inattention' and 'Careless driving' combined)								
Collisions	All collisions	43	37	37	41	24	36	**26**
		9.6%	9.6%	10.6%	9.8%	6.7%	9.3%	**10.1%**
	Fatal collisions	1	3	1	3	3	2	**3**
		0.2%	0.8%	0.3%	0.7%	0.8%	37.9%	**37.5%**
	Injury collisions	42	34	35	35	18	33	**13**
		9.4%	8.8%	10.0%	8.4%	5.0%	9.1%	**7.4%**
Victims	All victims (killed or injured)	31	25	27	28	14	25	**7**
		10.7%	10.5%	12.2%	10.5%	7.1%	10.3%	**9.7%**
	People killed	1	3	1	2	1	2	**1**
		25.0%	100.0%	100.0%	50.0%	25.0%	50.0%	**20.0%**
	People seriously injured	1	4	1	1	1	2	**2**
		10.0%	30.8%	10.0%	11.1%	50.0%	18.2%	**22.2%**
Driver Involvement (/10,000 drivers)	All collisions	0.6	0.5	0.5	0.5	0.3	0.2	**0.2**
	Fatal collisions	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	**<0.1**
	Injury collisions	0.6	0.4	0.5	0.4	0.2	0.2	**0.1**
NET Impaired ('Impaired by alcohol', 'Impaired by drugs' and 'Had been drinking/Suspected alcohol use' combined)								
Collisions	All collisions	8	4	5	4	1	4	**4**
		1.8%	1.0%	1.4%	1.0%	0.3%	1.1%	**1.6%**
	Fatal collisions	1	1	0	0	0	0	**2**
		16.7%	16.7%	0.0%	0.0%	0.0%	6.9%	**25.0%**
	Injury collisions	7	3	5	3	0	4	**2**
		1.7%	0.8%	1.5%	0.8%	0.0%	1.0%	**1.1%**
Victims	All victims (killed or injured)	5	2	4	2	0	3	**1**
		1.7%	0.8%	1.8%	0.7%	0.0%	1.1%	**1.4%**
	People killed	1	0	0	0	0	0	**1**
		25.0%	0.0%	0.0%	0.0%	0.0%	6.3%	**20.0%**
	People seriously injured	0	0	0	0	0	0	**0**
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**-**
Driver Involvement (/10,000 drivers)	All collisions	0.1	<0.1	<0.1	<0.1	<0.1	<0.1	**<0.1**
	Fatal collisions	<0.1	<0.1	-	-	-	<0.1	**<0.1**
	Injury collisions	<0.1	<0.1	<0.1	<0.1	-	<0.1	**<0.1**

NOTE: Proportions provided for each contributing factor in a specific category are for the count of contributing factor as a portion of all collisions in the specific category. E.g., the proportion of fatal collisions where speed is a factor is derived from the count of fatal collisions in the specific year where speed is a factor divided by the total fatal collisions in that year.

BW (MPI) 1-11 **Reference: Road Safety - SM.3. Page 9**

a) Please identify the programs and campaigns aimed to influence driver behaviour towards cyclists.

b) Please specify the particular documents, ads or press releases aimed at changing driver behavior towards cyclists. Please provide any research or examples of ads from other jurisdictions that directed ads aimed at drivers about their behaviour towards cyclists or other vulnerable road users.

RESPONSE:

a) and b)

Refer to response to BW (MPI) 1-6 (a) and (b).

BW (MPI) 1-12 **Reference: Road Safety - SM.3, Page 6**

Preamble: MPI stated: "Complementary efforts are focused on educating Manitobans and raising awareness about key road safety risks that contribute to collisions, fatalities and serious injuries ... "

MPI is running the same "Sharing the road is a two-way street" in 2014 as in 2013.

a) Please advise and provide any supporting information, data or measurable that show the investment in the 2013 "Sharing the road is a two-way street" was effective in changing driver behaviour to reduce risks for cyclists.

b) Please advise what were the considerations, assumptions or reasons that lead to MPI's decision to re-run ad in 2014.

RESPONSE:

a) No such evaluation was done.

b) There were a number of factors that led to the decision to re-run the "Sharing the road is a two-way street" cycling safety campaign in 2014. These included the following:

- Running the campaign aligned to the key road safety priorities indentified in the Integrated Awareness and Enforcement calendar for 2014;
- Bike Winnipeg was consulted on key campaign messages, including "sharing the road is a two-way street",
- Running of major advertising campaigns for two years is a prudent means to control for production and advertising costs that would otherwise be expended on developing new creative and materials annually and effective in delivering the message in various ways over an extended period of time.

BW (MPI) 1-13 **Reference: Road Safety - SM.3 Page 14**

Preamble: MPI stated: "[...] two analysts have been added to focus on analytical research, program planning and evaluation of current and future road safety priorities and programs."

a) Please advise and/or provide the qualifications required for the analysts in these positions.

b) Please advise and provide the qualifications and experience of the analysts that have been added to focus on this analytical research.

RESPONSE:

a) and b)

In accordance with Board Order 98/14, a response to this question is not required. Please refer to the Board's Disposition related to CAC (MPI) 1-187.

BW (MPI) 1-14 **Reference: Volume 1, Pre-filed Testimony, Page 19**

a) Please indicate whether "develop better and safer drivers as measured by a two (2%) percent decrease in claims frequency and severity;" refers to physical damage claims or bodily injury claims.

b) If it is the latter, please indicate for whom the 2% reduction is expected - young drivers, other car occupants, vulnerable road users as a class of victims, or cyclists only.

RESPONSE:

a) Both.

b) The targeted reduction would apply to all collisions for which liability is assessed against drivers in the targeted age grouping currently over-represented. Please refer to the High School Driver Education Redevelopment project charter, filed in Volume III AI.10, for additional details.

BW (MPI) 1-15 Reference: Volume 1, Pre-filed Testimony, Page 20

a) Please advise whether the improvement in Class 5 road test pass rate from 50% to 75% means that the test will become harder or easier.

b) Please explain how a harder test would lead to collision and cost reductions. Please explain how an easier test would lead to collision and cost reductions.

RESPONSE:

a) There is no intent to make the Class 5 road test harder or easier.

b) Please refer to (a).

BW (MPI) 1-16 Reference: Overview OV.9, Page 22

Preamble: Road Safety – Emerging Technologies

Please indicate MPI's plans, if any, to subsidize the purchase of after-market collision avoidance technologies and text blocking technologies in comparison to previous programs that sought to reduce property theft.

RESPONSE:

No decisions have been made with respect to the subsidization of after-market collision avoidance or text blocking technologies.

BW (MPI) 1-17 **Reference: Overview OV.9, Page 22**

Preamble: Road Safety – Driver Improvement Control Program

Please provide details of the Driver Improvement Control Program and its expected behavioural changes that will lead to reduced injury frequency and severity of bodily injuries to cyclists, and in comparison, pedestrians.

RESPONSE:

The Driver Improvement & Control (DI&C) Program encourages problem drivers to drive more safely through early and proactive interventions designed to positively influence driver behavior. Interventions may include advisory and warning letters, remedial education or retesting, or quasi-judicial hearings to consider driver's licence suspension.

Interventions are determined based on the driver status (novice or experienced), incident frequency, incident severity, and any previous intervention(s).

Examples of driving incidents that may lead to DI&C intervention include:

- at-fault collisions
- traffic convictions
- 24-hour roadside suspensions
- Tiered roadside Administrative Licence Suspensions

Additional information on the Corporation's Driver Improvement and Control Program can be found on the Corporation's website at the following links:

http://www.mpi.mb.ca/en/DL/DL/Pages/dlfaq.aspx#DIC

http://www.mpi.mb.ca/en/PDFs/DriverImprovBro.pdf

BW (MPI) 1-18 Reference: Overview OV.9, Page22

Preamble: Road Safety

Please outline MPI's efforts and results to obtain documented evidence regarding value for money invested in road safety, both in general and particularly regarding injury to cyclists and other vulnerable road users.

RESPONSE:

Refer to Volume I SM.3 Road Safety.