

**BW (MPI)**

**BW (MPI) 2-1**

<b>Volume:</b>	<b>III, Loss Prevention and Road Safety Implementation plan</b>	<b>Page No.:</b>	<b>A1.13 Appx 6 p 43 IR BW 1-9</b>
<b>Topic:</b>	<b>Road Safety</b>		
<b>Sub Topic:</b>	<b>Priority Setting</b>		
<b>Issue:</b>	<b>Claims costs related fatalities and injuries</b>		

**Preamble:** On page 43, the text and chart indicate that reduced fatal and serious collisions results in reduction in collisions and claims costs. Likewise, in MPI's response to BW interrogatory 1-9 d, MPI provided that: "Yes. There is a direct relationship between the reduction of fatality and injury collisions and a reduction in claims costs."

**Question:**

What proportion of annual variations in claims costs do MPI analysts estimate, using statistical methods (such as regression analysis) are explained by claim costs related to fatalities and serious injuries?

**Rationale for Question:**

BW submits that there is a relationship between claim costs related to fatalities and serious injuries and total claims costs. However, in order to understand the weight attributable to reducing fatalities and injuries - within MPI's objective of reducing claims costs - it is important to know what proportion of variations in claims costs are driven by claims related to fatalities and serious injuries.

**RESPONSE:**

The Corporation has found that 57% of the variability in PIPP claim costs can be attributed to PIPP claims that are serious losses, while 16% of the variability in PIPP claims costs can be attributed to fatalities. Because some fatalities are also serious losses, the two groups are not mutually exclusive. Therefore, the two figures (57% and 16%) cannot be added together to produce a combined percentage attributed to serious losses and fatalities. However, it would be reasonable to assume that at least

half of the variability in PIPP losses can be explained by these two claim types. Note: For rate setting purposes a serious loss refers to an incident whereby the total Accident Benefits (PIPP) claims costs for the incident is greater than or equal to \$500,000.

**BW (MPI) 2-2**

<b>Volume:</b>	<b>III, Loss Prevention and Road Safety</b>	<b>Page No.:</b>	<b>MPI response to BW 1-9, A1.13, appendix 6</b>
<b>Topic:</b>	<b>Road Safety</b>		
<b>Sub Topic:</b>	<b>Claims cost v. social cost</b>		
<b>Issue:</b>	<b>Social cost of injuries and fatalities</b>		

**Preamble:** In BW 1-9, an inquiry was made about MPI’s methodology for quantifying social cost of collisions. BW is seeking to ensure that MPI demonstrates the difference between the claims costs they pay for fatality or serious injury and social costs resulting from such collision outcomes. MPI replied that *“The social cost aspect of loss prevention may be quantified in the reduction of lives lost and injuries occurring as a result of collisions on the roadway.”*

**Question:**

- a) What is MPI’s preferred methodology for setting a social cost value for loss of life?
- b) Alternatively, please advise how MPI calculates and/or establishes the social cost value for loss of life.
- c) Does MPI agree that it is seeking the Board’s approval to focus road safety priorities and programs designed to reduce claims costs rather than reduce fatalities and serious injuries?
- d) Does MPI agree that the social cost of fatalities and injuries caused by motor vehicle collisions is of greater magnitude than the claims costs that it must pay?

**Rationale for Question:**

BW is seeking to ensure that MPI demonstrates the difference between the claims costs they pay for fatality or serious injury and social costs resulting from such collision outcomes. BW further submits that this is important given that MPI is seeking the Board’s approval to focus road safety priorities and programs designed

to reduce claims costs rather than safety priorities and programs aimed to reduce fatalities and serious injuries.

**RESPONSE:**

- a) Refer to response BW (MPI) 1-9.
- b) Refer to response BW (MPI) 1-9.
- c) The Corporation is seeking the Board's approval for an overall zero percent rate change for the 2016/17 insurance year.
- d) By definition, this statement is accurate.

**BW (MPI) 2-3**

<b>Volume:</b>	<b>III, Loss prevention and road safety</b>	<b>Page No.:</b>	<b>41</b>
<b>Topic:</b>	<b>Road Safety</b>		
<b>Sub Topic:</b>	<b>Social costs of collisions</b>		
<b>Issue:</b>	<b>Ontario Ministry of Transportation social cost study</b>		

**Preamble:** Ms. Kroeker-Hall's opines in her report that: "It is not feasible to provide a definitive response to the Board's specific questions about the optimal size of the road safety budget for Manitoba Public Insurance or the extent to which current funding is being optimally utilized, given the lack of comparable data from other jurisdictions, and in light of the Corporation's relative role within the broader road safety construct."

**Question:**

- a) Did MPI and/or Sirius Strategic Solutions Ltd. review the Study "Analysis and Estimation of the Social Cost of Motor Vehicle Collisions in Ontario" presented to the Ontario Ministry of Transportation in 2007 by Keith Vodden, Dr. Douglas Smith, Frank Eaton, and Dan Mayhew?
- b) If the answer is yes - in particular regard to the findings with respect to the valuation of the social costs of collisions - please provide MPI's and/or Sirius Strategic Solutions Ltd.'s findings, opinions and conclusions with respect to this study.
- c) Please produce all the documents, materials, studies and reports which were considered and/or relied upon and/or cited to prepare Ms. Kroeker-Hall's Report.

**RESPONSE:**

- a) Based on the author's bibliography, this study was not used in the preparation of the report.

b) Refer to response (a).

c) Refer to the bibliography contained within the author's report.

**BW (MPI) 2-4**

<b>Volume:</b>	<b>III, Loss Prevention and Road Safety</b>	<b>Page No.:</b>	<b>AI.13 Appendix 2 and 6</b>
<b>Topic:</b>	<b>Road Safety consultation</b>		
<b>Sub Topic:</b>	<b>Stakeholder mapping</b>		
<b>Issue:</b>	<b>BW exclusion from Issues of import to cyclists</b>		

**Preamble:** Consultation plans are built into the design process. Consultation is a priority with those groups who:

- Have a clearly defined interest in an issue
- Demonstrate willingness to work with MPI
- Can offer a potential resource contribution, and/or
- Can influence and/or provide access to groups targeted for a program or initiative.

It appears that BW is not included in the stakeholder mapping for Speed, nor is it included in the stakeholder mapping for poor driver action

**Question:**

Why did MPI not Include BW in stakeholder mapping for speed or poor driver action?

**RESPONSE:**

Bike Winnipeg is identified as a primary stakeholder within the stakeholder mapping for cycling safety. This portfolio considers issues of both speed and poor driver action as contributing factors in collisions from the primary perspective of the cycling road user. Bike Winnipeg is also represented on the *External Stakeholder Committee on Loss Prevention*, so it has ample opportunity to offer input and feedback on road safety issues of interest to their members.

Furthermore, the Corporation consults regularly with Bike Winnipeg on road safety matters related to cycling safety and has expressed interest in working with Bike Winnipeg on a new cycling training initiative which has, to date, been declined by Bike Winnipeg.



**BW (MPI) 2-5**

<b>Volume:</b>	<b>III, Loss Prevention and Road Safety</b>	<b>Page No.:</b>	<b>AI.13 Appendix 10, pages 3-8</b>
<b>Topic:</b>	<b>Road safety goals and priorities</b>		
<b>Sub Topic:</b>	<b>MPI goals and priorities v. international road safety goals and priorities</b>		
<b>Issue:</b>	<b>Priorities driven by claims reduction v. social cost of road collisions</b>		

**Preamble:** The Sirius report states, *inter alia*, the following:

At page 4, line 37: “In other jurisdictions [...] Currently the safe systems approach appears to be the model of choice. It seeks to identify the major sources of error or design weaknesses that contribute to crashes and mitigate the severity and consequences of injury.”

At page 5, line 1: “The public health model, reflected in a global focus on road safety by the World Health Organization, brings a systematic approach to road safety problem solving that has traditionally been applied to issues of disease and injury control.”

At page 6, line 9: “In other jurisdictions, [...] Increasingly, road safety has been viewed as a public health problem in particular by the World Health Organization (2004) which includes road crashes among the eight leading causes of death worldwide. [...]”

At page 9: “In sum, the work to date and the commitment to continually enhance elements of the road safety framework to focus resources on priorities that will contribute to MPI’s goals and optimize funding, has been considerable and substantive. While there is no uniform or simple formula for determining how much funding should be spent on road safety initiatives in any jurisdiction or organization, MPI has chosen a model intended to optimize its funding, or provide a return on investment that will contribute to achieving its goals. In linking the elements of its road safety framework including priority setting and program

development, priority validation and issue analysis, and, monitoring and evaluation, allocation of funding to support the programming is a creditable and supportable approach to successful road safety programming.”

**Question:**

- a) Does the Sirius find that MPI's claims reduction goal is significantly different than the road safety goals of OECD, WHO, and the World Bank?
- b) Does Sirius find that MPI's road safety priorities are different than those of the jurisdictions who pursue the goals of reducing fatalities and serious injuries? In what respects?
- c) How does MPI's choice of its funding-driven model drive its choice of road safety priorities, particularly with regard to vulnerable road users, relative to jurisdictions who pursue the goals of reducing fatalities and serious injuries?
- d) Does Sirius identify any agency in Manitoba with the mandate to reduce social costs resulting from motor vehicle collisions?

**RESPONSE:**

- a) Refer to the author's report for the analysis and conclusions contained therein.
- b) Refer to response (a).
- c) Refer to Vol III AI.13 Loss Prevention and Road Safety Appendix 6 for the Priority Setting Framework and Methodology. The human toll (fatalities and injuries) associated with a contributing factor or issue is a key component of the methodological approach for priority setting and is weighted equally with collision costs.
- d) Refer to response (a).

**BW (MPI) 2-6**

<b>Volume:</b>	<b>I, Loss Prevention and Road Safety BW 1-10</b>	<b>Page No.:</b>	<b>41</b>
<b>Topic:</b>	<b>Road Safety</b>		
<b>Sub Topic:</b>	<b>Social costs of collisions</b>		
<b>Issue:</b>	<b>Ontario Ministry of Transportation social cost study</b>		

**Preamble:** In response to PUB Order 135/14, section 11.19 (which required MPI to provide an independent review of the optimal size of a road safety budget portfolio for the Corporation with a view to minimizing the economic and social costs of collisions) MPI has submitted Sirius Strategic Solutions Ltd.'s report authored by Ms. Kroeker-Hall. In response to BW IR 1-10 d), MPI advised that it has no plans to call anyone from Sirius to as a witness in these proceedings.

**Question:**

- a) With MPI's apparent decision not produce anyone from Sirius at the hearing, please advise how the Board – and the Intervenors – will be able to determine that:
- i. the author(s) of the Report is/are qualified as an expert by knowledge, skill, experience, training or education?
  - ii. the author(s) of the Report have the necessary scientific, technical or other specialized knowledge that will assist the Board to understand the Report and to determine if MPI has satisfied Board Order 135/14, section 11.19?
  - iii. the Report is based on sufficient and or reliable facts and/or data?
  - iv. The Report reliably applied the proper principles and/or methods to the facts?

- b) With MPI's apparent decision not to produce anyone from Sirius at the hearing, please advised how the Board – and the Intervenors – will be able to test in any meaningful manner the purported findings, opinions and conclusions of the Report?
  
- c) Will MPI reconsider its position and call someone from Sirius to provide evidence at the hearing?

**RESPONSE:**

- a) The Corporation is confident that the Loss Prevention and Road Safety materials submitted with the General Rate Application (including the appendices) are sufficient to respond to the Board Orders.
  
- b) Refer to response (a).
  
- c) No.

**BW (MPI) 2-7**

<b>Volume:</b>	<b>3, Loss Prevention and Road Safety</b>	<b>Page No.:</b>	<b>AI.13 Appendix 10, pages 3-8</b>
<b>Topic:</b>	<b>Road Safety</b>		
<b>Sub Topic:</b>	<b>MPI goals and priorities v. international road safety goals and priorities</b>		
<b>Issue:</b>	<b>Additional Information and clarification</b>		

**Preamble:** In information request BW 1-10, BW requested, *inter alia*, that MPI file a copy of the engagement letter sent to Sirius Strategic Solutions Ltd. ("Sirius") and to provide Sirius' file with respect to the preparation of the Sirius Report.

With respect to the letter of engagement, MPI declined on the basis that "As per Board Order 98/14, page 112, a response to this question is not required. The Corporation is not required to produce operational information relating to the engagement of consultants and the related engagement letters [2015 GRA CAC MPI 1-55(c)]." In addition, regarding the request to providing Sirius' file with respect to the preparation of its Report, MPI declined on the basis that is the "proprietary property of Sirius and is not the property of MPI to produce."

Regarding the issue of producing Sirius' letter of engagement, BW submits that contrary to MPI's assertion, Board Order 98/143 does not state that the *Corporation is not required to produce operational information relating to the engagement of consultants and the related engagement letters*". In fact, BW submits that in that same Order, the Board directed that MPI file a copy of the Request for Proposal for the ALM Study together with the Service Agreement (unsigned) with AON Hewitt. The Board's decision with respect to the production of AON's Service Agreement makes it clear that engagement letters of experts and/or consultants are relevant and producible.

Moreover, MPI has, to date, taken the position that it will not be producing anyone from Sirius as a witness at the hearing. If this is indeed the case, it is even more important that Sirius provide the documents in its possession that are or

may be relevant to the matters of substance in the Report. Having these documents provide the Board – and the Intervenors – with a better understanding of the foundation of the findings, opinions and conclusions that have been made in the Sirius Report.

**Question:**

- a) Please provide a copy of the engagement letter sent to Sirius;
- b) Please provide Sirius' file with respect to the preparation of the Report;
- c) If MPI declines, please advise on what basis it states that the expert's file is the proprietary property of Sirius?
- d) If MPI is taking this position based on a document produced and prepared by Sirius, please advise and produce it?
- e) If MPI is taking this position based on something other than a document produced and prepared by Sirius, please advise and produce.

**RESPONSE:**

- a) Refer to response CAC (MPI) 2-21.
- b) Refer to response BW (MPI) 1-10.
- c) Response to (b) is based on the fact that the expert's file is the property of Sirius and is not required for approving the 2016/17 rates.
- d) No such document exists.
- e) No such document exists.