

Driver Safety Rating (DSR)

Premium Rate Setting



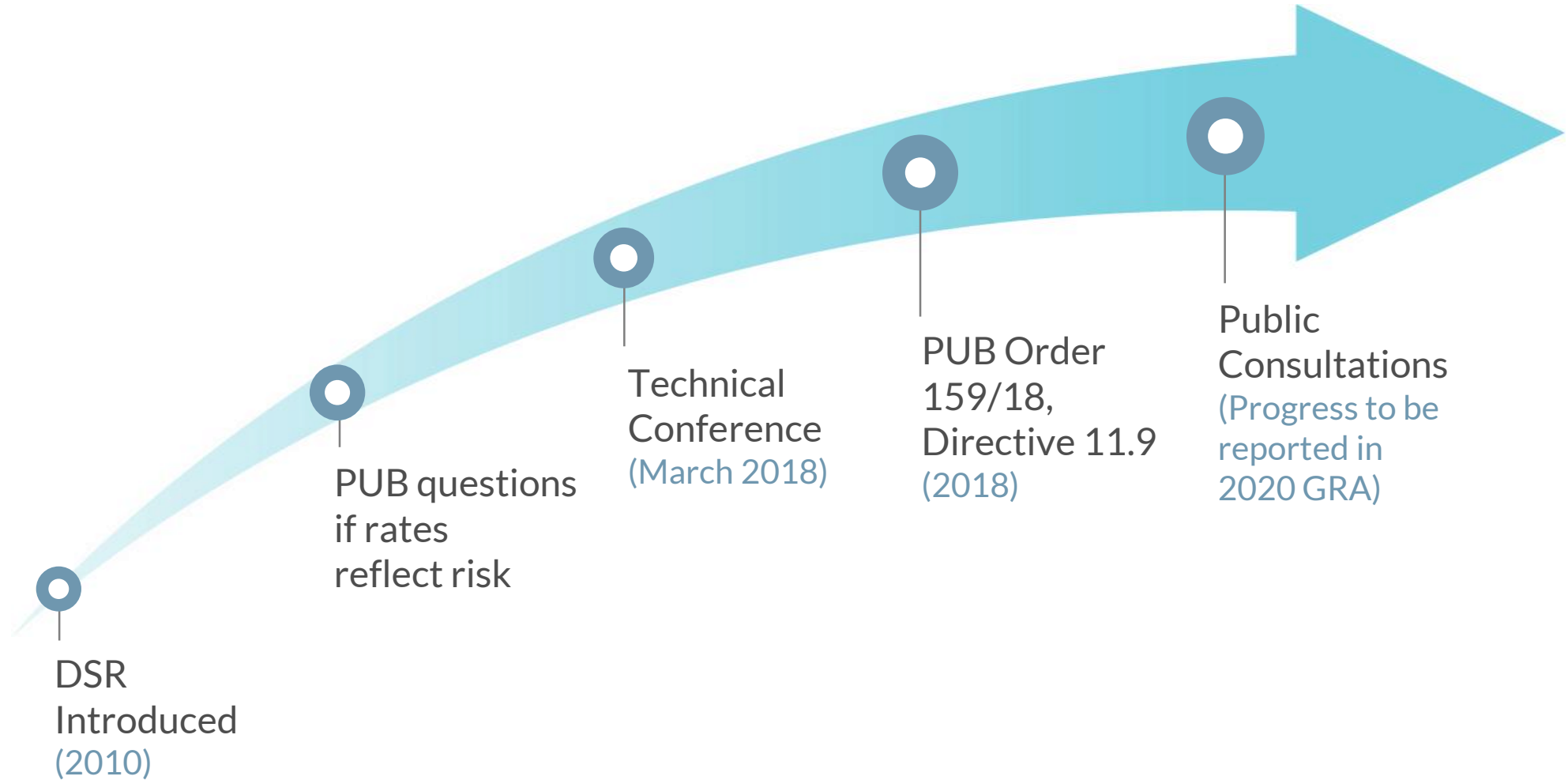
Direction from PUB

PUB Order 159/18, Directive 11.9 states:

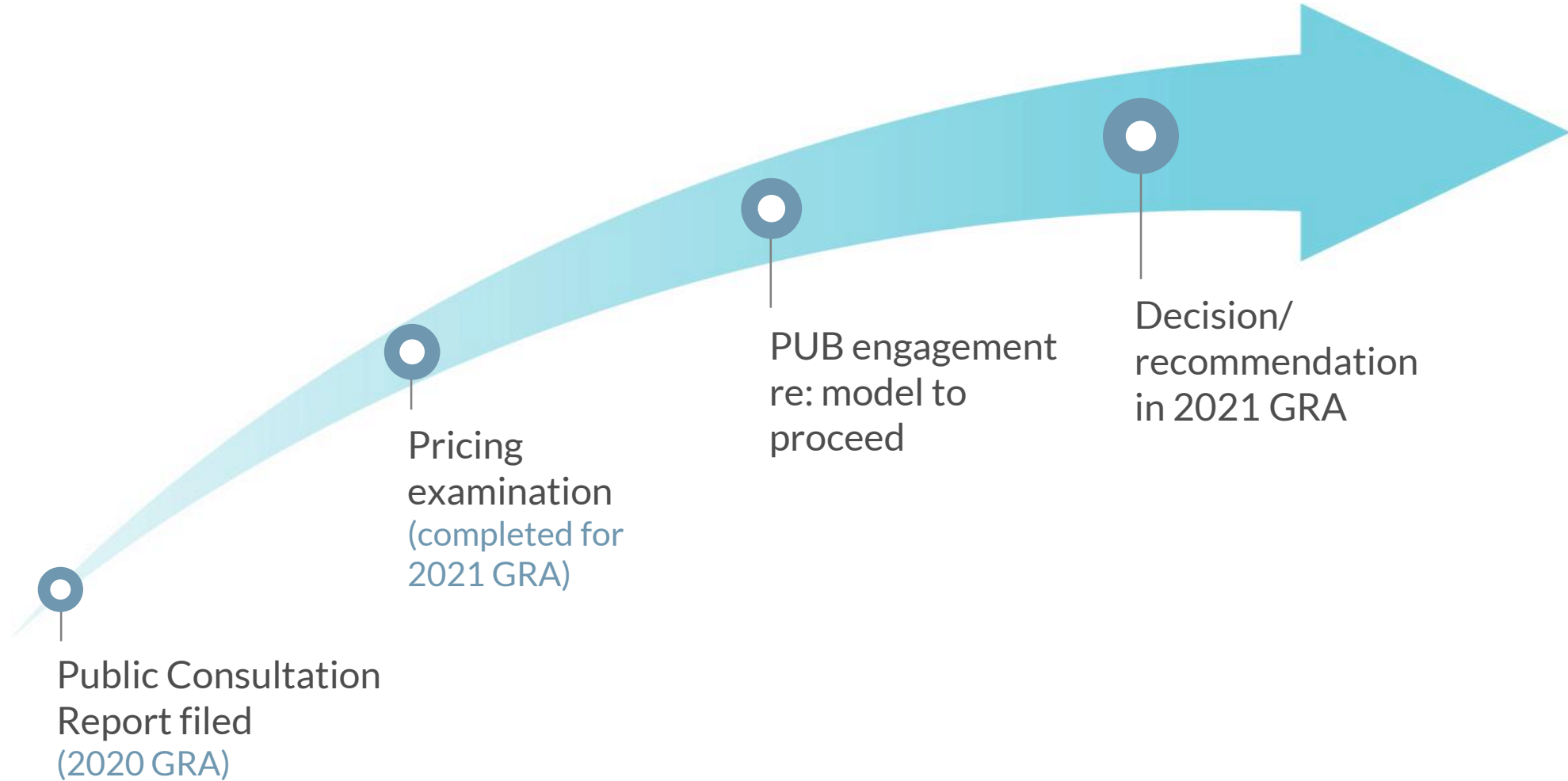
“In the 2020 GRA, with respect to the Driver Safety Rating system, the Corporation shall report on the progress of its public consultation efforts, its preliminary research on the no or low cost options for rating models, as well as on its decision on whether to proceed with data collection for the higher cost options.”



Background and Timeline



Continuing Timeline



DSR Models

Current and Alternative Models

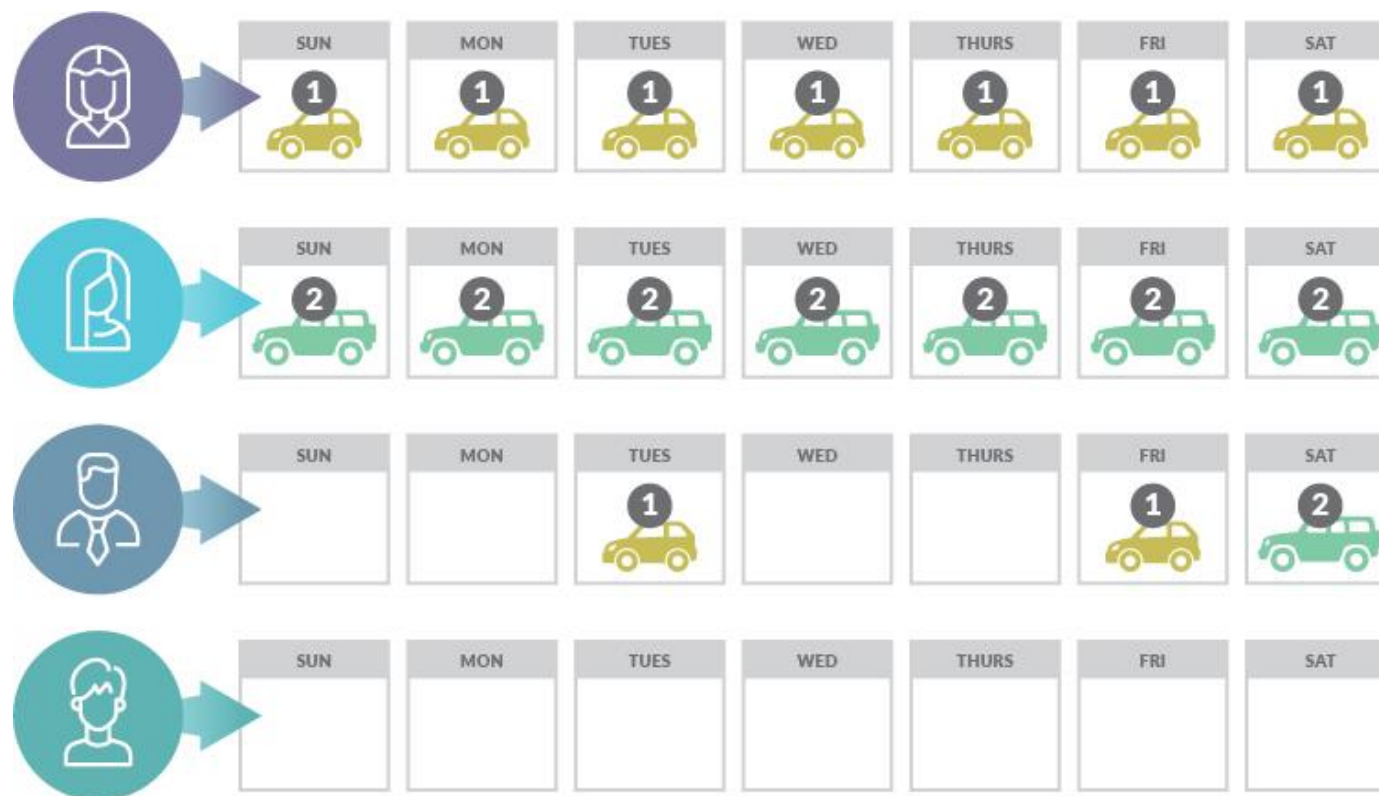
- A) Registered Owner
- B) Primary Driver
- C) All Household Drivers
- D) Declared Drivers
- E) Driver Premium



Sample Household

Family of 4 licensed drivers (parents with 2 teenage children) and 2 vehicles.

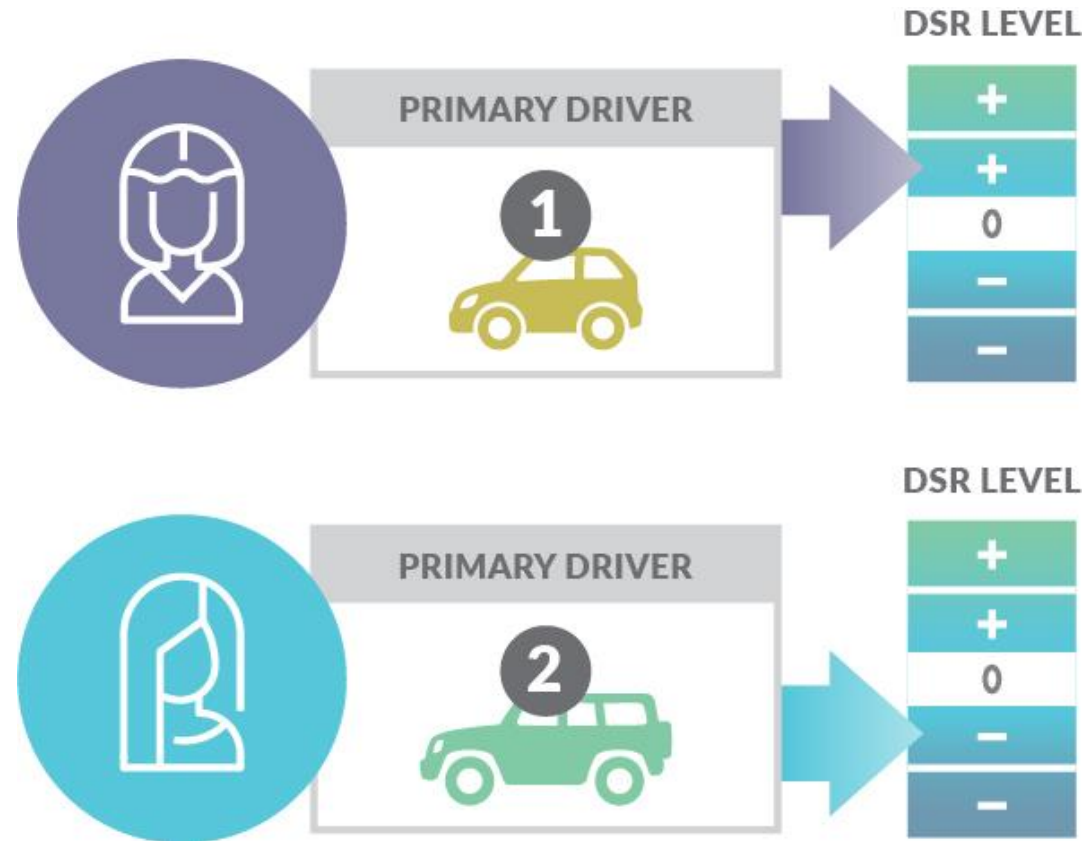
(For illustrative purposes only.)



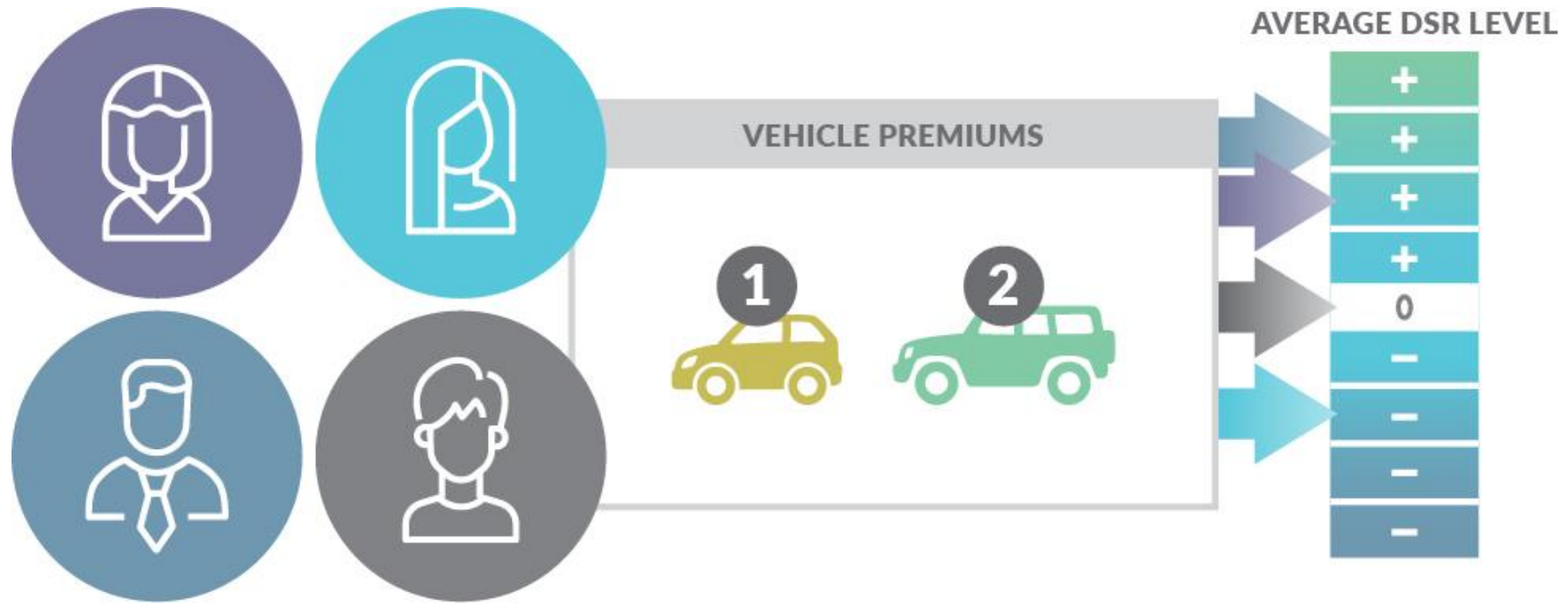
A) Registered Owner Model



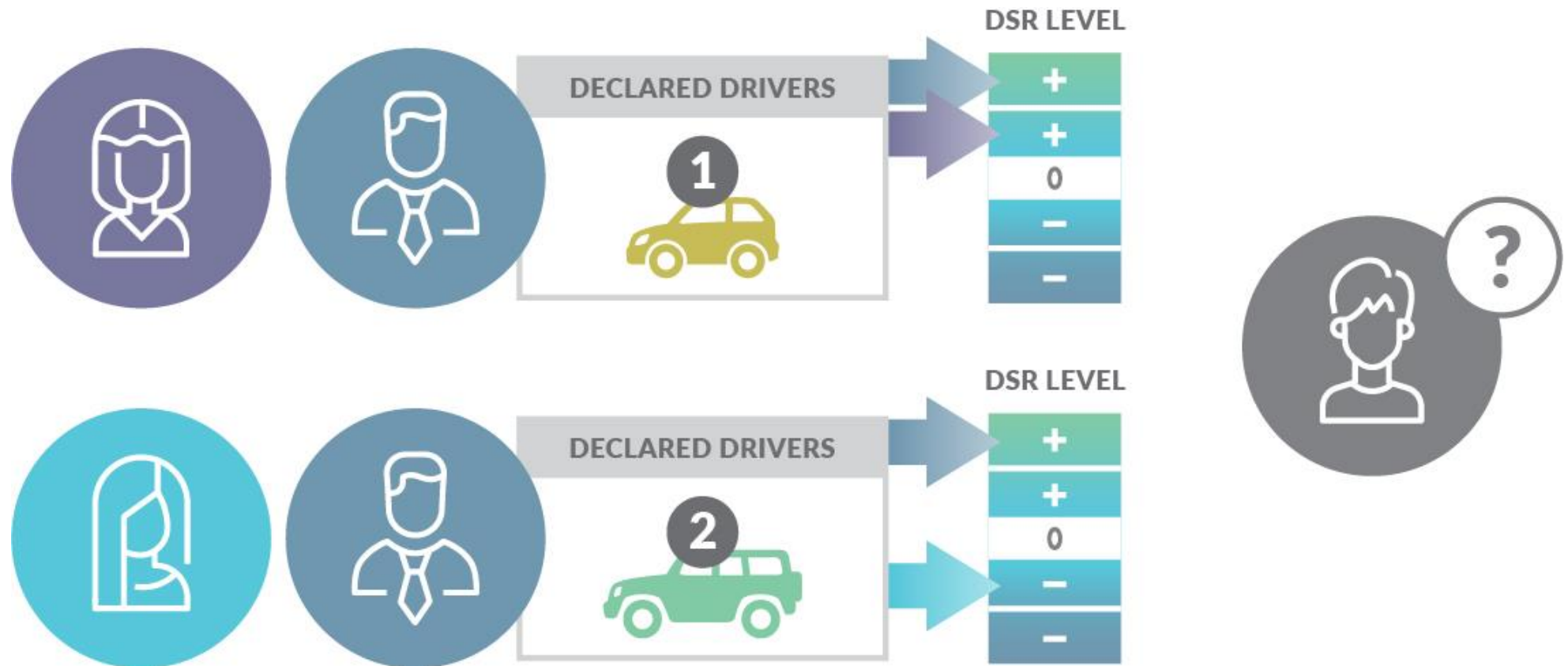
B) Primary Driver Model



C) All Drivers in the Household



D) Declared Driver Model



E) Driver Premium Model



Public Consultation Methodology

Completed over an eight week period (April 1, 2019 to May 22, 2019)

Outreach Method	Overview	Reach
Public discussion paper	We created a discussion paper outlining our review of DSR and proposed alternative models	
Web page	Web page on the MPI public website dedicated to the public consultation	3,798 total page views, average visit of 7+ min.
Advertising	Advertising letting Manitobans how to participate in the consultation	Newspaper print ads, online ads, social media ads
Stakeholder Engagement	External and Business partner engagement	4 PUB contributors invited to participate; IBAM informed and invited to participate



Public Consultation Response

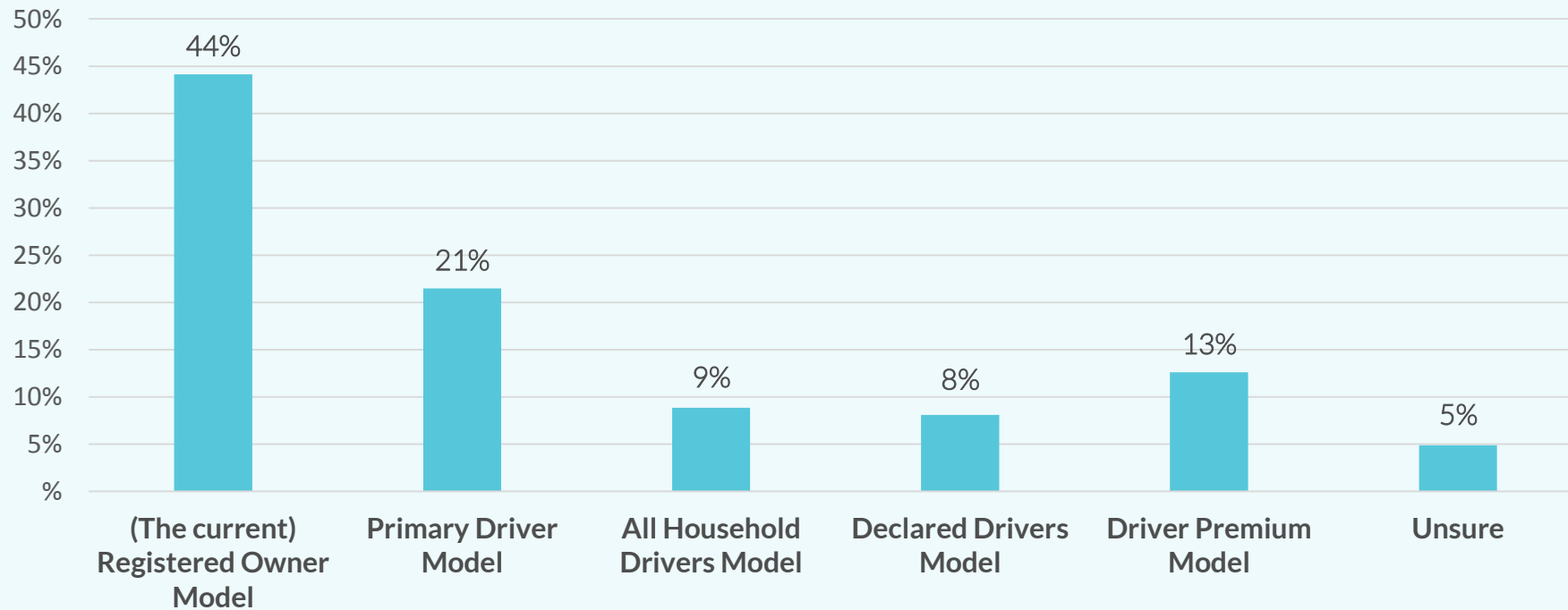
More than 2,900 responses received

Feedback Method	Overview	Reach
Telephone Surveys	General public random representative telephone surveys	1,500 surveys with a M.O.E +/-2.5%
Open Link	Open Link Surveys	633 completes
Voice of the Customer ePanel	Electronic customer engagement panels	777 completes over 3 iterations
Stakeholder Engagement	CAC and CMMG responses have been included in the detailed report	2 submissions received (4 were directly invited)



The Public's Preferred Model

If you were to choose one of these models to use for setting vehicle and driver premiums in Manitoba, which would you choose?



Public Consultation Conclusions

1. Manitobans chose the current **Registered Owner Model** as their preferred model for setting vehicle and driver premiums.
2. Manitobans do not view any single model as “perfect”.
3. Overall, Manitobans say that good driving should be rewarded with lower premiums, and that paying the right price (what they consider to be fair) is of paramount concern.



Pricing Models Being Explored

Decision has been made that the more complex, high cost models (i.e., All Household Drivers and Declared Drivers) are not a good fit for Manitoba at this time.

- Little public appetite for a change to a complex model
- Current model works:
 - Understood by Manitobans
 - DSR Scale reflects driver risk well
- Current model weaknesses:
 - Accounting for multiple drivers
 - Pricing risk in best fashion



Our Process

Progress has been made to reduce to number of models to consider, but a final solution has not been identified to date.

The following is required prior to proposing a new rate setting model:

- Public consultation (completed)
- Complete a Pricing examination (to be filed as part of 2021 GRA)
- (Assuming changes within current structure) Engagement with PUB and stakeholders
- (Assuming change to the structure) Approvals from Government; followed by engagement with PUB and stakeholders



Pricing Models Being Explored

Currently, MPI is conducting a pricing examination of the following models:

- The current Registered Owner Model
- The Primary Driver Model
- The Driver Premium Model

This information is to be available in the 2021 GRA.



Thank you!

