



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re:

MANITOBA PUBLIC INSURANCE CORPORATION (MPI)

2026/27 MPI GRA

Before Board Panel:

Irene Hamilton, K.C.- Panel Chairperson

Patrick Ireland - Board Member

Kim Sharman - Board Member

HELD AT:

Public Utilities Board

400, 330 Portage Avenue

Winnipeg, Manitoba

Oct 14, 2025

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Craig Dunn) Public Presenter
Denis Cloutier) Public Presenter

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20		1-73 (Responses due September 9, 2025)	
21		- August 20, 2025 - IT Strategy	
22	PUB-8-69	PUB-MPI Round II Information Requests	
23		1-73 (Responses due September 9, 2025)	
24		- August 20, 2025 - IT Strategy -	
25		consultants and FTE staffing post Nova	

1		List of Exhibits	
2	Exhibit No.	Description	Page No.
3	PUB-8-70	PUB-MPI Round II Information Requests	
4		1-73 (Responses due September 9, 2025)	
5		- August 20, 2025 - Major Programs	
6	PUB-8-71	PUB-MPI Round II Information Requests	
7		1-73 (Responses due September 9, 2025)	
8		- August 20, 2025 - IT Strategy - Major	
9		Program initiatives	
10	PUB-8-72	PUB-MPI Round II Information Requests	
11		1-73 (Responses due September 9, 2025)	
12		- August 20, 2025 - IT Strategy -	
13		status of application component	
14		replacements	
15	PUB-8-73	PUB-MPI Round II Information Requests	
16		1-73 (Responses due September 9, 2025)	
17		- August 20, 2025 - IT Strategy -	
18		Software Contract Information	
19	PUB-9-0	PUB-CC - Intervener Evidence -	
20		Information Requests 1-12 (Responses	
21		filed September 29, 2025 - September	
22		24, 2025	
23	PUB-9-1	PUB-CC - Intervener Evidence -	
24		Information Requests 1-12 (Responses	
25		filed September 29, 2025 - September	

1		List of Exhibits	
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3		24, 2025 - Oliver Wyman - Claims	
4		forecasting - Work from home	
5	PUB-9-2	PUB-CC - Intervener Evidence -	
6		Information Requests 1-12 (Responses	
7		filed September 29, 2025 - September	
8		24, 2025 - Oliver Wyman - Rate groups -	
9		Rate group capping	
10	PUB-9-3	PUB-CC - Intervener Evidence -	
11		Information Requests 1-12 (Responses	
12		filed September 29, 2025 - September	
13		24, 2025 - Oliver Wyan - Driver Safety	
14		Rating	
15	PUB-9-4	PUB-CC - Intervener Evidence -	
16		Information Requests 1-12 (Responses	
17		filed September 29, 2025 - September	
18		24, 2025 - Oliver Wyman - Accident	
19		Benefits Other Indexed - Accident Year	
20		Weights	
21	PUB-9-5	PUB-CC - Intervener Evidence -	
22		Information Requests 1-12 (Responses	
23		filed September 29, 2025 - September	
24		24, 2025 - Oliver Wyman - Loss Cost	
25		Projections	

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2	Exhibit No.	Description	Page No.
3	PUB-9-6	PUB-CC - Intervener Evidence -	
4		Information Requests 1-12 (Responses	
5		filed September 29, 2025 - September	
6		24, 2025 - Oliver Wyman - Comprehensive	
7		Theft	
8	PUB-9-7	PUB-CC - Intervener Evidence -	
9		Information Requests 1-12 (Responses	
10		filed September 29, 2025 - September	
11		24, 2025 - V. Viola - Attribution	
12		Models - Tracking error	
13	PUB-9-8	PUB-CC - Intervener Evidence -	
14		Information Requests 1-12 (Responses	
15		filed September 29, 2025 - September	
16		24, 2025 - V. Viola - Attribution	
17		Models - Risk Analysis	
18	PUB-9-9	PUB-CC - Intervener Evidence -	
19		Information Requests 1-12 (Responses	
20		filed September 29, 2025 - September	
21		24, 2025 - V. Viola - Attribution	
22		Models - Risk Analysis - Interest	
23		Performance	
24	PUB-9-10	PUB-CC - Intervener Evidence -	
25		Information Requests 1-12 (Responses	

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3		filed September 29, 2025 - September
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5		Models - Risk Analysis - RSR and EFB
6		portfolios
7	PUB-9-11	PUB-CC - Intervener Evidence -
8		Information Requests 1-12 (Responses
9		filed September 29, 2025 - September
10		24, 2025 - V. Viola - Attribution
11		Models - Return
12	PUB-9-12	V. Viola - Attribution Models - Risk
13		Analysis - performance
14	PUB-10	Board Order 127/25 - Motion by Manitoba
15		Public Insurance - Seeking Confidential
16		Treatment of Documents and Information
17		in the 2026/2027 General Rate
18		Application - September 29, 2025
19	PUB-11	Reminder Public Notice - Manitoba
20		Public Insurance Corporation - 2026
21		General Rate application - dated August
22		23, 2025
23	PUB-12	Board Order 131/25 - Motion by Manitoba
24		Public Insurance - seeking confidential
25		treatment of the Project NOVA Closeout

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3		Report - October 8, 2025
4	PUB-13	PUB Board Counsel Book of Documents -
5		October 14, 2025
6	CC-1	CC Intervener Application including
7		CV's of P. Dyck, R. Sahasrabuddhe, F.
8		Chan, V. Viola, S. Greenlay, M. Aldor,
9		and D. Rainkie - July 2, 2025
10	CC-2-0	CC-MPI Round I Information Requests 1-
11		90 (Responses filed August 7, 2025) -
12		July 14, 2025
13	CC-2-1	CC-MPI Round I Information Requests 1-
14		90 (Responses filed August 7, 2025) -
15		July 14, 2025 - Regulatory Deferral
16		Account (RDA) - Funding of deferred
17		initiative expenses
18	CC-2-2	CC-MPI Round I Information Requests 1-
19		90 (Responses filed August 7, 2025) -
20		July 14, 2025 - Strategic Plan -
21		Transparency and Accountability
22	CC-2-3	CC-MPI Round I Information Requests 1-
23		90 (Responses filed August 7, 2025) -
24		July 14, 2025 - Key performance
25		indicators to support cost control

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3	CC-2-4	CC-MPI Round I Information Requests 1-	
4		90 (Responses filed August 7, 2025) -	
5		July 14, 2025 - Customer experience -	
6		overall satisfaction	
7	CC-2-5	CC-MPI Round I Information Requests 1-	
8		90 (Responses filed August 7, 2025) -	
9		July 14, 2025 - Status of	
10		recommendations implemented and	
11		outstanding	
12	CC-2-6	CC-MPI Round I Information Requests 1-	
13		90 (Responses filed August 7, 2025) -	
14		July 14, 2025 - PF - 2 Statement of	
15		Financial Position - Accounts	
16		receivable year over year increase line	
17		7	
18	CC-2-7	CC-MPI Round I Information Requests 1-	
19		90 (Responses filed August 7, 2025) -	
20		July 14, 2025 - Historical summary and	
21		current situation	
22		List of Exhibits	
23	CC-2-8	CC-MPI Round I Information Requests 1-	
24		90 (Responses filed August 7, 2025) -	
25		List of Exhibits	

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2		List of Exhibits	
3		July 14, 2025 - Corporate Salary	
4		Analysis Figure EXP - 15	
5	CC-2-9	CC-MPI Round I Information Requests 1-	
6		90 (Responses filed August 7, 2025) -	
7		July 14, 2025 - Special Services - \$5.8	
8		million increase compared to the 2025	
9		GRA	
10	cc-2-10	CC-MPI Round I Information Requests 1-	
11		90 (Responses filed August 7, 2025) -	
12		July 14, 2025 - Special Services -	
13		2026/27 MPI expects Special Service	
14		expenses to be approximately \$3.3	
15		Million higher than forecast from the	
16		2025 GRA	
17	CC-2-11	CC-MPI Round I Information Requests 1-	
18		90 (Responses filed August 7, 2025) -	
19		July 14, 2025 - Other Expenses - Bad	
20		Debt	
21	CC-2-12	CC-MPI Round I Information Requests 1-	
22		90 (Responses filed August 7, 2025) -	
23		July 14, 2025 - ICAM	
24			
25			

1		List of Exhibits	
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3	CC-2-13	CC-MPI Round I Information Requests 1-	
4		90 (Responses filed August 7, 2025) -	
5		July 14, 2025 - Cityplace space plan	
6	CC-2-14	CC-MPI Round I Information Requests 1-	
7		90 (Responses filed August 7, 2025) -	
8		July 14, 2025 - Implementation vs	
9		Ongoing Initiative costs/expenses	
10	CC-2-15	CC-MPI Round I Information Requests 1-	
11		90 (Responses filed August 7, 2025) -	
12		July 14, 2025 - Figure EXP App 8-1	
13	CC-2-16	CC-MPI Round I Information Requests 1-	
14		90 (Responses filed August 7, 2025) -	
15		July 14, 2025 - 2024/25 budgeted FTE's	
16		clarification	
17	CC-2-17	CC-MPI Round I Information Requests 1-	
18		90 (Responses filed August 7, 2025) -	
19		July 14, 2025 - 2024/25A salary	
20		increase of \$14.9 million due to FTE	
21		changes	
22	CC-2-18	CC-MPI Round I Information Requests 1-	
23		90 (Responses filed August 7, 2025) -	
24		July 14, 2025 - ICAM changes -	
25		Initiative Expenses: Cost Allocators	

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3	CC-2-19	CC-MPI Round I Information Requests 1-	
4		90 (Responses filed August 7, 2025) -	
5		July 14, 2025 - Figure EXP App 18-1	
6		Basic Deferred Development Costs	
7	CC-2-20	CC-MPI Round I Information Requests 1-	
8		90 (Responses filed August 7, 2025) -	
9		July 14, 2025 - DVA Summary, 2024/25A -	
10		Initiative Impairment & Write-Off	
11		\$27,045,000	
12	CC-2-21	CC-MPI Round I Information Requests 1-	
13		90 (Responses filed August 7, 2025) -	
14		July 14, 2025 - EXP Appendix 28	
15		Budgeting Framework KPIs	
16	CC-2-22	CC-MPI Round I Information Requests 1-	
17		90 (Responses filed August 7, 2025) -	
18		July 14, 2025 - EXP Appendix 29	
19		Regulatory Deferral Account	
20	CC-2-23	CC-MPI Round I Information Requests 1-	
21		90 (Responses filed August 7, 2025) -	
22		July 14, 2025 - Integrated Cost	
23		Allocation Methodology (ICAM) Review by	
24		KPMG	
25			

1		List of Exhibits
2	CC-2-24	CC-MPI Round I Information Requests 1-
3		90 (Responses filed August 7, 2025) -
4		July 14, 2025 - Strategic Plan
5		Implementation and Cost Implications
6	CC-2-25	CC-MPI Round I Information Requests 1-
7		90 (Responses filed August 7, 2025) -
8		July 14, 2025 - Top-Down Operating
9		Expense Budget Process
10	CC-2-26	CC-MPI Round I Information Requests 1-
11		90 (Responses filed August 7, 2025) -
12		July 14, 2025 - Bottom-Up and Alignment
13		Operating Expense Budget Processes
14	CC-2-27	CC-MPI Round I Information Requests 1-
15		90 (Responses filed August 7, 2025) -
16		July 14, 2025 - Changes in the Level of
17		Corporate FTEs
18	CC-2-28	CC-MPI Round I Information Requests 1-
19		90 (Responses filed August 7, 2025) -
20		July 14, 2025 - MPI's use of Key
21		Performance Indicators (KPIs)
22	CC-2-29	CC-MPI Round I Information Requests 1-
23		90 (Responses filed August 7, 2025) -
24		July 14, 2025 - Claims Forecasting Team
25		(Committee)

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3	CC-2-30	CC-MPI Round I Information Requests 1-	
4		90 (Responses filed August 7, 2025) -	
5		July 14, 2025 - Comparison of 2025 GRA	
6		to 2026 GRA Figure CF - 3	
7	CC-2-31	CC-MPI Round I Information Requests 1-	
8		90 (Responses filed August 7, 2025) -	
9		July 14, 2025 - Impact of Increase in	
10		Basic deductible from \$750 to \$1,000	
11	CC-2-32	CC-MPI Round I Information Requests 1-	
12		90 (Responses filed August 7, 2025) -	
13		July 14, 2025 - Autopac Claims Reported	
14	CC-2-33	CC-MPI Round I Information Requests 1-	
15		90 (Responses filed August 7, 2025) -	
16		July 14, 2025 - Change of Discount	
17	CC-2-33	CC-MPI Round I Information Requests 1-	
18		90 (Responses filed August 7, 2025) -	
19		July 14, 2025 - Change of Discount	
20	CC-2-34	CC-MPI Round I Information Requests 1-	
21		90 (Responses filed August 7, 2025) -	
22		July 14, 2025 - Non-Proportional ULAE	
23	CC-2-35	CC-MPI Round I Information Requests 1-	
24		90 (Responses filed August 7, 2025) -	
25		July 14, 2025 - New Money Yield (NMY)	

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3	CC-2-36	CC-MPI Round I Information Requests 1-
4		90 (Responses filed August 7, 2025) -
5		July 14, 2025 - Figure RI - 4 Rating
6		Year 2026/27 Non-Claims Costs
7	CC-2-37	CC-MPI Round I Information Requests 1-
8		90 (Responses filed August 7, 2025) -
9		July 14, 2025 - Deductible Change
10	CC-2-38	CC-MPI Round I Information Requests 1-
11		90 (Responses filed August 7, 2025) -
12		July 14, 2025 - GLM premiums compared
13		to Minimum Biased Procedures (MBP)
14	CC-2-39	CC-MPI Round I Information Requests 1-
15		90 (Responses filed August 7, 2025) -
16		July 14, 2025 - Upgrade forecast
17	CC-2-40	CC-MPI Round I Information Requests 1-
18		90 (Responses filed August 7, 2025) -
19		July 14, 2025 - Forecasted HTA Units
20	CC-2-41	CC-MPI Round I Information Requests 1-
21		90 (Responses filed August 7, 2025) -
22		July 14, 2025 - Comprehensive Loss
23		Trends
24	CC-2-42	CC-MPI Round I Information Requests 1-
25		90 (Responses filed August 7, 2025) -

1 List of Exhibits

2 July 14, 2025 - Work from home

3 adjustment - MPI changed the loss trend

4 model

5 CC-2-43 CC-MPI Round I Information Requests 1-

6 90 (Responses filed August 7, 2025) -

7 July 14, 2025 - Work from home

8 adjustment - sensitivity of new WFH

9 methodology

10 CC-2-44 CC-MPI Round I Information Requests 1-

11 90 (Responses filed August 7, 2025) -

12 July 14, 2025 - Accident Benefits -

13 Weekly Indemnity - Frequency Trend

14 CC-2-45 CC-MPI Round I Information Requests 1-

15 90 (Responses filed August 7, 2025) -

16 July 14, 2025 - Comprehensive - Claim

17 Counts

18 CC-2-46 CC-MPI Round I Information Requests 1-

19 90 (Responses filed August 7, 2025) -

20 July 14, 2025 - Comprehensive - Future

21 Trend

22 CC-2-47 CC-MPI Round I Information Requests 1-

23 90 (Responses filed August 7, 2025) -

24 July 14, 2025 - Comprehensive - Glass

25 Claims

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2	Exhibit No.	Description	Page No.
3	CC-2-48	CC-MPI Round I Information Requests 1-	
4		90 (Responses filed August 7, 2025) -	
5		July 14, 2025 - Collision - Frequency	
6		Trend	
7	CC-2-49	CC-MPI Round I Information Requests 1-	
8		90 (Responses filed August 7, 2025) -	
9		July 14, 2025 - Property Damage Third	
10		Party Deductible Transfer - Frequency	
11		Trend	
12	CC-2-50	CC-MPI Round I Information Requests 1-	
13		90 (Responses filed August 7, 2025) -	
14		July 14, 2025 - Model Validation -	
15		Frequency Trend	
16	CC-2-51	CC-MPI Round I Information Requests 1-	
17		90 (Responses filed August 7, 2025) -	
18		July 14, 2025 - Driver Safety Rating -	
19		DSR Relativity Behaviour	
20	CC-2-52	CC-MPI Round I Information Requests 1-	
21		90 (Responses filed August 7, 2025) -	
22		July 14, 2025 - Driver Safety Rating -	
23		DSR Relativities	
24	CC-2-53	CC-MPI Round I Information Requests 1-	
25		90 (Responses filed August 7, 2025) -	

1		List of Exhibits	
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3		July 14, 2025 - Driver Safety Rating -	
4		MPI's Approach for DSR Relativities	
5	CC-2-54	CC-MPI Round I Information Requests 1-	
6		90 (Responses filed August 7, 2025) -	
7		July 14, 2025 - Driver Safety Rating -	
8		To Test an Alternate Fit	
9	CC-2-55	CC-MPI Round I Information Requests 1-	
10		90 (Responses filed August 7, 2025) -	
11		July 14, 2025 - Accident Year Weights	
12	CC-2-56	CC-MPI Round I Information Requests 1-	
13		90 (Responses filed August 7, 2025) -	
14		July 14, 2025 - Rate Groups - The	
15		Reasonableness of the Proposed Rate	
16		Group Relativities	
17	CC-2-57	CC-MPI Round I Information Requests 1-	
18		90 (Responses filed August 7, 2025) -	
19		July 14, 2025 - Rate Groups - Consumer	
20		Impact and Considerations of Rate	
21	CC-2-58	CC-MPI Round I Information Requests 1-	
22		90 (Responses filed August 7, 2025) -	
23		July 14, 2025 - Rate Groups - Premium	
24		Impacts of Rate Group Movement	
25			

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3	CC-2-59	CC-MPI Round I Information Requests 1-	
4		90 (Responses filed August 7, 2025) -	
5		July 14, 2025 - Loss Cost Projections -	
6		The Appropriateness of Ultimate losses	
7		Used for Loss Trends	
8	CC-2-60	CC-MPI Round I Information Requests 1-	
9		90 (Responses filed August 7, 2025) -	
10		July 14, 2025 - Loss Cost Projections -	
11		Appointed Actuary Report	
12	CC-2-61	CC-MPI Round I Information Requests 1-	
13		90 (Responses filed August 7, 2025) -	
14		July 14, 2025 - Third Party	
15		Dependencies	
16	CC-2-62	CC-MPI Round I Information Requests 1-	
17		90 (Responses filed August 7, 2025) -	
18		July 14, 2025 - Skills Framework for	
19		the Information Age (SFIA)	
20	CC-2-63	CC-MPI Round I Information Requests 1-	
21		90 (Responses filed August 7, 2025) -	
22		July 14, 2025 - Addressing contractual	
23		obligations	
24	CC-2-64	CC-MPI Round I Information Requests 1-	
25		90 (Responses filed August 7, 2025) -	

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3		July 14, 2025 - Major Programs -
4		projects exceed \$3 million
5	CC-2-65	CC-MPI Round I Information Requests 1-
6		90 (Responses filed August 7, 2025) -
7		July 14, 2025 - Major Program
8		Governance Assessment & Recommendations
9	CC-2-66	CC-MPI Round I Information Requests 1-
10		90 (Responses filed August 7, 2025) -
11		July 14, 2025 - SRE Remediation
12	CC-2-67	CC-MPI Round I Information Requests 1-
13		90 (Responses filed August 7, 2025) -
14		July 14, 2025 - Autopac Online - Basic
15		and Extension replacement
16	CC-2-68	CC-MPI Round I Information Requests 1-
17		90 (Responses filed August 7, 2025) -
18		July 14, 2025 - IT Initiatives -
19		Progress Monitoring
20	CC-2-69	CC-MPI Round I Information Requests 1-
21		90 (Responses filed August 7, 2025) -
22		July 14, 2025 - IT Major Programs -
23		Dependencies and Resourcing
24	CC-2-70	CC-MPI Round I Information Requests 1-
25		90 (Responses filed August 7, 2025) -

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3		July 14, 2025 - IT.10.2 Governance -
4		Governance Framework
5	CC-2-71	CC-MPI Round I Information Requests 1-
6		90 (Responses filed August 7, 2025) -
7		July 14, 2025 - IT.6 Business
8		Capabilities - Figure IT-1 Updates to
9		the Business Capability Models Shared
10		in GRA
11	CC-2-72	CC-MPI Round I Information Requests 1-
12		90 (Responses filed August 7, 2025) -
13		July 14, 2025 - SRE Remediation -
14		Proposed Remediation Activities
15	CC-2-73	CC-MPI Round I Information Requests 1-
16		90 (Responses filed August 7, 2025) -
17		July 14, 2025 - Benefits Realization
18		Management - Cloud Migration Savings
19	CC-2-74	CC-MPI Round I Information Requests 1-
20		90 (Responses filed August 7, 2025) -
21		July 14, 2025 - Expenses - Impact of
22		Project Nova cancellation on the
23		overall rate increase request
24	CC-2-75	CC-MPI Round I Information Requests 1-
25		90 (Responses filed August 7, 2025) -

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2 July 14, 2025 - Discounting
3 clarification
4 CC-2-76 CC-MPI Round I Information Requests 1-
5 90 (Responses filed August 7, 2025) -
6 July 14, 2025 - Third party investment
7 performance management change
8 CC-2-77 CC-MPI Round I Information Requests 1-
9 90 (Responses filed August 7, 2025) -
10 July 14, 2025 - Asset Liability
11 Management Study - PUB Directives 24
12 (Inflation Protection) and 25 (Moving
13 to Asset Liability Management Study -
14 Real Return Bonds
15 CC-2-79 CC-MPI Round I Information Requests 1-
16 90 (Responses filed August 7, 2025) -
17 July 14, 2025 - Asset Liability
18 Management Study - Shadow Portfolios'
19 Performance Since Inception
20 CC-2-80 CC-MPI Round I Information Requests 1-
21 90 (Responses filed August 7, 2025) -
22 July 14, 2025 - Performance of the
23 Investment Portfolio - Value - added
24 (Performance) Attribution Reports and
25 Commentary

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3	CC-2-81	CC-MPI Round I Information Requests 1-	
4		90 (Responses filed August 7, 2025) -	
5		July 14, 2025 - ERM Framework and Risk	
6		Assessments - CAPSA Guidelines for Risk	
7		Management for Pension Plan	
8		Administrators	
9	CC-2-82	CC-MPI Round I Information Requests 1-	
10		90 (Responses filed August 7, 2025) -	
11		July 14, 2025 - Investment Strategy	
12	CC-2-83	CC-MPI Round I Information Requests 1-	
13		90 (Responses filed August 7, 2025) -	
14		July 14, 2025 - Asset Liability	
15		Management Study - Duration of Real	
16		Estate	
17	CC-2-84	CC-MPI Round I Information Requests 1-	
18		90 (Responses filed August 7, 2025) -	
19		July 14, 2025 - Asset Liability	
20		Management Study - Interest Rate Risk	
21		Management	
22	CC-2-85	CC-MPI Round I Information Requests 1-	
23		90 (Responses filed August 7, 2025) -	
24		July 14, 2025 - Credit Spreads	
25			

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3	CC-2-86	CC-MPI Round I Information Requests 1-	
4		90 (Responses filed August 7, 2025) -	
5		July 14, 2025 - Basic Insurance Model -	
6		Basic Insurance Model changes	
7	CC-2-87	CC-MPI Round I Information Requests 1-	
8		90 (Responses filed August 7, 2025) -	
9		July 14, 2025 - Basic Insurance Model -	
10		Authority for Data Collection	
11	CC-2-88	CC-MPI Round I Information Requests 1-	
12		90 (Responses filed August 7, 2025) -	
13		July 14, 2025 - DVA Funding Agreement	
14	CC-2-89	CC-MPI Round I Information Requests 1-	
15		90 (Responses filed August 7, 2025) -	
16		July 14, 2025 - Traumatic Brain	
17		Injuries	
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11		July 14, 2025 - Inflation and Rising	
12		Cost of Repair	
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25		basic deductible change - Motorcycle	

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10		July 14, 2025 - DSR surcharges	
11	CMMG-2-7	CMMG-MPI Round I Information Requests	
12		1-33 (Responses filed August 7, 2025) -	
13		July 14, 2025 - DSR - Ownership	
14		transfer	
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11	CMMG-2-12	CMMG-MPI Round I Information Requests
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12		July 14, 2025 - GLM - Appropriateness
13		of the GLM Model and Results
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20		Deductible - Applicability to
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12		2025
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14	TC-3	CV of J. Wong - July 2, 2025
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18	TC-4-1	TC-MPI Round I Information Requests 1-5
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1 --- Upon commencing at 9:02 a.m.

2

3 PANEL CHAIRPERSON: Good morning,
4 everyone. I'm Irene Hamilton, the Chair for this
5 Panel of the Public Utilities Board. I now call this
6 2026 Manitoba Public Insurance Corporation, General
7 Rate Application Hearing to order.

8 The Board acknowledges that we are
9 gathered on Treaty One territory, the ancestral lands
10 of the Anishinaabe Cree, Annisineew, Dakota and Dene
11 peoples, and the Homeland of the Red River Metis
12 Nation.

13 I am joined by two (2) other Board
14 members in this Hearing, Patrick Ireland and Kim
15 Sharman. Also with us today is Darren Christle, the
16 Board Secretary, Jennifer Dubois, Assistant Associate
17 Secretary, and Judicial Hearing Assistant Kristen
18 Schubert. We will be join -- joined tomorrow by
19 Kristi Dwight, who will -- who will all -- manage our
20 electronic document system.

21 Wendy Woodworth will act as our
22 reporter. Transcripts of this hearing will be
23 recorded by Digi-Tran and made available on our
24 website. I would ask that everyone please state their
25 name before you speak for clarity and accuracy of the

1 transcript.

2 MPI has applied to the Public Utilities
3 Board for approval of its premiums to take effect on
4 April 1st, 2026. This Hearing will be conducted in
5 accordance with the provisions of the Crown
6 Corporation's Governance and Accountability Act,
7 Public Utilities Board Act, and the Board's Rules of
8 Practice and Procedure. These rules are available for
9 review on the Board's website.

10 In its Application, MPI sought a 2.07
11 percent overall increase in Basic vehicle premium
12 rates for the 2026/'27 insurance year. MPI is not
13 seeking any changes to miscellaneous permits and
14 certificates, driver premiums, Basic -- driver
15 premiums, Basic service and transaction fees, or fleet
16 rebate -- rebates and surcharges.

17 MPI has also applied for the addition
18 of driver safety rating level plus 20 for the 2026/'27
19 policy year. MPI has requested approval to move all
20 driver safety rating discounts one third of the way
21 toward their actuarially indicated percentages for each
22 positive DSR level, and then rounded down to the
23 nearest whole number with base rates adjusted to off
24 balance these changes.

25 MPI sought a declaration that the

1 assets in the regulatory deferral account as of March
2 31st, 2026, including all deferred initiative expenses
3 to be incurred in the 2026/'27 fiscal year, are of no
4 value and, therefore, not recoverable from Basic
5 ratepayers.

6 Finally, MPI requested approval to
7 expand the number and range of vehicle rate groups
8 under the Canadian loss experience automobile rating
9 system used to establish premiums for specific
10 passenger vehicles and light truck vehicles by adding
11 rate groups 42, 43, 44, and 45, subject, however, to a
12 capping of a maximum increase for any vehicle of plus
13 five (5) rate groups.

14 On September 25th, 2025, MPI filed an
15 updated rate indication with the Board in which it
16 maintained its request for a 2.07 percent overall rate
17 increase. In addition to providing the updated rate
18 indication, MPI also included additional evidence and
19 arguments supporting its request that the Public
20 Utilities Board discontinue the practice of requiring
21 that MPI provide updates to the applied for rate in
22 future General Rate Applications.

23 We will begin the Hearing -- begin the
24 Hearing on each day at nine o'clock in the morning and
25 adjourn at approximately four o'clock in the

1 afternoon. Each day will include a mid-morning break,
2 lunch, and -- and midafternoon break.

3 The Public Utilities Board mandate is
4 to set just and reasonable rates that are in the
5 public interest. The "public interest" has been
6 defined by the Manitoba Court of Appeal as balancing
7 the impacts of rate increases on consumers with the
8 fiscal health of the Utility.

9 In order to set just and reasonable
10 rates that are in the public interest, the Board will
11 need to hear and consider all of the evidence that is
12 adduced on the record of this proceeding and hear
13 submissions from Manitoba Public Insurance and all
14 approved Interveners.

15 Following closing arguments, the Panel
16 will deliberate to make our final determination on the
17 matters before us. In the end, we may accept, deny,
18 or vary MPI's application. In reaching our decision,
19 we will be guided by the evidence, written and oral,
20 and our determination of what represents the public
21 interest.

22 The Board takes its obligation and
23 mandate of protecting the public interest very
24 seriously. We are concerned not only with the short-
25 term economic impact of MPI's operations on both

1 ratepayers and MPI itself, but also the fairness of
2 that impact on MPI's long-term fiscal and operational
3 wellbeing,

4 In addition, the Board views this
5 process as one which should ensure transparency in
6 terms of the corporation's operations and financial
7 position.

8 In its procedural Order 99/25 issued
9 following the pre-hearing conference that took place
10 on July 3rd, 2025, the Board approved a final issues
11 list for this Hearing. In accordance with that Order,
12 the Board looks forward to hearing evidence and
13 submissions from the parties with respect to the
14 following issues that are before the Board among
15 others.

16 MPI's requested vehicle rate and any
17 changes to other fees and discounts, including the
18 proposed increase to the Basic deductible, MPI's
19 ratemaking methodology, including rate indication
20 based on accepted actuarial practice in Canada, large
21 loss loading based on Order 4/23, Directive 2, and
22 deferral of development costs, MPI's compliance with
23 Orders 2/25, 18/25, 29/25, and any outstanding
24 directives from past Orders.

25 MPI's financial position, including its

1 financial forecasting accuracy, projected financial
2 results, impacts of international finance -- financial
3 reporting standard 14, investment income forecast, and
4 interest rate forecast.

5 MPI's Strategic Plan, MPI's annual
6 business plan, MPI's Capital Management Plan,
7 including transfers of Extension excess capital and
8 the status of negotiations with the government
9 regarding driver and vehicle administration funding.

10 MPI's investment portfolio performance,
11 MPI's expenses and cost containment efforts, MPI's
12 claim forecasting, included -- including but not
13 limited to the Personal Injury Protection Plan and
14 changes or enhancements to claims for forecasting
15 design.

16 MPI's Driver Safety Rating, including
17 MPI's progress towards a plan for changes to the
18 Driver Safety Rating model moving vehicle discounts
19 and driver premiums towards the actuarially indicated
20 percentage and implementation of Order 4/23, Directive
21 16.

22 Operational benchmarking conducted by
23 MPI, information technology benchmarking and value
24 management, MPI's runoff of prior years' claims, MPI's
25 asset liability management study, MPI's risk

1 assessment and risk management, MPI's changes to the
2 integrated cost allocation methodology since the 2025
3 GRA, an update on the appointment of an independent
4 expert on brain injuries and their report comparing
5 best practices to the current practices of MPI, MPI's
6 strategic -- IT Strategic Plan, expenses and projects,
7 and in particular, the cancellation of Project NOVA,
8 and MPI's implementation of recommendations from the
9 organizational review conducted pursuant to Order in
10 Council 94/2023, including findings, changes in cost
11 consequences in response thereto.

12 We trust the participants at this
13 hearing will be mindful of cost effectiveness and will
14 employ a cooperative approach, the common goal being
15 to put forward useful evidence to assist the Panel in
16 reaching sound decisions on the matters before it.

17 We have significant and complex issues
18 before us. And I am confident that we will all
19 approach this process with a view to benefiting the
20 public interest.

21 The Manitoba Ombudsman has issued
22 privacy guidelines for administrative tribunals. The
23 Public Utilities Board is mindful of its obligation
24 under those guidelines. Its decisions in respect of
25 the applications being considered will be sensitive to

1 them. Personal information will not be disclosed
2 unless it is appropriate and necessary to do so.
3 However, the Board advises participants that these
4 proceedings are public and that as a result, personal
5 information protections are reduced.

6 In addition to matters of housekeeping,
7 first, please ensure that all cellphones are off or on
8 moot -- on mute throughout the Hearing. Second, all
9 parties and the representatives and consultants should
10 be aware that the Board Hearings are livestreamed
11 through a link accessible on the Board's website. As
12 such for the benefit of the public, the use of
13 acronyms is to be discouraged. It will assist in the
14 public's understanding of the issues in evidence if
15 acronyms are avoided.

16 I will now call on Mr. Andres for
17 introductions, followed by the introductions by MPI
18 and the Interveners. Mr. Andres will then give his
19 introductory remarks, after which I will call on MPI
20 and the Interveners to provide their opening remarks.
21 We will then proceed with the swearing in of the first
22 MPI Panel and commence the evidentiary portion of the
23 Hearing. Mr. Andres...?

24 MR. TODD ANDRES: Thank you, Madam
25 Chair. Good morning. I am Todd Andres, of Pitblado

1 Law, along with my colleagues, Kara Moore and Trevor
2 Yakimchuk. We are legal counsel to the Public
3 Utilities Board.

4 Board Advisors joining us this morning
5 are Roger Cathcart, who's assisted by Michael Gandhi
6 and Jason Hails, of Cathcart Advisors, and Blair
7 Manktelow, of Eckler Ltd., who is participating
8 remotely. We're also assisted by Sunil Bridgelall
9 and Mark Karen, of Paradigm Consulting.

10 And I turn it over to MPI for their
11 introductions.

12 MR. ANTHONY GUERRA: Good morning,
13 Madam Chair. Anthony Guerra, Vice-president, Chief
14 Legal and Risk Officer for Manitoba Public Insurance.
15 And I'm joined this morning by our President and Chief
16 Executive Officer Satvir Jatana, as well as our legal
17 team, which is comprised of myself, Steve Scarfone,
18 legal counsel 3, and Eric Wishnowski, legal counsel 2.

19 I will also mention that we are
20 supported today by our regulatory affairs team, which
21 is comprised of Ted Meira, our manager of regulatory
22 affairs, Jeanie Dalman our regulatory analyst, Lily da
23 Silva, our regulatory analyst, and Ranjan Singh, our
24 regulatory analyst.

25 PANEL CHAIRPERSON: Thank you. Ms.

1 Dilay...?

2 MS. KATRINE DILAY: Good morning,
3 Madam Chair and Board members. My name is Karine
4 Deley. and myself and my co-counsel, Chris Klassen to
5 my right, are from the Public Interest Law Centre.
6 And we represent the Consumers Coalition in this
7 proceeding.

8 Behind us is Victoria Cludis
9 (phonetic), also a lawyer with the Public Interest Law
10 Centre, as well as Rowan Gannon, who's an externship
11 from the Faculty of Law at the U of M doing an
12 externship with the Public Interest Law Centre. Thank
13 you.

14 PANEL CHAIRPERSON: Thank you. Ms.
15 Meek...?

16 MS. CHARLOTTE MEEK: Yes. Good
17 morning. My name is Charlotte Meek, of the firm DFS
18 Kaneski Unruh. And I'm representing the Coalition of
19 Manitoba Motorcycle Groups.

20 PANEL CHAIRPERSON: Thank you. Mr.
21 Andres...? I'm sorry. Ms. -- Ms. Kotyk...?

22 MS. ALISEN KOTYK: Good morning, Madam
23 Chair. My name is Alisen Kotyk. And I'm appearing on
24 behalf of the Taxi Coalition. Not appearing with me
25 today is my co-counsel, Karen Wittman.

1 PANEL CHAIRPERSON: Thank you. Mr.
2 Andres...?

3

4 OPENING COMMENTS BY MPI:

5 MR. TODD ANDRES: Thank you again,
6 Madam Chair. Manitoba Public Insurance is applying to
7 the Public Utilities Board for approval of premiums to
8 be charged with respect to compulsory vehicle
9 insurance for the insurance year 2026/'27. The rates
10 would take effect April 1st, 2026, to March 31, 2027.

11 In its General Rate Application filed
12 on June 25th, 2025, MPI sought an overall rate
13 increase of 2.07 percent. MPI has since filed
14 additional evidence as a notional update to the rate
15 indication based on interest rates as at August 31st,
16 2025, on September 25th, 2025. However, MPI is not
17 seeking to amend its June 25th, 2025, rate request of
18 2.07 percent.

19 MPI is not applying for either a rebate
20 or a capital rebuild in this Application. MPI is not
21 seeking changes to miscellaneous permits and
22 certificates, driver premiums, basic service and
23 transaction fees, or fleet rebates and surcharges.

24 MPI has also asked this Board to
25 approve changes to the drivers -- pardon me, Driver

1 Safety Rating System mainly by adding driver level --
2 pardon me, DSR level plus 20 for the 2026/2027 policy
3 year. However, MPI requests the discount level for
4 the DSR level plus 20 be the same as DSR level plus
5 19.

6 In addition, MPI is seeking Board
7 approval to move all DSR discounts one third of the
8 way toward their actuarially indicated percentages for
9 each positive DSR level, and then rounded down to the
10 nearest whole number with base rates adjusted to off
11 balance these changes.

12 MPI requests direction from the Board
13 to defer approximately \$31 million in accumulated
14 initiative expenses forecasted to be insured in the
15 2026/'27 rating year into a regulatory deferral
16 account, or RDA.

17 It then seeks a declaration that the
18 assets and the RDA, including all deferred initiative
19 expenses, to be incurred in the 2026/'27 fiscal year
20 are of no value and, therefore, not recoverable from
21 Basic ratepayers as of March 31st, 2026.

22 Finally using the Canadian loss
23 experience automobile rating or a clear system, MPI
24 has applied to expand the range of rate groups by
25 adding rate groups 42, 43, 44, and 45 subject to a

1 capping of a maximum increase for any vehicle of plus
2 five (5) rate groups.

3 With respect to the evidence filed in
4 this proceeding, I note that there were five PUB
5 exhibits entered on the record at the pre-hearing
6 conference in this matter held on July 11th, 2025.

7 Those were PUB-1, the Board's Interim
8 Procedural Order 89/25, dated June 16th, 2025.

9 Exhibit PUB-2, a letter from Dr. Darren
10 Christle, Secretary and Executive Director of the
11 Public Utilities Board, to Interveners of record
12 regarding MPI 2026 GRA timetable, minimum filing
13 requirements, and the Information Request template
14 dated June 25th, 2025.

15 Exhibit PUB-3, a letter from Dr. Darren
16 Christle, Secretary and Executive Director of the
17 Public Utilities Board, to MPI and all prospective
18 Interveners dated June 25th, 2025, regarding the
19 prequalification prospect for expert witnesses.

20 Exhibit PUB-4, the notice of public
21 Hearing and the pre-hearing conference dated June
22 28th, 2025.

23 And Exhibit PUB-5, the Public Utilities
24 Board's Rules of Practice and Procedure effective July
25 1st, 2025, which parenthetically will be governing the

1 current Hearing.

2 In addition, I would now ask to enter
3 the following exhibits. Exhibit PUB- 6, Board Order
4 99/25, which is the procedural order for the 2026/'27
5 General Rate Application dated July 7 of 2025.

6 Exhibit PUB-7, which is PUB/MPI Round 1
7 Information Request and Responses 1 to 106 with IRs
8 filed on July 14 and responses filed August 7.

9 Exhibit PUB-8, which is PUB/MPI Round 2
10 Information Request and Responses 1 through 73 with
11 IRS filed on August 20 and responses filed September 9
12 of 2025.

13 Exhibit PUB-9, the Public Utilities
14 Board Consumers Coalition Intervener requests --
15 pardon me, Information Requests 1 through 12 with IRs
16 filed on September 24 of 2025 and responses filed
17 September 29 of 2025.

18 Exhibit PUB-10, which is Board Order
19 127/25. It's a motion by the Manitoba Public
20 Insurance Corporation seeking confidential treatment
21 of documents and information in the 2026/27 General
22 Rate Application. and that's dated September 29th of
23 2025.

24 And finally, we have Exhibit PUB-11,
25 which is the reminder notice of Public Hearing for the

1 2026 General Rate Application dated August 23 of 2025.

2 We have also provided a book of
3 documents this morning. And we'll ask that that be
4 admitted as an exhibit. That was circulated in hard
5 copy. And it should be marked as Exhibit PUB 11 --
6 no, I'm seeing a shaking of head. Pardon me, PUB-12.
7 Thank you for that.

8 With respect to the cross-examination
9 to be conducted on behalf of the Board over the next
10 number of days, the following major issues will be
11 addressed. The background of the rate applied for,
12 MPI's financial position, MPI's expenses, MPI's claims
13 forecasting, MPI's Strategic Plan and Annual Business
14 Plan, financial forecasting and the financial
15 conditions test, The Capital Management Plan,
16 including transfers of Extension excess capital,
17 benchmarking conducted by MPI, MPI's investment
18 portfolio performance and the composition of the
19 portfolio, MPI's IT expenses and projects, The Driver
20 Safety Rating System, as well as other topics that may
21 arise.

22 I will now refer to the procedural
23 outline which was also distributed this morning,
24 beginning at the bottom of the first page and running
25 onto the second page, in particular, where the order

1 of the matter is to be heard or reflected. Please
2 note that MPI will be putting forward issue specific
3 witness panels as it is done in the past GRAs.

4 At item number 3 on page 2 of the
5 procedural outline is the first MPI witness. We
6 expect to hear from MPI's chief executive officer --
7 officer, Satvir Jatana this morning.

8 We also have public presenters
9 scheduled for today beginning at 1:00 p.m. Then on
10 Wednesday, October 15, we will hear from the corporate
11 strategy and update on Organizational Review Panel in
12 the morning. In the afternoon of October 15 and, if
13 necessary, carrying into the morning of October 16, we
14 will hear from MPI's Investments Asset Liability
15 Management Panel.

16 In the afternoon of Thursday, October
17 16, We'll hear from the Customer and Product Panel.
18 And then next week starting Monday, October 20, we
19 will hear from the Expenses and Financial Forecasting
20 Panel.

21 On Tuesday, October 21st, we'll hear
22 from the claims forecasting Panel in open session in
23 the morning, and then in camera, and the confidential
24 component of the Panel's evidence that afternoon.

25 In Wednesday, October 22nd, the

1 Ratemaking Panel, which includes benchmarking,
2 Canadian vehicle insurance rates comparison, GLM and
3 fleet cost causation. We'll give evidence.

4 Then in the morning of Thursday,
5 October 23rd, we will hear from the IT Benchmarking
6 and Roadmap Panel. In the afternoon of Thursday,
7 October 23rd, the IT Initiatives and Major Programs
8 Panel will give evidence. And this may spill into the
9 morning of Friday, October 24th.

10 And then plan for the afternoon of
11 October 24 is the in camera testimony of MPI
12 confidential IT initiatives and major programs as well
13 as IT benchmarking.

14 We'll resume on Monday, October 27,
15 when we will hear from the Consumer Coalitions'
16 witnesses that day. And we anticipate that to spill
17 onto October 28th.

18 And then on Tuesday, October 28, we
19 will hear from MPI's Undertakings Panel following the
20 conclusion of CC's witnesses and extending into the
21 afternoon.

22 The Board will not sit on October 29.
23 And we will resume on October 30 with PUB, MPI, and
24 the Consumer Coalitions' closing submissions.

25 On October 31 there will be closing

1 submissions from the Coalition of Manitoba Motorcycle
2 Groups and Taxi Coalition followed by MPI's reply
3 submissions.

4 As the Hearing proceeds, changes to the
5 schedule may be required, but we will do our best to
6 follow the anticipated schedule. Those are my opening
7 remarks, Madam Chair. Thank you.

8 PANEL CHAIRPERSON: Thank you, Mr.
9 Andres. Mr. Guerra...?

10 MR. ANTHONY GUERRA: Yes. Good
11 morning, Madam Chair, again. Anthony Garra, for the
12 record. I'd like to begin by addressing the under --
13 sorry, the exhibits that MPI would like to read into
14 the record. And bear with me, sorry, there are a few-

15 MPI Exhibit number 2 is the 2026 GRA
16 part 2 legal application, appendix 1, certification.
17 MPI appendix -- sorry, MPI Exhibit number 3 is the
18 Round 1 Information Requests.

19 MPI Exhibit number 4 is an error in
20 omissions filing with respect to Information Request
21 CC/MPI-1-28, CC/MPI-1-77, CC/MPI-1-79, appendix 1.

22 MPI Exhibit number 5 is the error and
23 omissions filing for Information Request CC/MPI-1-84,
24 appendix 1.

25 MPI Exhibit number 6 is part 14, SFR

1 appendix 3 rather, the annual business plan 2025/'26.

2 MPI Exhibit number 7 is Information
3 Request CC/MPI-1-80, appendix 1, follow-up request.

4 MPI Exhibit number 8 is the error
5 omissions filing to Information Request CC/MPI-1-7,
6 and appendix 1.

7 MPI Exhibit number 9 is their error and
8 omissions filing to Information Request PUB/MPI-1-95.

9 MPI Exhibit number 10 is Round 2
10 Information Requests.

11 MPI Exhibit number 11 is Information
12 Request PUB/MPI-2-1, appendix 4.

13 MPI Exhibit number 12 is part 10, EXP
14 attachment B, pension valuation report March 31st,
15 2025, part 10, EXP attachment C, post-retirement
16 health benefit valuation out of scope March 31st,
17 2025, part 10, EXP attachment D, post-retirement
18 health benefit valuation in scope March 31st, 2025,
19 part 10, EXP attachment E, compensation report.

20 MPI Exhibit number 13 is Information
21 Request PUB 2-48 revised, PUB 2-48, appendix 2 lost
22 cost projection, appendices clean.

23 MPI Exhibit 14 is MPI Information
24 Request to Consumers Coalition Intervener evidence.

25 MPI Exhibit number 15 is Information

1 Request CC/MPI-1-2, Appendix 1, Multi-Year Strategy.
2 MPI Exhibit number 16 is Part 9, Financial Condition
3 Test Report.

4 MPI Exhibit number 17 is Rate Update
5 Filing and Supporting Documents.

6 MPI Exhibit number 18 is the Annual IT
7 Benchmarking Report.

8 MPI Exhibit number 19 is Information
9 Request PUB/MPI-1-87, Appendix 1, Expenditures R3
10 Discovery, redacted September 29th.

11 MPI Exhibit number 20 is Information
12 Request PUB-MPI-2-39, Appendix 1, Investment Activity
13 and Performance Report, redacted September 29th.

14 MPI Exhibit number 21 is Project NOVA
15 Closeup Report, September 22nd, 2025, redacted
16 September 29th.

17 MPI Exhibit number 22 is Information
18 Request CC/MPI-1-7, Appendix 3, Alternatives, redacted
19 October 1st.

20 MPI Exhibit number 23 is Information
21 Request PUB/MPI-1-63, Appendix 1, Year-End Memo
22 Summary of Impairments, redacted October 2nd.

23 MPI Exhibit number 24 is MPI Rebuttal
24 on Appendices 1 and 2.

25 MPI Exhibit number 25 is Program NOVA

1 Independent Governance and Risk Advisory Services
2 Summary Report, December 20th, 2024, and NOVA Closeout
3 Link Audit Summary of Findings, NOVA Archive, redacted
4 electronic only.

5 MPI Exhibit number 26 is Information
6 Request PUB/MPI-2-59, Errors and Omissions Filing,
7 October 7th, blackline clean, page 2.

8 MPI Exhibit number 27 is Information
9 Request PUB/MPI-2-59, Errors and Omissions Filing,
10 October 8th, blackline clean, page 2, version 2.

11 MPI Exhibit number 28 is Information
12 Request CC/MPI Pre-ask -- Pre-asks rather -- 1 to 8,
13 PUB/MPI Pre-asks 1, 2, and 4.

14 MPI Exhibit number 29 is Information
15 Request PUB/MPI1-88, Appendix 1, October 8th.

16 MPI Exhibit number 30 is PUB -- excuse
17 me, Information Request PUB/MPI-1-103, Attachment A,
18 Gartner IT Strategy Review.

19 MPI Exhibit number 31 is Information
20 Request CMMG/MPI-1-9, October 9th revised.

21 MPI Exhibit number 32 is Information
22 Request CC/MPI Pre-ask 9, October 9th.

23 And finally, MPI Exhibit number 33 is
24 Information Request PUB/MPI Pre-ask 3, October 9th.

25

1 MPI Exhibit number 24 is MPI Rebuttal on Appendices 1
2 and 2.

3 MPI Exhibit number 25 is Program NOVA
4 Independent Governance and Risk Advisory Services
5 Summary Report, December 20th, 2024, and NOVA Closeout
6 Link Audit Summary of Findings, NOVA Archive, redacted
7 electronic only.

8 MPI Exhibit number 26 is Information
9 Request PUB/MPI-2-59, Errors and Omissions Filing,
10 October 7th, blackline clean, page 2.

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12 Request PUB/MPI-2-59, Errors and Omissions Filing,
13 October 8th, blackline clean, page 2, version 2.

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16 PUB/MPI Pre-asks 1, 2, and 4.

17 MPI Exhibit number 29 is Information
18 Request PUB/MPI1-88, Appendix 1, October 8th.

19 MPI Exhibit number 30 is PUB -- excuse
20 me, Information Request PUB/MPI-1-103, Attachment A,
21 Gartner IT Strategy Review.

22 MPI Exhibit number 31 is Information
23 Request CMMG/MPI-1-9, October 9th revised.

24 MPI Exhibit number 32 is Information
25 Request CC/MPI Pre-ask 9, October 9th.

1 --- Exhibit No. MPI-28: Information Request CC/MPI
2 Pre-asks 1 to 8, PUB/MPI Pre-asks 1, 2,
3 and 4.

4
5 --- Exhibit No. MPI-29: Information Request
6 PUB/MPI1-88, Appendix 1, October 8th.

7
8 --- Exhibit No. 30: Information Request PUB/MPI-1-
9 103, Attachment A, Gartner IT Strategy
10 Review.

11
12 --- Exhibit No. MPI-31: Information Request CMMG/MPI-
13
14 1-9, October 9th revised.

15 --- Exhibit No. MPI-32: Information Request CC/MPI
16 Pre-ask 9, October 9th.

17
18 --- Exhibit No. MPI-33: Information Request PUB/MPI
19 Pre-ask 3, October 9th.

20

21 CONTINUED BY MR. ANTHONY GUERRA:

22 MR. ANTHONY GUERRA: The process of
23 preparing and presenting MPI's General Rate
24 Application is both demanding and complex. It
25 requires coordinated efforts from more than one

1 hundred (100) members of the MPI team.

2 While some contribute for a short time
3 on specific issues, others are engaged throughout the
4 entire process, and because the work of one GRA often
5 overlaps with the next, our teams are effectively
6 engaged in GRA-related work year round, not just in
7 June when the Application is filed or in the summer
8 months when hundreds of Information Requests are
9 answered or in October when witnesses present for
10 hours of direct and cross-examination.

11 It's important that I take a moment to
12 acknowledge and show appreciation for the hard work of
13 our MPI team that has brought us to this point and the
14 work that lies ahead. On behalf of MPI, I would also
15 like to extend our appreciation to all those who
16 participate in these proceedings: the Intervener
17 groups, legal counsel, consultants, subject matter
18 experts, and public presenters.

19 The GA process exists as a proxy to a
20 competitive market. It works because it challenges
21 MPI to be its best and to ensure that the work that we
22 do delivers value to Manitobans.

23 So, thank you for your thoughtful
24 questions, your review of our work, and your efforts
25 in assisting the Board in approving rates that are

1 just and reasonable.

2 And as can be seen again this year, MPI
3 continues to refine its regulatory filings to remove
4 barriers to access. Where possible, we use clear,
5 direct, and accessible language in our Application and
6 provide a glossary of our terms.

7 We continue to apply -- excuse me, we
8 continue to apply the accessible formatting and
9 practices that we adopted last year, and we include in
10 our introduction and overview of each chapter of the
11 Application.

12 Finally, we are working hard to reduce
13 the number of confidential documents filed in our
14 proceedings and hope this Board recognizes our efforts
15 this year. As mentioned by the Board and by My
16 Friends for PUB, the information -- sorry, the relief
17 sought in this legal Application is as follows.

18 MPI is seeking approval of an overall
19 rate increase of 2.07 percent for compulsory
20 automobile insurance provided through the Basic line
21 of business for the twelve (12) month starting April
22 1st, 2026, in accordance with accepted actuarial
23 practice in Canada.

24 We're also seeking approval to expand
25 the Driver Safety Rating or DSR scale from plus 19 to

1 plus 20 for the 2026/'27 policy year forward. Drivers
2 who move into DSR level 20 after an incident-free year
3 would receive the same discount as those in level Plus
4 19.

5 We are also asking for approval to move
6 all DSR discounts one-third of the way towards their
7 actuarially indicated target percentages for positive
8 DSR levels rounded down to the nearest whole level
9 with base rates adjusted to off-balance the changes.

10 We are asking for approval to expand
11 the number and range of vehicle rate groups under the
12 Canadian Loss Experienced Automobile Rating or CLEAR
13 system by adding rate groups 42 to 45 with movement --
14 movement increases proposed to be capped at a maximum
15 of plus five (5) rate groups.

16 We are asking for approval to defer
17 approximately \$31 million in accumulated initiative
18 expenses forecasted for the '26/'27 rating year into
19 the PUB-established regulatory deferral account. And
20 we are asking for a declaration that the assets in
21 that regulatory deferral account as of March 31st,
22 2026, including all deferred initiative expenses to be
23 incurred in the 2026/'27 fiscal year, to be of no
24 value and therefore not recoverable from Basic
25 ratepayers.

1 And we are asking for leave to
2 discontinue the practice of updating MPI's rate
3 indication in the fall, commonly referred to as the
4 October update. MPI seeks no changes to miscellaneous
5 permits and certificates, driver premiums, Basic
6 service and transaction fees, or fleet rebates or
7 surcharges in this GRA.

8 MPI is also not applying for a capital
9 build or rebate as the evidence will show that the
10 minimum capital test or MCT ratio of the Basic
11 stabilization reserve did not exceed the statutorily
12 set rebate threshold of 120 percent MCT and is not
13 forecasted to fall below its target of 100 percent MCT
14 within the applicable forecast period.

15 MPI will call a number of witnesses
16 this year using the established panel format.
17 Specifically, the Board will hear from the following
18 panels.

19 My colleague, Ms. Jatana, president and
20 CEO of MPI, will speak to the importance of public
21 auto insurance and the need to maintain affordable
22 rates for Manitobans. She will outline the progress
23 made to stabilize the organization, improve customer
24 service, and act on recommendations from the 2024 EY
25 organizational review.

1 Ms. Jatana will also discuss the
2 decision to close out Project NOVA and adopt a more
3 responsible approach to managing IT debt and
4 modernizing Legacy systems. She will address how MPI
5 is modernizing Legacy -- excuse me.

6 She'll address how MPI is responding to
7 economic uncertainty by strengthening financial
8 practices in managing risks -- rising claims costs.
9 She'll also acknowledge the work ahead and express
10 confidence in MPI's ability to meet the moment.

11 On Wednesday morning, Ms. Jatana, Maria
12 Campos, Tamara -- Tamara, rather, Boblinski, Ryan
13 Kolaski, and Dana Frazier will present on MPI's new
14 multi-year corporate strategy.

15 The Board will hear how MPI
16 transitioned this year -- excuse me -- transitioned
17 from its Organizational Stability Strategy in effect
18 last year to a plan that focuses on affordability,
19 financial constancy, organizational effectiveness,
20 customer value, and corporate responsibility. The
21 panel will discuss stakeholder feedback, initiative
22 prioritization, and how the strategy informs MPI's
23 2026/'27 budget.

24 Following the strategy panel Cara Low
25 and Glenn Bunston will present on MPI's Asset and

1 Liability Management and Investment Strategy. The
2 Board will hear about how MPI will be outsourcing the
3 strategic investment advice under a non-discretionary
4 outsourced chief investment officer or OCIO model.

5 We'll also discuss the current asset
6 allocations and performance of its investment
7 portfolios. The panel will highlight MPI's investment
8 income, which exceeded forecast by over a \$100 million
9 last year, and discuss impacts of the ongoing
10 Canada/US trade war.

11 The panel will review attribution
12 analyses from the Basic claims, Rate Stabilization
13 Reserve, and employee future benefits portfolios and
14 demonstrate how MPI is committed to providing robust
15 insight into why it's investments performed the way it
16 did.

17 On Thursday, Ms. Campos, Patrick
18 Sarginson, and Rob Smithson will present on the topic
19 of customer choice, affordability, and stability.
20 Specifically, this panel will speak to the
21 introduction of a thousand dollar (\$1,000) deductible
22 for Basic insurance, discuss customer education of the
23 new Basic and Extension deductibles, and explain why
24 MPI believes that it is important to ensure that
25 customers remain similarly protected while they

1 evaluate and pursue their options in a competitive
2 market.

3 This panel will also speak to the
4 potential impact of Bill 49, which proposes confirming
5 the use of the Driver Safety Rating of the registered
6 owner to determine vehicle premium discounts.

7 On Monday, October 20th, Mr. Kolaski,
8 Sabrina Koch will review MPI's financial position and
9 confirm that the Corporation remains within its
10 legislative capital targets.

11 The panel will discuss reductions in
12 Basic operating expenses, staffing levels, and
13 enhancements to MPI's budgeting framework, including
14 the use of key performance indicators or KPIs and cost
15 allocation methodologies following the closure of
16 Project NOVA.

17 They will also address the impairment
18 recorded in '25/'26 and propose a new approach to
19 initiative expense treatment other than the use of the
20 regulatory deferral account, which MPI believes does
21 not effectively balance the needs of Manitobans for
22 rate affordability, stability, and predictability with
23 the concept of intergenerational equity from the
24 regulation of utilities.

25 On Tuesday, October 21st, Ms. Low, Mr.

1 Bowering, and Khurram Masud will present on
2 improvements to claims forecasting methodologies,
3 including peril-specific loss trends for comprehensive
4 coverage and the diminishing impact from the work-
5 from-home mobility factor. The panel will discuss
6 cost controls, key performance indicators, and the new
7 repair first initiative for glass claims.

8 On Wednesday, October 22nd, Ms. Low and
9 Mr. Masud will explain the plus 2.07 rate indication
10 and the case for -- for discontinuing the rate --
11 excuse me, the October update. They will discuss
12 affordability measures used or proposed in this GRA,
13 including CLEAR rate groups, rate group expansions,
14 deductible changes and improvements to the DSR system.

15 The panel will also present MPI's
16 Transition Plan to generalized linear -- linear
17 modeling or GLM and compare the results of its
18 analysis to the existing minimum bias procedure.

19 Recognizing the critical importance of
20 technology to MPI's operations and future success,
21 this year's GRA includes an extensive presentation on
22 IT strategy and performance.

23 On October 23rd and 24th, the Board
24 will hear from a dedicated panel consisting of Roy
25 Hart, Jennifer St. Laurent, Sean Campbell, and Gary

1 Dessler.

2 This panel will provide a comprehensive
3 view of MPI's IT posture and modernization approach
4 covering a variety of topics, including IT
5 benchmarking, which will talk about how MPI's overall
6 IT mature -- maturity score rather has improved based
7 on the latest Gartner assessment using the most
8 current data available -- in this case, the 2024/'25
9 fiscal year.

10 Also review that this assessment will
11 show that MPI's IT spending remains in line or even
12 below insurance and public sector peers. When
13 factoring in Project NOVA, the evidence will show that
14 MPI's allocation between run the business and change
15 the business is consistent with industry norms.

16 This panel will also demonstrate how
17 MPI maintains a stable program for responsibly
18 leveraging external resources while ensuring internal
19 teams have the rate -- right capabilities in how MPI
20 is applying the globally recognized Skills Framework
21 for the Information Age or the SFIA standard to build
22 and sustain critical competencies for success now and
23 in the future.

24 The panel will also address the
25 closeout of Project NOVA, explaining the rationale

1 behind the -- excuse me, behind the decision,
2 confirming the impairment taken, detailing total
3 investments to date, and sharing the lessons learned
4 that now inform MPI's current approach to addressing
5 IT debt and modernizing its critical Legacy systems.

6 As reviewed with the PUB during its
7 special sitting in March, MPI is implementing a new
8 modernization strategy for Legacy Systems, one that
9 prioritizes technical risk and aligns IT initiatives
10 with corporate objectives.

11 The Board will hear how MPI's five (5)
12 year rolling IT roadmap was developed, how it
13 continues to mature, and how it is being integrated
14 with MPI's budgeting and rate Application cycles to
15 ensure disciplined delivery.

16 Finally, the panel will -- excuse me.
17 Finally, the panel will introduce MPI's major programs
18 framework, a governance model designed to deliver
19 modernization through phased, sensibly sized
20 initiatives. This approach emphasizes improved
21 oversight, risk management, and stakeholder
22 engagement, ensuring that modernization is both
23 responsible and sustainable.

24 MPI notes that a panel to address
25 confidential -- confidential evidence rather is also

1 scheduled for Friday, October 24th. And if needed,
2 select MPI witnesses will return on the afternoon of
3 October 28th to respond to any undertakings before
4 closing arguments.

5 MPI believes this year's GRA reflects a
6 significant commitment by the organization, its board
7 of directors, management, and staff to ensure that
8 Manitoba's public insurance system remains strong and
9 affordable now and into the future.

10 Subject to any questions that the Board
11 might have regarding these opening statements from
12 counsel for the respective Interveners, MPI is ready
13 to proceed.

14 PANEL CHAIRPERSON: Thank you, Mr.
15 Guerra.

16 Ms. Meek...? I'm sorry. Ms. Dilay...?

17

18 OPENING COMMENTS BY MS. KATRINE DILAY:

19 MS. KATRINE DILAY: Thank you, Madam
20 Chair. Karine Delay speaking on behalf of the
21 Consumers Coalition. Again, good morning, Madam Chair
22 and Board members, as well as PUB counsel and staff
23 and advisors. Good morning to MPI staff and other
24 Interveners as well.

25 Before getting into our opening

1 submissions this morning, we will enter the Consumers
2 Coalition exhibits in this proceeding.

3 Coalition Exhibit 1 is the Intervener
4 Application, including the Expert CVs.

5 Coalition Exhibit 2 was the First Round
6 Coalition Information Requests.

7 Exhibit Coalition 3 was the Coalition's
8 Round I Confidential Information Requests with Public
9 Responses.

10 Coalition Exhibit 4 was the Round II
11 Information Requests of the Coalition.

12 Coalition Exhibit 5 was the Round II
13 Confidential Information Requests with Public
14 Responses.

15 Exhibit Coalition 6 was the covering
16 letter to the PUB regarding expert evidence.

17 Exhibit Coalition 7 was the independent
18 evidence of Valter Viola.

19 Exhibit Coalition 8 was the independent
20 expert evidence by the Oliver Wyman team.

21 And finally, we will enter this
22 morning's opening presentation as Exhibit Coalition 9.

23

24 --- EXHIBIT NO. CC-9: CC Presentation

25

1 CONTINUED BY MS. KATRINE DILAY:

2 MS. KATRINE DILAY: My co-counsel Mr.
3 Klassen and myself are pleased to present the opening
4 statement of the Consumers Coalition this morning. As
5 you'll see on the screen, we have titled this
6 morning's presentation Optics Versus Outcome: Toward
7 Delivering Long-term Value to Manitobans.

8 And if we move to slide 2, we've titled
9 this presentation this way because our clients intend
10 to flag certain dichotomies between the optics -- or
11 what is being presented by MPI in its Application --
12 and the outcomes that they've seen in terms of what
13 ratepayers are seeing in terms of value.

14 The optics that our clients are seeing
15 to date is that MPI's 2026 General Rate Application is
16 focused on showing a commitment to affordability and
17 accountability after many years of disruption.

18 But in terms of actual outcomes, our
19 clients are asking whether the changes and the stated
20 improvements to processes are delivering value for
21 ratepayers, including protecting Manitobans from acute
22 risks of future rate increases.

23 And so, for our clients, their
24 objective in this General Rate Application is to go
25 beyond MPI's claims of improved processes and focus on

1 whether MPI is demonstrating tangible outcomes for
2 Manitobans in maintaining affordability and increasing
3 accountability and transparency.

4 And on slide 3, we've provided an
5 overview of what our clients see as the optics and the
6 outcomes. And we'll go through this very quickly on
7 this slide because the bulk of the presentation will
8 go into detail in terms of these key issues.

9 So, in terms of the optics, our clients
10 have seen a Rate Application aligned with inflation --
11 2.07 percent -- but what we see in reality is a rate
12 request that masks a 10.83 percent revenue increase.

13 In terms of the optics, we see a
14 Corporation who's implementing a corporate strategy,
15 but our clients are worried that, despite escalating
16 claims costs which are exposing customers to material
17 risk of future rate increases, there's a failure to
18 focus on threats to affordability.

19 Moving down to the third line, MPI
20 states, "Improving budgeting and performance
21 measurement processes." Our clients are worried that
22 budgeting and performance measurement processes fail
23 to control costs, at least to date.

24 With respect to information technology,
25 MPI has canceled Project NOVA after schedule and

1 budget challenges and has introduced a new IT roadmap
2 and a strategy to address the challenges that NOVA
3 faced.

4 In terms of outcomes, our clients will
5 raise concerns regarding the treatment of Project --
6 Project NOVA costs and whether they are still
7 burdening ratepayers, and whether the major projects'
8 approach carries many of NOVA's risks or whether those
9 risks have been addressed.

10 Moving down to investments, MPI's
11 evidence states that it has efficient investment
12 portfolios aligned with external advice.

13 Our clients will be raising concerns,
14 as well as evidence, demonstrating ongoing reluctance
15 to mitigate persistent risks in the Investment
16 portfolio.

17 MPI's Rate Application has reduced the
18 rate indication and increased, and stated increased
19 customer choice through deductible changes.

20 In terms of outcomes, our clients will
21 raise that these decisions have shifted revenue
22 requirements to unregulated lines of business, and
23 that there -- there is a risk of rate shock as a
24 result of the rate group expansion and -- and
25 movement.

1 And, finally, in terms of optics, MPI
2 has stated addressing or -- taking steps towards
3 addressing cross-subsidization in the Driver Safety
4 Rating model. And, in terms of the outcome, our
5 clients will raise concerns about the movement and --
6 the -- or rather, the lack of movement, on the Basic
7 Insurance Model Project.

8 And we'll go through these key issues
9 in more detail throughout this presentation. And, of
10 course, these are the issues that our clients will be
11 focusing on during the hearing.

12 Now before we dig into these issues,
13 we'd like to spend a minute introducing our clients.
14 The Consumers Coalition is proud to participate in
15 this hearing to represent the interests of MPI's
16 Private Passenger Class, with a focus on
17 affordability, transparency and accountability.

18 Parties in the room will be familiar
19 already with the Manitoba Branch of the Consumers'
20 Association of Canada. They are a long-time
21 Intervener in MPI proceedings. They have a
22 demonstrated track record of evidence-based
23 interventions. They represent all customers, with a
24 focus on customers who face barriers in the
25 marketplace, such as persons with a low income,

1 newcomers and persons with disabilities.

2 The CAC (Manitoba) is pleased to be
3 joined this year in its intervention by the Manitoba
4 Seniors Equity Action Coalition, who's a new
5 Intervener this year. The Manitoba Seniors Equity
6 Action Coalition traces its roots to intensive
7 engagement in 2022 and 2023, which engaged with
8 seniors from across Manitoba.

9 Importantly, the Manitoba Seniors
10 Equity Action Coalition has already had a very big win
11 in helping to secure Manitoba's first legislated
12 Independent Seniors Advocate office, which is
13 launching in November of this year.

14 Moving to slide 5, this is just a brief
15 outline for the remainder of our presentation this
16 morning. We'll first go through some context,
17 including the priority of affordability for Manitobans
18 and consumers and a corporation which is focused on
19 rebuilding.

20 We will then spend the bulk of the
21 presentation on the themes of the optics versus
22 outcomes, by walking through the key issues in this
23 rate application from the perspective of the Consumers
24 Coalition.

25 We will then briefly touch upon the

1 PUB's mandate to set just and reasonable rates, which
2 will lead us to our clients' preliminary position, at
3 this point in the proceeding, that there is a need for
4 continued PUB oversight and direction. Then we will
5 end the -- the presentation with a few thank yous.

6 In terms of context, given that our
7 clients represent the Private Passenger Class, it's
8 always important to them to start with a reminder of
9 the context that is facing Manitoba ratepayers.

10 The evidence in this proceeding shows
11 that Manitobans prioritize affordability. This is
12 evident in a recent survey by MPI where the top words
13 used to describe an ideal insurer were "affordable and
14 inexpensive," and were keeping the cost of insurance
15 affordable was listed as most important by MPI's E-
16 Panel.

17 And, importantly, and that's the last
18 point on this slide, this same research finds that
19 keeping the cost of insurance affordable has the
20 highest return for MPI when it -- when we talk about
21 making improvements in investments to the consumer
22 experience.

23 In the same context on slide 7, MPI has
24 been seeing rising claims costs. As we see on this
25 page, severity -- MPI has stated that severity has

1 significantly gone up with the average cost to repair
2 a 2023 vehicle being 61 percent higher compared to
3 repairing a 2020 -- 2012 model year vehicle.

4 And these rising claims costs are of
5 course significant, because collision costs represent
6 nearly half of the private passenger premium
7 composition. And that's what we see in this -- the
8 pie charts from MPI's evidence at the bottom of this
9 page.

10 And so, of course, rising claims costs
11 have a direct impact on rates today and into the
12 future. And, in fact, MPI's recent rate applications
13 over the last couple of years show the impact of
14 rising claims cost with a 5.7 percent rate increase,
15 which came into effect April 1st of 2025. And an
16 initial rate indication in the 2026 GRA, or rather a
17 revenue requirement, of a 10.83 percent before the
18 rate group expansion impacts, before the Basic
19 deductible changes and before the deferred initiative
20 costs impact.

21 So, turning to the context for MPI as a
22 corporation. As we all know MPI is coming out of an
23 incredibly tumultuous period, including a government
24 ordered organizational review, high turnover rates,
25 including at the Executive and Board level over the

1 last few years, a labour interruption and Project Nova
2 challenges and ultimate cancellation earlier in 2025.

3 What we've heard from MPI in this rate
4 application and what we see in the evidence, is that
5 the Corporation is now focused on rebuilding trust.
6 And we would submit that they are doing this through
7 the implementation and development of their corporate
8 strategy, improvements to the operating budget and
9 performance measurement processes and new IT
10 processes.

11 While our clients acknowledge, and --
12 and we'll go through in this hearing, the steps taken
13 by MPI to improve these processes. Our clients say
14 that trust cannot be built on stated improvements to
15 processes alone. Rebuilding trust with ratepayers and
16 the regulator requires tangible outcomes in
17 affordability, accountability and transparency. And
18 that's where our clients intend to focus on in this
19 proceeding.

20 So, moving on to slide 10, we'll start
21 -- the next few slides will go through those same key
22 issues that we saw in slide 3, but in a little bit
23 more detail.

24 Our clients are concerned that the
25 optics of a 2.07 percent rate request masks a higher

1 increase than revenue needed by MPI. And so, we've
2 developed this chart, just for illustrative purposes
3 only, based on CC-MPI Pre-Ask 9, which asked: What
4 was the rate indication before some of the actions
5 that MPI has taken, which have had the impact of
6 reducing the rate indication?

7 And so, without the Basic deductible
8 increase from seven fifty to a thousand dollars,
9 without the vehicle rate group changes, and without
10 the deferral of initiative expenses for the next year,
11 the revenue requirement for MPI would have been plus
12 10.83 percent. And so, the pie chart demonstrates
13 where MPI will be collecting those revenues and the
14 impact of these actions on the rate indication, which
15 leads to a 2.07 rate request.

16 We also note that following the rate
17 update, MPI has declined an opportunity to pass
18 savings on to -- to customers where the rate update
19 showed a lower rate indication.

20 And so, why does this matter? From our
21 clients' perspective, if we can turn to slide 11,
22 please. This matters for at least two (2) reasons
23 which lead them to ask the following two (2)
24 questions.

25 Were the impacts of these MPI actions

1 effectively and transparently communicated to
2 customers and to its regulator? And, secondly, how
3 will MPI and the PUB, as the regulator, maintain Basic
4 rate affordability in future General Rate
5 Applications, when decisions or actions, such as the
6 one we outlined on slide 10, may not be available or
7 possible.

8 On slide 12, we discussed MPI's
9 operating budget process and performance measurement.
10 MPI has filed evidence demonstrating improvements in
11 operating budget process. Despite these improvements,
12 the final operating expense budget for 2026/27 was 7.8
13 percent over the original target.

14 MPI has also provided evidence that
15 it's still early informal key performance indicator-
16 based execution, and that KPIs are only becoming a
17 foundational component supporting informed decision-
18 making.

19 Our clients have noted that most of
20 MPI's KPIs at this point are directional in nature and
21 do not drive the Corporation to improved practices.

22 And so that leads our clients to ask:
23 Will MPI's operating budget process, including the
24 top-down targets, result in long-term value for
25 ratepayers in the future? And will KPIs become an

1 effective component supporting decision-making
2 relating to budgets? With more experience, will MPI
3 set more stretch targets for key KPIs to deliver long-
4 term value for ratepayers?

5 In terms of claims forecasting on slide
6 13, our clients note that the forecast for total Basic
7 claims incurred for the rating year 2026/27 increased
8 by 4.91 percent from the 2025 GRA to the 2026 GRA.
9 And our clients submit that reflects rapidly evolving
10 claims pressures.

11 Based on the evidence of Oliver Wyman,
12 our clients will explore whether specific elements of
13 MPI's claim forecasting methodology could be improved
14 to better protect ratepayers from uncertainty.

15 And that leads us to ask at the bottom
16 of this page: Can MPI's claims forecasting approach
17 be improved through the application of best practices
18 and by reflecting and responding to evolving trends
19 and claims costs.

20 With respect to Information Technology,
21 our clients expressed a sense of cautious relief when
22 Project NOVA was canceled. As this Board will know,
23 our clients have raised many concerns regarding
24 Project NOVA costs and governance for a number of
25 years. Our clients note, of course, the Auditor

1 General investigation on Project NOVA, which is
2 ongoing, and that the Project NOVA closeout report
3 states many challenges and failures.

4 On this page we also refer to the
5 treatment of the regulatory deferral account and that
6 the treatment of that account balance risks reducing
7 capital available for a potential rebate to
8 ratepayers. At the same time, the Regulatory Deferral
9 Account masks a potential premium rate deficiency
10 going forward. And our clients will explore these
11 issues in cross-examination with MPI witnesses.

12 Moving forward, MPI says it will still
13 need to modernize its IT systems to address
14 significant technology debt. And, currently, all
15 current major programs have a negative net present
16 value. And so, our clients intend to ask: Will only
17 prudent and necessary Project NOVA costs be paid for
18 by ratepayers, either through rates or the avoidance
19 of a potential rebate?

20 And moving forward, will MPI's new IT
21 processes avoid NOVA challenges or are customers at
22 risk of a relabeling of Project NOVA without
23 addressing the core process and governance challenges?

24 In terms of MPI's Investment Portfolio,
25 our clients ask whether MPI is working towards an

1 efficient portfolio grounded in evidence. And this
2 leads our clients to look at -- at primarily two (2)
3 issues.

4 First, our clients are concerned that
5 there remains risks that MPI's portfolio is
6 inefficient and is exposed to too much inflation risk.

7 And, secondly, our clients have noted
8 that MPI does not collect the data necessary at the
9 portfolio level to assess whether its approach to
10 portfolio management is prudent. So that will lead
11 them to ask: Will next year's Asset Liability
12 Management Study set up MPI to work towards an
13 efficient portfolio that manages inflation risk? And
14 they will also ask whether MPI will collect
15 performance attribution data at the portfolio level to
16 determine if its approach to management is prudent.

17 In terms of the proposed rate group
18 expansion, our clients noted that over 20 percent of
19 vehicles will face significant rate pressures, as a
20 result of this change, including certain vehicles
21 experiencing an average premium increase up to nearly
22 25 percent. And so, this leads them to ask whether a
23 more gradual implementation of the rate group
24 expansion better balance the need for the rate group
25 expansion with fairness and customer expectations.

1 Regarding the Driver Safety Rating
2 Scale and the Basic Insurance Model, our clients
3 overarching question is to ask whether MPI is using
4 these tools effectively towards long-term
5 affordability for ratepayers.

6 While we're seeing Driver Safety Rating
7 discounts now closer to the actuarial indication, our
8 clients are concerned that the Registered Owner Model
9 may continue to mean that the risk drivers are
10 bringing to the insurance system is not captured, not
11 adequately captured in premiums. And we've seen the
12 Basic Insurance Model not progressing or perhaps
13 abandoned by MPI, now scuttled by proposed legislation
14 by government. No pricing study to date has been
15 undertaken by MPI.

16 So, our clients will ask: Can MPI's
17 continued adjustment of DSR discounts go far enough to
18 protect ratepayers? And is MPI using these tools
19 effectively toward long-term affordability for
20 ratepayers?

21 And finally, on page 18, in terms of
22 the last key issue our clients will explore, they will
23 look at MPI's corporate strategy. MPI's evidence has
24 shown that it faces critical risks to affordability
25 such as increased vehicle complexity, inflationary

1 pressures, cyber risk, regulatory shifts and changes
2 to vehicle technology and repair networks.

3 Our clients are concerned that MPI's
4 corporate strategy may better be characterized as a
5 list of operating initiatives, rather than a
6 comprehensive and focused strategy that is focused on
7 managing emerging threats to affordability. And so,
8 that will lead them to ask whether MPI's strategy
9 reflects the necessary elements of an effective
10 strategy, including focus, trade-offs and difficult
11 choices?

12 Will MPI's strategy deliver concrete
13 outcomes that will enhance customer value, or is it a
14 list of operating imperatives that is more consistent
15 with a planning exercise? And finally, does MPI have
16 a strategy to manage emerging external threats to
17 affordability?

18 And our clients are focused on these
19 particular key issues because they see them as
20 directly impacting rates, both in the short and long
21 term; and therefore, are of direct relevance to the
22 Public Utilities Board in discharging their mandate of
23 setting just and reasonable rates for Basic insurance.

24 As this Board is well aware, that
25 Public Utilities Board has previously characterized

1 the elements of the test for setting just and
2 reasonable rates based on the following questions:

3 Are forecasts reasonably reliable?

4 Are actual and projected costs
5 necessary and prudent?

6 Are revenue needs reasonable in the
7 context of the overall general health of the
8 Corporation?

9 Is there an appropriate alloc --
10 allocation of costs between ratepayers?

11 And finally, are the proposed rates
12 just and reasonable in accordance with statutory
13 objectives?

14 In the current context, and given the
15 evidence on the record of the proceeding, our clients
16 will be asking in this hearing, whether MPI is
17 demonstrating tangible outcomes for Manitobans in
18 maintaining affordability and increasing
19 accountability and transparency.

20 If tangible outcomes are lacking to
21 date, the Consumers' Coalition will ask the PUB to
22 recognize the early warning signs of an acute risk of
23 future rate increases, as well as risks to
24 accountability, and to proactively provide continued
25 oversight and direction to MPI.

1 Finally, over the next couple of
2 slides, we just want to spend a couple of minutes
3 expressing our gratefulness to the team that we work
4 with. On page 21 -- 21, pardon me - we've listed the
5 list of independent experts who are assisting the
6 Consumers Coalition in reviewing and analyzing MPI's
7 rate application, and we're very thankful for their
8 support and assistance throughout this proceeding.

9 Moving to slide 22, we are also
10 grateful for the ongoing guidance of the CAC
11 (Manitoba) Consumer Advisory Panel, as well as
12 representatives from the CAC (Manitoba) Board of
13 Directors, and the Manitoba Seniors Equity Action
14 Coalition.

15 Subject to any questions from the
16 Board, this concludes the opening submissions of the
17 Consumers Coalition. Thank you.

18 PANEL CHAIRPERSON: Thank you, Ms.
19 Dilay. Ms. Meek ...?

20

21 OPENING COMMENTS BY CMMG:

22 MS. CHARLOTTE MEEK: Thank you, Madam
23 Chair. Good morning again, to panel members, MPI,
24 other Interveners and members of the public. Again,
25 my name is Charlotte Meek and I'm representing the

1 Coalition of Manitoba Motorcycle Groups (CMMG).

2 The Coalition of Manitoba Motorcycle
3 Groups is a nonprofit, volunteer-run organization that
4 advocates for motorcycle awareness and safety. CMMG
5 is active in the motorcycle community arranging events
6 and group rides, and is also involved with other
7 stakeholder committees with MPI.

8 CMMG has been participating in the
9 General Rate Application for over 30 years and their
10 intervention aims to provide insight and perspective
11 to the Board on issues affecting the motorcycle class
12 specifically, as well -- as well as other issues.

13 More broadly the Corporation this year
14 seeks to increase motorcycle rates by 5.81 percent.
15 The rate update filed in September provides a more
16 favorable rate indication for motorcyclists of 4.46
17 percent. Although in this Application, the
18 corporation is proposing not using updated figures.

19 The difference between the initial
20 filing and the update has an impact on motorcycles of
21 1.35 percent. This adjustment is due entirely to the
22 changes in the new money yield between March and
23 August of this year. In previous applications, we
24 have seen larger shifts for motorcycles due to changes
25 in investment returns. CMMG intends to examine this

1 issue which is of ongoing concern.

2 In my client's view, the motorcycle
3 class continues to be more susceptible to impacts from
4 interest rate changes. This is due primarily to the
5 composition of the motorcycle claims, which is made up
6 more than 50 percent of PIPP claims. The impact on
7 the rate indication for motorcycles is linked to the
8 investment strategy of the Corporation. CMMG has
9 advocated for adjustment to MPI's investment strategy
10 to manage the disproportionate volatility in
11 motorcycle rates caused by fluctuations in investment
12 return.

13 In the 2019 GRA the Board noted its
14 concern with the impact of interest rate changes on
15 the motorcycle class, directing MPI to consider
16 strategies that would ameliorate the effect of those
17 changes. Unfortunately, we have seen little progress
18 in that regard.

19 Motorcycles continues to experience
20 more pronounced fluctuations from interest rate
21 changes than other classes. CMMG intends to examine
22 the investments panel regarding this ongoing issue.
23 CMMG will review the returns of the shadow portfolios,
24 which were set up to provide the Board with a
25 comparator to portfolios, which exclude the

1 constraints imposed by MPI. This will help to inform
2 our perspectives as we move towards a new ALM study in
3 the future.

4 CMMG has collaborated with our friends
5 at CC in this year's Application in filing expert
6 evidence from Valter Viola on the issue of performance
7 attribution in terms of MPI's active management within
8 the portfolios. In the interest of proportionality,
9 our friends at CC are taking the lead on examination
10 and presentation of this issue before the Board.

11 In this year's Application, the
12 Corporation has confirmed it will be increasing the
13 Basic deductible cost for customers from 750 to a
14 thousand dollars. During the information request
15 process, the Corporation has been unable to confirm
16 the cost to customers to purchase the extension
17 coverage to keep their deductible level at the \$750
18 mark.

19 This increase in Basic deductible
20 immediately follows an increase of \$10 to all driver
21 premiums, which was sought by the Corporation and
22 approved by this Board last year. My clients are
23 concerned with the implementation of permanent --
24 permanent cost increases in MPI product that are not
25 included or represented in the rate indication.

1 The DSR model and rating scale
2 continues to be an issue of concern for my clients.
3 The current registered owner model is, from the
4 perspective of my clients, an imperfect system that
5 does not provide for an accurate assignment of cost
6 between DSR levels. The Board has issued previous
7 decisions directing MPI to implement a plan to shift
8 away from the registered owner system and towards the
9 primary driver system.

10 While some progress was made, the
11 transition has been stalled in the last few years by
12 the Corporation's assertion that it cannot collect
13 driver data sufficient to create a pricing analysis of
14 the primary driver model; as a result, no further
15 progress has been made to transition.

16 CMMG is aware of a recent news release
17 from the Government of Manitoba indicating an
18 intention to enshrine the registered owner model into
19 legislation. My clients are concerned with this
20 potential change, which, if implemented, would appear
21 to remove the issue from the jurisdiction of this
22 Board.

23 CMMG values the role of the Public
24 Utilities Board and believes it to be integral to
25 providing oversight to the corporation and keeping

1 rates in Manitoba affordable for ratepayers. MPI
2 continues to improve the accuracy of the DSR rating
3 scale, but as indicated, CMMG has previously raised
4 concerns that an -- the improvement of an inherently
5 per -- imperfect system will only take us so far.

6 Before concluding, I'll briefly mark
7 the following exhibits on behalf of CMMG.

8 CMMG 1 is the CMMG Intervener application, and the CV
9 of Jason Wong and Valter Viola; CMMG 2 is the CMMG
10 round one Information Requests; and CMMG 3 is CMMG
11 Round 2 Information Requests.

12 Subject to any questions, those
13 conclude my opening statements.

14 PANEL CHAIRPERSON: Thank you, Ms.
15 Meek. Ms. Kotyk ...?

16

17 OPENING COMMENTS BY TAXI COALITION:

18 MS. ALISEN KOTYK: Good morning, Madam
19 Chair, PUB members, MPI and other counsel. Alisen
20 Kotyk, appearing on behalf of the Taxi Coalition; as
21 mentioned, not appearing with me today, is my co-
22 counsel, Karen Wittman.

23 I'd like to start off my opening
24 remarks this morning by thanking the PUB for again
25 allowing the Taxi Coalition the opportunity to

1 participate in this year's hearing.

2 By way of background, the Taxi
3 Coalition is a coalition of two (2) independently
4 operated taxi companies: Duffy's Taxi and UniCity
5 Taxi. Duffy's and UniCity service Winnipeg and its
6 surrounding areas, and have been doing so for over 60
7 years. Together, they have a fleet of approximately
8 600 vehicles and represent over 80 percent of the
9 taxicab Vehicles for Hire and 22 percent of the
10 accessible Vehicles for Hire in Manitoba.

11 The Taxi Coalition is collaborating for
12 the purpose of intervention in these proceedings on
13 issues of common concern. To ensure that there is
14 broad representation of taxicab Vehicle for Hire
15 interest in these proceedings, the Taxi Coalition
16 remains in contact with, and consults with, smaller
17 taxi dispatch companies throughout Manitoba.

18 As the PUB is aware, based on our
19 Intervener application, MPI has not put forward a new
20 Vehicle for Hire framework in this year's GRA. As
21 such, the Taxi Coalition's intervention will be more
22 limited than in past years with a focus on prospective
23 Vehicle for Hire framework and associated timelines; a
24 timeline for status updates; as well as the completion
25 of the telematics project; serious loss forecast in

1 the passenger Vehicle for Hire group; and information
2 regarding the doubling of passenger Vehicle for Hire.

3 Much of the information the Taxi
4 Coalition is seeking has already been provided to us
5 in round 1 and round 2 Information Requests. Although
6 the Taxi Coalition's intervention this year is
7 limited, the Taxi Coalition's objective continues to
8 be twofold.

9 To ensure that rates paid by Vehicles
10 for Hire, generally, are just and reasonable in the
11 context of auto insurance rates offered by MPI, that
12 means having rates that fully reflect the cost of
13 coverage, and to ensure transparency and
14 accountability. In striving to meet this objective,
15 the Taxi Coalition has worked collaboratively with
16 other Interveners and with MPI

17 The Taxi Coalition remains cognizant of
18 costs. Consequently, the Taxi Coalition will only be
19 in attendance at periods in the hearing that are
20 relevant to the issues that it has raised. The Taxi
21 Coalition will monitor the hearing throughout, but
22 will only intervene to test evidence or provide
23 information where necessary.

24 To that end, I, rather than my co-
25 counsel, will be taking the lead wherever possible.

1 Accordingly, during oral hearings, the Taxi Coalition
2 intends to address and examine two (2) areas. The
3 first relates to Vehicle for Hire. And, as in past
4 years, the emphasis is on equity within Vehicle for
5 Hire groups, as well as on MPI's future plans for a
6 Vehicle for Hire model. The Taxi Coalition
7 anticipates questions on timelines for completion of a
8 number of action items, including the prospective for
9 a new Vehicle for Hire framework, anticipated
10 timelines for the rollout, and plans for the
11 telematics project among other things.

12 We acknowledge that we have had
13 discussions with MPI regarding their future plans for
14 a Vehicle for Hire model and we'll continue to
15 follow up with them on this.

16 The second area concerns MPI's proposed
17 increase to the basic deductible amount, and ensuring
18 fairness to all consumers.

19 Taxis continue to pay some of the
20 highest premiums among Manitoba ratepayers. Taxis
21 are, therefore, concerned about changes to the
22 approach to deductibles, and ensuring that any changes
23 are transparent and fair to the consumer. Given the
24 proposed increase, and that this could be of
25 particular concern to taxicab Vehicle for Hire, the

1 Taxi Coalition may have some questions around this.

2 Now with respect to exhibits, already
3 marked is TC exhibit 1, the Taxi Coalition's
4 Intervener application dated July 2nd, 2025.

5 TC Exhibit 2, the CV of Sylvain Dion of
6 Dion Strategic.

7 And TC Exhibit 3, the CV of Jason Wong
8 also of Dion Strategic.

9 As TC Exhibit 4, I'd like to mark the
10 Taxi Coalition's round 1 Information Requests dated
11 July 14th, 2025.

12 And as TC Exhibit 5, the round 2
13 Information Request dated August 20th, 2025.

14 In closing, we would like to thank the
15 PUB again for the opportunity to participate in this
16 year's hearing, and to contribute to the PUB's
17 determination on fairness with respect to Vehicle for
18 Hire groups, and for all consumers generally.

19 Subject to any questions, the PUB may
20 have, this concludes our opening remarks. Thank you.

21 PANEL CHAIRPERSON: Thank you. Ms.
22 Kotyk. I note that the time is just about quarter
23 after 10:00 right now. So, I think we'll take our
24 morning break and come back at 25 to 11:00, please.

25

1 --- Upon recessing at 10:15 a.m.

2 --- Upon resuming at 10:36 a.m.

3

4 PANEL CHAIRPERSON: Mr. Guerra...?

5 MR. ANTHONY GUERRA: Thank you, Madam
6 Chair. So, we'll begin with the CEO Overview Panel,
7 which is the next item on our list. And I can
8 indicate that Ms. Jatana is also present with me this
9 morning to speak on behalf of the Corporation on the
10 Overview Panel. So, I'll ask that she be sworn in,
11 please.

12

13 MPI CEO OVERVIEW PANEL:

14 SATVIR JATANA, Sworn

15

16 EXAMINATION-IN-CHIEF BY MR. ANTHONY GUERRA:

17 MR. ANTHONY GUERRA: And Ms. Jatana,
18 I'll turn it over to you in a second, but I'll just
19 let you know that I may have some questions for you
20 after you've presented. So, if you wouldn't mind just
21 giving me a moment just to determine if I have those
22 questions. Thank you.

23 MS. SATVIR JATANA: Thank you. Good
24 morning, Madam Chair and Board members, PUB Counsel,
25 our Interveners, and members of the public. My name

1 is Satvir Jatana. And it is truly an honour to lead
2 the team at Manitoba Public Insurance. It's also my
3 pleasure here for the second year in a row to be part
4 of these annual proceedings for our Company to
5 showcase the progress that we are making as a team and
6 to speak to our rate application for the upcoming
7 year.

8 And I recognize that as a provider of
9 compulsory auto insurance in the province, we have
10 responsibility to our customers to make good financial
11 decisions so that we can continue to provide them with
12 a product and services that meets their needs and at
13 an affordable price.

14 And these annual Hearings are the --
15 and are an opportunity for our team to share updates,
16 not only on the rate for the upcoming year, but also
17 on the work that we are doing to stabilize and protect
18 Manitoba Public Auto Insurance system for years to
19 come.

20 We are truly fortunate in Manitoba to
21 have a public system that provides comprehensive
22 coverage for all drivers along with a world-class
23 bodily injury coverage for Manitobans, whether they
24 are a driver or not.

25 The team at MPI is extremely proud of

1 the work we do to serve Manitobans in all areas of the
2 province. And while our organization has experienced
3 difficulties over the past few years, I'm pleased to
4 report that there has been a meaningful shift at MPI
5 that has brought a renewed focus to serving our
6 customers.

7 Over the past year, we've worked to
8 build more responsive, transparent, and customer-
9 centric organization that delivers real value to
10 Manitobans. We have made significant progress in
11 building a stable organization that Manitobans can
12 count on and that delivers on its promises.

13 The foundation of this progress has
14 been our focus on rebuilding trust and engagement with
15 our own team because they -- because they empower MPI
16 to deliver value to Manitobans.

17 Last year, we set out to lower our
18 regrettable turnover and to know that our teams
19 believe in the direction we're going and they want to
20 be part of this team.

21 I'm very pleased to share that we have
22 cut the number -- turnover number almost in half, from
23 4.51 percent to 2.56 percent. And that's just not a
24 number. It's more of our team members wanting to be
25 part of MPI and to build their career at MPI because

1 like me, they see a bright future.

2 Our organization only exists to serve
3 the needs of Manitobans. And our employees pride
4 themselves on being part of a high performing team.
5 Building a culture and team engagement for any
6 organization is not a destination, but an ongoing
7 journey, and I hold that as my number one priority.

8 I am also so proud of how far we have
9 come in a very short time. And I remain committed to
10 setting the right tone of leadership from the top,
11 being accessible and responsive, and making the hard
12 choices for the betterment of our organization and the
13 team.

14 Today there is a renewed sense of
15 belonging among our people, among our team. There is
16 camaraderie. There is clarity, direction, and focus
17 on what is critical for us to deliver in support of
18 our public mandate.

19 Coming out of a challenging period of
20 disruption and uncertainty, we came together to
21 stabilize our operations. We cleared the backlog and
22 we started to rebuild trust with the people we serve.
23 This includes reducing the time people have to wait to
24 access our services.

25 And now we are making improvements to

1 almost every one of our services; driver testing,
2 estimating, adjusting, and claims management, and
3 customers are starting to notice.

4 For the first time in four (4) years,
5 we have seen an improvement in our customer experience
6 index score, our most recent score sitting at 73
7 percent, which is defined as good, and it's three (3)
8 points above our target score as we had seen a
9 decrease over the last number of years in this area.

10 This increases significant achievement
11 for our frontline team members as it includes the
12 period when we were clearing significant backlog
13 following the 2023 strike, so this achievement is that
14 much more to us.

15 There is positive momentum in our
16 organization as our team is now further refining our
17 service delivery standards and reviewing our processes
18 to improve service levels.

19 By listening to our team members and
20 engaging with our stakeholders, we've made meaningful
21 progress to stabilize MPI and strengthen service
22 delivery. Most importantly, we worked alongside our
23 partners, stakeholders, and our people, our team,
24 every step of the way.

25 As you are aware, our recent challenges

1 led to government ordering and independent review by
2 EY. We were provided with the findings. And we have
3 acted on all five (5) recommendations by bringing more
4 stability to our organization by creating clarity, and
5 direction, and focus, restructuring our organization
6 to reduce management layers and realign our work,
7 ensuring we can respond quickly and effectively to
8 customer needs.

9 This has created role clarity and
10 accountability to increase collaboration, improve
11 decision-making, and help reduce friction between
12 divisions.

13 We have also improved our governance
14 and role clarity for major programs. We have
15 strengthened our financial capabilities through
16 dedicated forecasting and analytics functions. And we
17 are taking meaningful steps to align our strategy to
18 our financial planning.

19 And last but not least, we are
20 enhancing our data governance and accessibility,
21 ensuring that decisions are guided by reliable, timely
22 information.

23 In addition to this, we have also
24 introduced a more disciplined approach to resource and
25 initiative managements -- management. We know that

1 approximately 90 percent of our capacity is required
2 to run our core operations. So, we are more
3 intentional about what initiatives we take on to
4 ensure that we say what we -- that we do what we say
5 and say what we do. This is still a muscle that we
6 are developing, but we are committed to being better
7 every day.

8 Now, last year at this time, we had
9 just introduced our multiyear Corporate Strategic Plan
10 during these Hearings. and the Board just had
11 approved it, so we were preparing to consult with our
12 stakeholders and Manitobans to ensure that it
13 reflected the voices of those we partner and those we
14 serve.

15 Earlier this year, we shared a draft
16 through province's engage Manitoba platform and
17 through direct engagement with our partners and our
18 team members. The feedback we have received affirmed
19 that this is the right plan for MPI and focuses on
20 what matters to Manitobans.

21 I'm really proud of really how this
22 plan was built, through extensive collaboration with
23 our employees, customers, partners, and stakeholders
24 across the province. It represents the collective
25 voice of Manitobans, ensuring our direction is

1 grounded in their needs without compromising services
2 or stretching our people beyond their limits.

3 And I look forward to speaking more
4 about our multiyear strategy at tomorrow's session and
5 happy to answer questions that you may have for me or
6 -- and my team that will be accompanying me tomorrow.

7 I will now touch on Project Nova as it
8 -- it was anticipated to be a multiyear, multi-release
9 program to modernize MPI's core Legacy systems. While
10 the objectives of the programs were worthy, once we
11 began delivering on them, we uncovered significant
12 challenges.

13 And in 2024, we conducted a
14 comprehensive review of this program to assess and
15 learn from our past while understanding our future
16 needs. This work led to an important decision, the
17 formal closure of Project Nova. It is a difficult
18 decision to make, but I truly believe it reflects our
19 commitment to be responsible and responsive to the
20 feedback from our stakeholders and for the needs of
21 Manitobans.

22 We have been open and transparent about
23 the decision making on this and shared our finding
24 with PUB and its -- and Interveners at the special
25 sitting last March.

1 We have since started to have important
2 discussions on the need to effectively manage our IT
3 debt and to protect and responsibly modernize our
4 Legacy business systems.

5 To that end, we continue our work on
6 developing a longer-term IT roadmap. And my team will
7 speak to more about this during our dedicated IT Panel
8 next week.

9 We are always conscious of our
10 limitations. We are learning from the past by better
11 understanding what work must be done, and then
12 ensuring that the work we take on matches our capacity
13 while being mindful of the needs to maintain
14 affordable rates.

15 We are sequencing projects, more
16 realistically defining clear metrics to monitor and
17 more regularly reporting on -- on our outcomes. This
18 isn't about attaining perfection. This is about
19 making steady, visible progress and clearing -- pardon
20 me, and achieving clear results.

21 This year behind us has been one of
22 rebuilding and renewal. The year ahead is about
23 maintaining that momentum that we have begun, turning
24 progress into lasting change. We are committed to
25 delivering on our mandate of affordability, and it

1 remains a top priority to myself and our Board. We
2 are taking actions to ensure that Manitobans continue
3 to receive a comprehensive basic product at an
4 affordable rate.

5 And we are introducing new products to
6 our Extension line of business to provide choice for
7 customers while keeping the mandatory insurance
8 affordable. That can be challenging, of course, in --
9 in this economic climate as cost continues to increase
10 in almost every area of daily life. Like every other
11 business, MPI is also feeling that pressure.

12 You will hear from our team later in
13 the Hearings on initiatives, like repair first glass
14 to manage the rising claim cost while preserving
15 proper repairs in Manitoba.

16 My team has seen a significant increase
17 in glass claims since COVID and has worked with our
18 partners -- repair partners to put some measures in
19 place to control the increasing cost.

20 We have financial responsibility to the
21 people of Manitoba and we take that commitment very
22 seriously. Our decision making is grounded in fiscal
23 prudence in ensuring that every dollar spent is in the
24 best interest of our customers. And I truly believe
25 we are moving in that direction. And while our

1 '24/'25 financial results are not yet public, we do
2 look forward to sharing those outcomes once they are
3 available.

4 What I can speak to today is the hard
5 work the team has done to prepare this '26/'27 budget.
6 Across the organization we have put new focus into
7 building budget from ground up using a zero-based
8 approach that ensures every dollar is budgeted with a
9 purpose and supports our operational needs and
10 strategic direction.

11 Moving forward, we are requesting to
12 include initiative expenses in our ratemaking process
13 as a measure of ensuring future rate stability and
14 predictability. We will discuss, of course, more of
15 this during our Financial Panel next week.

16 As you know, we administer DVA line of
17 business on behalf of the government. And we have
18 experienced challenges in this line of business to
19 operate on a breakeven basis.

20 We have been working with government
21 and have recently received its commitment to ensure
22 the stability of this line of business, the good news
23 for our organization and Manitoban who will continue
24 to benefit from the transfer of access fund from our
25 Extension line of business to support our Basic

1 Autopac coverage, what -- which helps keeps rate
2 affordable for our customers.

3 This also increases the confidence and
4 trust that Manitobans place in us to deliver product
5 and services that meet their need without putting
6 extra pressure on their household budget.

7 Restoring full confidence in MPI takes
8 time, consistency, and humility. I recognize that
9 there is still a lot of work ahead of us, but I am
10 encouraged in how far we have come in this short
11 amount of time.

12 MPI exists to serve Manitobans. Our
13 path forward must and will reflect that the public's -
14 - public trust every step of the way. With the
15 commitment of our team and the trust of Manitobans, we
16 are building an MPI that is stronger, more
17 accountable, and better equipped to meet the needs of
18 the people we serve today and into the future.

19 And I look forward to being part of
20 this process, this very important process, that to
21 many of our team members and everyone in this room
22 puts so much thought. And I -- I look forward to
23 being part of this and supporting my team where I'm
24 able to. Thank you.

25 MR. ANTHONY GUERRA: Thank you, Ms.

1 Jatana. I have no further questions.

2 PANEL CHAIRPERSON: Thank you, Ms.

3 Jatana.

4 Mr. Andres...?

5

6 CROSS-EXAMINATION BY MR. TODD ANDRES:

7 MR. TODD ANDRES: Good morning. Thank
8 you, Madam Chair, and good morning, Ms. Jatana. Nice
9 to see you again.

10 I do have a few questions for you
11 arising from your comments and materials received by
12 the PUB. First -- pardon me -- on behalf of the
13 Corporation, you accept that MPI bears the proof to
14 substantiate the GRA?

15 MS. SATVIR JATANA: I do.

16 MR. TODD ANDRES: Thank you. And you
17 accept that MPI bears the onus for establishing that
18 the proposed rates and fees are just and reasonable,
19 yes?

20 MS. SATVIR JATANA: I do.

21 MR. TODD ANDRES: Thank you. And
22 another way of stating that test is that the rates are
23 to be actuarially sound and statistically driven?

24

MS. SATVIR JATANA: Yes.

25 MR. TODD ANDRES: Thank you.

1 Ms. Schubert, if you could please pull
2 up Part 13, RMF, Appendix 6, redacted.

3 So, Ms. Jatana, just wanted to review
4 just a few of the outstanding corporate risks that
5 have been ongoing for the last couple of years, if you
6 don't mind terribly. We'll start at page 3 of 6 if we
7 could, please, Ms. Schubert.

8 And the Executive Risk Management
9 Committee or ERM committee, that's comprised of all
10 members of the executive management team, correct?

11 MS. SATVIR JATANA: That is correct.

12 MR. TODD ANDRES: And it also has --
13 there's a dedicated risk committee of the board?

14 MS. SATVIR JATANA: That is correct.

15 MR. TODD ANDRES: Thanks. And -- and
16 how frequently does this group meet?

17 MR. ANTHONY GUERRA: Sorry, counsel.
18 Just for clarification, are you asking how often the
19 Risk Committee of management meets or Risk Committee
20 of the board meets?

21

22 CONTINUED BY MR. TODD ANDRES:

23 MR. TODD ANDRES: Risk Committee of
24 Management. Thank you.

25 MS. SATVIR JATANA: Minimum of four

1 (4) times a year, but I do believe the frequency is
2 more as we develop our corporate risk, review them.
3 The reason I say minimum of four (4) in preparation
4 for the board Risk Committee, and there's more than
5 that.

6 MR. TODD ANDRES: Understood. Thank
7 you. And actually, Ms. Schubert, if we can scroll up,
8 there's a page 1 of 1 that I think is just before
9 this. That's the one.

10 Obviously the first couple are
11 redacted, but then there's the -- the third one is
12 it's "change transformation, execution failure, major
13 programs." And there's a footnote at the bottom of
14 this page, I think, if we can just scroll down just a
15 touch. No. No, it's page 1 of 1, If you could
16 actually scroll up a little bit more. It's the
17 document before this one, Ms. Schubert.

18 Perhaps I can ask you if you
19 acknowledge -- so the -- there it is. All right.
20 Thank you for that. So, the "change transformation,
21 execution failure, major programs," there's an
22 asterisk and a footnote at the bottom. It says:

23 "Category was changed in August of
24 2024, which was previously named
25 Change Transformation, Execution

1 Failure, NOVA Program."

2 And that there's -- the risk

3 description was:

4 "failure to successfully plan and
5 deliver change from NOVA Program
6 into the operational environment."

7 And so, you know, back up into that
8 third row, it says:

9 "Failure to successfully plan and
10 deliver change from major
11 programs, 3 million budgeted or
12 more into the operational
13 environment."

14 You see that, Ms. Jatana?

15 MS. SATVIR JATANA: I do.

16 MR. TODD ANDRES: Thanks. And so,
17 it's fair to say then that the risk previously
18 associated with Project NOVA is effectively just being
19 renamed in this risk matrix. Is that accurate?

20 MS. SATVIR JATANA: What this is
21 articulating, that the major program -- that's the
22 name of the risk here that's being identified.

23 MR. TODD ANDRES: Okay. So, I guess
24 my question is that the risks that were associated
25 with NOVA are subsumed within this category.

1 Is that fair?

2

3 (BRIEF PAUSE)

4

5 MS. SATVIR JATANA: That is correct.

6 MR. TODD ANDRES: Thank you. And the

7 risk identified, we can actually -- so, I apologize,

8 Ms. Schubert, if now we can go down to the 1 of 4

9 page, we see the -- there's a column or a row across

10 the top that gives certain timelines.

11 Q1 of '25/'26 and Q1 of '24/'25

12 residual level is top corporate risk, and all across

13 the top it says, was -- you know, "Was the risk a top

14 corporate risk in" and it gives a number of dates:

15 Q1, Q3, Q1, Q3 of '24/'25 and '25/'26. And the answer

16 for this one is "yes," and then "high risk."

17 So, you see that?

18 MS. SATVIR JATANA: I do.

19 MR. TODD ANDRES: So, while the NOVA -

20 - NOVA Program has effectively been canceled, the

21 residual risk associated with that category remains

22 high, correct?

23 MS. SATVIR JATANA: I do see that.

24 MR. TODD ANDRES: Thank you. And so

25 obviously we're going to hear from the IT panel about

1 how risks associated with project NOVA are being
2 mitigated, it's fair to say?

3 MS. SATVIR JATANA: Yeah, that's fair
4 to say.

5 MR. TODD ANDRES: Okay. Thank you.
6 So, I won't put you on the spot because I understand
7 probably there are great many mitigation strategies.
8 And if we're going to be hearing about all of those
9 from IT, then there's no point in getting you to touch
10 on those.

11 So, the next one identified is
12 inflation. And so obviously this was a serious
13 consideration coming out of the pandemic, but I think
14 there's sort of a realization that there is now a sort
15 of a current risk with that. And would that risk
16 relate to tariffs?

17 MS. SATVIR JATANA: It could.

18 MR. TODD ANDRES: And a certain amount
19 of instability as it relates to tariffs and the
20 uncertainty in the trade?

21 MS. SATVIR JATANA: That would be
22 correct.

23 MR. TODD ANDRES: Thank you. Can you
24 tell us a little bit about some steps being taken by
25 the Corporation to mitigate that risk?

1 MS. SATVIR JATANA: Counsel, you mean
2 related to tariff?

3 MR. TODD ANDRES: Related to
4 inflation, generally, but obviously one of the drivers
5 of inflation that we're seeing is tariffs.

6

7 (BRIEF PAUSE)

8

9 MS. SATVIR JATANA: I think it's
10 important to note there's a level of risk that's
11 anticipated and that's managed. This is about
12 unexpected risk that we would be highlighting here.

13 MR. TODD ANDRES: Okay. Sorry, Ms.
14 Schubert, can you scroll back up just a little bit,
15 please, to the -- so we can see the top row across?
16 Right.

17 So, we have in Q1 of 2025/'26, the
18 residual risk is that that is a high one, correct?

19 MS. SATVIR JATANA: That is correct.

20 MR. TODD ANDRES: And that's the risk
21 of inflation. So, I guess my question is:

22 Can you give us like a high-level
23 overview what the Corporation is doing generally to
24 try to anticipate and -- and manage that risk?

25 MS. SATVIR JATANA: There's -- you

1 know, maybe I'll just touch on kind of the tariff one.
2 It's early days. We haven't -- we haven't necessarily
3 seen that in our -- in our analytics that the risk is
4 the level of perhaps it is anticipated or expected.
5 And -- and I think we might see that perhaps in Q3
6 results, but we have not seen that

7 In terms of managing risk, there's a
8 number of ways that we would do that, whether it's by
9 our investment choices, whether it's by cost
10 reduction, maintaining cost, improving our processes,
11 and also working with our partners in ensuring that
12 the risk is -- is managed both from managing costs,
13 but also managing proper repair and relationships.

14 MR. TODD ANDRES: Thank you. Now, if
15 we look on page 2 of 4, Ms. Schubert, the next loss --
16 or the next, pardon me, risk is loss of corporate
17 knowledge, and that's identified as a top risk in Q1
18 of 25. MPI says:

19 "The loss of corporate knowledge
20 is considered a high risk due to
21 reliance on contractors in some
22 key areas."

23 So again, just at a high level,
24 wondering if you can outline some of the steps the
25 Corporation has taken to mitigate that risk?

1 MS. SATVIR JATANA: Yeah. There's a
2 number of again initiatives or -- or actions that's
3 being taken. One is understanding what are the
4 critical roles. What are the critical -- there's --
5 there's two (2) ways of looking, that one is the
6 roles, other is individuals, and they always aren't
7 the same, but sometimes it can be the same.

8 Other measures that our people and
9 culture really have taken this year is doing proper
10 workforce planning, session planning, understanding --
11 again, both critical roles and critical individuals,
12 and what are the plans to both retain.

13 And in the event that we're not able to
14 retain, how do you build that capability back into the
15 organization? What are our opportunity to secure that
16 type of knowledge from the -- from industry or from
17 Manitoba versus what type of capability might need to
18 be borrowed, meaning that -- whether it's outsourcing.
19 And -- and those all discussions happen quite active
20 and have been more I'll say in the last year.

21 MR. TODD ANDRES: Thank you. You
22 touched on DVA, so driver vehicle administration.
23 That's obviously a line of business administered by
24 MPI.

25 In last year's GRA and last year's

1 Order, the PUB expressed concerns about the long-term
2 sustainability of the DVA line of business given its
3 forecasted losses and reliance on transfers from
4 government and Extension line of business.

5 And this morning, you did say you were
6 working with government and received a commitment to
7 ensure the reliability -- or, pardon me, stability of
8 this line of business. In -- in the materials filed,
9 I did see that there's a forecast, I believe \$20
10 million a year shortfall annually.

11 How does MPI intend to account for that
12 shortfall?

13 MS. SATVIR JATANA: Yeah. So, the
14 forecast does indicate that the results in which we
15 will see a deficit, I believe in the '27/'28 period.
16 However, we have been working with government for a
17 number of years and this latest, as in the last couple
18 of weeks, we have received a commitment that
19 government's commitment to ensuring that this line of
20 business will be self-sustainable.

21 And now we will be working on the
22 details of that. But this is first time in -- in I'll
23 say my history that we have received that type of a
24 commitment from government.

25 MR. TODD ANDRES: And sorry. And

1 perhaps it's too early to tell, but can you elaborate
2 on the nature of the commitment? Is there a formal
3 commitment? Can you -- can you provide any more
4 details on that?

5 MS. SATVIR JATANA: So that commitment
6 would be that this line of business is a break-even
7 line of business, meaning that we are able to secure
8 the funding required for us to administer that. And
9 right now, you know, in the last number of years,
10 government has been providing another 10 million on
11 top of what the agreement was. And with this
12 commitment, we would look to ensure that, on an annual
13 basis, whatever the administrative cost is, that is
14 funded by the government.

15 MR. TODD ANDRES: I see. So, it's an
16 enhanced government funding to ensure that there is no
17 deficit annually for DVA.

18 Is that a fair way of characterizing
19 it?

20 MS. SATVIR JATANA: That would be our
21 ask and our aspiration.

22 MR. TODD ANDRES: But not necessarily
23 the commitment that's made?

24 MS. SATVIR JATANA: We're -- I don't
25 have the details. Like I said, this is the first that

1 the government has given the commitment that they will
2 ensure this line of business is self-sustainable.

3 So, when you look at self-sustainable,
4 you would assume -- and maybe I shouldn't assume here
5 -- but that would be MPI's expectation that its
6 administrative costs are funded by MPI -- by, sorry,
7 government and not by other lines.

8 MR. TODD ANDRES: Thank you. And it -
9 - it sounds like I may know the answer to this, but is
10 there something that can be shared in terms of a
11 letter, in terms of report or correspondence that
12 outlines the commitment?

13 MS. SATVIR JATANA: There's been a lot
14 of discussions and we're still in those discussions.
15 So, I don't have necessarily any agreement or updated
16 document that I can put in front of the PUB.

17 But I can tell you that there's active
18 discussions in a commitment, and we're going to be
19 working on that details as to updating the agreement
20 and what that looks like, but that those conversations
21 are still ongoing.

22 MR. TODD ANDRES: Thank you. You said
23 just a moment ago that affordability is a top priority
24 for yourself and for your board, correct?

25 MS. SATVIR JATANA: That would be

1 correct.

2 MR. TODD ANDRES: Thank you. And
3 indeed, if you look at this Strategic Plan, it has as
4 one of its primary missions the very first one lifted
5 -- listed in the left-hand column is affordability?

6 MS. SATVIR JATANA: That is correct
7 because that's what we have heard from Manitobans.

8 MR. TODD ANDRES: Okay. And so, the
9 overall basic rate increase being proposed by MPI is
10 2.07, yes?

11 MS. SATVIR JATANA: That is correct.

12 MR. TODD ANDRES: Pardon me. 2.07
13 percent. And this is viewed by MPI as being
14 consistent with the principle of affordability,
15 correct?

16 MS. SATVIR JATANA: You know, although
17 I know there hasn't been a clear definition what
18 affordability is, today we deem that around about that
19 is what we can expect from affordability.

20 We will be looking to define that and
21 sharing that, but, you know, based on what we have
22 been delivering, today 73 percent of Manitobans have
23 given us that we are providing affordable rates. So,
24 it's a bit of a gut check on what Manitobans think and
25 what we are able to deliver.

1 MR. TODD ANDRES: Thank you for that.
2 And so, one of the other things MPI is requesting from
3 the -- the PUB is to increase the Basic deductible
4 from seven hundred and fifty dollars (\$750) to a
5 thousand dollars (\$1,000), correct?

6 MS. SATVIR JATANA: That is correct.

7 MR. TODD ANDRES: And associated with
8 that is an increase cost. So, if someone wants to buy
9 down from the one thousand dollars (\$1,000) to seven
10 fifty (750), it costs them roughly twenty-nine dollars
11 and seventy-three cents (\$29.73), correct?

12 MS. SATVIR JATANA: Subject to check,
13 that product would be available through our Extension
14 line of business. But, yes, if -- if Manitobans -- if
15 customer want to maintain the same level of co-owning
16 the risk in an event of an accident, that they would
17 have that product from Extension line of business.

18 MR. TODD ANDRES: And if someone
19 currently has the seven hundred and fifty dollar
20 (\$750) option, that will be the choice that is sort of
21 presumptively made for them and if they want to not
22 pay the thirty dollars (\$30) or twenty-nine seventy-
23 three, then they have to speak with their broker.

24 Correct?

25 MS. SATVIR JATANA: So, the way we're

1 making this product change is similar to what we had
2 done through the SIRF I believe in 2020, is to prevent
3 any surprises or shock to customers. So, we're
4 mapping the customers at the level of the product that
5 they have today.

6 So, if today your deductible, or pardon
7 me, you're not taking any deductible and you're at --
8 you're at seven-fifty (750), we would map them to the
9 750 (seven fifty) product in Extension Line of
10 Business. And really, we're going to be focusing a
11 lot on communication. And, also, in the renewal,
12 customers will be notified that they have, I believe
13 it's 45 (forty-five) days that, should they want to
14 make change to that product, they have that free of
15 any administrative cost.

16 So, it's both offering choice to the
17 customer, ensuring that there's no surprises, there's
18 no shock in the event that they were in an accident
19 and customer was used to paying the seven-fifty (750).
20 We want to manage that customer relation in this -- in
21 this product change effectively.

22 MR. TODD ANDRES: So -- so,
23 effectively, if I can just characterize it, it's a --
24 it's a negative option. So, if they don't want to buy
25 down to seven fifty (750), they have to opt out.

1 MS. SATVIR JATANA: Can you rephrase
2 that question by negative --

3 MR. TODD ANDRES: Sure, so negative
4 option just means it's -- it's presumptively done and
5 so if they don't want to be charged the thirty (\$30),
6 then they have to -- they have \$45, (sic) as you say,
7 to contact a broker and opt out.

8 MS. SATVIR JATANA: So, customers will
9 be mapped to a similar product that they have today,
10 provided that that is a Basic product and then they
11 have forty-five (45) days to make that change, should
12 they want to increase the level of deductible that
13 they would want?

14 So, I don't view that as a negative, I
15 view that as a choice for the -- pardon me, ultimately
16 for the customer to make.

17 MR. TODD ANDRES: Okay. So, and just
18 so I can understand I want to be sure that I'm clear
19 on the mechanics.

20 If they do not want the seven hundred
21 and fifty dollar (\$750) coverage and they already have
22 the seven hundred and fifty (\$750) coverage, then they
23 have forty-five (45) days to say they don't want that
24 coverage, and they just want the Basic coverage at a
25 thousand dollars (\$1,000). Correct?

1 MS. SATVIR JATANA: So, I'm just going
2 to make it very simple, maybe for -- maybe I'm
3 confusing here. So, let's say, you know, today you
4 have -- you do not buy any Extension products. Today,
5 the deductible for mandatory product is at seven-fifty
6 (750). When we make this change, the mandatory
7 deductible goes to one thousand dollars (\$1,000).

8 In this case you, as the customer, will
9 be mapped to seven-fifty (750) product, which becomes
10 an optional product in the Extension line of business.

11 And what we're trying to achieve that,
12 as a customer today, if let's say you had an accident
13 today, you would have been paying seven-fifty (750)
14 for your deductible -- your portion of that
15 deductible.

16 In the future, we want to ensure that
17 you maintain that seven-fifty (750) deductible, so we
18 are mapping you into the Extension product, which does
19 come at a cost, absolutely, but you have forty-five
20 (45) days to either maintain that MPI's mapping or
21 make the changes and increase your deductible to a
22 thousand dollar (\$1,000), which you would, again, be
23 just having that mandatory coverage, which is a
24 thousand dollars (\$1,000). I hope I didn't confuse
25 that more.

1 MR. TODD ANDRES: No, no, that's okay.
2 So, I think if -- if -- if I understand you correctly,
3 again, when you say "mapping," that will be the one
4 that is presumptively in place. Correct?

5 MS. SATVIR JATANA: That is assumed
6 because, you, as a customer, is used to that seven-
7 fifty (750) deductible today. So, it is maybe
8 assumption on our part, but we want to offer you that
9 option to choose to take a higher deductible and --
10 without taking that away from you today.

11 MR. TODD ANDRES: So "yes"?

12 MS. SATVIR JATANA: Yes.

13 MR. TODD ANDRES: Thank you. And so,
14 the effect ultimately of this is that the overall rate
15 ask is reduced by about 3 percent or maybe just shy --
16 just shy of 3 percent. Right?

17 MS. SATVIR JATANA: That is correct.

18 MR. TODD ANDRES: And then expanding
19 the number of CLEAR rate groups also has the effect of
20 lowering the rate?

21 MS. SATVIR JATANA: That is correct.

22 MR. TODD ANDRES: Thank you. But,
23 again, this may be an additional cost to many drivers
24 renewing their insurance. Correct?

25 MS. SATVIR JATANA: Sorry, can you

1 rephrase that question for me?

2 MR. TODD ANDRES: Sure. The expansion
3 of the number of CLEAR rating groups will be an
4 additional cost -- will cause an additional cause --
5 cost to many drivers who are renewing their insurance.

6 MS. SATVIR JATANA: Expanding that
7 rate group is about ensuring that each of the vehicles
8 are appropriately in its -- in its group. And so, we
9 talked about this, I'm sure in this venue before, that
10 this used to be an annual practice of MPI and then it
11 was abandoned for a few years. And we have picked
12 that up again in the last year.

13 By adjusting vehicles into its
14 appropriate group ensures that vehicles are insured
15 properly. The more expensive vehicles are paying
16 their share of insurance without others having to
17 subsidize. So, yes, it -- it -- it could be perceived
18 as more cost for those vehicles, but I would say those
19 vehicles should have been paying more. We just
20 haven't been charging them more for many years maybe.

21 MR. TODD ANDRES: Right. So, the
22 answer to the -- the question, which is it'll be an
23 additional -- the expansion of the CLEAR rating groups
24 will result in an additional cost to many drivers; the
25 answer is "yes"?

1 MS. SATVIR JATANA: There would be an
2 increased cost to those vehicles that were not
3 appropriately in the -- in the right group before.

4 MR. TODD ANDRES: Thank -- thank you.
5 Now, MPI bases its rate request on a number of
6 factors. Yes?

7 MS. SATVIR JATANA: Yes.

8 MR. TODD ANDRES: Thank you. And the
9 Basic line of business, I think it's without argument,
10 that it's not a competitive one. Right?

11 MS. SATVIR JATANA: It's a mandatory
12 coverage in Manitoba.

13 MR. TODD ANDRES: And the Basic rate
14 simply needs to be just and reasonable, I think we've
15 established.

16 For the purpose of the PUB's -- the
17 PUB's rate-setting function, just and reasonable rates
18 are those that are actuarially indicated. And as we've
19 discussed in this forum before, sometimes there will
20 be significant events that have a large impact on
21 rates. Correct?

22 MS. SATVIR JATANA: That could be.

23 MR. TODD ANDRES: Last year, you
24 testified about the impact of the labour disruption
25 that was a -- obviously a significant event. Right?

1 MS. SATVIR JATANA: One of the few
2 factors last year, yes.

3 MR. TODD ANDRES: And -- and the other
4 one you talked about was the adverse weather event,
5 the hailstorm. Correct?

6 MS. SATVIR JATANA: That would be
7 correct.

8 MR. TODD ANDRES: And those things
9 together had a -- a negative impact, or sorry, put
10 pressure on the rate. Correct?

11 MS. SATVIR JATANA: That would be
12 correct.

13 MR. TODD ANDRES: A couple of
14 questions for you, just quickly, about the Registered
15 Owner Model versus the Primary Driver Model.

16 MPI has said in previous hearings that
17 the Primary Driver Model more accurately reflects the
18 actual risk than the Registered Owner Model. Correct?

19 MS. SATVIR JATANA: I do believe the
20 actuaries have stated that on the record.

21 MR. TODD ANDRES: Thank you. So, it's
22 the more actuarially sound or predictive of the two
23 (2) models. Correct?

24 MS. SATVIR JATANA: That would be
25 correct.

1 MR. TODD ANDRES: Thank you. And
2 there's nothing in the current Application that
3 contradicts that. Correct?

4 MS. SATVIR JATANA: Subject to check,
5 but no.

6 MR. TODD ANDRES: Thank you. And then
7 just, obviously the elephant in the room, turning to
8 Project NOVA, the decision was made to discontinue
9 that project in 2025. Yes?

10 MS. SATVIR JATANA: That is correct.

11 MR. TODD ANDRES: And at a high level,
12 it was canceled because of schedule, budget,
13 unaddressed risk, just among other reasons. Correct?

14 MS. SATVIR JATANA: Highest level, we
15 could not have succeeded on Project NOVA the way it
16 was planned, or lack thereof, and where it was headed.

17 MR. TODD ANDRES: Thank you. And so,
18 starting -- it -- it started back with the Legacy
19 Systems Modernization Project, and that was probably
20 about five (5) or six (6) years ago. Correct?

21 MS. SATVIR JATANA: I believe it
22 started back in 2019.

23 MR. TODD ANDRES: Okay. And the spend
24 to date has been about \$166 million.

25 MS. SATVIR JATANA: That's

1 approximately right.

2 MR. TODD ANDRES: And then of this,
3 MPI, this year either wrote off or impaired \$60.8
4 million?

5 MS. SATVIR JATANA: That is correct.

6 MR. TODD ANDRES: Did the write-off
7 require Board approval?

8 MS. SATVIR JATANA: Yes, it did.

9 MR. TODD ANDRES: And the work that
10 was within the scope of Project NOVA, it still needs
11 to be completed. Correct?

12 MS. SATVIR JATANA: The systems that
13 were requiring updates, yes, still need to be made.

14 MR. TODD ANDRES: Thank you. And I
15 see that M -- MNP is engaged as governance vendor.

16 Is that correct?

17 MS. SATVIR JATANA: MNP is our
18 independent governance body.

19 MR. TODD ANDRES: And, presumably,
20 will be providing some substantial oversight and
21 direction on major programs for IT moving forward?

22 MS. SATVIR JATANA: They do both
23 review and provide us best advice.

24 MR. TODD ANDRES: Okay. Thank you for
25 that.

1 Final questions. I -- I note that the
2 Annual Report has not yet been made public. Correct?

3 MS. SATVIR JATANA: Yes, it has not
4 table -- been tabled yet, but we are anticipating any
5 -- days now -- to be --

6 MR. TODD ANDRES: Okay. So, you --
7 you've anticipated my next question, which is: Do you
8 know if we can anticipate receiving it before the end
9 of the GRA?

10 MS. SATVIR JATANA: Informally, I was
11 told that it was going to be last week or this week,
12 so I'm hoping it is this week.

13 MR. TODD ANDRES: Thank you for that.
14 So, that's all I have for you, subject, of course, and
15 I don't think anything arising from the -- anything
16 arising from the Annual Report if we get it, can
17 probably be put to subsequent panels.

18 But I just wanted to put that on the
19 record, if we get the Annual Report at some time
20 later, we may need to have a few questions arising
21 from that for different panels.

22 MR. ERIC WISHNOWSKI: Understood,
23 Counsel.

24 MR. TODD ANDRES: Thank you. Those
25 are my questions.

1 PANEL CHAIRPERSON: Thank you, Mr.
2 Andres. Ms. Dilay ...?

3 MS. KATRINE DILAY: Thank you, Madam
4 Chair. And we don't have any questions for Ms. Jatana
5 this morning, but we'll look forward to asking her
6 some questions as part of tomorrow's panel on the
7 corporate strategy. Thank you.

8 PANEL CHAIRPERSON: Thank you. Thank
9 you very much, Ms. Jatana.

10 MR. ANTHONY GUERRA: I'm sorry. I do
11 have a couple of questions on re-direct.

12 PANEL CHAIRPERSON: You do have re-
13 direct I'm sorry, Mr. Guerra.

14 MR. ANTHONY GUERRA: That's okay.
15 Thank you.

16

17 RE-DIRECT EXAMINATION BY MR. ANTHONY GUERRA:

18 MR. ANTHONY GUERRA: MS. Jatana, you
19 were asked questions this morning by my friend for the
20 PUB on the corporate risks.

21 Do you recall those questions?

22 MS. SATVIR JATANA: I do.

23 MR. ANTHONY GUERRA: And Ms. Schubert,
24 can we put up part 13 RMF Appendix 7? I think it
25 might be one of the tabs already on the screen. Okay.

1 Yes. thank you very much.

2 You were asked questions specifically
3 in regards to corporate risks involving major program
4 transformation change risk. Do you recall that?

5

MS. SATVIR JATANA: Yes.

6 MR. ANTHONY GUERRA: And if we can go
7 to slide 3, please. Do you agree, Ms. Jatana, that
8 this represents how MPI is planning to adjust - sorry,
9 to respond to that specific corporate risk?

10 MS. SATVIR JATANA: Yes.

11 MR. ANTHONY GUERRA: And can you just
12 identify what the risk treatments are identified for
13 this corporate risk?

14 MS. SATVIR JATANA: On the right side
15 of this, it highlights that some of the risk
16 treatments here that improve procurement and implement
17 increased vendor accountability processes; implement
18 an overarching portfolio management framework; develop
19 new approach to enhance methodology; address capacity;
20 focused delivery; flexibility; improved procurement;
21 technical debt; improved budgeting and forecasting.

22 Also, improved project financial
23 controls, reporting and accountability; and developing
24 new approach to address enterprise IT debt through
25 five-year IT roadmap; to develop and report on

1 enhanced metrics; and implement enhanced knowledge
2 transfer planning.

3 MR. ANTHONY GUERRA: Thank you. And
4 you'll see at the top in the middle there, it's
5 identified as the enterprise -- the enterprise-wide
6 risk owner as the vice-president and Chief Information
7 Technology officer. Do you see that?

8 MS. SATVIR JATANA: That is correct.

9 MR. ANTHONY GUERRA: And you describe
10 the role of the enterprise risk management -- sorry,
11 the enterprise-wide risk owner.

12 What is, in this case, the CITO's
13 responsibility in regards to this risk?

14 MS. SATVIR JATANA: His role is to
15 understand, own and articulate, not just the risk
16 itself, but also, what the -- what is the risk that
17 we're facing? What are the treatments we're taking,
18 and ensuring that there is set of actions on -- on
19 those treatments, and reporting to both the internal
20 risk committee and the committee of the Board on a
21 regular basis on our progress against those.

22 MR. ANTHONY GUERRA: Thank you. If we
23 can now move to the next slide, please. Slide 4.
24 Thank you.

25 And you recall the line of questioning

1 on inflation risk?

2 MS. SATVIR JATANA: That is correct.

3 MR. ANTHONY GUERRA: And this slide
4 purports to identify the nature of the risk along with
5 the risk treatment. Do you see that?

6 MS. SATVIR JATANA: I do.

7 MR. ANTHONY GUERRA: And can you just
8 identify what the risk treatment is, according to this
9 slide, please

10 MS. SATVIR JATANA: Perform ALM study
11 and document risk appetite for inflation; actuarial
12 review of unpaid claims to ensure claims reserves are
13 sufficient to cover future claims; MPI must account
14 for increased costs due to inflation, such as higher
15 repair and medical expenses; and by frequently
16 monitoring and reporting on inflation trends, MPI can
17 adjust its reserve accordingly to address any
18 unexpected increases.

19 MR. ANTHONY GUERRA: Okay. Thank you.
20 And -- and again, the enterprise-wide risk owner in
21 this case is the vice-president and Chief Actuary, do
22 you see that?

23 MS. SATVIR JATANA: I do.

24 MR. ANTHONY GUERRA: And again, can
25 you describe what the role of the Chief Actuary would

1 be in managing this risk?

2 MS. SATVIR JATANA: It would be same
3 of any other owner. As I highlighted the work with
4 corp -- with the risk leader to identify, articulate
5 what the risk is, what -- what it really means, what
6 are the actions we can take, and again, monitoring and
7 reporting on that both internally and to the Board.

8 MR. ANTHONY GUERRA: Thank you. And
9 in terms of the risk of inflation due to US/Canada
10 trade war tariffs, can you confirm whether or not the
11 organization is currently monitoring that risk?

12 MS. SATVIR JATANA: We are actively
13 monitoring. I'm having those conversation on a weekly
14 basis with my VP of claims who's monitoring this, and
15 along with the executive team. Absolutely.

16 MR. ANTHONY GUERRA: And is that how
17 you're able to testify this morning about what you're
18 seeing in terms of the current impacts of US tariffs?

19 MS. SATVIR JATANA: That is correct.
20 That we're not seeing at the claims level it's
21 impacting us to the degree perhaps we anticipated.
22 That is not to say it's not going to come, but we have
23 not seen that in the early days.

24 MR. ANTHONY GUERRA: Thank you. And
25 if we can go now to slide 7, please. And this was the

1 other corporate risk that was identified in the line
2 of questioning, loss of corporate knowledge.

3 Do you see that?

4 MS. SATVIR JATANA: I do.

5 MR. ANTHONY GUERRA: And you agree
6 that that was the line of questioning that you were --
7 you were faced with earlier in the cross-examination?

8 MS. SATVIR JATANA: That is correct.

9 MR. ANTHONY GUERRA: Thank you. And
10 if you can just confirm what the risk treatment is as
11 according to this slide, please.

12 MS. SATVIR JATANA: So, identification
13 of the areas of highest risk for knowledge loss; work
14 with business leaders to create immediate plan for the
15 highest risk business areas; data around upcoming
16 retirement. It will be provided to the leaders on a
17 quarterly basis by their human resources business
18 partner to enable leaders to initiate discussions for
19 workforce planning; and people and culture has started
20 partnered with KPMG to develop a workforce planning,
21 framework and practices.

22 MR. ANTHONY GUERRA: And again,
23 finally, I'll ask you about the enterprise-wide risk
24 owner being the vice-president and chief people
25 officer, can you identify what her responsibilities

1 are in managing this risk?

2 MS. SATVIR JATANA: Her role is,
3 again, to own this risk and lead through the risk
4 management, risk treatment areas, work with the
5 business across to ensure that this risk is
6 understood, actioned and mitigating where possible.

7 MR. ANTHONY GUERRA: Thank you. You
8 also asked questions in regards to deductible changes.
9 Do you recall those questions?

10 MS. SATVIR JATANA: I do.

11 MR. ANTHONY GUERRA: And in terms of
12 the choice that customers will have, I understand your
13 evidence to be that customers will be told that they
14 have choice in regards to their products going
15 forward, correct?

16 MS. SATVIR JATANA: Customers will be
17 mapped to the product choice based on their product
18 choice today.

19 MR. ANTHONY GUERRA: Okay. And in
20 terms of the information that customers will be
21 provided?

22 MS. SATVIR JATANA: It will be through
23 their renewals. It'll be their re -- increased
24 communication during that time through our campaigns
25 and communication.

1 MR. ANTHONY GUERRA: Will customers be
2 told that they have the option of remaining with their
3 -- their current -- sorry, their selection of a
4 thousand dollar (\$1,000) deductible with MPI?

5 MS. SATVIR JATANA: Customers will
6 have forty-five (45) days to make that change free of
7 cost, but customers can make their product change at
8 any given time, but we want to extend that forty-five
9 (45) day window in the case where we mapped is not
10 their future choice.

11 MR. ANTHONY GUERRA: Okay. Will
12 customers be told that they have the option of
13 selecting a product that's not offered by MPI when it
14 comes to lowering their deductible from a thousand
15 dollars (\$1,000)?

16 MS. SATVIR JATANA: MPI, you know, we
17 -- we pride ourselves in having the optional product
18 at affordable price, a competitive price. We do
19 compete with others.

20 While we don't necessarily want to lose
21 customers and direct them to elsewhere, but we
22 recognize customers always have that option to take
23 Extension product other than MPI.

24 MR. ANTHONY GUERRA: Sorry, my
25 question though, was: Will they be told that they

1 have the option to go with another organization other
2 than MPI for lowering their Basic deductible from a
3 thousand dollars?

4 MS. SATVIR JATANA: That has not been
5 the strategy, but no, we would not be doing that
6 because we have the products that meets their needs.
7 Just like any other competitive organization would not
8 direct their customers to MPI.

9 MR. ANTHONY GUERRA: And you had
10 mentioned previously that MPI had engaged through this
11 process previously through what I understand was the
12 compulsory extensive - extension rather - reversion
13 program or SIRP.

14 Can you confirm whether or not MPI
15 received any complaints in regards to its approach to
16 customers moving from the compulsory to the Extension
17 products in that case?

18 MS. SATVIR JATANA: Actually, we did
19 not. And hence, why we felt that proven methodology
20 and approach practice that has worked for Manitoban is
21 better to be deployed again. So, it was a very
22 successful transformation last time we did that
23 product change.

24 MR. ANTHONY GUERRA: Thank you. There
25 were also some questions in regards to major programs.

1 And there was a discussion about the governance
2 vendor, MNP. Do you recall that question?

3 MS. SATVIR JATANA: I do.

4 MR. ANTHONY GUERRA: And my
5 understanding, and I'm going to paraphrase here, but
6 correct me if I'm wrong, is that you said that MPI
7 will continue to use governance services going forward
8 into the use of major programs. Agreed?

9 MS. SATVIR JATANA: Yes. Our
10 intention is to -- not our intention -- I should say
11 the tech committee of the board has that expectation
12 that there would be independent oversight on major
13 programs going forward as well.

14 MR. ANTHONY GUERRA: Is it possible
15 that that service will continue to be provided by
16 someone other than MNP in the future?

17 MS. SATVIR JATANA: Yes. That very
18 much could be. MNP's agreement is coming to an end
19 February/March of next year, March of next year. So,
20 we will be going with the RFP and that could be the
21 outcome that it's other -- someone other than MNP as
22 it's going through the RFP process.

23 MR. ANTHONY GUERRA: Thank you. And
24 just in terms, I just want to make sure we're
25 absolutely correct here. I think there may have been

1 just a bit of a disconnect. I just want to make sure
2 the record is absolutely clear on this.

3 In terms of the IT panel speaking to
4 how the risks of Project NOVA will be mitigated, I
5 think there was maybe a misstatement in terms of the
6 question and answers, but, would you agree with me
7 that the IT panel will speak to major programs and how
8 the risks of major programs will be mitigated in the
9 future?

10 MS. SATVIR JATANA: That would be
11 correct.

12 MR. ANTHONY GUERRA: Thank you. I
13 have no further questions. Thanks.

14 PANEL CHAIRPERSON: Thank you, Mr.
15 Guerra. I apologize to my panel members, I neglected
16 to ask them if they had any questions. Mr.
17 Ireland ...? Ms. Sherman ...?

18 BOARD MEMBER SHARMAN: No questions.

19 PANEL CHAIRPERSON: Thank you.

20 Thank you very much, Ms. Jatana, and
21 we'll see you tomorrow. We'll adjourn now until one
22 o'clock at which time we will have public
23 presentations. Thank you.

24

25 --- Upon recessing at 11:33 a.m.

1 --- Upon resuming at 1:00 p.m.

2

3 PANEL CHAIRPERSON: Good afternoon,
4 everyone. This afternoon -- we will now hear from the
5 public presenters who have registered to make a
6 presentation to us this afternoon. And the first
7 presentation is from the Manitoba Motor Dealers
8 Association.

9 And could you introduce yourself to the
10 Panel, please? Thank you very much. Mr. Dunn, I
11 believe that you have been contacted and...

12 MR. CRAIG DUNN: Sorry. Craig Dunn.

13 PANEL CHAIRPERSON: Thank you very
14 much. I'll just pause here to note that this is the
15 first time that we have employed new rules that have
16 been passed by the Public Utilities Board in relation
17 to public presentations in particular. And among the
18 amendments to the rules, there were changes made
19 around those presentations.

20 And then just to ensure that they're on
21 the record, everyone is aware of these, a couple of
22 things of note. Rule 17(3) says that each presenter
23 is limited to fifteen (15) minutes of submissions or
24 evidence unless the Board agrees to extend that time
25 limit.

1 (4) says that the Board may require a
2 presenter who makes an oral presentation to make a
3 solemn affirmation in accordance with Section 47.

4 (3) says that the presenter may be
5 subject to cross-examination if authorized.

6 And (6) says that in determining
7 whether to afford weight to the evidence of a
8 presenter, the Board will consider whether the
9 evidence is reliable. And this will include a
10 consideration of whether the presenter has made a
11 solemn affirmation or was cross-examination -- cross-
12 examined, sorry.

13 So, if you wish to have your
14 presentation considered by the Board and the
15 opportunity to have it given weight, then your
16 evidence would be affirmed or sworn.

17 So, do you want your evidence sworn or
18 affirmed this afternoon, Mr. Dunn?

19 MR. CRAIG DUNN: I do, please.

20 PANEL CHAIRPERSON: Thank you. Mr.
21 Christle -- Dr. Christle.

22 DR. DARREN CHRISTLE: Thank you.
23 Madam Chair, can I confirm that Mr. Nichol, you're
24 online virtual?

25 MR. KEVIN NICHOL (BY TEAMS): I am

1 here. Thank you.

2

3 PUBLIC PRESENTATION:

4 MANITOBA MOTOR DEALERS ASSOCIATION:

5

6 KEVIN NICHOL, Sworn

7 CRAIG DUNN, Sworn

8

9 PANEL CHAIRPERSON: Please proceed,

10 Mr. Dunn.

11 MR. CRAIG DUNN: Thank you. And thank

12 you for giving us the opportunity to speak today on

13 behalf of the Manitoba Motor Dealers Association. I

14 would like to note that Geoff Sine, our Executive

15 Director, is here, and also Lynsey Beer, who's our

16 Director of Industry Relations and Member Services.

17 And, of course, Kevin Nichol, who's the Collision

18 Repair and Brand Protection Manager for Toyota Canada

19 is with us remotely.

20 So, the MMDA represents new vehicle

21 dealerships in Manitoba and deals with provincial

22 issues that affect the wellbeing of franchised auto

23 and truck dealers. And today we'd like to speak about

24 rising vehicle repair costs and the need for insurance

25 rate adjustments.

1 So, the purpose of our presentation is
2 to outline the significant cost pressures that are
3 impacting the vehicle repair industry today and share
4 with you the rationale that insurance rates are not
5 keeping up to maintain a healthy repair industry.

6 As a province with government run
7 insurance provider, we respect the responsibility to
8 balance affordability with financial stability. Right
9 now, the cost of repairing vehicles is outpacing the
10 premiums collected, creating a growing funding gap
11 that threatens that balance.

12 The reality is repair costs are rising.
13 Over the past five (5) years, the average cost of
14 repairing a motor vehicle has increased by 30 to 40
15 percent; in some cases, it is more. And the increase
16 isn't driven by one factor alone, but by a combination
17 of economic, technological pressures, and new advanced
18 designs that affect every stage of the repair process.

19 So, what are those key cost drivers?
20 Well, advanced technology for sure. Modern vehicles
21 are constantly being improved with cameras, sensors,
22 and advanced driver systems -- advanced assistance
23 systems -- that's a tongue twister -- known as ADAS,
24 to keep us safer.

25 And replacing and recalibrating these

1 systems after an accident is two (2) to three (3)
2 times more expensive than a traditional repair. As an
3 example, a bumper that used to cost eight hundred
4 dollars (\$800) to repair and paint can now exceed
5 three thousand dollars (\$3,000) with replacement and
6 recalibration of ADAS sensors that are involved.

7 Parts costs have gone along with
8 inflation. For everything else, parts including
9 original equipment manufacturer parts, or OEM as we
10 know them, as well as aftermarket parts have seen
11 significant price hikes.

12 Supply chain disruptions are -- and
13 limited availability are often forcing shops to pay a
14 premium price for parts rather than wait longer, which
15 would increase both costs, repair times, and rental
16 vehicle costs with the customer wait.

17 Raw materials, steel and aluminum, and
18 specialty plastics that are critical in vehicle
19 manufacture today have seen double digit cost
20 increases due to global market pressures. This
21 directly drives up the price of both parts, but also
22 labour intensive repairs.

23 Transportation issues still exist for
24 us. Global shipping delays and rising fuel costs are
25 adding layers to that expense as well. Even domestic

1 parts distribution can be a challenge and has become
2 more costly. And more particularly, for rural and
3 remote communities getting these parts are difficult.

4 Tariffs seems to be a buzzword in the
5 news today. We've all heard of it. And we have
6 imported parts and materials, and -- and the costs
7 have added 5 to 15 percent to the cost of certain
8 parts, and we don't think that is over yet.

9 And with many vehicles relying on
10 International supply chains because vehicles
11 manufactured today are parsing parts from different
12 countries and sources, not only just North America,
13 that impact is felt right across the board.

14 And what is the impact on insurance
15 rates? Well, the -- the cost pressures mean that
16 repair bills are rising faster and quicker than rates
17 are changing to cover those costs.

18 Insurance rates we feel are not aligned
19 with vehicle value or repair exposure. For example, a
20 truck valued at a hundred and twenty thousand dollars
21 (\$120,000) can often be insured at a similar cost as a
22 truck valued at twelve thousand dollars (\$12,000).
23 This disconnect fails to recognize the significantly
24 higher financial risk and repair costs associated with
25 those higher value, higher equipped vehicles.

1 It is essential, we believe, that
2 insurance models better account for these cost
3 differences when they're underwriting policies. We
4 feel without relevant rate adjustments that gap that
5 exists already today will continue to widen and
6 ultimately create service deficiencies for both repair
7 facilities and insurers.

8 Adjusting rates isn't only about
9 keeping pace with inflation. It's about ensuring we
10 can continue to deliver timely, high-quality service
11 and repairs for all customers while maintaining
12 financial stability for both MPI and the repair
13 industry alike.

14 And now I'm going to turn it over to
15 Kevin Nichol, from Toyota Canada, to speak about
16 increased technologies from a manufacturer's
17 perspective. And I'll come back to close.

18 MR. KEVIN NICHOL (BY TEAMS): Thank
19 you, Craig. From a technology standpoint, can
20 everybody hear me, okay? Okay. Thank you.

21 So, my job today was primarily to
22 represent the OEM manufacturer and to discuss, you
23 know, some of the -- the challenges that are faced by
24 the OEM from a manufacturing perspective and from a
25 repair perspective. If you want to move to the next

1 slide, I would appreciate it. That's just my
2 introductory.

3 I've worked for Toyota Canada for
4 thirty-three (33) years. My current responsibilities
5 are for the Collision Repair Program that we offer as
6 well as for some brand protection aspects of our
7 business. One (1) more slide, please.

8 So, just going back to the basics for
9 the bit. We talk a lot about the actual market and
10 what's happening recently from a financial standpoint,
11 but I think we have to look at the basics of -- of
12 what the OEMs are trying to accomplish. And -- and a
13 lot of that comes down to the priorities of what each
14 manufacturer's responsible for.

15 I want to focus on the change in
16 technology, as -- as we alluded to earlier. The main
17 objective of most of our OEMs in Canada is to really
18 sell a product that the customer wants, obviously, and
19 that entails bringing things that are desirable to
20 market and to bring things to market that represent
21 what customers are looking for. And right now, that
22 involves safety primarily as a main focus.

23 So, our focus is on saving lives and
24 avoiding accidents primarily. And as a result, the
25 technology in the vehicle today is significantly

1 different than it was ten (10) years ago.

2 With the addition of ADAS systems, as
3 was mentioned earlier, which we'll talk about Toyota's
4 version of that just to give you an idea of what that
5 unveils -- or what it entails, as well as -- as
6 airbags and crumple zones and other things that are
7 incorporated into late model vehicles, we've changed
8 the way we've -- we would have to repair these
9 vehicles.

10 It's no longer a question of just
11 replacing the plastic on the bumper when it's damaged.
12 You know, the vehicle is involved in an accident. The
13 vehicle will absorb the actual collision to a point
14 where the vehicle is often very difficult to repair.

15 In addition to that, there's a lot more
16 componentry on a newer vehicle that wouldn't
17 necessarily be present on a vehicle of ten (10) years
18 ago. The average vehicle today has between ten (10)
19 and eleven (11), twelve (12) airbags in place. If we
20 looked at the same vehicle ten (10) to twelve (12)
21 years ago, that vehicle would have one (1) or possibly
22 two (2) airbags that has a significant impact on the
23 cost of repair.

24 In addition to that, we have a lot of
25 pressure being applied from -- from many aspects of

1 our country, as well as from the industry itself to
2 make vehicles more efficient and to meet the emissions
3 requirements of -- of the modern vehicle.

4 So, we're introducing a lot of vehicle
5 technology to market that's in place to make -- or
6 make vehicles more emissions friendly and to avoid
7 carbon in the marketplace.

8 So, that brings in a bunch of high-tech
9 componentry hybrid vehicles, BEV vehicles, or BEV.
10 Battery electric vehicles are now entering the
11 marketplace, and that has brought on some complexities
12 in itself to the -- the late model vehicle. If you
13 want to just push on a little bit.

14 But I think the main part here I wanted
15 to make is that reliability and the actual vehicle
16 itself as far as its safety componentry is the focus
17 of the manufacturer. When we come to repairability,
18 yes, it's a focus of the industry, but it's farther
19 down the list and it often is something that is a
20 result of the actual vehicles that we're, you know,
21 bringing to market rather than something that we
22 engineer into the vehicle itself.

23 So, obviously, we have to look at that
24 from an after-the-fact perspective. And, you know, my
25 role as -- as a member at Toyota who looks after the

1 Collision Program is to try to come up with processes
2 and procedures that allow us to, you know, obviously
3 control that expense. If you want to move to the next
4 slide, please.

5 Just to demonstrate some of the newer
6 technologies that are in place, this is an image of a
7 new Tundra. That's a 2025 model year Tundra. I
8 mentioned emissions. This particular vehicle is a
9 hybrid vehicle, which now has a lot more componentry
10 than a standard vehicle.

11 In addition to that, we've moved to a
12 turbocharged V6 motor as opposed to a V8 motor as the
13 -- the actual main source of -- of, you know, engine
14 in the vehicle.

15 Componentry wise, that introduces many
16 new componentry, and I've highlighted a few of them
17 here. So, we now have a hybrid cooler which now
18 resides in the front of the vehicle. In addition to
19 that, we have two (2) additional radiators and the
20 turbocharger intercooler, which are all in the front
21 of the vehicle, as well as a move to a 10-speed
22 automatic transmission, and then also a hybrid battery
23 that's located in the back of the vehicle.

24 In the case of a collision, this
25 vehicle is very exposed in the front. And in -- in

1 addition to the standard componentry that would be
2 involved in a -- in a naturally aspirated vehicle,
3 we're forced to repair or -- or, in some cases,
4 replace all of these particular components in the
5 vehicle, which are also, you know, commonly damaged in
6 a frontal collision.

7 So, that in itself does a dramatic
8 change in the actual cost of a repair. And, you know,
9 it's really the focus of why I'm here today, is just
10 to demonstrate the technology changes that have
11 occurred in the vehicle.

12 That said ADAS systems come to mind.
13 If you want to move to the next slide, please.

14 Toyota; their ADAS system is called
15 Toyota Safety Sense, and we have the latest version,
16 the 3.0, here. I put this up to demonstrate the
17 different componentry that it involves in this system.

18 So, we have a pre-collision system,
19 which is obviously scanning the front of the vehicle
20 to ensure there's no pedestrian traffic or other
21 vehicles in its -- in its path and obviously makes
22 corrections to the vehicle and -- and in terms of, you
23 know, its ability to avoid an accident.

24 Lane departure, similarly keeps it in
25 the actual lane. Dynamic radar -- radar control is

1 the ability to monitor the gap between the current
2 vehicle and the vehicle ahead in the case of driving
3 on a cruise control lane.

4 Tracing assist is -- is in a position
5 where it basically corrects the vehicle and keeps it
6 in lane in the event that the actual driver is no
7 longer maintaining focus on driving. Roadside
8 assistance obviously comes into play after the fact,
9 you know, if there's a collision, but it also needs to
10 be maintained.

11 We have things like automatic high
12 beams that are obviously a new added feature to a
13 vehicle that were no longer in place before, which
14 comes with some complexity as well. And we have
15 proactive driver assist, which basically will drive
16 the vehicle in the event that the customer is -- you
17 know, loses focus on the road and potentially, you
18 know, is eyeing the -- the customer's eyes to make
19 sure that they're paying attention.

20 So, you know, a very complicated system
21 which, when working correctly, is -- is very valuable
22 and customers rely on heavily. But in the event of a
23 collision repairing this vehicle now means going
24 through all of these systems and making sure that all
25 of them are active and properly configured and, you

1 know, set up and calibrated, which is adding to the
2 expense of a repair.

3 Just to follow up on the last notes to
4 make, I think it's important to recognize that a lot
5 of things happen to cause expense of a vehicle repair.
6 A lot of it is seasonal, winter versus summer, and
7 also climatic changes in the environment are also
8 impacting us. Hailstorms as an example do add to the
9 expense of a repair.

10 So, it's very difficult for us to track
11 a consistent rise in cost as a repair, but we are
12 seeing a definite trend in the upward direction. And
13 I think the statistics that were presented today are
14 factual and can represent the fact that the cost of an
15 average vehicle being repaired in the market has
16 definitely increased over the last ten (10) years.

17 Thank you for your time. I think that
18 concludes my portion of the presentation.

19 MR. CRAIG DUNN: Thank you, Kevin.
20 And my name is Craig Dunn, and I'm back to close.

21 So, in closing, I think it's clear the
22 challenges that we -- we face are not isolated or
23 short term. We have labour shortages. We have a pace
24 of technological change, rising parts and material
25 costs, and global transportation disrupt -- disruption

1 plus tariffs.

2 They have combined to create a repair
3 environment that is probably more complex and
4 expensive than at any point in our history. These are
5 not pressures that will fade away. They are the new
6 reality of our industry.

7 For clarity, I'm speaking to you both
8 as a stakeholder of the repair industry and as a
9 ratepayer myself. So, advocating for rate increases
10 is really a double-edged sword.

11 The industry cannot survive without
12 additional compensation allocated for repairs, but
13 higher rates also equate to increased insurance costs
14 for us and the repair -- to the repair industry and
15 impacts both sides.

16 October 1st, we saw another increase in
17 Manitoba's minimum wage, which has direct consequences
18 for our industry. Under Manitoba apprentice
19 regulations, Our technicians' wages must rise in
20 accordance with these changes.

21 These additional costs are neither
22 avoidable or controllable. If we fail to respond with
23 the necessary rate adjustments, we risk weakening the
24 very system that every driver in Manitoba relies on
25 For fairness, stability, and protection.

1 This is not about seeking increases for
2 our own benefit. It's about ensuring that our public
3 insurance system is sustainable and able to do what it
4 was created to do many years ago: protect -- protect
5 drivers equitably, respond to real-world costs, and
6 remain financially sustainable for the long term.

7 Rate adjustments aren't ever easy, but
8 the leadership means -- but leadership means taking --
9 making difficult decisions in the best interests of
10 Manitoba today and in the future to preserve the
11 strength of our system and the security of every
12 driver on the roads. Having a higher adjustment is
13 not just reasonable; it is necessary and it is a
14 responsible path forward.

15 The bottom line: while rate increases
16 proposed by MPI may appear positive, it remains
17 insufficient to meet the actual needs of both industry
18 and Manitobans. We approach this issue apolitically
19 as realists and business people focused on practical
20 outcomes. Thank you for your time and consideration
21 of this message.

22 PANEL CHAIRPERSON: Thank you, Mr.
23 Dunn, and thank you, Mr. Nichol.

24 MR. CRAIG DUNN: You're welcome.

25 PANEL CHAIRPERSON: Ms. Moore...?

1

2 CROSS-EXAMINATION BY MS. KARA MOORE:

3

MS. KARA MOORE: Good afternoon, Mr. Dunn and Mr. Nichol. My name is Kara Moore, counsel for the Public Utilities Board. I just have a few questions following up from your presentation, and I'll ask my questions generally and whoever feels best suited to answer can do so, although, Mr. Dunn, I'll just be looking at you the whole time. I hope you understand.

11

MR. CRAIG DUNN: Okay. Fair enough.

12

MS. KARA MOORE: No pressure. How many franchised dealerships or service centres provide MMDA with verified cost, wage, and repair data to support its analysis of repair cost inflation?

16

MR. CRAIG DUNN: Can I call on our executive director to answer that question if he has the answer?

19

MS. KARA MOORE: Yes. Yeah.

20

MR. CRAIG DUNN: Geoff, do you know that?

22

MS. KARA MOORE: So, the question was: How many franchise dealerships or service centres provide MMDA with verified cost, wage, and repair data to support its analysis of repair cost inflation?

25

1 PANEL CHAIRPERSON: Sorry, can I just
2 ask you to go and sit with Mr. Dunn and share his
3 microphone, please?

4 MR. CRAIG DUNN: Can we turn this one
5 on also?

6 DR. DARREN CHRISTLE: Kara, do you
7 need --

8 MS. KARA MOORE: I think if Mr. Dunn
9 can just -- just confirm that to be the answer of MMDA
10 --

11 DR. DARREN CHRISTLE: Thank you.

12 MS. KARA MOORE: -- we don't need to
13 swear an additional witness.

14 MR. GEOFF SINE: Safe to turn that off
15 there. It's -- oh, there we go. Sorry. We've got a
16 hundred and twenty-seven (127) members, so they all
17 have repairs facilities. Of those, forty-seven (47)
18 would have collision repair facilities.

19 MS. KARA MOORE: Sorry, can you just
20 for the -- for the record confirm your name and your
21 title?

22 MR. GEOFF SINE: Oh, sorry. It's
23 Geoff Sine, and I'm the executive director for the
24 Manitoba Motor Dealers Association.

25

1 CONTINUED BY MS. KARA MOORE:

2 MS. KARA MOORE: Okay. Thank you.

3 And, Mr. Dunn, do you adopt that response?

4 MR. CRAIG DUNN: Yes. I agree with
5 that response. Thank you.

6 MS. KARA MOORE: Thank you. How does
7 MMDA ensure that its cost data reflects the full
8 provincial market rather than just select dealerships?

9 MR. GEOFF SINE: I think we work in
10 tandem with the ATA.

11 MS. KARA MOORE: Sorry. I just want
12 to pause. Maybe if -- if you're going to be providing
13 for the responses, maybe we should swear -- swear the
14 additional witness and if that's all right.

15 MR. GEOFF SINE: Oh, sorry.

16

17 GEOFF SINE, Sworn

18

19 CONTINUED BY MS. KARA MOORE:

20 MS. KARA MOORE: Thank you, Mr. Sine.
21 Okay. So, I had just asked and you were in the
22 process of answering.

23 MR. GEOFF SINE: Right.

24 MS. KARA MOORE: But just to clarify
25 the record, I had asked how the MMDA ensures that its

1 cost data reflects the full provincial market rather
2 than select dealerships.

3 MR. GEOFF SINE: Okay. And so, are we
4 talking collision or are we talking service overall?

5 MS. KARA MOORE: Service overall.

6 MR. GEOFF SINE: Okay. So, we work --
7 we work in tandem with the ATA, which is also here.
8 They'll be presenting next. So, they represent the
9 independent collision shops. And so, we work on
10 surveying our members and then sharing that data.

11 We wouldn't be providing the costs of a
12 service repair of an independent shop, and what I mean
13 by "service repair," tires, brakes, those types of
14 repairs. The ATA represents collision shops, and we
15 represent not only collision, but the service repair
16 side.

17 I think what has to be noted as well
18 is, when you're talking about servicing, the service
19 side of collision, it's the dealers in the most part
20 that have the equipment to do what was mentioned
21 before as far as the scans and the recalibration,
22 those types of things. You wouldn't go to a local
23 garage to do that.

24 MS. KARA MOORE: Thank you.

25 Mr. Dunn, in your presentation, you

1 note that modern vehicles are being improved with
2 cameras, sensors, and Advanced Driver Assistance
3 Systems or ADAS?

4 MR. CRAIG DUNN: M-hm.

5 MS. KARA MOORE: "Yes"? Just
6 vocalize.

7 MR. CRAIG DUNN: Yes.

8 MS. KARA MOORE: Thank you. You go on
9 to say that replacing or calibrating these systems
10 after an accident is approximately two (2) to three
11 (3) times more expensive than traditional repairs?

12 MR. CRAIG DUNN: Yes.

13 MS. KARA MOORE: And this might be a
14 question for Mr. Nichol -- I'll leave it to you to
15 decide -- but how did -- how did you make that
16 calculation of the approximate increase in price in
17 making those repairs?

18 MR. CRAIG DUNN: Kevin, do you --
19 that's our number. Do you want me to go ahead with
20 that or do you want to speak to that?

21 MR. KEVIN NICHOL (BY TEAMS): You're
22 best to answer that question. I don't have a lot of
23 provincial-specific statistics to offer at this point,
24 so.

25 MR. CRAIG DUNN: Yes. Okay. It -- it

1 is essentially done by looking at the cost of
2 repairing a bumper. So not to get too much in detail,
3 but a traditional bumper would have no sensors on it.
4 So, we're putting that new bumper in the paint booth,
5 painting it, and just assembling it.

6 Many of our bumpers have as many as six
7 (6) sensors, and the cost of those sensors ranges from
8 four hundred (400) to eight hundred dollars (\$800).
9 And so, depending on how many we have to replace,
10 those sensors also need to be painted and then it
11 needs to be calibrated with the entire ADAS system.
12 So that's how we get to the cost of approximately
13 three thousand dollars (\$3,000). And it would vary a
14 little bit by vehicle as well.

15 MS. KARA MOORE: Sure. Okay. How has
16 MMDA quantified the proportion of the repair cost
17 increases that are attributable to ADAS or increased
18 technology versus just general inflation or wage
19 growth?

20 MR. CRAIG DUNN: I -- I don't believe
21 we've done that. Have we, Geoff?

22 MR. GEOFF SINE: No. I know we've --
23 you know, in our conversations with MPI, we have
24 worked out inflation -- this is general inflation --
25 but we've also gone to the other side and looked at

1 the increased cost of complex repair.

2 MR. CRAIG DUNN: So, yeah, probably
3 the best answer is it isn't broken down in the -- in
4 the way you're -- you're asking. It is a general
5 increase overall that we're looking at.

6 MS. KARA MOORE: Okay. Does MMDA
7 consider tariffs and specifically the -- the current
8 tariff situation and the supply chain issues that have
9 resulted from that to be short-term anomalies or a
10 more sustained impact on the industry?

11 MR. CRAIG DUNN: You know, there was a
12 group of Canadian dealers in Washington recently
13 lobbying senators and Congress people. And we asked a
14 similar question and the answer was, it depends on the
15 next tweet. And I don't mean to be flippant when I
16 say that, but sadly, that's the reality of the world
17 that we live in.

18 The information we're getting is it --
19 it's incumbent on CUSMA, the Canada-US-Mexico Trade
20 Agreement, and how the renegotiations go with that and
21 what will be protected and what won't. It -- it
22 really is a difficult question to answer.

23 MS. KARA MOORE: Thank you. If the
24 current insurance compensation levels were to persist,
25 what impacts do you predict there will be on service

1 capacity and repair turnaround time?

2 MR. CRAIG DUNN: Although I don't
3 think we can give you a specific number relative to
4 the shops that would be in peril, we have been down
5 this road before, and we -- we don't ask shops for
6 their specific financial statement of each shop.

7 That's their proprietary information,
8 but we do know shops would definitely close, and I
9 think you would see the impact in rural and remote --
10 remote first and then more rural shops, which would
11 have our clients going further to get their repairs
12 done.

13 It would just be a fact that they
14 couldn't keep up with the technology that they need to
15 buy to continue to repair vehicles.

16 MS. KARA MOORE: Thank you very much.
17 Those are all my questions for you.

18 MR. CRAIG DUNN: You're welcome.

19 MS. KARA MOORE: Thank you, Ms. Moore.

20 Mr. Wishnowski...?

21

22 CROSS-EXAMINATION BY MR. ERIC WISHNOWSKI:

23 MR. ERIC WISHNOWSKI: Yes. Thank you.

24 Good afternoon. It is Eric Wishnowski, for MPI. I
25 just -- if we could go up to page 3, please, of your

1 presentation. Yes, right there.

2 Just a question. This information on
3 tariffs on imported parts and materials have added 5
4 to 15 percent to the cost of certain components.

5 Where did you get that -- that data?
6 What is the source of your -- of the -- of that 5 to
7 15 percent?

8 MR. CRAIG DUNN: It's -- it's in the
9 documents we've provided at the back. Sorry, I'm just
10 looking for that so I can answer your question.

11 MR. ERIC WISHNOWSKI: Thank you.

12 MR. CRAIG DUNN: Impact of tariffs and
13 trade. So how tariffs are on imported parts, steel,
14 et cetera, feed into parts costs. There's some
15 evidence of this in Canada, e.g., tariffs on US and
16 other imports and international supply chain effects.

17 You could include a concrete example, a
18 component whose price increased due to tariffs also
19 mentioned the effect of exchange rates. So, as I read
20 that, so -- so one of the things I can tell you is
21 that, as a result of the steel and aluminum tariffs,
22 we -- it --and I will speak to my manufacturer, which
23 is General Motors. We had a price increase of twelve
24 hundred and seventy-four (\$1,274) on most of our
25 vehicles, as a result of the steel and aluminum

1 tariffs.

2 So now, if we're bringing in a -- a
3 fender, for example, that's a -- a -- in that price.
4 There are other components for other manufacturers
5 that are not covered under CUSMA that are experiencing
6 tariffs. Hyundai is an example of that; Subaru, for
7 example. Mercedes, which is also built in the United
8 States aren't covered by CUSMA, so they're subject to
9 -- counter tariffs. So, it's -- it's broad and the
10 range is difficult to put to a number and that's why
11 it's 5 to 15 percent.

12 MR. ERIC WISHNOWSKI: Okay. But, so
13 then this information, it's not specific to Manitoba?
14 It's not Manitoba's information that you rely on?

15 MR. CRAIG DUNN: No, it would be
16 Canadian information, primarily, yes.

17 MR. ERIC WISHNOWSKI: Thank you. I
18 believe those are the only questions from MPI.

19 PANEL CHAIRPERSON: Thank you. Ms.
20 Dilay ...?

21 MS. KATRINE DILAY: We do not have any
22 questions. Thank you for your presentation.

23 MR. ERIC WISHNOWSKI: You're welcome.

24 PANEL CHAIRPERSON: Okay. Questions?
25 Do you have any questions?

1 Thank you very much for your
2 presentation this afternoon.

3 MR. CRAIG DUNN: You're welcome.
4 Thank you for the time. We appreciate it.

5 PANEL CHAIRPERSON: The next
6 presentation will be from the Automotive Trades
7 Association of Manitoba. If I could ask you to have a
8 seat. Could you please introduce yourselves.

9 MR. CHAD BRICK: No. My name's Chad
10 Brick, C-H-A-D B-R-I-C-K.

11 PANEL CHAIRPERSON: Thank you.

12 MR. DENIS CLOUTIER: Denis Cloutier.
13 Denis D-E-N-I-S, Cloutier C-L-O-U-T-I-E-R.

14 PANEL CHAIRPERSON: Thank you.

15 MR. DENIS CLOUTIER: I'm the Executive
16 Director with the Automotive Trades Association.

17 PANEL CHAIRPERSON: Thank you very
18 much. And I understand that you would prefer to be
19 affirmed or sworn?

20 MR. DENIS CLOUTIER: Yeah.

21 MR. CHAD BRICK: Yes.

22 PANEL CHAIRPERSON: Please.

23

24 PUBLIC PRESENTATION:

25 AUTOMOTIVE TRADES ASSOCIATION OF MANITOBA

1

2

CHAD BRICK, Sworn

3

DENIS CLOUTIER, Sworn

4

5

PANEL CHAIRPERSON: Thank you. Please

6 proceed.

7

MR. CHAD BRICK: Thank you. Good

8 afternoon, Madam Chair, members of the Board. I hope

9 everyone had a safe and happy Thanksgiving. And thank

10 you very much for the opportunity to speak today.

11 My name is Chad Brick. I'm a second

12 generation -- second generation owner of a local

13 collision repair facility here in Winnipeg. And I

14 come here wearing two (2) hats.

15 One as an accountant, having spent 10

16 (ten) years with a public accounting firm and I enjoy

17 and love talking about numbers. And the second is as

18 a business owner who understands the peoples and the

19 families behind those numbers.

20 The Automotive Trade Association

21 represents one hundred and sixty (160) of the two

22 hundred and twenty-three (223) MPI accredited repair

23 facilities across the province; that's more than 70

24 percent of our industry's voice. And most of us --

25 for most of us, MPI accounts for 90 percent of our

1 total revenue. So, in -- in simple terms, MPI sets
2 our market.

3 The industry doesn't control its own
4 pricing. We operate within the structure that MPI
5 establishes. And if we can just scroll down a little
6 bit there, I'll get to the first chart where we're
7 talking about labour. There you go.

8 So, when we look at this first chart
9 and the data that we supplied today, you -- you're
10 looking at the labour rates. You got the Manitoba
11 CPI, compounded effects of that, minimum wage and
12 MPI's labour rates. Over the past several years we've
13 seen minimum wage increases rising faster than MPI's
14 labour rate adjustment and that has created a
15 structural imbalance in our industry. Apprentice --
16 apprentice wages are driven by the minimum wage level.

17 Apprentices and technician wages are up
18 just over 34 percent in the past five (5) years;
19 largely driven by these statutory wage hikes. And
20 because technician wages must rise to retain skilled
21 workers in the trade, total labour inflation in our
22 trade has outpaced Manitoba's Consumer Price Index and
23 MPI's increases.

24 As someone whose family has been in the
25 trade my whole life, I'm really happy to see these

1 skilled professions earning more. They deserve it.
2 They perform complex safety critical work every single
3 day. One thing I always say to a new apprentice who
4 comes in our shop is that's someone's family's
5 vehicle. Take it seriously. Be a professional and
6 make sure you follow the relevant work procedures.

7 But for the trade to remain viable, for
8 it to attract and keep talented compensation -- keep
9 talent, compensation must -- must move in step with
10 the real cost of labour. And right now, it isn't.

11 MPI's proposed 2 percent increase for
12 2026 doesn't come close to what's needed to cover the
13 actual cost escalation we presented. So, what happens
14 when this -- when this occurs? Shops are forced to
15 turn away lower margin MPI work or limit what they can
16 afford to repair and that's a disservice to our shared
17 customers, the Manitoba drivers.

18 If you think of it this way, when costs
19 rise at a restaurant where most employees are paid
20 minimum wage, they simply adjust their menu prices.
21 In Manitoba's collision repair industry, we can't.
22 Our menu price is fixed.

23 So, as you can see from the data we
24 presented here on this slide, we have a compound
25 deficiency of wages of just over 14 percent, before

1 looking at other aspects that impact our labour rate,
2 such as property taxes, utility bills, indirect
3 overhead labour, just to name a few. And go to the
4 next slide. And we can skip past that one too.

5 So now we're looking at materials. So,
6 when you think about materials, when you're fixing a
7 vehicle, you got labour, which I just talked about,
8 you got the parts, like your bumper, your windshield,
9 all those -- all those components. And then you have
10 materials. And materials you can kind of break up
11 into two (2) buckets. You got paint materials, it's
12 fairly self-descriptive and body materials, which are
13 abrasives or sandpaper, nuts, bolts, adhesives that
14 are used to do a quality repair. So that bumper could
15 be bolted on, glued on, welded on at -- in some
16 fashion it gets attached back to the vehicle during
17 the repair process.

18 When we look at paint materials, they
19 can make up around 10 percent of an average vehicle
20 repair. It depends on size and shape of the vehicle
21 and the type of damage. Since COVID and through
22 ongoing global tariff and supply chain pressures,
23 these material costs have risen by over 60 percent
24 over pre-pandemic levels. MPI's compensation rate for
25 those paint materials hasn't kept up.

1 Over the past five (5) years we've had
2 a 15 percent gap created between the increase in cost
3 versus compensation in paint materials and a 12
4 percent gap created in the body materials. So, every
5 year that shortfall grows wider and wider and slowly
6 choking out shops that are trying to maintain quality,
7 safety and viability. This isn't about profit, it's
8 about sustainability. You can scroll ahead to the
9 body material on there, that's just showing the gap in
10 body materials as well.

11 So, when you think about industry
12 capacity and the health of our industry, let's look at
13 what this means for Manitobans as a whole.

14 In 2022, we had two hundred and thirty-
15 seven (237) accredited MPI shops in this province.
16 Today we have two hundred and twenty-three (223).
17 That's a 6 percent decline in the last three (3)
18 years. Combining that with Manitoba's population
19 growth of nearly 4 percent year over year in the past
20 five (5) years, and usually the average household has
21 1.5 vehicles or drivers. We have two (2) trending
22 lines moving in opposite directions. Fewer shops
23 available to repair and more Manitobans needing
24 repairs. This isn't sustainable.

25 If it continues, we'll see longer

1 repair times, reduced access to service, growing gaps
2 in coverage and, in many cases, drivers are driving
3 their damaged vehicles while they wait for their
4 scheduled repair. That means more Manitobans are
5 waiting longer for safe vehicles to get back on the
6 road. So, it's not just an industry issue, it's a
7 public safety issue and it's systemic.

8 When rates are held below real costs of
9 operation, it isn't just a problem for collision
10 shops, it becomes a systemic risk for MPI, for
11 ratepayers, for public safety. Under compensated
12 facilities lead to longer wait times, increased risk
13 to repair quality and the slow erosion of access,
14 especially in small communities.

15 And the irony is that these
16 inefficiencies end up costing more. They create
17 higher rental car expenses, more re-repairs due to
18 poor quality and additional delays. All these costs
19 are ultimately borne by Manitobans themselves.

20 It's the ATA's position is not that
21 repair rates should rise arbitrarily, it's that they
22 must reflect the real market cost to preserve a
23 sustainable, safe, professional repair network. Rates
24 paid need to correlate with the cost they compensate
25 for. MPI has to meet its financial goals and we

1 respect that. The Board here, MPI's board, have a
2 broader responsibility to ensure these goals don't
3 undermine the long-term health of Manitoba's collision
4 repair industry and the key stakeholders in it.

5 Without correction, the current path
6 leads to continued decline; fewer shops, longer waits
7 shrinking access. And the outcome is not just bad for
8 business, it's bad for Manitobans, for road safety,
9 for public interest, this Board and MPI's board exists
10 to protect.

11 Madam Chair, Members of the Board, our
12 message is not out of complaint, but out of concern
13 and commitment. Respects hundreds of small businesses
14 who care deeply about this trade. We care about our
15 employees and the mutual customers we serve.

16 Today our industry is shrinking, while
17 our province is growing. The imbalance threatens the
18 strength and depth of the repair network that
19 Manitobans rely on for safe, timely, professional
20 repairs. We're not asking for -- asking for excess,
21 we're asking for sustainability for a rate structure
22 that reflects reality and for a partnership that
23 ensures safety, trust and continuity of services for
24 every Manitoban who depends on this system.

25 This present -- presentation is not to

1 advocate for higher rates paid to collision repair
2 shops. It's intended to illustrate that the 2 percent
3 MPI rate, requested rate, increase will not adequately
4 allow for MPI to respond to the cost of having the
5 collision repair shops of Manitoba provide proper,
6 safe, high-quality repairs to the ratepayers of
7 Manitoba. Thank you.

8 PANEL CHAIRPERSON: Thank you, Mr.
9 Brick. Ms. Moore ...?

10

11 CROSS-EXAMINATION BY MS. KARA MOORE:

12 MS. KARA MOORE: Good afternoon, Mr.
13 Brick and Mr. Cloutier. My name is Kara Moore,
14 Counsel for the Public Utilities Board. And similar
15 to the presenters before you, I just have a few
16 questions. I'll ask them generally and whoever would
17 like to answer, can certainly do so.

18 First, are you able to tell me, on
19 average, the proportion of a shop's revenue or
20 expenses that is dedicated to technician wages?

21 MR. CHAD BRICK: 45 percent.

22 MS. KARA MOORE: Thank you. And is
23 the ATA able to advise -- and I appreciate I might be
24 asking for proprietary information, so if -- if I am
25 or you don't feel comfortable answering, please do say

1 so. Are you able to advise the approximate percentage
2 of your member shops labour rates for private or non-
3 MPI work when compared to MPI work?

4 MR. CHAD BRICK: Good question. I
5 think it's probably all over the place. Just from
6 being in the industry my whole life, some people take
7 care of fleets that don't use insurance. So, I betcha
8 they have a rate in place that is proprietary to that
9 shop.

10 Typically, you're charging more. It's
11 kind of what the industry norm is, but sometimes this
12 is business. You got to keep your employees busy and
13 sometimes you're trying to get work in the door, as
14 well, so to be very honest, I think it's all over the
15 place.

16 MS. KARA MOORE: Thank you.

17 MR. CHAD BRICK: So, I --I think we're
18 all playing around in the average that's out there,
19 which is the published -- published rate.

20 MS. KARA MOORE: In your presentation
21 you've stated that the actual increase for paint
22 materials and shop materials significantly exceeded
23 MPI's compensation increases.

24 MR. CHAD BRICK: Yes.

25 MS. KARA MOORE: Correct? Can you

1 share what mechanism ATA proposes be adopted by MPI
2 for updating material costs?

3 MR. CHAD BRICK: You want to speak to
4 that, Denis?

5 MR. DENIS CLOUTIER: Yes, Denis
6 Cloutier speaking. I -- I don't know that we're here
7 to propose a mechanism. That's a -- that's a
8 discussion that we're prepared to have with MPI to
9 determine a mechanism. I think we're here to
10 illustrate the gap that -- that is growing. That's
11 our message to the Board.

12 MS. KARA MOORE: Thank you. Do you
13 know, these compensation gaps that we've been talking
14 about, how those compare with other provinces with
15 either public or private auto insurance systems?

16 MR. CHAD BRICK: I think it's a common
17 conversation point. You see some reducing that gap
18 and you see some others that we don't see those
19 numbers because you have private insurance. So,
20 there's only a few public insurers across Canada that
21 you can see data on that.

22 But it's common, like as you saw in the
23 previous presentation, vehicles are getting more
24 complex and -- and on a very rapid basis. And we're
25 constantly trying to make sure we keep up with that

1 and do a -- a quality job for our mutual customers.

2 MS. KARA MOORE: Thank you. How many
3 accredited shops currently provide the ATA with
4 verified cost or wage data?

5 MR. DENIS CLOUTIER: Right? No, we do
6 not get that verified number from our shops. That
7 we're -- we're actually -- we're moving towards that
8 effort in conjunction with MMDA and MPI to gather that
9 data. That's a project that's currently underway, but
10 they do not currently supply that data to us.

11 MS. KARA MOORE: Okay. So where does
12 the data come from that you're relying on in your
13 presentation, if not directly from the shops?

14 MR. CHAD BRICK: These are more public
15 numbers, like minimum wage, so statutory information.
16 The paint prices are letters from the paint companies.
17 They give you your increase letter every year.

18 MS. KARA MOORE: I see. Thank you.
19 In the presentation, I don't recall if you spoke of it
20 today, but when I reviewed your materials, you refer
21 to a decline in shop accreditation from two hundred
22 and thirty-seven (237) to two hundred and twenty-three
23 (223) shops. You know what I'm referring to?

24 MR. CHAD BRICK: Yep.

25 MS. KARA MOORE: Are you suggesting

1 that that reduction is due to MPI's current rate
2 framework?

3 MR. CHAD BRICK: No, it's not solely
4 due to MPI's framework. It's a combination of
5 complexity of vehicles, the need to invest in more
6 modern equipment to do a safe repair, and the increase
7 in wages to attract, like, skilled staff. So, it's a
8 combination of multiple factors and MPI is the
9 authority on rates that plays a factor into that, and
10 that's the factor we can't control. I know I have to
11 buy a welder. I know I have to pay that employee that
12 much to retain them. And that's the only way we can
13 make sure we keep continuing as a going-concern
14 business.

15 MS. KARA MOORE: Thank you. If MPI
16 maintains its request for a 2 percent rate increase,
17 what service level impacts does ATA project

18 MR. CHAD BRICK: Man, that's hard to
19 tell -- like -- if we get a lot of snow or hail?

20 MS. KARA MOORE: No -- well, yeah.

21 MR. CHAD BRICK: Yeah. So -- so it
22 really depends on claim counts and the volume of work
23 coming in, but some of the trends we're currently
24 seeing is people don't want to deal with a theft.
25 They're not -- there's -- there's no way to profitably

1 fix a theft right now for many shop. Heavier hits
2 take a long time to repair. So, you're seeing smaller
3 shops more reluctant to do those. Maybe they don't
4 have the proper welders or equipment to do that
5 properly. So, you're seeing some more complex repairs
6 taking longer to repair, and I can see that growing,
7 if the gap continues to grow

8 MS. KARA MOORE: And recognizing that
9 the Public Utilities Board does not tell MPI
10 specifically how to distribute its funds, what is the
11 ATA advocating for within this process

12 MR. CHAD BRICK: Good question.
13 Denis?

14 MR. DENIS CLOUTIER: Yeah. If we
15 could -- what are we advo -- I think we're advocating
16 for the fact that we see that the 2 percent does not
17 adequately address the gap that we're experiencing in
18 the last five (5) years leading to a less healthy
19 industry. Could I put a number to that? Yes, I
20 could. To fill that gap would be about a 4 1/2
21 percent increase to rate, if you applied that to
22 collision claims.

23 MS. KARA MOORE: Thank you. Those are
24 all my questions.

25 PANEL CHAIRPERSON: Thank you, Mr.

1 Wishnowski ...?

2 MR. ERIC WISHNOWSKI: Thank you. No
3 questions from MPI for this panel.

4 PANEL CHAIRPERSON: Thank you. Ms.
5 Dilay ...?

6 MS. KATRINE DILAY: No questions from
7 the Consumers Coalition either. Thank you for your
8 presentation.

9 PANEL CHAIRPERSON: Mr. Ireland...?
10 Ms. Sharman...?

11 Thank you very much for your
12 presentation this afternoon.

13

14 (BRIEF PAUSE)

15

16 PANEL CHAIRPERSON: We'll now take a
17 short break to allow the next panel from MPI to set
18 up. And that is the corporate strategy and update on
19 organizational review panel.

20 MR. ERIC WISHNOWSKI: Madam Chair.
21 I'm told that I think 2:15 is probably the optimal
22 time for the panel to assemble, if that's ...

23 PANEL CHAIRPERSON: Excellent. Thank
24 you. We'll be back at 2:15.

25 MR. ERIC WISHNOWSKI: Thank you.

1

2 --- Upon recessing at 1:49 p.m.

3 --- Upon resuming at 2:16 p.m.

4

5 PANEL CHAIRPERSON: Good afternoon,
6 everyone. Mr. Guerra...?

7 MR. ANTHONY GUERRA: Good afternoon,
8 Madam Chair. And we will be introducing the Corporate
9 Strategy and Update on EY Organizational Review Panel
10 in a second. But before we do that, there is a
11 housekeeping issue that we wanted to address. Perhaps
12 we can start with the swearing in of witnesses first.
13 And then we'll address the other housekeeping issue.

14 PANEL CHAIRPERSON: Mr. Guerra, can I
15 ask you to move your microphone a little bit closer?
16 Thank you.

17 MR. ANTHONY GUERRA: Yes, of course.
18 My apologies.

19

20 MPI CORPORATE STRATEGY AND UPDATE ON EY ORGANIZATIONAL
21 REVIEW PANEL:

22

23 RYAN KOLASKI, Sworn

24 MARIA CAMPOS, Sworn

25 DANA FRAZER, Affirmed

1 TAMARA BOBLINSKI, Sworn

2

3 MR. ANTHONY GUERRA: Thank you. And
4 just in terms of the other housekeeping issue, there
5 was a question asked this morning of Ms. Jatana on the
6 Overview Panel in regards to the approval of the
7 impairment for program -- or Project NOVA rather, I
8 should say.

9 And so, Ms. Jatana, while I have you
10 and Mr. Kolaski on this Panel, I'd just like to
11 confirm that you agree that there may need to be a
12 clarification provided on the record in terms of the
13 approval of that item, correct?

14 MS. SATVIR JATANA: Correct.

15 MR. ANTHONY GUERRA: And in terms of
16 the clarification, would you agree that the
17 clarification would be that the Board did not
18 specifically approve the impairment?

19 MS. SATVIR JATANA: The Board did not
20 directly approve the impairment, yeah.

21 MR. ANTHONY GUERRA: Okay. Can you
22 identify for the benefit of the Panel how that item
23 was addressed at the Board level?

24 MS. SATVIR JATANA: Yeah. And Ryan
25 might add to this. So, this went as item to our AFC

1 as part of the financial statement. So, that
2 committee would have approved our financial statement,
3 including the impairment, of which they would take
4 that forward to the Board as -- as their kind of
5 approval. So maybe, Ryan, you might want to add to
6 it.

7 MR. RYAN KOLASKI: Sure. Ryan
8 Kolaski. So, effectively, the approval process was
9 through the AFC through our formal approval of
10 financial statements. That then was approved by the
11 Board in due course.

12 So, there is not a specific Board
13 minute approving the commentary around the impairment.
14 There was a large discussion related to the
15 impairment, but the actual approval process relates to
16 the actual financial statements themselves.

17 MR. ANTHONY GUERRA: Thank you. And -
18 - and you used the word -- or the acronym AFC. Just
19 to confirm, that -- that means the Audit and Finance
20 Committee?

21 MR. RYAN KOLASKI: That is correct.

22 MR. ANTHONY GUERRA: Okay. Thank you.
23 So, that would be the clarification that would be
24 provided on the record. And I understand that my
25 friend may have some questions following that.

1 MR. TODD ANDRES: I think we'll just
2 all -- any cross will be for tomorrow. Thank you, Mr.
3 Guerra.

4

5 EXAMINATION-IN-CHIEF BY MR. ANTHONY GUERRA:

6 MR. ANTHONY GUERRA: Thank you. So,
7 with that, I'd like to introduce the members of the
8 Corporate Strategy and Update on EY Organizational
9 Review Recommendations Panel.

10 And so, the front row is comprised of
11 our CEO and President, Satvir Jatana, Mr. Kolaski, our
12 Vice President and Chief Financial Officer, Ms.
13 Campos, our Vice President and Chief Customer and
14 Product Officer, Ms. Boblinski, our Vice President and
15 Chief People Officer, and Ms. Frazer, our newest
16 executive and also our Vice President and Chief
17 Operations Officer.

18 I can also indicate the back row we
19 have Mr. Bowering, our Vice President and Chief Claims
20 Officer, Ms. Low, our Vice President and Chief
21 Actuary, Ms. Hildahl, our Director of Customer
22 Experience, Strategy, Planning, and Execution, and Ms.
23 Kauk, our Director of Financial Planning and Analysis.

24 And so, before you -- I'll direct these
25 questions to Ms. Jatana. Before you, you see MPI

1 Exhibit number 34 on the screen, which is the
2 corporate strategy update presentation.

3 Is that correct?

4 MS. SATVIR JATANA: That is correct.

5 MR. ANTHONY GUERRA: And this is a
6 presentation that you have prepared with the
7 assistance of your team.

8 Is that correct?

9 MS. SATVIR JATANA: Yes.

10 MR. ANTHONY GUERRA: And this
11 presentation is -- your intention with this
12 presentation is to provide evidence to the -- to the
13 Public Utilities Board this afternoon.

14 Is that correct?

15 MS. SATVIR JATANA: That is correct.

16 MR. ANTHONY GUERRA: Okay. So, I'm
17 going to ask that -- now turn it over to the Panel to
18 deliver the presentation. And I may have some
19 questions for the Panel as the presentation continues
20 and after the presentation.

21 MS. SATVIR JATANA: Thank you. And
22 thank you again for the opportunity to provide an
23 update on our corporate strategy. We wanted to take
24 this opportunity to highlight a few important points
25 on this topic. And you will hear from each of the

1 pillar owners. And I am going to try to fill in our
2 chief legal and risk officer's shoe. He has another
3 important role to play in here.

4 So, with that, on this slide as shared
5 earlier, we spent a great deal of time in the last
6 eighteen (18) months validating our understanding,
7 developing, and really aligning our Corporate
8 Strategic Plan.

9 And it was important to us that this
10 plan was developed by our team and shaped by the
11 meaningful feedback and insight from our customers
12 partners, stakeholders, and our regulator.

13 It is never -- sorry, it is never lost
14 on us that we operate in an ecosystem and there is
15 nothing we can do in isolation or without these
16 important groups and their feedback.

17 So, we shared our first draft broadly
18 to gather feedback from Manitobans through Engage
19 Manitoba and from our partners through direct outreach
20 earlier this year and from our -- our employees
21 through townhalls and internal surveys.

22 What we heard and helped -- which
23 helped to refine and strengthen this plan, Manitoba --
24 Manitobans have told us that they wanted reliability
25 and affordability. Our team told us that they wanted

1 clarity and focus. And our partners wanted stability
2 and collaboration.

3 So, we have incorporated much valuable
4 feedback directly into the final version, which is in
5 front of you, with refined elements of Strategic Plan
6 and sequencing, of course, early initiatives to
7 support stability.

8 This plan was approved by our Board of
9 Directors early this year. And I am so proud to say
10 that this plan is truly shaped by the voices of people
11 we serve and the partners we help -- who help us
12 deliver on our mandate every day. Next slide.

13 This plan -- and -- and you would have
14 seen this slide last year perhaps as well. This plan
15 was developed following a set of guiding principles
16 that really grounded our approach.

17 First, we used our external -- our
18 internal expertise, the people who know MPI best to
19 build and shape -- pardon me, to build a shared
20 understanding where we were and where we were starting
21 from. That common fact base gave us the clarity about
22 what needed to change and what simply needed to be
23 strengthened.

24 Second, we recognized that before we
25 could grow, we had to stabilize. The work that began

1 in 2024 with the Corporation stability strategy
2 created the foundation for this multiyear plan.

3 We also made a commitment to
4 transparency and engagement, especially to our
5 employees. It was important to us that our team had
6 the opportunity to be part of this plan from its
7 inception as they needed to understand the direction
8 and see themselves in this plan.

9 Another key principle was alignment and
10 ownership. Everyone at MPI has a role in advancing
11 this plan, and our governance model reinforces that
12 shared accountability.

13 And finally, we agree to pace ourselves
14 responsibly to focus on progress and moving this
15 organization forward with great regards to rate
16 stability and rate shock. That means learning from
17 our past, setting realistic goals, and delivering
18 within our capacity. Next slide.

19 The mission and vision were refined,
20 not reinvented. And, you know, they reflect a strong
21 foundation and strong history of MPI. Now these
22 statements reaffirm trust and public value at the core
23 of MPI's purpose.

24 As we built this plan, we took the
25 opportunity to revisit both our vision and mission

1 statements to make sure that our purpose still
2 reflects our mandate. Our vision now explicitly names
3 what Manitobans expect from us.

4 We are Manitoba's trusted auto insurer
5 and driver service provider dedicated to road safety
6 for all. And this emphasizes on our commitment to be
7 Manitoban and connect directly to our public mandate.
8 Our mission remains focused on delivering exceptional
9 coverage and services -- service and affordable rate
10 and safer roads.

11 Small but important change in the word
12 'efficient' emphasize our focus on continuous
13 improvement and being better and how -- being better
14 in how we protect affordability while continuing to
15 provide value to Manitobans.

16 So, these refinements aren't cosmetics.
17 They anchor us in what matters most, which is trust,
18 affordability, and public value.

19 This slide shows how multiyear plan
20 comes to life. We have our vision and mission which
21 we just touched on. And here, I wanted to touch a bit
22 more on our corporate focus as this is a -- this is
23 the refinement on this slide since you would have seen
24 in the first draft last year.

25 In the past, you would have seen annual

1 corporate priorities from MPI, and often it can vary
2 from year to year and from CEO to CEO. It is true
3 that our priorities sometimes are longer term. And,
4 for example, I -- I've been part of this team over ten
5 (10) years, and I can't recall a time that
6 affordability was not a focus of the organization. It
7 may have meant different to different leaders.

8 Another reality of our organization is
9 that 90% of our team members are working on everyday
10 critical work, so how they see themselves in the long-
11 term strategy and plan is important.

12 So, with that in mind, we have
13 articulated and anchored our focus. Our corporate
14 focus is born out of our vision and mission. Or
15 another way of saying that our focus guides our
16 everyday work, and it is what has guided our multiyear
17 strategy as well.

18 Or another way to look at this is that
19 our focus area directs all of our operational and
20 strategic work, meaning that each and every team
21 members can connect their daily work into one (1) or
22 more of our corporate focus areas.

23 Whether you are an adjuster, an
24 estimator, a finance employee, working in IT, or a
25 team member working on one (1) of our strategic

1 initiatives, you should see the work you do directly
2 ties into the multiyear strategy.

3 We cannot deliver on being a trusted
4 provider, value, and road safety mandate without the
5 focus on affordability, organizational effectiveness,
6 financial stability, customer value, and being a
7 corporate -- a good corporate -- corporate citizen.

8 These priorities also don't change year
9 over year. And we believe that these focus area have
10 been the strong foundation for our public insurance
11 model in Manitoba.

12 Next, you're seeing -- sorry, we're
13 still on the same slide -- our five (5) pillars focus
14 on customer build engagement and pride both internally
15 and externally, doing what we say, and the social
16 contract we have, strengthening our financial
17 practices, and being prepared for tomorrow is about
18 doing better, what we do today and continue to provide
19 value to Manitobans into the future.

20 The delivery of our strategy is
21 organized around five (5) pillars, each owned by a
22 member of the executive team. Each pillar connects
23 support our five (5) corporate focus areas, ensuring
24 that the work we do every day contributes to
25 affordability, financial stability, organizational

1 effectiveness, customer value, and corporate
2 responsibility.

3 And while each pillar addresses a
4 specific theme, the message across all of them is
5 consistent. This is about doing better, not
6 transforming at the expense of a strong and trusted --
7 expenses of a strong and trusted MPI. We're being
8 deliberate. We're being responsible. And we are
9 pacing how we build stability and trust.

10 Now I'm going to ask each of my
11 colleagues to briefly highlight how their pillar
12 contributes to the foundation. And first I'd like to
13 pass it over to our chief operating Officer Dana
14 Frazer.

15 MS. DANA FRAZER: Thank you. Good
16 afternoon. Being new to this role, I wanted to take
17 the time to introduce myself. My name is Dana Frazer
18 and I'm MPI's new vice president and chief operations
19 officer.

20 While I'm new to this role, almost six
21 (6) months in, I am certainly not new to MPI. I have
22 been with MPI for the last twenty-three (23) years,
23 building my career across many areas of this
24 organization.

25 As a chartered professional accountant,

1 I spent my first decade in finance and the last eleven
2 (11) years in operations and claims. Those
3 experiences have given me a very unique perspective,
4 one that balances a financial mindset with a service-
5 driven focus of operation. This helps to reinforce
6 how critical affordability is for the Manitobans we
7 serve. I know that our actions within operations can
8 have a positive impact on affordability.

9 I plan to lead this pillar the same
10 way. I will lead this division: with a focus on doing
11 more with what we already have, finding ways to
12 optimize, and maintaining a mandate of progress over
13 perfection. My goal is a stable customer-focused
14 division that delivers reliable service for Manitobans
15 every single day.

16 So, to overview this pillar, Pillar
17 number 1, which is a focus on our customers, this
18 pillar is about making every trans -- every
19 interaction faster, clearer, and more reliable for
20 Manitobans.

21 We're not trying to overhaul everything
22 at once. Instead, we're concentrating on the
23 practical basics that matter most. This means that
24 we're setting clear expectations, simplifying
25 transactions, and listening to feedback so we can act

1 quickly and keep improving.

2 The goal is consistency and confidence.
3 Customers will know what to expect, get what they need
4 more easily and trust that MPI is listening and
5 adapting.

6 So, what does this mean for Manitobans?
7 It will mean less waiting and fewer surprises. We
8 will be setting clear performance standards and better
9 communication so Manitobans can spend less time
10 wondering and more time getting what they need. It
11 will mean smoother, simpler experiences.

12 We're taking small, meaningful steps,
13 like improving our website and streamlining common
14 transactions that save time and make service feel
15 easier. It will instill confidence that MPI is
16 listening. When Manitobans speak up, we are
17 responding using that feedback to make visible,
18 tangible improvements.

19 So, in closing, this is not about
20 dramatic transformation. It is about steady,
21 disciplined progress that builds trust over time. By
22 focusing on the fundamentals and leading with
23 stability, optimization, and a customer first mindset,
24 we're laying the foundation for service that is
25 consistent, predictable and worthy of Manitobans'

1 confidence.

2 It's about doing small things right
3 every single day so our customers truly feel the
4 difference, and ensuring that our actions within
5 operations help drive affordability to our customers.

6 I will now hand it over to my
7 colleague, Ms. Boblinski, to overview our second
8 pillar in our Corporate Strategic Plan.

9 MS. TAMARA BOBLINSKI: Thank you,
10 Dana. My name is Tamara Boblinski, and I'm the vice
11 president of people and culture. And I am the proud
12 executive sponsor of Pillar 2 of our Strategic Plan,
13 and it's building engagement and pride.

14 I've been in the role -- this role for
15 just over eighteen (18) months, but I have been with
16 MPI for seventeen (17) years.

17 This pillar focuses on building a
18 workplace where employees feel heard, supported, and
19 ready to deliver value for Manitobans. As you heard
20 earlier today in the CEO opening remarks, we are
21 emphasizing building trust and engagement with our --
22 in -- in our team, and it remains a priority.

23 By improving culture, building trust,
24 and creating a sense of belonging, we're creating an
25 environment where employees will provide faster,

1 friendlier, and more consistent service. When our
2 people feel informed and valued, they are motivated to
3 have a sense of ownership. When our employees feel
4 connected to MPI's mission, they are more invested in
5 their work.

6 Customers will feel it when they
7 interact with our employees, and that's how we build
8 stability, pride, and trust in MPI overall. This is
9 foundational work that builds stability and translates
10 directly to better customer service.

11 The work under this pillar includes
12 considering MPI's future workforce needs and
13 developing our talent by upskilling and reskilling our
14 employees. As we all learn to work within the fast-
15 paced and ever-changing technical landscape, it's
16 important to forecast future demands on our workforce.

17 What this means for Manitobans is
18 simple: with an engaged and skilled workforce,
19 they'll experience faster, friendly, and more
20 consistent service; will interact with employees who
21 are informed, knowledgeable, empowered, and proud of
22 what they do; and you'll see an organization that
23 reflects the diversity of the province it serves.

24 When our employees feel supported,
25 Manitobans will benefit. That's what this pillar is

1 all about: building pride, developing a skilled
2 workforce, and strengthening MPI from the inside out.

3 I'm now going to turn it over to Ms.
4 Jatana who's going to talk about delivering on our
5 promises.

6 MS. SATVIR JATANA: This is our third
7 pillar, and I'm speaking on behalf of our chief legal
8 and risk officer. And this pillar is about
9 reliability, accountability, and follow through.

10 We're strengthening how MPI makes
11 decision and tracks results by using better data,
12 stronger governance, and clear measures of success.

13 For Manitobans, it means confidence
14 that MPI is stable, responsible, and keeping its
15 commitment of making informed, timely decision that
16 delivers real measurable outcomes, delivering on our
17 promises about strengthening MPI's ability to plan,
18 manage, and execute reliably, not just this year, but
19 over long long-term.

20 This pillar brings together several
21 multi-year programs that will take time to mature,
22 each focused on building the structure and habits
23 that make delivery more consistent.

24 First is using better data to make
25 smarter decision. This is really the foundational

1 work, which ensures our data is accurate, accessible,
2 and consistent across the organization. We're
3 building the systems, governance, and discipline that
4 allows data to be trusted and used confidently in
5 decision-making. It's not flashy work, but it is
6 absolutely essential work.

7 Over time, it will lead to faster, more
8 informed choices and stronger storytelling to bring
9 our partners along with our understanding of the
10 world.

11 Second is keeping our services
12 affordable and sustainable. Affordability isn't just
13 a one (1) year task. It's an ongoing balance between
14 cost, transparency, choice, stability, and value for
15 Manitobans.

16 This program focuses on defining
17 affordability more precisely, improving how we
18 forecast and plan, and ensuring decisions made today
19 support financial health of the organization for
20 tomorrow. It's about managing responsibility --
21 responsibility so the rates remain predictable and
22 fair over time.

23 The third is ensuring strong governance
24 for every project. We're strengthening the structure
25 that makes sure initiatives are well defined, properly

1 sequenced, and managed to completion. This work is
2 about accountability by making sure ownership is
3 clear, oversight is consistent, and results are
4 measurable. Over time, this creates a culture of
5 delivery that customers and stakeholders really can
6 depend on.

7 The fourth program focuses on honouring
8 our social contract with Manitobans. It reinforces
9 MPI's responsibility as a public insurer to invest in
10 road safety, act transparently, and use resources in a
11 way that creates community benefit. For Manitobans,
12 it means confidence that MPI is acting responsibly,
13 with purpose and care.

14 And finally, connecting the dots with
15 performance measurement. We've introduced a network
16 of Key Performance Indicator that will mature over the
17 next few years. And those metrics take hold -- as --
18 as they take hold, they will give us a consistent way
19 to measure our progress, identify gaps early, and
20 adjust as needed, which helps the organization stay
21 focused and transparent.

22 Across all of these programs, the
23 common thread is discipline. This isn't about taking
24 on more. It's about strengthening how we deliver what
25 is already in motion. It's steady capacity-aligned

1 progress that builds reliability year after year for
2 Manitobans, and that means confidence that MPI is
3 stable, accountable, and following through.

4 And with that, I'll pass it over to our
5 CFO to talk about the fourth pillar.

6 MR. RYAN KOLASKI: Thank you. Ryan
7 Kolaski. Pillar 4 is titled 'Strengthen our
8 Financials.' This pillar is about earning and keeping
9 the trust of Manitobans through responsible financial
10 management.

11 We're focused on long-term
12 sustainability by developing clear strategies for each
13 of our lines of business, improving financial
14 planning, and making thoughtful, transparent decisions
15 about how we use resources.

16 The goal is not to do more. It is to
17 do things smarter, ensuring predictable rates, stable
18 services, and lasting value for Manitobans. The key
19 messages around this pillar are as follows.

20 This pillar is about building trust
21 through responsible financial management and
22 transparency. We're focused on sustainability, clear
23 strategies for each line of business, ensuring value
24 for Manitobans.

25 The goal isn't to do more, as I said.

1 It is to do things smarter with clear planning and
2 stronger oversight and continuous improvement. For
3 the customer, this means confidence that we're
4 managing resources responsibly, predicting affordable
5 pricing that delivers value, and a company that
6 operates transparently, adapts to change, and is
7 always planning ahead for the future that is coming.

8 In short, we're strengthening MPI's
9 financial foundation so Manitobans can continue to
10 depend on stable rates, reliable service, and a
11 company that puts their trust first.

12 And with that, I will turn this over to
13 Maria Campos for Pillar 5.

14 MS. MARIA CAMPOS: Good afternoon.
15 Maria Campos, vice president and chief customer and
16 product officer. And I am responsible for overseeing
17 Pillar 5: Be ready for what's ahead.

18 Pillar 5 is focused on preparing MPI
19 for the future. In order to do this, we need to
20 ensure that we understand our today and that we're
21 building systems, services, and technology that
22 continue to keep us reliable and relevant for years to
23 come.

24 We want to focus on secure, efficient,
25 and flexible ways to serve Manitobans as their needs

1 evolve. In our planning, we are protecting what
2 matters and ensuring Manitobans can trust MPI to
3 deliver dependable service today, tomorrow, and into
4 the future.

5 We are not transforming who we are. We
6 are staying true to our mandate as the public insurer
7 in Manitoba, and we want to continue to instill
8 confidence in Manitobans that we are planning ahead.

9 For our customers, the Manitobans that
10 we have been entrusted to serve, this means confidence
11 that MPI understands where we are today, that we're
12 thinking ahead, and that we're making smart, measured
13 investments.

14 It means trust that we are providing
15 accessibility to services that are easier, safer, and
16 more flexible. And it means the expectation that MPI
17 is building for the long term while being grounded in
18 the stability and trust that Manitobans expect from
19 their public insurer.

20 Being ready for what's ahead is about
21 proactive planning, not just reacting to change. We
22 are committed to being focused on adapting to what's
23 next to drive better outcomes for the organization.
24 It's about ensuring MPI continues to deliver value,
25 reliability, and security no matter what the future

1 brings.

2 I'll turn it back over to Satvir.

3 MS. SATVIR JATANA: Thank you, team.

4 And again, you know, together, these five (5) pillars

5 really form a unified plan, one that builds

6 reliability first and positions us to grow from a

7 strong ,stable foundation.

8 On the next slide, I want to touch on

9 the measures to build confidence in our ability to

10 execute. These are the measures that truly matter.

11 This table outlines those eight (8) key measures and

12 that we will be tracking to measure our progress

13 against these five (5) focus area of the strategy.

14 They include both financials measures

15 like the minimum capital test and expense per vehicle,

16 and organizational measures such as employee

17 engagement, planned work completion, and technology

18 risk, and of course customer measures like the

19 customer experience index and customer confidence in

20 our mission.

21 Together, they provide a clear and

22 balanced view of MPI's performance, not just on cost,

23 but also on the value, effectiveness, and trust. This

24 focuses on measurement -- sorry, this focus on

25 measurement will allow us to track improvements with

1 discipline and transparency ensuring Manitobans can
2 see the impact of the strategy is working for them.
3 Next slide.

4 Now this, the formal strategy
5 conversation kind of with the -- for the first six (6)
6 slides, I'm going to now touch on, kind of some of our
7 practices that we've evolved to really improve
8 delivery within our organization.

9 And as you would know that to deliver
10 on our strategy, we -- we needed to strengthen how
11 work moves through the organization, from idea of our
12 plan to execution.

13 And in our early days of implementing
14 our strategy, we're still trying to right size the
15 work we're taking on. And this framework is also to
16 remove any distraction during the year and keep us
17 focused on our annual plan.

18 Of course, with the size of our team
19 and the pride that they take in -- and their
20 commitment to continuous improvement, we found
21 ourselves in the list of initiatives growing during
22 the year, which has caused, in one way, spending way
23 too much time in planning, all the time. But, because
24 we're planning so many initiatives at the same time,
25 we were not giving enough planning time and focus to

1 each of the initiatives. So, that's a little bit of a
2 -- kind of a -- I'll say, airing our dirty laundry, as
3 -- as how we're refining and improving our execution
4 delivery.

5 We -- we also found that our framework
6 was not really well understood and our leaders lacked
7 understanding as to how to navigate through this
8 framework.

9 So, this year, we really focused on
10 simplifying this process. Now -- we now have a clear
11 three (3) gate model that focuses on early alignment
12 and discipline decision-making. It starts with the
13 ideation where we dedicate a small amount of time
14 defining what is that problem and exploring the
15 opportunity.

16 Now, we've introduced a formal gate at
17 this early stage to provide prompt direction to
18 leaders, whether we should pursue this idea in the
19 first place. If endorsed, the idea moves to solution
20 option, which is the gate 2, where we look at
21 potential approaches and impact on our existing
22 portfolio of committed work.

23 This is another early opportunity to
24 provide direction to our team, stay disciplined to our
25 strategic plan and weigh the trade-off implications

1 required to stay within our capacity. And because we
2 know we can't be adding to our plate without taking
3 something off, this gate becomes very important.

4 And, finally, our third gate is the
5 formal approval of business case, where we determine
6 resources, timing and fit within the organization
7 capacity.

8 What's different about this model is
9 the executive visibility. Members of the executive
10 teams are engaged early and often to provide
11 direction, not just at the end of the process where we
12 have a business case in mind. So, we are involved at
13 the first stage at the ideation process. That allows
14 us to make clear decisions faster, stay aligned to the
15 strategic plan and pace the work according to what the
16 organization can realistically take on. This is about
17 disciplined execution, making sure every new idea is
18 purposeful, prioritized and meaning -- manageable
19 before it becomes committed work in the organization.

20 Slide 8.

21 This is -- is just a little bit of --
22 more about the team that has oversight. So, to
23 maintain discipline in how we deliver the strategy, we
24 established something called Corporate Planning and
25 Governance Committee or CPG. This group serves as the

1 gatekeeper for the integrated corporate portfolio
2 ensuring that the volume of work across the
3 organization stays within our capacity to deliver,
4 minimize distraction and stay focused, and that the
5 work we take on achieving is aligned to our strategic
6 direction.

7 The committee includes myself, our
8 Chief People Officer, our Chief Customer and Product
9 Officer, our Chief Technology -- Information
10 Technology Officer and our Chief Financial Officer.
11 Together, we ensure that the rights -- right
12 conversations happen early and that the decisions are
13 made with full visibility into their implications.

14 Our role is to stay disciplined to the
15 strategic plan; provide early direction for new ideas
16 before resources are committed; make trade-off
17 decisions when priority competes; and approve business
18 cases and funding once we're confident in the timing
19 and readiness of the -- of course, of the initiative.

20 The CPG brings structure and
21 accountability to how MPI decide what work moves
22 forward and balancing aspiration with capacity.

23 The Integrated Corporate Portfolio or
24 ICP is how we bring all work together in one view.
25 So, this is our single source of truth for every

1 corporate initiatives and operational priorities that
2 deliver strategic value, supports renewal and
3 maintenance of core technology or is mandated to
4 complete across the organization.

5 Now, having this complete enterprise-
6 wide view allows us to make better trade-off
7 decisions; to see where capacity is being used; where
8 risks are emerging; and where priorities need to
9 shift.

10 It also provides clarity for delivery
11 team. When everyone can see what's in the portfolio,
12 what's approved and, more importantly, what's not
13 endorsed. It eliminates noise and keeps the
14 organization focused on the right work, at the right
15 time.

16 The ICP has become an essential
17 governance tool for us. It connects the strategy to
18 the work being delivered and it ensures what we take
19 on is achievable, sequenced and aligned with our
20 strategic goals.

21 This visual shows how our work have
22 (sic) evolved from stabilization to structured long-
23 term execution. So, I was here last year where, you
24 know, we talked about our one (1) year stability
25 strategy. And this was design -- designed to steady

1 the organization, clarify accountabilities and rebuild
2 trust with our customers, partners and our employees.

3 That work gave us a strong foundation
4 to launch our multi-year corporate strategy, starting
5 with programs introduced in this year and this fiscal
6 year. Those early programs, like the data governance,
7 customer service improvements and workforce --
8 workforce capacity analysis, now really serves the
9 critical building blocks on our long-term strategy.

10 So, rather than starting over, we're
11 carrying forward what worked, scaling what has proven
12 and pacing the rest to align within our, of course,
13 maturity.

14 This continuity is a key because it
15 ensures progress without disruption and stability
16 without, of course, stagnation. Our purpose remains
17 the same: To deliver liability, affordability and
18 trust through consistent, disciplined improvement.

19 On the following strategy is a little
20 bit of more detail as to how our planning work. So,
21 what you're seeing here now, we have our multi-year
22 strategic plan to anchor our annual business planning
23 activities to. This timeline really shows how we are
24 integrating strategy with the business planning cycle.

25 So, while we're still executing on our

1 first year strategy for '25/'26, planning is well
2 underway for year 2. This means that last winter and
3 into this spring, the team had the corporate strategic
4 plan to reference when they were planning their work
5 and building their budget for '26/'27, the GRA that is
6 in discussion right now.

7 And those '26/'27 conversation will
8 also continue this fall to refine the initiatives that
9 we will deliver next fiscal years -- next fiscal year.
10 And we have a better visibility on what work needs to
11 carry from the current fiscal year into the next year
12 as well. So, it allows us to understand what's
13 carrying over and refining our next year's fiscal
14 initiatives.

15 And at the same time, we will start
16 looking ahead into the third year, which is the 27/28
17 as we're getting into the budget of that year.

18 Now, you can see there's a lot of
19 activity going on at the same time. We're executing
20 on this year's strategy; we're refining next fiscal
21 year; and we're planning for the following year to
22 prepare for our budget, which will feed into our next
23 year's application, which starts at the spring of
24 2026.

25 This approach ensures that our budget

1 and plans align but, more importantly, it takes MPI
2 away from developing budgets up to three times what
3 used to happen just 18 months ago. So now our team
4 has one budget; one plan. Next slide.

5 This slide was really to highlight what
6 is that we're focused on year one on our multi-year
7 strategy, which acts as a foundation setting year for
8 us still. Across all five (5) pillars the focus is on
9 strengthening the basic -- sorry, strengthening the
10 basics, service consistency, employee engagement,
11 clear ownership, and data-driven decision.

12 So, for our customers we're refining
13 service standards and simplifying the experience with
14 fewer hands-off -- hand-offs, clear roles, and website
15 that is easier to use for our customers. This work
16 builds a strong foundation for efficient reliable
17 service that Manitobans can count on.

18 For our people, we are defining
19 workplace culture; acting on employee feedback; and
20 advancing inclusion and reconciliation. This creates
21 alignment and trust early so employees are engaged and
22 ready to deliver meaningful change.

23 To deliver on our promise, we are
24 improving our data and accountability by building a
25 single source of truth; linking the strategic plan to

1 budgeting; and clarifying ownership by lines of
2 business. That strengthens reliability and ensures
3 Manitobans can trust MPI to make sound and timely
4 decisions.

5 On the financial side, we're
6 stabilizing SRE; advancing the new road safety
7 strategy; and working with government to establish
8 sustainable DVA funding, all of which improves
9 financial health and system reliability.

10 And finally, to be ready for what's
11 ahead, we're completing the Winnipeg facility and
12 service assessment; upgrading key IT systems; and
13 strengthening cybersecurity. This ensures that we're
14 building long-term stability through smart planning
15 and disciplined execution. Every initiative this year
16 builds towards one goal: again, stronger and reliable
17 MPI. Next slide.

18 This slide really gives you the
19 snapshot of our early progress of this year's
20 initiatives. Across all five (5) pillars we're seeing
21 steady movement with majority of initiatives on track,
22 and several already have reached its completion.
23 You'll notice that a portion of our work sits under
24 'Other'. These are either regulatory or externally-
25 driven items, as well as carryover from prior year

1 that don't necessarily fall into one of the strategic
2 pillar or focus areas.

3 The early results shows encouraging
4 alignment of our team. Our customers and employee
5 focus initiatives are well underway, while our
6 financial and technology related work continues to
7 build momentum as foundational steps are completed.
8 Overall, this reflects a healthy start, which is
9 focused, paced and aligned with capacity.

10 And my last slide, as we close, I -- I
11 just want to bring us back to where we started, the
12 theme of building the foundation.

13 Our plan is about rebuilding the
14 foundation of MPI and what has served us well in
15 Manitoba over the last five (5) decades. It truly is
16 about restoring trust with customers; our own team;
17 our partners; and ensuring we strengthen public
18 insurance model in Manitoba. It's still early, but we
19 are already seeing signs of progress with clear
20 governance, better visibility into our work, and
21 stronger alignment across the teams.

22 We recognize our environment and
23 appreciate our role as a Crown corporation, and that
24 this plan was designed to reflect what MPI can
25 realistically take on. That discipline and

1 understanding capacity and matching efforts to it,
2 what will make this progress sustainable. We're
3 focusing on what matters most, initiatives that
4 address core risk, strengthening reliability ,and
5 close the gap that have the greatest impact on
6 stability performance and value for Manitobans

7 We're investing in measurements, not
8 just to track outcomes, but to build a culture of
9 accountability and learning. The baseline and the
10 tools we've put in place this year will set us up for
11 more refined target next year.

12 And finally, we're following through.
13 We're building stronger governance and we're seeing
14 movement across all five (5) pillars of the plan.
15 This is steady, disciplined work and it's kind of work
16 that builds trust. That's what Manitobans deserve,
17 and that's what we're committed to delivering.

18 Thank you very much for the opportunity
19 for my team and myself to showcase our plan, and we
20 open for questions. Thank you.

21 MR. ANTHONY GUERRA: I actually have
22 no further redirect, so at this point in time, the
23 presentation shall conclude.

24 PANEL CHAIRPERSON: Thank you, Mr.
25 Guerra. Thank you, Ms. Jatana, and to the members of

1 your team. We will adjourn now and reconvene tomorrow
2 morning for cross-examination of this panel. So,
3 thanks very much, and we'll see you tomorrow.

4

5 (PANEL RETIRES)

6

7 --- Upon adjourning at 3:04 p.m.

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10 Certified Correct,

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14 _____

15 Wendy Woodworth, Ms.

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