

# **Attachment A**

## **CAC Manitoba Application to Intervene: MPI 2019 GRA**

### **1) Overview**

This document provides background to the proposed intervention of the Manitoba Branch of the Consumers' Association of Canada (CAC Manitoba) by outlining:

- who is CAC Manitoba?
- reasons for Proposed Intervention (question 8 of the Intervener Request Form);
- nature of the Proposed Intervention (question 9 of the Intervener Request Form);
- a brief overview of the proposed team of legal advisors and consulting experts (question 9 of the Intervener Request Form);
- preliminary outline of proposed areas of analysis and evidence (question 9 of the Intervener Request Form); and
- overview of costs application.

### **2) Who is the Manitoba Branch of the Consumers' Association of Canada?**

CAC Manitoba is a volunteer, non-profit, independent organization working to inform and empower consumers and to represent the consumer interest in Manitoba. Formed in 1947, the organization is governed by a volunteer Board of Directors elected annually at a general meeting of its membership. It is a branch of the national Consumers' Association of Canada but is financially separate and separately incorporated.

CAC Manitoba represents the interests of consumers across Manitoba in a number of areas including financial services, food safety and security, patient rights, environmental sustainability and the regulatory review of utilities and Crown's delivering services and products to consumers.

The organization seeks input on its policy positions from consumers through engagement, which includes the innovative use of focus groups-style sessions, workshops, surveys, and through its ongoing services to the public. For example, in 2016-2017, it had contact with approximately 13,000 consumers through its consumer education/information programs, services and consumer research. In addition, the organization seeks other perspectives on relevant issues through the use of policy community advisory committees and interviews

CAC Manitoba aims to protect and reconcile the interests of all Manitoba Public Insurance consumers with a particular emphasis on members of the private passenger class. It seeks to present an evidence-based intervention guided by a principled consideration of the consumer interest. It is represented by the Public Interest Law

Centre.<sup>1</sup>

The organization's policy is guided by its understanding of generally accepted consumer rights including:

- **The right to satisfaction of basic needs** - To have access to basic, essential goods and services: adequate food, clothing, shelter, health care, education, public utilities, water and sanitation.
- **The right to safety** – to be protected against products, production processes and services that are hazardous to health or life.
- **The right to be informed** – To be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising or labelling.
- **The right to choose** – To be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.
- **The right to be heard** - To have consumer interests represented in the making and execution of government policy, and in the development of products and services.
- **The right to redress** – To receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.
- **The right to consumer education** – To acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.
- **The right to a healthy environment** -To live and work in an environment that is non-threatening to the well-being of present and future generations.

CAC Manitoba is also guided by the following consumer responsibilities:

- **Critical awareness** - consumers must be awakened to be more questioning about the provision of the quality of goods and services.
- **Involvement or action** - consumers must assert themselves and act to ensure that they get a fair deal.
- **Social responsibility** - consumers must act with social responsibility, with concern and sensitivity to the impact of their actions on other citizens, in particular, in relation to disadvantaged groups in the community and in relation to the economic and social realities prevailing.
- **Ecological responsibility** - there must be a heightened sensitivity to the impact of consumer decisions on the physical environment, which must be developed to a harmonious way, promoting conservation as the most critical factor in improving the real quality of life for the present and the future.
- **Solidarity** - the best and most effective action is through cooperative efforts through the formation of consumer/citizen groups who together can have the strength and influence to ensure that adequate attention is given to the consumer interest.

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<sup>1</sup> An independent office of Legal Aid Manitoba.

## **Bringing a Consumer Voice**

For CAC Manitoba, bringing the voice of consumers directly to the Public Utilities Board is of primary importance in the independent rate-setting process. The organization places a priority on direct consumer input through focus groups, engagement sessions and stakeholder panels.

In preparation for the upcoming Manitoba Public Insurance (MPI) General Rate Application, CAC Manitoba will meet with a number of potential stakeholders representing various Manitoba perspectives. It will conduct at least two focus groups with Manitoba consumers on issues relevant to public auto insurance. In addition, the organization will seek to better educate consumers about the rate application through the use of a variety of public engagement tools including social media.

## ***A prominent role in regulatory proceedings***

Over the past 25 years, CAC Manitoba has been active in rate regulation matters relating to Manitoba Public Insurance, Manitoba Hydro, Centra Gas, government cheque cashing and payday lending rates. In addition, the organization has extensive and intersecting regulatory experience at the Canadian Radio-television and Telecommunications Commission and the Manitoba Clean Environment Commission. It takes pride in its long-standing record of quality, evidence-based advocacy.

Over the past twenty-five years, CAC Manitoba has been particularly engaged in regulatory matters relating to Manitoba Public Insurance including every General Rate Application and technical conference as well as the Driver Safety Rating proceeding.

CAC Manitoba has a mandate to provide Manitoba consumers with unbiased information. Through interventions at rate hearings, the organization represents the consumer interest on prices and quality of service (“rates for service”).

In recent regulatory proceedings before the Public Utilities Board on Manitoba Public Insurance matters, CAC Manitoba has played an active role in issues such as:

- ratemaking in accordance with accepted actuarial practice;<sup>2</sup>
- an evidence based approach to interest rate forecasting;<sup>3</sup>
- the need for increased rigour in information technology expenditures and demonstrable benefits for ratepayers including a post project review of expenditures related to the personal injury protection plan technology management system;<sup>4</sup>
- risks and opportunities for Manitoba ratepayers relating to the Physical Damage Re-engineering project;<sup>5</sup>

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2 *Public Utilities Board Order 162-16*, p. 5, 16, 18-19, 31-32, 35, 65-67; *Public Utilities Board Order 130-17*, p 25-26.

3 *162-16*, p. 6, 16, 18, 46, 50, 54-56; *130-17*, p 65-66, 69.

4 *162-16*, p. 6, 31-32, 33-34, 36; *130-17*, p 51-53.

5 *162-16*, p. 22, 28 -29, 32, 34, 36; *130-17*, p 56.

- efficiency in expenditures on staffing;<sup>6</sup>
- a modern approach to road safety investments that provides good value to ratepayers and enhances protection for all Manitobans;<sup>7</sup>
- the necessity for a modernized approach to the Corporation's investment portfolio that better balances risk and reward;<sup>8</sup>
- an evidence based approach to setting reasonable reserves;<sup>9</sup>
- the importance of a fair and effective Driver Rating System.<sup>10</sup>

### 3) Reasons for the proposed intervention

This rate application is of considerable importance to Manitoba consumers, with the Corporation seeking an overall rate increase of 2.2%. As well, many of the issues that will be explored during this General Rate Application are a continuation of issues that were explored in last year's application and in follow-up processes, including:

- the Interim Rate Application for Vehicles for Hire;
- the technical conference on the need for and methodology for setting a Capital Maintenance Provision;
- the technical conference on the Asset Liability Management Study, and associated risk management and investment income.

CAC Manitoba has participated in the follow-up processes on all these issues and intends to test Manitoba Public Insurance's evidence in the upcoming proceeding.

CAC Manitoba seeks to protect the interests of Manitoba Public Insurance ratepayers with a particular focus on the private passenger class. It will assert their right to just, reasonable and sustainable rates that are determined in a publicly accessible and transparent process.

Given the short time frame between the filing of the application and the pre-hearing conference as well as the uncertainty occasioned by the limited response of the Corporation to key directives of its independent regulator, the overview of issues and budgets is necessarily preliminary.

### 4) Proposed areas of analysis, evidence and expert witnesses

The intervention of CAC Manitoba in this proceeding will be guided by the Public Utilities Board criteria for the consideration of just and reasonable rates. Pursuant to its jurisdiction and the statutory framework in which it operates, the Public Utilities Board has characterized the key elements of its independent review function and rate-setting

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6 162-16, p. 26.

7 162-16, p. 7, 70, 80 -82; 130-17, p 87.

8 162-16, p. 6, 15-16, 44-45, 50; 130-17, p 66,

9 162-16 p. 7, 59, 61 – 63; 130-17, p 75-77, 79.

10 162-16, p. 14; 130-17, p 33.

role as follows:

- Ensuring that forecasts are reasonably reliable;
- Ensuring that actual and projected costs incurred are necessary and reasonable;
- Assessing the reasonable revenue needs of an applicant in the context of its overall general health (including reserves);
- Determining an appropriate allocation of costs between and within classes; and
- Setting just and reasonable rates in accordance with statutory objectives.<sup>11</sup>

CAC Manitoba proposes to provide analysis and evidence from a team of experts coordinated by the Public Interest Law Centre and Mr. Peter Dyck. Information on the Public Interest Law Centre and Peter Dyck will be provided at the end of the Overview of Costs Application section.

### Reasonably Reliable Forecasting

In terms of forecasting, CAC Manitoba proposes to review the various operating, capital, revenue, claims and investment income forecasts. It will ask:

- are the assumptions reasonable, justifiable and supported statistically?
- are vehicle volume and upgrade factors reliable based on trends and past experience?
- are efficiencies achieved to mitigate costs?
- can the stakeholders have confidence in forecasts and forecasting procedures?

The organization expects to review the Corporate and Basic Insurance Feb 28/18 annual reports (2017/18) and assess the annual performance and its impact on forecasts going forward. With the 2017/18 financial performance as a backdrop, the organization intends to examine the following:

- review the Claims Forecast (Part V Claims Incurred);
- review the Revenue Forecast (Part V Revenues);
- review the Actuary's Report as at October 31, 2017 and February 28, 2018 (Part VIII); and
- review the Rate Setting Framework, process and results (Part V).

CAC Manitoba will examine changes in the development factors from previous reports. It will also examine any changes to assumptions (interest/discount rates) and how the changed assumptions may affect future projections. It will also review forecasting data to ensure data integrity.

In particular, CAC Manitoba will review MPI's interest rate forecasts given historic challenges and whether the Corporation is compliant with recent PUB direction, as well

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11 *Public Utilities Board Order 98/14* at p 28, 37; *PUB Order 5/12* at p 27. See also the *Crown Corporations Public Review and Accountability Act*, C.C.S.M. c. C336, the *Public Utilities Board Act*, C.C.S.M. c. P280 and the *Manitoba Public Insurance Corporation Act*, C.C.S.M. c. P215

as certain elements of the investment forecast including whether the estimate of the investment risk premium is reasonable.

At this point in time, CAC Manitoba is considering whether the call evidence related to the implications for the reliability of the GRA forecast and DCAT modelling of the Corporation's reliance on the naive interest rate forecast, especially in light of developments in the US and Canadian marketplace as well as the most recent PUB order. This evidence would be developed by Dr. Wayne Simpson with a peer review by Ms Andrea Sherry. Details regarding the qualifications of Ms Sherry and Dr. Simpson will be provided at the end of the Costs Application section.

### **The reasonableness and justifications for operating, maintenance and administration costs**

Regarding cost control, operating and claims expenses, staffing and cost containment, CAC Manitoba intends to:

- Review the expense report, benchmarking report and staffing report to determine impact of the current cost containment process and progress made;
- Perform an expense account analysis to determine and obtain explanations for any material variances from approved budgets;
- Ascertain the use of consultants and costs, including examining the Terms of Reference for consultants;
- Review staffing levels;
- Examine whether all service provider fees are negotiated and set out in a contract or whether they are pending negotiations, including reviewing the status of the repair industry agreements;
- Reviewing whether the organizational structure changed recently and what is the current structure;
- Examine whether there performance bonuses paid to management and or consultants; and
- Whether there are there any accounting adjustments anticipated that are not reported in the 2019 GRA that would need to be accounted for in the next fiscal year.

As part of its Corporate Mission in its 2018/19 Business Plan, MPI appears to be undertaking a review of its coverages to ensure it is delivering on its core business and thus building value. As part of its intervention, CAC Manitoba plans to review the potential financial impact and the impact on future rates and forecasts of the coverage review.

CAC Manitoba intends to review the extensive Benchmarking report filed in Part IV as BMK and assess improvements made year over year and initiatives to be undertaking going forward. It also intends to assess MPI's operational and organizational efficiencies compared to their peers.

In collaboration with the Coalition of Manitoba Motorcycle Groups (CMMG) CAC Manitoba intends to test the business case and economic value of Road Safety and Loss Prevention initiatives, including of any new initiatives being launched by the Corporation.

CAC Manitoba intends to review MPI's Value Management report and the associated projects' business cases to assess the return on investment and the value to MPI and the Autopac system. In light of the Customer Claims Reporting System (CCRS) cancellation, it will also explore the number of previous projects that have been cancelled and/or modified to provide a positive Return on Investment, including the sunk costs of failed IT projects in the past and any "take aways" for future management.

In 2019, it appears that MPI has refocused its IT Strategy to align business objectives and IT investment. CAC Manitoba intends to review and assess the IT direction MPI is taking in 2019 and beyond and how it aligns with the Annual Business Plan. For example, some of the issues the organization intends to examine are:

- IT as a core business of MPI vs IT as a tool;
- is MPI on a sustainable direction in terms of IT investments and expenditures;
- apparent transition away from leading edge technology and moving to proven mainstream technology, which represents a a new business direction.

At this point in time, the Manitoba Branch of CAC Manitoba does not intend to call evidence in this area. In terms of its analysis in this area, it intends to rely upon Mr. Dyck, with the possibility of also retaining Mr. Wallace Pitt (see Attachment B, proposed Budget). The qualifications of Mr. Dyck and Mr. Pitt are set out in the Costs Application section.

### **Overall health of the corporation including reserves**

Under this heading, CAC Manitoba proposes to examine the appropriateness of core elements of the rate application including the necessity of the 2.2% in premium increases, as well as issues relating to the methodology and appropriateness of the proposed Rate Stabilization Reserve. In this context, CAC Manitoba also intends to examine particular risks and opportunities flowing to ratepayers from the Corporation's investment portfolio management practices.

In terms of the appropriateness of the 2.2% requested overall rate increase, CAC Manitoba notes that it appears MPI's financial bottom line is forecasted to improve quite impressively since last year. CAC Manitoba intends to investigate the causes of this financial turnaround, including examining actuarial assumption changes, improved investment income, lower than expected claims volume, write-offs of sunk IT costs.

In terms of risks, risk management and appropriate reserves, CAC Manitoba will consider:

- the 2017/18 annual report and assess the financial condition and impact on

- future revenue requirements;
- an analysis of the various significant accounts where amounts, year over year, have changed materially should be examined to determine the reason for the changes and the financial impact these changes may have on the proposed 2019 GRA – Basic Insurance rates, if any.
- accounting policy changes (review financial statements for impacts of accounting policy changes; if any, management judgements and how they impact the 2019/20 General Rate Application);
- implications for the Rate Stabilization Reserve of the Corporation's statutory monopoly on basic and practical monopoly on extension;
- the appropriate range of the Rate Stabilization Reserve taking into account evidence based analysis flowing from Dynamic Capital Adequacy Testing;
- whether the Corporation's proposed lower and upper end target for the reserve based on the Minimum Capital Test follow the PUB's directive from the last General Rate Application;
- the financial sustainability of the Corporation on a going forward basis including whether significant risks are being being mitigated cost effectively.

MPI appears to have developed and proclaimed a New Corporate Mission Statement and new Corporate Value Statements to align with the new Mission. Areas of inquiry will include reviewing the updated Corporate Strategic Plan, the Annual Business Plan, reviewing the the *Crown Corporation Governance and Accountability Act (CGAA)* and its impact on MPI operations and potential impact of MPI's relationship with PUB, if any.

In terms of the investment portfolio, CAC Manitoba participated extensively in this area during the 2017 GRA and intends to assess MPI's progress since then in this proceeding.

The Manitoba Branch of the Consumers' Association of Canada intends to examine the following issues relating to MPI's investments:

- the proposed changes in asset mix, including whether it will create more concentration of various risks within fixed income, rather than equities and other assets;
- whether proposed changes to the portfolio will lead to risk reduction or whether there are keys risks that are not being measured as accurately as they could be;
- progress made on the 18 recommendations made by Mr. Valter Viola during the 2017 GRA, including a number of recommendations which the Manitoba Branch of the Consumers' Association do not believe have been fully addressed (i.e. de-linking discount rates, min/max asset class constraints, minimum risk portfolio, no over-reliance on quantitative modeling, exclusion of Real Return Bonds, effectiveness of duration policy);
- The Investment Policy Statement, including whether there are any changes and what is the impact;
- the annual yield return per the Investment Performance report compared to the reported/forecasted investment income.



In terms of the overall health of the corporation, CAC Manitoba proposes to bring evidence in this area. At this point in time, it is expected that Mr. Viola will present evidence with reference to the investment-related issues, including the Asset Liability Management Study, changes to the asset mix and MPI's overall investment portfolio. CAC Manitoba is also considering evidence related to the merits of the capital maintenance surcharge provision, including but not limited to the analysis underlying the proposed 70% MCT maintenance objective and its intergenerational implication. Ms Andrea Sherry may be asked to develop this evidence, with a peer review by Dr. Wayne Simpson.

### **Appropriate allocation of costs between and within classes**

CAC Manitoba proposes to focus its attention on the Vehicles for Hire rates including:

- the interplay between the *Vehicles for Hire Act*, the Regulations and the insurance rating model;
- rates for taxicabs versus passenger vehicles for hire;
- the financial impact of the vehicles for hire rating model on the Corporation;
- DSR premium discount impacts, if any;
- information technology costs;
- forecasting of claims incurred;
- road safety and loss prevention, especially relating to safety and training standards and requirements for vehicles for hire operating in Manitoba;
- monitoring of industry standards and best practices; and
- stakeholder engagement.

CAC Manitoba also will canvass relevant issues relating to Driver Safety Rating as they arise.

### **Ratemaking**

CAC Manitoba intends to focus on whether the proper actuarial principles are in place for the indicated rate and rate making exercise. In particular, it will consider the proposed treatment of investment income on total equity for the purposes of the rate indication.

It is expected that Ms Sherry and Mr. Dyck will share the lead in this area.

## **5) Overview of Costs Application**

The proposed intervention budget of the Manitoba Branch of the Consumers' Association of Canada is comparable to its budget for the 2018 GRA, taking into account the technical conferences and a slightly longer hearing.

The Manitoba Branch of the Consumers' Association of Canada had not anticipated retaining experts relating to interest rate forecast and IT. However, given its preliminary review of MPI's application and its methodology for interest rate forecasting as compared to PUB Order 130-17 and an apparent change in direction for IT, it has included a contingency in its proposed budget for retaining experts in these areas to assist in its analysis. Should CAC Manitoba decide to retained experts in these areas, it would propose submitting a revised detailed budget at a later date.

The proposed costs application also includes the budgets for the Interim Vehicles for Hire Rate Application and the three technical conferences that have already taken place earlier in 2018.

### ***The Public Interest Law Centre***

The Public Interest Law Centre is an independent office of Legal Aid Manitoba that represents groups and individual on systemic issues or issues that affect the broader population. The Public Interest Law Centre's areas of practice include:

- Consumer law;<sup>12</sup>
- Environmental law;
- Human rights law;
- Indigenous law; and
- Poverty law.

The Public Interest Law Centre has acted as legal counsel for private vehicle consumers in proceedings relating to Manitoba Public Insurance at the Public Utilities Board for more than 25 years.

### ***Peter Dyck***

Peter Dyck received his Diploma of Technology in Financial Management Technology (Accounting Option) in June 1973 from the British Columbia Institute of Technology. In 1976 he received his Certified General Accountants Association of Canada designation (CGA). In 2005 the Certified General Accountants Association of Canada honoured him with the fellowship designation (FCGA) for outstanding contribution to the Association, accounting profession and community. With the amalgamation of the accounting associations he now holds the FCPA, FCGA designations. In 2006, Mr. Dyck was certified as a professional Corporate Director (ICD.D) by the Institute of Corporate Directors.

Peter has worked in the property and casualty insurance industry since 1973 in various positions and capacities. The most recent position was as Director of Finance and Corporate Controller at the Manitoba Public Insurance Corporation where he was responsible for financial and risk management, strategic planning, forecasting,

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<sup>12</sup> Under section 4(2) of the *Legal Aid Manitoba Act*, groups can be found eligible for Legal Aid where the matter involves an objective or interest (a) common to the members of the group; and (b) relating to an issue of public interest including, without restricting the generality of the foregoing, any **consumer or environmental issue**. [emphasis added]

regulatory activities, budgeting, accounting, reinsurance accounting, financial controls and reporting. Currently he is President of Oakwood Strategy Group Inc. providing consulting services in regulatory support, estate planning and management and financial planning advice.

Since 2016 he serves on the Board of Directors of the Workers Compensation Board of Manitoba as Director and he also serves on the Audit Committee as Chair and is a member of the Prevention Committee. Since 2008 he serves on the Board of Directors of the Concordia Hospital Foundation Inc. as Director and he also serves as Treasurer. He also served on the Bethania Group Board of Directors as Director for nine years.

Peter has worked in the Property & Casualty insurance industry for over 34 years and will rely on all of the expertise he has gained, with particular emphasis on forecasting, financial reporting, financial sustainability and risk mitigation.

### ***Wallace Pitt***

Mr. Pitt has 25 years of Technology Governance and Risk Management Consulting experience. He has a strong professional services background, with expertise in IT Governance, Technology Risk Assessment along with IT Security Governance. Wallace has significant experience in the pragmatic and effective review and assessment of Information Technology and Cybersecurity controls for both large and medium-sized enterprises

Mr. Pitt brings significant exposure to an organization's Enterprise Technology and Business Architecture, with experience performing review and assessment of technology and security architecture. He is expert in the assessment of IT Architecture Solutions, and performing compliance reviews against IT architecture standards. In his various senior roles, Wallace developed and led effective information security & risk management program initiatives.

In his leadership role as Chief Information Security Officer for Symcor Inc., Wallace created and led an effective information risk management program, consistent with the organization's strategic business plan. He planned and executed the delivery of several key compliance initiatives (including SAS70 and PCI DSS). He demonstrated expertise in the pragmatic use of these frameworks to provide the basis for risk management and risk reporting. This has also been applied in his experience with utility companies (BellCanada, Ontario Power Generation and HydroOne), as well as in Financial Services (Scotiabank, TD Bank and CIBC).

### ***Andrea Sherry***

Andrea Sherry received her Bachelor of Commerce (Honors) in December 1990 from the University of Manitoba with a major in Actuarial mathematics. She became a Fellow of the Casualty Actuarial Society and Fellow of the Canadian Institute of Actuaries in 2000. Andrea became a Fellow Chartered Insurance Professional and received her Canadian Risk Management designation in 2005. She became a Certified Management

Accountant in 2008 and is now a Chartered Professional Accountant, Certified Management Accountant.

Andrea is currently Vice President, Insurance Solutions at The Wawanesa Mutual Insurance Company in Winnipeg. Her current role is responsible for the company's actuarial pricing, product development and maintenance, as well as head office personal lines underwriting. Prior roles include work in solvency and capital, enterprise risk management and investments. Andrea has had appointed actuary and valuation actuary roles prior to joining Wawanesa. She has worked on Dynamic Capital Adequacy Testing and internal models to satisfy the regulatory requirements in the United Kingdom (where internal models to determine capital adequacy are used by larger companies). She has also been involved in the preparation of an Own Risk Solvency Assessment.

Andrea has worked in the Property & Casualty insurance industry for over 25 years and will rely on all of the expertise she has gained, with particular emphasis on her expertise in actuarial work and investments. She has provided expert evidence to the Manitoba Public Utilities Board on issues related to risk and ratemaking.

### ***Wayne Simpson***

Dr. Wayne Simpson has a PhD from the London School of Economics (1977) and is a Full Professor in the Department of Economics at the University of Manitoba, where he has taught since 1979. His areas of academic expertise include applied econometrics, applied microeconomics, quantitative methods, and economic and social policy analysis. He has authored or co-authored three books and more than fifty peer-reviewed articles on these and related topics, including two papers on the impact of risk on the behaviour of the firm.

Dr. Simpson is currently on the editorial board of Canadian Public Policy, Canada's foremost peer-reviewed academic journal for economic and social policy, and the executive council of the Canadian Economics Association. He was a 2014 recipient of the McCracken award for the development and analysis of economic statistics from the Canadian Economics Association.

Dr. Simpson's expertise in applied microeconomics and econometrics are especially relevant to this hearing on Manitoba Public Insurance rates. Applied microeconomics is the study of the behaviour of individual agents (e.g., firms and households) in the market using modern theory and empirical methods. It seeks to apply the analysis to practical problems such as risk management and investment strategies. Applied econometrics uses specific statistical techniques, particularly regression methods, to analyze and predict economic behaviour and apply it to practical social problems.

Dr. Simpson has significant extensive experience provided expert evidence at the Public Utilities Board including the 2007, 2010, 2013, 2014 and 2016 Manitoba Public Insurance Rate Applications on issues such as the Rate Stabilization Reserve and investment strategy. Dr. Simpson will rely on his expertise in applied econometrics and

applied microeconomics in this proceeding.

***Valter Viola***

Mr. Valter Viola is a portfolio, research and risk management professional with 24 years of experience in institutional investment management (mostly defined benefit pension plans). He held executive and senior management roles in portfolio management, risk management, investment research and economics for 12 years at two of Canada's largest institutional investors (CPP Investment Board and Ontario Teachers' Pension Plan). For the past 12 years, he has been an advisor to Boards, Investment Committees and Management Teams at some of the largest institutional investors (primarily North America).

In 2016, Mr. Viola was engaged by the Public Interest Law Centre on behalf of the Consumers' Association of Canada (Manitoba Branch), and was an expert witness during the 2017/2018 MPI GRA. Under PUB Order 10.13, the PUB ordered MPI to obtain an updated ALM study, which was to address each of the 18 recommendations made by Mr. Viola.

Mr. Viola holds a Bachelors of Commerce degree from the University of Toronto, MBA from the Ivey School of Business (Western University), practiced as a Chartered Accountant and is a CFA charterholder.