

CMMG (MPI)

CMMG (MPI) 1-1

Question:

Please update last years CMMG (MPI) 1-1 to show comparison of projected vs. actual loss 2004 to 2015

Rationale for Question:

Reviewing accuracy of forecast

RESPONSE:

Refer to the below table.

Comparison of Projected vs Actual for Motorcycle Major Class

Loss Ins Year	Projected Losses [a]		Projected Total Premium [b]	Actual Losses		Actual Total Premium [e]	Actual Loss Ratio	
	Excluding "Pool" Loss	Including "Pool" Loss		Excluding "Pool" Loss [c]	Including "Pool" Loss [d]		Excluding "Pool" Loss	Including "Pool" Loss
2004	7,946,004	7,946,004	6,175,800	4,307,223	4,615,620	6,597,819	65.28%	69.96%
2005	11,559,434	11,559,434	8,478,000	6,190,004	6,633,208	7,464,128	82.93%	88.87%
2006	9,893,169	9,893,169	8,472,800	12,132,423	13,001,105	8,618,553	140.77%	150.85%
2007	10,390,631	10,952,927	9,343,600	7,507,823	8,045,383	9,474,661	79.24%	84.91%
2008	12,106,150	12,761,721	10,994,400	8,212,114	8,800,101	10,686,013	76.85%	82.35%
2009	12,050,545	12,775,440	12,238,200	7,782,977	8,340,238	11,474,147	67.83%	72.69%
2010	12,072,057	12,825,747	13,576,300	12,364,889	13,250,215	12,156,455	101.71%	109.00%
2011	12,245,914	13,018,014	13,131,800	5,773,503	6,186,886	12,817,434	45.04%	48.27%
2012	9,347,361	10,054,858	11,687,400	5,363,888	5,747,942	12,986,962	41.30%	44.26%
2013	9,991,774	10,729,886	12,523,900	11,803,615	12,648,754	12,851,434	91.85%	98.42%
2014	9,209,789	9,859,082	12,594,800	8,109,849	8,690,514	12,845,431	63.13%	67.65%
2015	9,031,739	9,734,074	12,210,000					
2016	8,226,228	8,815,160	11,673,200					
TOTAL	134,070,795	140,925,516	143,100,200	89,548,307	95,959,966	117,973,036	75.91%	81.34%

Notes:

"Pool" Loss as defined in Volume II, RM.4, pages 27 & 28

[a] From the respective GRA; Balanced Pure Premium * Projected Units;

[b] From the respective GRA; PUB Approved Major Class Rate * Projected Units;
2016 based on Applied for Major Class Rate * Projected Units

[c] Volume II, Ratemaking, Exhibit VI; Pure Premium No Trend * Number of Units;
Sum over all coverages

[d] Actual Losses Excluding "Pool" Loss * 1.0716; 1.0716 = 8,815,160 / 8,226,228

[e] Earned premium from the Corporation's Data Warehouse; does not account
for premium rebates

CMMG (MPI) 1-2

Question:

Please update last years CMMG (MPI) 1-4

Rationale for Question:

Reviewing loss distribution for anomalies and trends

RESPONSE:

Please refer to the attached.

**Motorcycle Claims Loss Data
By Insurance Year
All Physical Damage and Injuries, All Heads of Coverage**

Collision - Incurred

Ranges	2014		2013		2012		2011		2010	
	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount
< 0			1	(290)	2	(785)	3	(367)	1	(147)
0	51	-	36	-	34	-	26	-	25	-
0.01 to 25000	222	953,412	252	1,075,817	276	1,074,457	280	1,132,879	278	1,334,357
25001 to 50000	1	27,391	1	25,756					1	26,389
50001 to 75000	1	51,129								
Grand Total	275	1,031,932	290	1,101,284	312	1,073,672	309	1,132,512	305	1,360,598

Collision - Paid

Ranges	2014		2013		2012		2011		2010	
	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount
< 0	1	(10)	1	(290)	2	(785)	3	(367)	1	(147)
0	71	-	39	-	36	-	26	-	25	-
0.01 to 25000	201	832,189	249	1,071,762	274	1,064,483	280	1,132,879	278	1,334,357
25001 to 50000	1	26,367	1	25,756					1	26,389
50001 to 75000	1	50,385								
Grand Total	275	908,930	290	1,097,228	312	1,063,698	309	1,132,512	305	1,360,598

**Motorcycle Claims Loss Data
By Insurance Year
All Physical Damage and Injuries, All Heads of Coverage**

Public Liability - Incurred

Ranges	2014		2013		2012		2011		2010	
	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount
0	1	-	1	-	-	-				
0.01 to 25000							1	21,357		
50001 to 75000									1	55,000
Grand Total	1	-	1	-	-	-	1	21,357	1	55,000

Public Liability - Paid

Ranges	2014		2013		2012		2011		2010	
	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount
0	1	-	1	-						-
0.01 to 25000							1	1,357		
50001 to 75000									1	55,000
Grand Total	1	-			-	-	1	1,357	1	55,000

**Motorcycle Claims Loss Data
By Insurance Year
All Physical Damage and Injuries, All Heads of Coverage**

Property Damage - Incurred

Ranges	2014		2013		2012		2011		2010	
	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount
0	14	-	16	-	13	-	17	-	12	-
0.01 to 25000	22	21,343	32	51,315	34	29,107	28	24,776	31	26,774
Grand Total	36	21,343	48	51,315	47	29,107	45	24,776	43	26,774

Property Damage - Paid

Ranges	2014		2013		2012		2011		2010	
	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount
0	17	-	18	-	13	-	17	-	12	-
0.01 to 25000	19	15,343	30	50,315	34	29,107	28	24,776	31	26,774
Grand Total	36	15,343	48	50,315	47	29,107	45	24,776	43	26,774

**Motorcycle Claims Loss Data
By Insurance Year
All Physical Damage and Injuries, All Heads of Coverage**

Accident Benefits - Incurred

Ranges	2014		2013		2012		2011		2010	
	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount	Claim Count	Incurred Amount
0	31	-	34	-	43	-	33	-	17	-
0.01 to 25000	110	833,702	78	605,085	91	715,980	95	641,317	93	550,679
25001 to 50000	12	455,174	21	755,361	23	810,076	21	722,337	20	763,208
50001 to 75000	11	660,609	7	424,811	7	389,754	12	701,178	8	490,632
75001 to 100000	6	550,307	5	405,365	2	170,379	5	470,989	4	327,018
100001 to 125000	1	103,406	3	331,628	2	215,122	1	104,256	6	672,740
125001 to 150000	2	282,192	7	944,255	2	257,908	3	415,341		
150001 to 175000	1	160,257	5	817,717	2	308,001	1	159,586		
175001 to 200000			2	388,407	2	383,249			3	560,461
200001 to 225000			-	-			1	216,296	1	205,794
250001 to 275000			-	-			1	260,939	2	532,363
275001 to 300000			-	-	1	288,821				
300001 to 325000			-	-					1	301,212
325001 to 350000			-	-					4	1,325,248
350001 to 375000			-	-	1	354,023				
375001 to 400000			1	388,169						
450001 to 475000			-	-					1	459,870
475001 to 500000			-	-			1	494,858		
525001 to 550000			-	-					1	531,563
600001 to 625000			-	-	2	1,247,674			1	610,659
675001 to 700000			-	-					1	690,804
700001 to 725000	1	714,900	-	-						
750001 to 775000			1	764,073						
800001 to 825000			-	-			1	804,425		
1200001 to 1225000			1	1,209,464						
1825001 to 1850000			-	-					1	1,830,896
2600001 to 2625000			1	2,611,983						
3100001 to 3125000			-	-			1	3,105,206		
3125001 to 3150000			-	-					1	3,125,660
Grand Total	175	3,760,548	166	9,646,318	178	5,140,989	176	8,096,728	165	12,978,806

**Motorcycle Claims Loss Data
By Insurance Year
All Physical Damage and Injuries, All Heads of Coverage**

Accident Benefits - Paid

Ranges	2014		2013		2012		2011		2010	
	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount	Claim Count	Paid Amount
< 0	-	-					1	(96)		
0	36	-	35	-	44	-	33	-	17	-
0.01 to 25000	118	576,981	87	499,258	91	696,451	94	640,734	93	553,503
25001 to 50000	17	583,338	19	695,958	24	823,172	22	767,964	22	854,583
50001 to 75000	3	176,846	4	270,039	5	285,744	12	701,178	6	375,432
75001 to 100000			9	783,296	4	348,364	4	362,331	5	406,879
100001 to 125000			6	675,027	3	319,284	1	104,256	6	672,864
125001 to 150000	1	132,650	2	273,127	2	257,876	5	672,932		
150001 to 175000			1	153,847	2	319,891				
175001 to 200000			1	199,452			1	189,580	3	580,229
200001 to 225000			-	-					3	622,181
225001 to 250000			-	-			1	241,235	3	738,479
250001 to 275000			-	-					1	260,658
275001 to 300000			-	-	2	579,528				
300001 to 325000			1	301,408					1	312,157
325001 to 350000			-	-					2	653,032
350001 to 375000			-	-			1	371,143		
375001 to 400000			1	388,169						
450001 to 475000									1	459,870
600001 to 625000					1	623,424				
800001 to 825000									1	804,126
825001 to 850000							1	849,178	1	832,428
Grand Total	175	1,469,815	166	4,239,580	178	4,253,733	176	4,900,435	165	8,126,420

CMMG (MPI) 1-3**Question:**

Please update last years CMMG (MPI) 1-5

Rationale for Question:

Reviewing loss rate vs. rates approved

RESPONSE:**MOTORCYCLE MAJOR CLASS**

Insurance Year	Rate Requirement*	Loss Ratio	% Increase Sought**	% Increase Approved
2004/05	\$1,012.96	69.96%	19.93%	14.82%
2005/06	\$1,183.33	88.87%	15.01%	13.86%
2006/07	\$1,115.92	150.85%	12.70%	5.00%
2007/08	\$1,167.24	84.91%	8.36%	5.00%
2008/09	\$1,181.44	82.35%	9.16%	9.16%
2009/10	\$1,150.94	72.69%	7.21%	7.21%
2010/11	\$1,147.15	109.00%	5.67%	5.67%
2011/12	\$1,130.47	48.27%	1.62%	-2.50%
2012/13	\$917.19	44.26%	-10.33%	-10.79%
2013/14	\$900.64	98.42%	-0.22%	-0.22%
2014/15	\$846.00	67.65%	-6.02%	-6.07%
2015/16	\$817.07		-6.55%	-5.79%
2016/17	\$765.65		-7.63%	

*Credibility weighted required rate for the Motorcycle weighted class from RM 4.3 per respective GRA

** Refer to SM 3 per respective GRA

CMMG (MPI) 1-3b**Question:**

Please summarize the final impact of rate change information contained in the Application to advise why the required rate decrease for motorcycles was not applied for in this Application

Rationale for Question:

Review of capping of decrease is appropriate

RESPONSE:

Per Volume II RM.6, the indicated rate change for the Motorcycles major class was -8.2% compared to the experience rate change of -7.6%. The difference is mainly due to three factors which increase the indicated rate change. These factors are noted in the table below.

Factor	Reference	Impact
Experience adjustment rules	Volume II, RM.5	0.23%
Synchronization of rates for motorcycles with a Motorscooter bodystyle with that of mopeds	Volume II, RM.5.2	0.03%
Ensuring that the rates for motorcycles with engine displacement greater than 1000 cc's is higher than those with 500 to 1000 cc's	Volume II, RM.5.2	0.25%

CMMG (MPI) 1-4

Question:

What progress has MPI made in the last year to quantify its losses from distracted drivers? Does it have an estimate of its total claim costs per year attributable to distracted drivers

Rationale for Question:

Assist in valuating need for Road Safety Initiative for distracted drivers

RESPONSE:

The Corporation currently tracks the number of people killed, injured and vehicles damaged where distracted driving is determined to be a contributing factor associated with a crash. A methodology to estimate the direct claims costs associated with crashes where distracted driving is a contributing factor is currently being investigated.

CMMG (MPI) 1-5**Question:**

Please provide budgeted amount for 2016 for motorcycle specific road safety progress and initiatives comparing same to overall road safety expenditures (relative % and amount with breakdowns of expenditures)

Rationale for Question:

Road Safety investment levels

RESPONSE:

Forecasted spending on motorcycle specific road safety programs and initiatives in 2016/17 (Basic share) is estimated at \$197,000. Forecasted spending on overall road safety programs in 2016/17 is estimated at \$11,444,000 (Basic share). Therefore, forecasted motorcycle safety funding in 2016/17 represents 1.7% of total forecasted road safety expenditures. On a per-vehicle basis, total spending on road safety programming is forecasted at \$10.43/vehicle compared to \$13.29/motorcycle on motorcycle specific initiatives.

It should also be recognized that the Corporation's public awareness campaigns focused specifically on motorcycle safety do not represent the totality of its efforts to address road safety risks for motorcycle riders. The Corporation's position, as stated in prior GRAs, is that broader public awareness campaigns such as those related to speed, impaired driving, distracted driving and wildlife collisions apply equally to motorcyclists as they do all other road users.

CMMG (MPI) 1-6

Question:

Please provide the budget amounts for 2016 for wildlife collision reduction initiatives. Any new initiatives?

Rationale for Question:

Road Safety investment levels

RESPONSE:

The 2015/16 budget amount for wildlife collision reduction initiatives is \$63,215.

The 2016/17 budget amount for wildlife collision reduction initiatives has not been determined at this time but is anticipated to be consistent with past years.

For new initiatives in 2015/16, the Corporation is adding the use of electronic billboards in Winnipeg and Brandon to its annual public awareness campaign.

CMMG (MPI) 1-7

Question:

Please update last years CMMG (MPI) 1-6

Rationale for Question:

Review wildlife collision losses

RESPONSE:

**Manitoba Public Insurance
Collision with Wildlife and Domestic Animals
Injuries and Fatalities in Manitoba
Loss Insurance Year 2005-2014**

Loss Insurance Year	Fatality				Injury			
	All Claims	Claims with Incurred <> \$0	Total Incurred \$	Incurred/Claim \$	All Claims	Claims with Incurred <> \$0	Total Incurred \$	Incurred/Claim \$
2005	2	2	317,368	158,684	271	192	693,470	3,612
2006					307	224	2,488,462	11,109
2007					379	267	2,666,147	9,986
2008	1	1	7,255	7,255	319	229	3,592,106	15,686
2009					415	303	3,978,345	13,130
2010					406	271	2,145,339	7,916
2011	1	1	56,735	56,735	420	324	2,023,116	6,244
2012	1	1	145,705	145,705	394	287	1,421,450	4,953
2013					333	245	1,814,745	7,407
2014					385	269	1,152,989	4,286
Grand Total	5	5	527,063	105,413	3,629	2,611	21,976,167	8,417

CMMG (MPI) 1-8

Question:

Please advise when the Corporation will have specific initiatives for (i) motorcycle and (ii) wildlife collision/road safety arising out of the Loss Prevention Strategy and Framework AI.13 Appendix. Please provide estimated roll out dates for implementation. Are there any other studies or reviews that provide such specifics that the Corporation can refer to?

Rationale for Question:

Road safety planning

RESPONSE:

It is too early to speculate on the nature and timing of future new initiatives for motorcycle and wildlife collisions/road safety that may arise from the Loss Prevention Strategy and Framework. The Corporation has no additional studies or reviews at this time.

CMMG (MPI) 1-9

Question:

When can we expect to see specific initiatives published as a result of the Road Safety Operational Plan 2014-17?

Rationale for Question:

Road safety planning

RESPONSE:

Refer to Vol I Loss Prevention and Road Safety LP.5 for information on road safety programming and enhancements for 2016/17, and to the response to PUB (MPI) 1-39 for information on programming enhancements for future budget years.

CMMG (MPI) 1-10

Question:

How can the Corporation demonstrate that its program outputs lead to desired outcomes in its Road Safety Operational Plan?

Rationale for Question:

Road safety planning

RESPONSE:

Please refer to Vol III AI.13 Loss Prevention and Road Safety Appendix 6: Operational Plan and Programming Frameworks (Program/Portfolio Monitoring & Evaluation Framework) for a detailed description of how monitoring and evaluation will be used by the Corporation to assess the efficacy of its road safety programs.

CMMG (MPI) 1-11

Question:

Has the Corporation made any use of the “Hot Spot Mapping” of motorcycle claims in Winnipeg? (ie. CMMG/MPI 1-9 last year)

Rationale for Question:

Road safety planning

RESPONSE:

Under the Road Safety Operational Plan, all road safety issues and contributing factors are analyzed in depth, including where and when collisions are occurring, who is most at risk, and why collisions are occurring. Hot spot mapping is utilized in this process and the overall analysis informs the development and design of new programming and/or changes to existing programs. Please refer to Vol III AI.13 Loss Prevention and Road Safety Appendix 6: Operational Plan and Programming Frameworks, for a detailed description of the prioritization and program development processes.

CMMG (MPI) 1-12

Question:

Have selected numbers other than the expected loss ratio, (such as loss trend assumptions selected to loss frequency and severity) changed for motorcycles over the last decade?

Rationale for Question:

Rate Making Methodology

RESPONSE:

Yes. As outlined in the ratemaking section of each respective General Rate Application, the underlying assumptions used in the determination of motorcycle rates have changed over the last decade. Please refer to Vol II Ratemaking for a complete discussion the ratemaking methodology which we have applied consistently to motorcycles (as to all other vehicles).

CMMG (MPI) 1-13

Question:

How does the Corporation reconcile its double-digit annual motorcycle rate increases prior to 2006/07 with the recent trend of decreases in required rate?

Rationale for Question:

Reasonableness of the rate making methodology for motorcycles

RESPONSE:

Rates for all major classes are reviewed annually based on the most recent loss experience available. The same methodology is applied consistently to all major classes, and is strictly based on the loss costs and expenses incurred by respective major classes.

Historically, the rates for the motorcycle major class were significantly deficient, which led to the double-digit increases. These increases were supported in the Corporation's annual rate filings. Having addressed the deficiency, future rates can either increase or decrease, again strictly based on the loss costs and expense incurred. The recent trend of decreases in required rate suggests that the loss experience for the motorcycle major class is improving.

CMMG (MPI) 1-14**Question:**

Please advise on the number of motorcyclists insured for 2012, 2013, 2014, 2015, and forecasted for 2016.

Rationale for Question:

Trends in vehicle population

RESPONSE:

Refer to the table below:

Insurance Year	Insured Units
2012 [a]	13,948
2013 [a]	14,453
2014 [a]	14,825
2015 [b]	15,084
2016 [b]	15,348
Notes: [a] Per the Rate Model [b] Projected based on assumed annual growth of 1.75%	

CMMG (MPI) 1-15

Question:

Does the Corporation base the amount of its investment on road safety for motorcycle specific initiatives on the number of insured motorcyclists each year? If not, why not?

Rationale for Question:

Basis of investment in safety levels

RESPONSE:

No. Under the new Operational Plan, the Corporation prioritizes investment in road safety initiatives in alignment with the prioritization of road safety issues and contributing factors of collisions. The methodology employs a weighted ranking of contributing factors and issues that considers collision frequency, human toll (fatalities and serious injuries), claims cost, national priority, public support and stakeholder priority.

Please refer to Vol III AI.13 Loss Prevention and Road Safety Appendix 6: Operational Plan & Frameworks for Road Safety Programming (Road Safety Priority Setting Framework and Methodology), for a detailed description of the priority ranking process.

CMMG (MPI) 1-16

Question:

Is the Corporation aware of any other insurer using 10 years of accident data equally weighted in its rate requirement methodology for motorcycle insurance?

Rationale for Question:

Rate setting methodology. Is it standard?

RESPONSE:

The Corporation did not review how motorcycle rates were determined by other insurers.

CMMG (MPI) 1-17**Question:**

Where does the Corporation store its hard copy files/data? What cost is associated with this?

Rationale for Question:

Cost control

RESPONSE:

- Hard copy file documents are stored throughout the Corporation. At the department level they may be stored in file storage located in staff cubicles and offices, in file cabinets within the general office environment and also in storage rooms within individual departments. Inactive hard copy files are stored at the Central Records Storage unit at Manitoba Public Insurance's (MPI) warehouse on Century Street, the lower level of the Brandon Service Centre and at our third party document storage provider in Winnipeg.
- We do not have the means to calculate the total storage for cubicle and office storage, file cabinet storage and parts of departmental storage areas that are actually used for hard copy file storage.
- We have reduced the reliance on hard copy paper files by moving to a paperless injury and physical damage claim file. The Corporation is also examining opportunities to scan paper documents to digital so as to reduce the footprint required for housing hard copy documents.
- In 2014 we reduced the total weight of paper used (not necessarily paper that would be filed, although some of this does include paper that would be filed) by 15% or 17,131 kilograms. This includes corporate forms, brochures and posters, paper used in printers, facsimiles, photocopiers and multi-functional devices, etc.

- Since 2011 we have reduced the total weight of paper used (includes corporate forms, brochures and posters, paper in printers, facsimiles, photocopiers and multi-functional devices) by 20,732 kilograms.
- As part of the implementation of BI³, the Corporation has moved to electronic bodily injury claims files, further reducing our storage requirements.
- Hard copy file records stored with our third-party provider has been reduced in the past fiscal year from 2,339 boxes at beginning of year to 1927 boxes currently. Storage costs at the third-party provider are less than \$5,000 per year.

CMMG (MPI) 1-18**Question:**

What is the average cost of operating a claims centre? Has the Corporation examined the possibility of operating with fewer claims centres? Or specialized claim centres?

Rationale for Question:

Cost control

RESPONSE:

Centre Type	Number of Centres	Average Cost
Large Urban	4	\$ 3,601,121
Small Urban	4	\$ 1,657,187
Rural	11	\$ 717,249

One of the outcomes of the Physical Damage Re-engineering initiative is more efficient and streamlined claims processing. Relative to customer demand, facility requirements are examined routinely and will continue to be reviewed and rationalized as required as the Physical Damage Re-engineering initiative progresses. Specialized claims generally, are handled at our Physical Damage Centre.

The table below demonstrates a number of premise reductions achieved through our Service Centre initiative, consolidation with DDVL and other operating efficiencies over the past ten years.

Expired Building list

Location	Address	O / L	Date Vacated
144	Steinbach Clearspring	Leased	31-Mar-15
187	DDVL - Portage La Prairie	Leased	30-Jun-14
162	Winkler Southland Mall	Leased	30-Nov-13
160	Kennedy	Leased	31-Aug-13
181	DDVL - Corydon	Leased	30-Apr-12
179	DDVL - Nairn	Leased	31-Dec-11
131	Selkirk 630 Sophia	Owned	15-Jun-11
182	DDVL - 1075 Portage	Owned	28-Feb-11
186	DDVL _ Dauphin	Leased	31-Oct-10
113	CC#1 445 King Street	Owned	30-Sep-10
189	DDVL - The Pas	Leased	30-Sep-10
180	DDVL - McPhillips	Leased	1-Mar-10
112	Royal Trust	Leased	28-Feb-10
188	DDVL - Thompson	Leased	30-Nov-08
111	Newport	Leased	28-Feb-05

Two other back office locations, one in Winnipeg on Ellice Avenue and one in Brandon on 1st Street will be closed in 2016/17 with employees relocating to other Manitoba Public Insurance (MPI) facilities.

CMMG (MPI) 1-19**Question:**

What percentage of damage evaluations are performed at the Plessis Road Centre vs. other claims centres?

Rationale for Question:

Cost control

RESPONSE:

	Estimates Written	
	PDC (Plessis Road)	All Others
July 2014-June 2015	21,730	119,118
Percentage of Total	15.4%	84.6%