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**Our File No.:** 19-0133-RPO

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Darren Christle  
The Public Utilities Board  
400 - 330 Portage Avenue  
Winnipeg, Manitoba  
R3C 0C4

Via E-Mail (publicutilities@gov.mb.ca)

Dear Sir:

Re: Proposed Intervention of CMMG

The writer wishes to thank you for the opportunity of providing our opening comments in this written submission.

The CMMG is well known to this Board as we have been intervener for 27 years, first appearing in 1992.

The Coalition of Manitoba Motorcycle Groups Inc. (CMMG) is a volunteer non-profit corporation to foster safety awareness and lobby for fair and equitable insurance rates and treatment of Manitoba motorcyclists. As indicated in our Application, the formal membership ranges around 200 persons and their families but enjoys wide support amongst social media followers and others in the community.

Meetings of the organization are held in Winnipeg, Brandon and, on occasion, in northern Manitoba. We represent the 17,500 motorcyclists in this province for the purpose of the MPI GRA.

In terms of our intervention this year, we note that MPI has reported a profit of \$159,100,000.00, a \$68,000,000.00 increase over the previous year. At last year's GRA, the CMMG took the position that no increase was required and certainly advocated against the imposition of a new capital maintenance provision. This position was based on the superlative financial performance and condition of MPI

at that time where income was up and claims costs and administrative costs were down. Last year, at the time of the Application, we note that retained earnings for the Corporation grew from \$261,000,000 in 2017 to \$352,000,000.00 by February 28, 2018, and then \$425,000,000.00 as of August 31, 2018. This year again we are seeing a Corporation that is extremely cash rich and it has unilaterally taken steps to ensure that its reserves are even further bolstered over what this Board would normally determine.

Of course, the issue of the Order in Counsel will be the subject of a great deal of examination at this year's GRA. The CMMG looks to interveners with larger financial resources to take on the constitutional challenge of the Regulations and to address the issues of statutory interpretation and S. 18 of the Regulations. We trust that the Board's jurisdiction in this area shall be clarified and eventually restored, with a view to having all of the deliberation that this issue has garnered to date be valued and utilized going forward.

Other very public issues that are arising at this time include the broker compensation package that was entered into despite the concerns of the MPI executive and I would expect that there will be some lively examination on those issues.

Other than the two aforesaid issues, the intervention of CMMG is primarily directed to the rate requirement and the premiums sought for motorcyclists. This is an extremely important issue because motorcyclists in this GRA are asked to pay the second highest increase for all major classes of vehicles and the writer suggests that we will be critical of the evidence in this respect. Apart from examining the rating methodology and the accuracy of forecasts, we will also be seeking to have the Board consider alternative treatment of the investment income from case reserves on motorcyclists. The reason for our inquiry in this area is that motorcyclists should be rewarded for their declining frequency of accidents, however, we are seeing as a result of the decline in interest rates that their premiums are the subject of a large increase by the Corporation due to the reduction in investment income. We are looking for some way of addressing this anomaly.

Road safety continues to be an important area of inquiry for all Manitobans and more specifically motorcyclists, given they are a vulnerable road user. CMMG was delighted to participate in the Road Safety Technical Conference earlier this year and felt that the input of all parties present and the information presented were most helpful. However, in the GRA there are budgets to review and proposed different initiatives and we would appreciate MPI acknowledging that this is an important area of inquiry again this year. We note that the report of Mr. Keith was only distributed recently and we will be reviewing same with the CMMG executive to determine what further examination can proceed in this GRA.

We have filed our Application for Intervention and our preliminary budget and await consideration of both in due course. The writer can advise that he will be on a leave of absence for one week's time and we would ask for further indulgence with respect to filing a detailed legal budget in due course.

As well, although we have repeatedly requested financial statements from our client, as the CMMG is comprised of volunteers, it appears that recent statements are not available yet and we will endeavor to provide those at our earliest opportunity.

We do not foresee having any expert witness testimony produced on behalf of CMMG. We do not see any need for variation from the preliminary issues list and we are fine with the timetable as provided.

The foregoing represents my opening statement comments and, again, we thank you for the indulgence of being able to provide same in writing at this time.

Sincerely,

**BD OAKES JARDINE KANESKI UNRUH LLP**

Per:



**RAYMOND P. OAKES**

RPO/jf