



“When You Talk - We Listen!”



MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE CORPORATION (MPI)  
2024/2025 GENERAL RATE APPLICATION  
HEARING

Before Board Panel:

Irene Hamilton, K.C.- Panel Chairperson  
Robert Gabor, K.C. - Board Chair  
Susan Nemec - Board Member  
George Bass, K.C. - Board Member  
Susan Boulter - Board Member

HELD AT:

Public Utilities Board  
400, 330 Portage Avenue  
Winnipeg, Manitoba  
Oct 13, 2023

Pages 894 to 942

1 APPEARANCES

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LIST OF EXHIBITS

EXHIBIT NO.	DESCRIPTION	PAGE NO.
MPI-66	Blackline and clean version of response to CAC Pre-ask 2	900
MPI-67	Response to PUB Pre-ask 1	900
MPI-68	Response to PUB Pre-ask 3	900
MPI-69	Response to PUB Pre-ask 7	900
MPI-70	Blackline and clean version of CAC 1-68	900

1 --- Upon commencing by 9:00 a.m.

2

3 PANEL CHAIRPERSON: Good morning,  
4 everyone. We're back with the Ratemaking Panel.  
5 Thank you.

6 Ms. Meek...? Oh, you're going to --  
7 yes. Exhibit --

8 MR. STEVE SCARFONE: Good morning,  
9 Madam Chair. I was going to read some exhibits in and  
10 then turn it over to Intervener counsel.

11 PANEL CHAIRPERSON: Excellent. Thank  
12 you, Mr. Scarfone.

13 MR. STEVE SCARFONE: Just recently  
14 circulated by email, MPI will file Exhibit number 66,  
15 which is a blackline and clean version of a response  
16 to Pre-ask 2 by the CAC.

17 Exhibit number 67 is a response to PUB  
18 Pre-ask number 1.

19 Exhibit number 68 -- MPI Exhibit number  
20 68 is a response to PUB Pre-ask number 3.

21 MPI Exhibit number 69 is a response to  
22 PUB Pre-ask number 7.

23 And MPI Exhibit number 70 is a  
24 blackline and clean version of CAC 1-68. And those  
25 are -- have us up to date. Thank you.

1  
2 --- EXHIBIT NO. MPI-66: Blackline and clean  
3 version of response to CAC  
4 Pre-ask 2  
5  
6 --- EXHIBIT NO. MPI-67: Response to PUB Pre-ask 1  
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12 --- EXHIBIT NO. MPI-70: Blackline and clean  
13 version of CAC 1-68  
14  
15 PANEL CHAIRPERSON: Ms. Meek...?  
16  
17 CONTINUED MPI RATEMAKING PANEL:  
18 CARA LOW, Resumed  
19 KHURRAM MASUD, Resumed  
20  
21 CROSS-EXAMINATION BY MS. CHARLOTTE MEEK:  
22 MS. CHARLOTTE MEEK: Thank you, Madam  
23 Chair. Good morning to the panel. My name is  
24 Charlotte Meek. I'm representing the Coalition of  
25 Manitoba Motorcycle Groups.

1                   And I just want to start off by kind of  
2 going over a general idea of -- of how the ratemaking  
3 is working this year to help my clients understand the  
4 process.

5                   So as we've heard throughout this  
6 hearing, in the 2024 GRA MPI is seeking no change to  
7 the overall rate. Is that correct?

8                   MS. CARA LOW:     Correct.

9                   MS. CHARLOTTE MEEK:   Thank you. But  
10 there are shifts within the composition of the vehicle  
11 population which will cause kind of natural changes to  
12 the rate.

13                   Is that correct?

14                   MR. KHURRAM MASUD:    Yes, that's true.

15                   MS. CHARLOTTE MEEK:    And we refer to  
16 that as vehicle drift?

17                   MR. KHURRAM MASUD:    Yes.

18                   MS. CHARLOTTE MEEK:    Thank you. And  
19 that vehicle drift is a result of movement within the  
20 Driver Safety Rating.

21                   Is that correct?

22                   MR. KHURRAM MASUD:    One (1) of the  
23 factors is the Driver Safety Rating, yes.

24                   MS. CHARLOTTE MEEK:    Okay.

25                   MS. CARA LOW:        Also due to the

1 turnover of vehicles. As people buy newer vehicles --

2 MS. CHARLOTTE MEEK: Right.

3 MS. CARA LOW: -- and the rate group  
4 drift.

5 MS. CHARLOTTE MEEK: Yeah. Okay.

6 Thank you. And so as well as the -- the vehicle  
7 drift, there's also current adjustments happening to  
8 the percentage discounts at the top end of the DSR  
9 scale, and that's arising from the Board's Order last  
10 year?

11 MR. KHURRAM MASUD: Correct, yeah.

12 MS. CHARLOTTE MEEK: And then, to  
13 ensure revenue neutrality, MPI has then provi --  
14 applied an offset to the increased DSR discounts by  
15 increasing the vehicle premium.

16 MR. KHURRAM MASUD: Correct.

17 MS. CHARLOTTE MEEK: Okay. And is  
18 that akin to a base rate increase?

19 MS. CARA LOW: It's -- yes, it is a  
20 base rate increase. The rates go up, and then we  
21 provide larger discounts.

22 MS. CHARLOTTE MEEK: Thank you. And  
23 if we could go to MPI Exhibit 50, please -- already  
24 there. Thank you, Kristen.

25 And so that's what has been kind of



1 identified by MPI in this exhibit. If we look at  
2 column 'B' on this document, we see the average dollar  
3 premium with no rate change.

4 Is that accurate?

5 MR. KHURRAM MASUD: That's right.

6 MS. CHARLOTTE MEEK: And for the  
7 motorcycle class at line 5, that would be eight  
8 hundred and eighty-two dollars (\$882)?

9 MR. KHURRAM MASUD: Yes.

10 MS. CHARLOTTE MEEK: Okay. And then  
11 when we look at column 'D', this is providing the  
12 selected rate change of the Corporation, and this is  
13 to achieve the -- the zero percent rate change, right?

14 MR. KHURRAM MASUD: Correct.

15 MS. CHARLOTTE MEEK: Okay. And for  
16 motorcycles, that would result in a rate change of a  
17 decrease of 6.2 percent.

18 MR. KHURRAM MASUD: Yes.

19 MS. CHARLOTTE MEEK: Okay. And if we  
20 look at column 'E', that selected rate change would  
21 result in an average dollar cost of eight hundred and  
22 twenty-eight dollars (\$828)?

23 MR. KHURRAM MASUD: Yes.

24 MS. CHARLOTTE MEEK: Okay. And then  
25 column 'C' gives us the required rate change based on

1 accepted actuarial practice?

2 MR. KHURRAM MASUD: Column 'C' you  
3 said, right? Column 'C' is the --

4 MS. CHARLOTTE MEEK: Yes.

5 MR. KHURRAM MASUD: -- yes.

6 MS. CHARLOTTE MEEK: Yeah. And so for  
7 motorcycles, that would have a required rate change of  
8 a decrease of 9.7 percent?

9 MR. KHURRAM MASUD: Yes.

10 MS. CHARLOTTE MEEK: Okay. And that  
11 results in an average required premium that we see in  
12 column 'A' of seven hundred and ninety-seven dollars  
13 (\$797).

14 MR. KHURRAM MASUD: Yes.

15 MS. CHARLOTTE MEEK: Thank you. And  
16 I'd like to just change gears a little bit. And if we  
17 could go to part 7, risk classification, Appendix 6,  
18 page 7. And I think you looked at this yesterday.

19

20 (BRIEF PAUSE)

21

22 MS. CHARLOTTE MEEK: Thank you,  
23 Kristen. So this is figure RC APP6-3.

24 So, as part of the DSR actuarial  
25 review, MPI provided -- provided calculated discounts

1 and surcharge -- surcharges for the merit and demerit  
2 levels of the DSR scale. Is that correct?

3 MR. KHURRAM MASUD: Yes.

4 MS. CHARLOTTE MEEK: And so there's a  
5 column here that's titled, "Calculated discount," and  
6 another column titles, "Current discount."

7 Do you see that there?

8 MR. KHURRAM MASUD: Yes.

9 MS. CHARLOTTE MEEK: Okay. And these  
10 percentage discounts are discounts that would be  
11 applied to the vehicle premium. Is that correct?

12 MR. KHURRAM MASUD: Yes.

13 MS. CHARLOTTE MEEK: Okay. And when  
14 we look at the calculated surcharge and the current  
15 surcharge, that's applied to the licence -- the  
16 licence premium. Is that correct?

17 MR. KHURRAM MASUD: Yes.

18 MS. CHARLOTTE MEEK: Okay. And so the  
19 discounts and surcharges in this figure apply to  
20 different premiums, the vehicle premium and the  
21 licence premium?

22 MR. KHURRAM MASUD: Correct. Yes.

23 MS. CHARLOTTE MEEK: Thank you. And  
24 we can see on the demerit side of the scale that the  
25 calculated surcharges and the current surcharges don't

1 align, correct?

2 MR. KHURRAM MASUD: Yes, on -- on  
3 both. On the merit side, the calculated, and the --  
4 the current also don't align, and on the demerit side,  
5 as well.

6 MS. CHARLOTTE MEEK: Thank you.

7 MR. KHURRAM MASUD: And they both are  
8 expressed different. One is present date of premium  
9 and the other one is the flat amount on the driver  
10 premiums.

11 MS. CHARLOTTE MEEK: Sure. And -- and  
12 on the -- the demerit side we can see, yeah, the  
13 calculated surcharge, the dollar value doesn't align  
14 with the current surcharge.

15 So the -- the actuarial indication is a  
16 different rate than what is currently being charged to  
17 customers?

18 MR. KHURRAM MASUD: Yes.

19 MS. CHARLOTTE MEEK: Thank you. And  
20 if we could go to CAC/MPI-1-47, please, so page 2, in  
21 answer to question 'B'.

22 So here MPI is stating that the  
23 actuarial review that was completed was not intended  
24 to calculate the surcharges applied to the driver  
25 licence premiums and, as a result, the calculated

1 surcharges are not comparable to the current  
2 surcharges on the driver's licence. Is that correct?

3 MR. KHURRAM MASUD: Just a second.

4

5 (BRIEF PAUSE)

6

7 MR. KHURRAM MASUD: Yes.

8 MS. CHARLOTTE MEEK: Thank you. And

9 this is because MPI is taking more of a policy  
10 approach in determining the surcharges for vehicle  
11 premiums rather than an actuarial calculation.

12 Is that correct?

13 MR. KHURRAM MASUD: The actuarial  
14 calculation uses exposure as one (1) of the factors in  
15 order to calculate the discounts. And the exposures  
16 that we use is the vehicles insured, whereas for  
17 driver premium, the exposure is not vehicle --  
18 vehicles insured, it's actually the drivers insured,  
19 so this is not comparable.

20 That's why we believe that this  
21 analysis is not suitable to calculate the driver  
22 premium.

23 MS. CHARLOTTE MEEK: Right. So the --  
24 the way that we have determined the -- the surcharges  
25 is a different avenue. We haven't used an actuarial

1 indication because we don't think it's appropriate, so  
2 we've taken a different approach to determining what  
3 we should use for the surcharge. Is that reasonable?

4 MR. KHURRAM MASUD: Yes.

5 MS. CHARLOTTE MEEK: Okay. And if I  
6 could go to Board Order 130/'17. So this is arising  
7 from the 2018 General Rate Application. If we could  
8 go to page 32. And we're looking at the second  
9 paragraph here, which indicates:

10 "However, MPI stressed that the  
11 proposed increase in driver premiums  
12 and its allocation to drivers on the  
13 demerit side of the DSR scale are  
14 directionally supported by  
15 statistical information.

16 As a result, the proposed premiums  
17 have been determined on a policy  
18 rather than actuarial basis but are  
19 guided by statistical information  
20 available."

21 Do you see that there?

22 MR. KHURRAM MASUD: I do.

23 MS. CHARLOTTE MEEK: Okay. And if we  
24 scroll down a little bit. Kristen, if we can maybe  
25 zoom out a little bit so we can have kind of the next

1 three (3) paragraphs on the screen. Down a little bit  
2 more I think will be -- thank you. That's perfect.

3           So here what the Board Order outlines  
4 is what MPI described as kind of a threefold policy  
5 decision that MPI made, and I'm going to try and  
6 summarize it for you. And then I'll -- I'll give you  
7 an opportunity to kind of take a read there to make  
8 sure that you're familiar.

9           So the first paragraph there is MPI  
10 saying that it's part of a management action to reduce  
11 the required rate increase for base premiums, which  
12 that year was 7.7 percent.

13           And MPI had noted that where inflation  
14 was taken into consideration, an increase in the  
15 premiums would have been justified.

16           MR. KHURRAM MASUD: Correct.

17           MS. CHARLOTTE MEEK: Do you see that  
18 there? Okay.

19           And then, the second paragraph --  
20 second part of this policy reason was that the  
21 proposed rate changes would reduce the negative  
22 discrepancy between premiums paid per driver and  
23 claims cost per driver at the DSR levels.

24           And MPI here is saying that at the  
25 negative DSR levels, drivers are not paying enough to

1 cover the costs of the collisions that they cause.

2 Would you agree with that?

3 MR. STEVE SCARFONE: Ms. Meek, at the  
4 time they weren't paying enough, or today?

5 MS. CHARLOTTE MEEK: At the time.

6

7 CONTINUED BY MS. CHARLOTTE MEEK:

8 MS. CHARLOTTE MEEK: So this was --  
9 this was at a time when MPI was seeking an increase to  
10 the surcharges at the demerit side of the scale. And  
11 this was the policy reason that MPI outlined as the --  
12 their supporting analysis for the purpose of -- of the  
13 increase.

14 MR. KHURRAM MASUD: Okay. Yeah.

15 MS. CHARLOTTE MEEK: Okay. And then,  
16 the third part of that analysis was an increase of  
17 premiums was going to be allocated only to the demerit  
18 side of the scale to incentivize better driving  
19 behaviour, which would contribute then to road safety  
20 and loss prevention.

21 MR. KHURRAM MASUD: Yes.

22 MS. CHARLOTTE MEEK: You see that  
23 there? Okay. And I just want to take a minute to  
24 look at what we were meaning when we talked about the  
25 negative discrepancy between the premiums paid and the



1 claims cost per driver.

2 So if we could go to the 2018 GRA  
3 revenue chapter. Thank you, Kristen. So this is page  
4 5 of -- or 25 of the revenue chapter, figure REV-30.

5 And so, this figure is kind of  
6 illustrating for us the negative discrepancy that MPI  
7 was talking about.

8 So the green line here is providing the  
9 average claims cost per driver. You can see it on the  
10 -- on the bottom right there.

11 MR. KHURRAM MASUD: Yes.

12 MS. CHARLOTTE MEEK: Claims cost per  
13 driver.

14 MR. KHURRAM MASUD: Yes.

15 MS. CHARLOTTE MEEK: And the blue line  
16 is showing us the average premiums paid per driver, is  
17 that correct?

18 MR. KHURRAM MASUD: Yes.

19 MS. CHARLOTTE MEEK: Okay. And so, we  
20 can see that the average premium represented by the  
21 blue line is lower than the average claims cost. And  
22 then there's a couple of adjustments you can see  
23 happens kind of at negative sixteen (16). It drops  
24 below and then it pops back up at the top end.

25 MR. KHURRAM MASUD: Yes.

1 MS. CHARLOTTE MEEK: Thank you. And  
2 so, this was partially the basis of MPI seeking to  
3 increase the driver surcharges.

4 MR. KHURRAM MASUD: Okay. Yeah.

5 MS. CHARLOTTE MEEK: And so, the  
6 surcharges that were approved by MPI in the 2018 GRA  
7 are the same surcharges that we have today.

8 There haven't been any changes since  
9 that time?

10 MR. KHURRAM MASUD: Yes.

11 MS. CHARLOTTE MEEK: Thank you. So  
12 you would agree then that the surcharges on the  
13 demerit side of the DSR levels have been determined on  
14 a policy basis to offset the negative discrepancy  
15 between premiums paid and claims costs of those  
16 drivers. Would that be fair?

17 MR. KHURRAM MASUD: Yes.

18 MS. CHARLOTTE MEEK: Okay. And if we  
19 could go back to the current Application, Part 7, risk  
20 classification appendix 6, page 8. So the next page.

21 And so, here, at line 3, we can see  
22 that MPI states as follows:

23 "It is possible that the calculated  
24 surcharges are not representative of  
25 the true riskiness associated with

1 negative DSR levels if their  
2 vehicles are registered to different  
3 owners. In most circumstances, the  
4 DSR level of the main driver would  
5 be lower than the registered owner  
6 to allow for a benefit from a higher  
7 premium discount. With the current  
8 data and use of the registered  
9 owner's DSR level to determine the  
10 discounts, it's not possible for a  
11 more accurate examination of the DSR  
12 surcharges."

13 MR. KHURRAM MASUD: Yes.

14 MS. CHARLOTTE MEEK: And so, what MPI  
15 is saying here is that the actuarial indication for  
16 surcharges on the demerit side of the DSR scale is not  
17 reliable, partly because the indication cannot  
18 accommodate for the fact that an individual  
19 registering a vehicle with someone else might occur.

20 MR. KHURRAM MASUD: That's true. Yes.

21 MS. CHARLOTTE MEEK: Okay. And so,  
22 you'd agree then that if the surcharges were adjusted  
23 to their actuarial indications, we'd see the same  
24 issue that we saw in 2018, which is that negative  
25 discrepancy again between claims costs and premiums

1 paid for at least the negative DSR level customers.

2 MR. KHURRAM MASUD: Correct. Yes.

3 MS. CHARLOTTE MEEK: Okay. And so,  
4 the negative discrepancy between premiums paid and  
5 claims costs is attributable in part to the Registered  
6 Owner Model, which provides a discount based on the  
7 registered owner of the vehicle.

8 MR. KHURRAM MASUD: Correct. Yes.

9 MS. CHARLOTTE MEEK: Okay. Thank you.  
10 Those are my questions. Thank you, Madam Chair.

11 PANEL CHAIRPERSON: Thank you, Ms.  
12 Meek. Ms. Nelko...?

13 MS. SHARNA NELKO: Thank you, Madam  
14 Chair.

15

16 CROSS-EXAMINATION BY MS. SHARNA NELKO:

17 MS. SHARNA NELKO: Good morning,  
18 everyone. I'm Sharna Nelko and I'm here to ask some  
19 questions today on behalf of the Taxi Coalition.

20 So I'm going to start with the fleet  
21 rebate allocation. And we went through this yesterday  
22 with Ms. McCandless, so I don't intend to go too much  
23 over old territory. But I would like to clarify a few  
24 things as it relates to the fleet rebate allocation.

25 So in the 2023 GRA, MPI evenly

1 distributed the cost of the net fleet rebate across  
2 the three (3) -- three (3) of the public major  
3 classes. Correct?

4 MR. KHURRAM MASUD: That's right.  
5 Yes.

6 MS. SHARNA NELKO: So that was private  
7 passenger, commercial and public.

8 And you'd agree with me that this even  
9 distribution or allocation would imply that the effect  
10 of this rebate or -- or benefit was shared equally  
11 between -- between ratepayers within these three (3)  
12 major classes. Correct?

13 MR. KHURRAM MASUD: Yes.

14 MS. SHARNA NELKO: So, specifically if  
15 we're dealing with a rebate that the benefit was  
16 shared equally between the members of these three (3)  
17 major classes.

18 MR. KHURRAM MASUD: The benefit of  
19 these being in there on the rate indication, was we do  
20 not believe that it was shared equally, but everyone  
21 was paying the same amount.

22 MS. SHARNA NELKO: Yes, so that's what  
23 it implied, based on how it was in the 2023 GRA but,  
24 ultimately, that's -- it's not shared equally, so that  
25 needed to be changed, right?

1 MR. KHURRAM MASUD: Yeah, yes.

2 MS. SHARNA NELKO: Okay. So, to  
3 address this issue, during the 2023 GRA, the PUB  
4 ordered MPI to file an analysis and proposal for  
5 modifications to the fleet program to better reflect  
6 cost/causation.

7 MR. KHURRAM MASUD: Correct.

8 MS. SHARNA NELKO: And MPI interpreted  
9 this to mean resolve the issue of cost/causation to  
10 ensure that the funding of the fleet rebate is more  
11 equitable as between the fleet and non fleet policies.

12 Would that be correct?

13 MS. CARA LOW: Our first  
14 interpretation was if the fleet program is actuarially  
15 sound, it would be revenue neutral, so there should  
16 not be net rebates of \$20 million, so it's not  
17 actuarially sound.

18 So, we first did a ton of work on that,  
19 but then we ran into road blocks. There's regulation  
20 changes, we didn't have data, there was a lot of IT  
21 changes and so we paused that. And we will revisit  
22 that with our products team.

23 And then we decided, well, no, we have  
24 this program in place, and someone needs to pay for  
25 that \$20 million of net rebates, and it should not be

1 the average private passenger.

2 Like, I should not be paying \$21 a  
3 year, so that other people can get rebates, 'cause I'm  
4 not benefitting from that.

5 So, back to the cross-subsidization  
6 question, who should be paying for it? So, we looked  
7 at the reallocation of the cost.

8 So, that wasn't our first  
9 interpretation, it was the measure that we could do in  
10 a very short time frame.

11 MS. SHARNA NELKO: Sure. Okay, thank  
12 that -- for that clarification, Ms. Low.

13 So, if I could break that down a little  
14 bit. So MPI tried a couple of different approaches to  
15 address the issue, but it was a very complicated issue  
16 so MPI had sort of parked that for now. Is going to  
17 do a very -- a more extensive review, but is  
18 attempting to put forward some sort of interim  
19 resolution in the mean time.

20 MS. CARA LOW: Correct.

21 MS. SHARNA NELKO: Okay. And  
22 appreciating that MPI hasn't yet done this full  
23 review, or analysis, I'm hoping to clarify what this  
24 analysis may include.

25 So, I'm going to list a couple of

1 things and you can let me know if that's intended to  
2 be included or not.

3 So, it may include projecting the  
4 amount of fleet rebates at the level of insurance use  
5 and territory, instead of just by major class?

6 MR. KHURRAM MASUD: It may -- it may,  
7 so.

8 MS. SHARNA NELKO: MPI may also look  
9 at specifically quantifying the benefits enjoyed by  
10 the not -- non-fleet customers?

11 MR. KHURRAM MASUD: Again, it may.

12 MS. SHARNA NELKO: Okay. MPI is also  
13 intending to address the rebate and surcharge scale in  
14 its mechanism?

15 MR. KHURRAM MASUD: Yes.

16 MS. CARA LOW: That would be the core.

17 MS. SHARNA NELKO: The core.

18 MS. CARA LOW: Yeah.

19 MS. SHARNA NELKO: Okay. And -- and  
20 the ultimate goal would be, sort of redesigning the  
21 fleet program.

22 MR. KHURRAM MASUD: We may redesign.  
23 We may introduce improvements or changes to the fleet  
24 program. We will analyze and then we will decide and  
25 we will put forward a plan to GRA, if in case we are



1 proposing any changes for the fleet program.

2 MS. CARA LOW: Is it -- the difficulty  
3 is is that it -- fleet payers use the same rate table,  
4 so we can't just adjust the rates because it would  
5 adjust everyone's rates.

6 But they get this benefit of the  
7 rebates and my view of it, when you look at the loss  
8 ratio scale, is so many things are not considered in  
9 that loss ratio, that it's too low, because we throw  
10 this out, we throw this out and then they all have low  
11 loss ratios and they all get a rebate and then the  
12 non-fleet payers are having to pay for it.

13 MS. SHARNA NELKO: So, a complex  
14 issue.

15 MS. CARA LOW: It's a very complex  
16 issue.

17 MS. SHARNA NELKO: Okay. So MPI's  
18 going to look at that -- going to do a very thorough  
19 review, but like we went through, proposing an interim  
20 solution in the mean time. Correct?

21 MR. KHURRAM MASUD: Yeah.

22 MS. SHARNA NELKO: Okay. So before we  
23 get into the details of that interim solution, I'd  
24 just like to confirm a couple of things in terms of  
25 MPI's guiding principles.

1                   So, would you agree with me that one of  
2 MPI's guiding principles or core values, as it relates  
3 to the Basic Insurance Model, is to, as much as  
4 possible, keep insurance rates stable, predictable,  
5 and affordable for Manitobans?

6                   MS. CARA LOW:     Agreed.

7                   MS. SHARNA NELKO:    And if we look to  
8 the DSR scale, just as an example of this, this  
9 stability and predictability and affordability was one  
10 of the reasons why the changes to the DSR scale were  
11 happening on an incremental basis, as opposed to all  
12 at once.   Right?

13                  MS. CARA LOW:     Right.

14                  MS. SHARNA NELKO:    Because, as much as  
15 possible, MPI wants to avoid rate shock for its  
16 customers.

17                  MS. CARA LOW:     Correct.   Yes.

18                  MS. SHARNA NELKO:    Okay.   So, now, I'd  
19 like to look at the interim solution that MPI has put  
20 forward for this fleet rebate allocation.   So, Ms.  
21 Schubert, could you please pull up Part 7, RC Appendix  
22 7?   Thank you.

23                                So, looking at Figure RC App. 7-1,  
24 that's the Allocation of Fleet Customers by Major  
25 Class.   Do you have that in front of you?

1 MR. KHURRAM MASUD: Yes.

2 MS. SHARNA NELKO: Okay. So, as I  
3 understand it, this figure is intended to show the  
4 breakdown of fleet policies, as of November 1st, 2022.  
5 Right?

6 MR. KHURRAM MASUD: Yes.

7 MS. SHARNA NELKO: Okay. So, Ms.  
8 McCandless went through this figure yesterday, but  
9 just wanting to clarify what it's showing us.  
10 So, the first column, there's the major  
11 classes, private passenger, commercial, public.  
12 Right?

13 MR. KHURRAM MASUD: Yes.

14 MS. SHARNA NELKO: And, then, in the  
15 second column, there's the number of fleet policies in  
16 each of those major classes?

17 MR. KHURRAM MASUD: Correct, as at 1st  
18 of November. Yeah.

19 MS. SHARNA NELKO: Okay. Then, in the  
20 -- there's the percentage of the total of the policies  
21 in that column labelled 2?

22 MR. KHURRAM MASUD: That's right.  
23 Yes.

24 MS. SHARNA NELKO: The amount of the  
25 fleet rebates in each of those major classes?

1 MR. KHURRAM MASUD: That is the  
2 allocated amount of the fleet rebates.

3 MS. SHARNA NELKO: Okay. So, the  
4 allocated amount of the fleet rebates in each of those  
5 major classes?

6 MR. KHURRAM MASUD: That's correct.

7 MS. SHARNA NELKO: Okay. And, then,  
8 the fourth column is the units in each of those major  
9 classes and that's the number of customers, fleet and  
10 non-fleet in each of those major classes?

11 MR. KHURRAM MASUD: These are the  
12 predicted (INDISCERNIBLE) for the rating year '24/'25.

13 MS. SHARNA NELKO: Okay, and the per-  
14 unit cost, that would be the amount that each of the  
15 customers, fleet or non-fleet customers, would be  
16 paying for the Fleet Program --

17 MR. KHURRAM MASUD: Correct.

18 MS. SHARNA NELKO: -- in each of these  
19 major classes. Right?

20 MR. KHURRAM MASUD: Correct.

21 MS. SHARNA NELKO: Okay. And that  
22 per-unit cost is arrived at by taking the amount of  
23 the fleet rebates in that third column and dividing  
24 that figure by the units in the fourth column. Right?

25 MR. KHURRAM MASUD: Correct.

1 MS. SHARNA NELKO: Okay. And if MPI  
2 were to use the same approach as it did in the 2023  
3 GRA, that is, evenly allocating it to the three (3)  
4 major classes, the per-unit cost to each of those  
5 customers would be \$21.18. Correct?

6 MR. KHURRAM MASUD: That's right.

7 MS. SHARNA NELKO: Okay. Now, Ms.  
8 Schubert, can you please pull up the Taxi Coalition's  
9 Round 1 Information Request Number 24 and Question  
10 'C'.

11 The Taxi Coalition asked:

12 "Please provide the change in cost  
13 incurred by private passenger,  
14 commercial, and public major class  
15 between the 2023 GRA and 2024 GRA  
16 with respect to fleet rebates, using  
17 both dollar figures and  
18 percentages."

19 Do you see that?

20 MR. KHURRAM MASUD: Yes.

21 MS. SHARNA NELKO: Okay. And if you  
22 can go to page 4, please, Ms. Schubert. At 'C', this  
23 is a figure that was provided in response to the  
24 question and it's titled 'Change in Rebate Cost 2023  
25 Versus 2024 GRA'. Do you see that?

1 MR. KHURRAM MASUD: Yes.

2 MS. SHARNA NELKO: Okay. So, as I  
3 understand it, the first column, under the 2023 GRA  
4 per-unit cost is showing what was charged to each of  
5 those major classes in the 2023 GRA. Correct?

6 MR. KHURRAM MASUD: Yes.

7 MS. SHARNA NELKO: So, that amount was  
8 \$20.93. Correct?

9 MR. KHURRAM MASUD: Correct.

10 MS. SHARNA NELKO: So, the same cost  
11 for all of those major classes. So, that per-unit  
12 cost is not that far off from what we just looked at  
13 in that previous appendix that was 21.18. So,  
14 somewhat comparable. Correct?

15 MR. KHURRAM MASUD: Yes.

16 MS. SHARNA NELKO: Okay. And the next  
17 column, the 2024 GRA per-unit cost, is what would be  
18 charged based on MPI's interim solution. Correct?.

19 MR. KHURRAM MASUD: That's right.

20 MS. SHARNA NELKO: Okay. So, if we  
21 look at the passenger Vehicle for Hire that would --  
22 that per-unit charge would be \$11.52. Correct?

23 MR. KHURRAM MASUD: Yes.

24 MS. SHARNA NELKO: And this represents  
25 a reduction in the per-unit cost of \$9.41 or a 45

1 percent reduction from what was charged --

2 MR. KHURRAM MASUD: Yes.

3 MS. SHARNA NELKO: -- in 2023? Okay.

4 And if we look at the commercial major class, the per-  
5 unit cost would be \$130.25. Right?

6 MR. KHURRAM MASUD: That's right.

7 MS. SHARNA NELKO: And that represents  
8 a \$109.32 increase, or 522 percent increase, correct?

9 MR. KHURRAM MASUD: (NO AUDIBLE  
10 RESPONSE).

11 MS. SHARNA NELKO: Okay. And finally,  
12 the public major class, the per unit charge would be  
13 249.26, correct?

14 MR. KHURRAM MASUD: Yes.

15 MS. SHARNA NELKO: And this represents  
16 a \$228.32 increase, right?

17 MR. KHURRAM MASUD: Yes.

18 MS. SHARNA NELKO: Or a \$1,091 percent  
19 change?

20 MR. KHURRAM MASUD: Right.

21 MS. SHARNA NELKO: Now, if MPI were to  
22 employ the approach that it did in last year's GRA, so  
23 that is, evenly distribute the costs of the net fleet  
24 rebate, that wouldn't change the overall rate  
25 indication, would it?

1 MR. KHURRAM MASUD: The overall rate  
2 indication for all major classes combined?

3 MS. SHARNA NELKO: Correct.

4 MR. KHURRAM MASUD: Yes, this also  
5 does not change the overall rate indicator.

6 MS. SHARNA NELKO: Yes. It would only  
7 change the rate indication by major class?

8 MR. KHURRAM MASUD: That's correct.

9 MS. SHARNA NELKO: Okay. So now I'd  
10 like to talk a little bit about relativity.

11 So, as part of its ratemaking  
12 methodology, MPI calculates what are called new  
13 relativities for all distinct vehicle groups, right?

14 MR. KHURRAM MASUD: Correct. Yes.

15 MS. SHARNA NELKO: Okay. And these  
16 new relativities are derived from rated -- weighted  
17 credibility averages of actual or raw relativities,  
18 and the current relativities for different rating  
19 variables, correct?

20 MR. KHURRAM MASUD: Right. Right.

21 MS. SHARNA NELKO: Okay. Now, the  
22 actual or raw relativity is reflective of the  
23 indicated relatively.

24 Would that be a correct  
25 characterization?



1 MR. KHURRAM MASUD: Yes.

2 MS. SHARNA NELKO: Okay. So, what's  
3 indicated to be charged to that vehicle group in the  
4 future, recognizing the most current or actual loss  
5 experience?

6 MR. KHURRAM MASUD: Not just the most  
7 current, and actuals, but we use several years.

8 MS. SHARNA NELKO: Okay. So, most  
9 current and actual, in addition to historical loss  
10 experience?

11 MR. KHURRAM MASUD: Yeah.

12 MS. SHARNA NELKO: Okay. And the  
13 current relatively is the -- it's supposed to be more  
14 reflective of past or existing loss experience.

15 Would that be a correct description?

16 MR. KHURRAM MASUD: Yeah, you could --  
17 you could say that, yeah.

18 MS. SHARNA NELKO: Okay. And the  
19 purpose of doing a weighting between the raw and  
20 current relatively is to make sure that there's not  
21 too much weight or credibility given to the most  
22 current or indicated experience without giving some  
23 weight to historical experience?

24 MR. KHURRAM MASUD: That -- that's  
25 true.

1 MS. SHARNA NELKO: Okay.

2 MR. KHURRAM MASUD: That's the  
3 intention.

4 MS. SHARNA NELKO: And this is  
5 particularly important where the individual groups are  
6 too small to be statistically reliable, correct?

7 MR. KHURRAM MASUD: Correct, yes.

8 MS. SHARNA NELKO: Okay. So, the  
9 purpose is to mitigate against the large fluctuations  
10 that can occur in the raw relativities?

11 MR. KHURRAM MASUD: That's true, yes.

12 MS. SHARNA NELKO: Okay. And in it --  
13 in its new relativities calculation, the credibility  
14 to assign -- assigned to each raw relatively is  
15 subject to a minimum 10 percent credibility, correct?

16 MR. KHURRAM MASUD: Yes.

17 MS. SHARNA NELKO: Yes. So, as a  
18 result of this, raw relativity is for smaller groups  
19 or insurance uses are frequently only assigned this  
20 minimum 10 percent credibility?

21 MR. KHURRAM MASUD: That's true.

22 MS. SHARNA NELKO: Okay. And examples  
23 of some of the insurance uses that are assigned this  
24 minimum 10 percent credibility, at least in this  
25 year's GRA, and if -- if you need me to take you to a

1 reference, I can, but I think maybe you just know off  
2 the top of your head.

3 That would be in a private passenger  
4 major class examples would be all purpose motorhome,  
5 antique vehicle, collector truck, and passenger  
6 vehicle for hire.

7 That -- would that be correct, subject  
8 to check?

9 MR. KHURRAM MASUD: Yeah.

10 MS. SHARNA NELKO: And if we look at  
11 the public metre class, as an example, taxi passenger  
12 vehicle is -- is one that would also be assigned this  
13 minimum 10 percent credibility, correct?

14 MR. KHURRAM MASUD: Yes.

15 MS. SHARNA NELKO: Okay. Now, the  
16 effect of the signing of this 10 percent minimum  
17 credibility, to the raw relativities, of course, means  
18 that the 90 percent credibility is assigned to the  
19 current relativity for these smaller insurance uses,  
20 right?

21 MR. KHURRAM MASUD: Right.

22 MS. SHARNA NELKO: Okay. Now, would  
23 you agree with me that the effect of assigning the  
24 minimum credibility to the raw relativities of these  
25 smaller insurance uses is that the rates for these

1 smaller insurance uses would be slower to react to  
2 substantial changes in the raw relativities?

3

4 (BRIEF PAUSE)

5

6 MR. KHURRAM MASUD: Can you repeat  
7 that question, please?

8 MS. SHARNA NELKO: Sure. So would you  
9 agree with me that an effect of assigning the minimum  
10 credibility to the raw relativities of these smaller  
11 insurance uses is that the rates for these smaller  
12 insurance uses are slower to react to substantial  
13 changes in loss experience?

14 MR. KHURRAM MASUD: The effect of  
15 introducing a minimum is actually to increase the  
16 responsiveness. If there was no minimum, then the  
17 credibility would be even lower and the transition to  
18 the actual rates would be even slower.

19 So if, for example, the minimum was 100  
20 percent, the rates would become more responsive. The  
21 minimum credibility assigned is 10 percent, so the  
22 rates are still responsive, but the effect of  
23 introducing this is to ensure that there's more  
24 responsiveness rather than the other way around.

25 MS. SHARNA NELKO: Sure. Thank you

1 for that clarification, but -- so if -- if the minimum  
2 credibility were, instead of ten (10) --

3 MR. KHURRAM MASUD: Yeah.

4 MS. SHARNA NELKO: -- it were twenty  
5 (20), that would mean it would be more responsive to  
6 changes?

7 MR. KHURRAM MASUD: That's right.

8 MS. SHARNA NELKO: Okay. All right.  
9 Would you agree with me that, if more weight were  
10 given to a current year's loss experience, so a higher  
11 minimum credibility, that could, in theory, be a way  
12 to incentivize safer driving?

13 MR. KHURRAM MASUD: But this was also  
14 -- this would also bring in volatility. So if there  
15 is one (1) bad or one (1) particularly good year for  
16 reasons that are not recurring in nature, that would  
17 mean that the rates would go up and down more -- they  
18 would become more volatile.

19 MS. SHARNA NELKO: So apart from  
20 volatility, though, apart from it being in everyone's  
21 interest potentially to not have large fluctuations in  
22 rates, it would mean my actual driving experience is  
23 more accurately being reflected in the rate that I'm  
24 paying, potentially?

25 MR. KHURRAM MASUD: That's -- that's

1 the -- that the desirable consequence of that, but  
2 there's undesirable consequence of having a good --  
3 particularly good one-off good or bad year.

4 MS. SHARNA NELKO: Sure. Thank you  
5 for that. Okay.

6 So would it be accurate to say that the  
7 selection by MPI of this 10 percent minimum  
8 credibility was judgmental?

9 MS. CARA LOW: Yes. We went back  
10 after the last panel and we did some research and,  
11 yeah, no, the 10 percent is subjective. It seems like  
12 it's been around for a few years. We're not sure how  
13 it was necessarily selected.

14 MS. SHARNA NELKO: Okay. So in  
15 theory, it would be possible, or MPI could have  
16 selected a higher minimum credibility?

17 MS. CARA LOW: Correct.

18 MS. SHARNA NELKO: So could have  
19 selected, let's say, 20 percent or 30 percent as the  
20 minimum?

21 MS. CARA LOW: Correct.

22 MS. SHARNA NELKO: And selecting that  
23 minimum credibility to be assigned to the raw  
24 relativity would still allow for 70 or 80 percent to  
25 be assigned to the current relativity, right?

1 MR. KHURRAM MASUD: Yes.

2 MS. SHARNA NELKO: So there would  
3 still be weight given to historical experience,  
4 correct?

5 UNIDENTIFIED SPEAKER: (NO AUDIBLE  
6 RESPONSE).

7 MS. SHARNA NELKO: Okay. Now, could  
8 MPI, in theory, assign different minimum credibility  
9 standards to different insurance uses?

10 MR. KHURRAM MASUD: That would be  
11 inconsistent across different insurance uses.

12 MS. SHARNA NELKO: Yeah. Is that  
13 possible? Would -- could MPI do that?

14 MR. KHURRAM MASUD: It -- it would not  
15 be comparable between different insurance classes, so  
16 it would appear as if we are picking and choosing  
17 where to apply what. So we'd prefer to be consistent  
18 across different major classes.

19 MS. CARA LOW: From an operational  
20 point of view, we could do it. It's whether we'd want  
21 to because it would be inconsistent, so it would look  
22 like, yeah, cherry picking --

23 MR. KHURRAM MASUD: Yeah.

24 MS. CARA LOW: -- in a sense.

25 MS. SHARNA NELKO: So operationally

1 possible, not necessarily desirable to implement?

2 MS. CARA LOW: Agreed, yes.

3 MS. SHARNA NELKO: Okay. So now I'd  
4 like to talk to you a little bit about the proposed  
5 TNC blanket policy. So a couple of days ago, we heard  
6 evidence during the Product Enhancement Panel about  
7 the proposed TNC blanket policy, and specifically,  
8 that it was designed with reference to the TNC blanket  
9 policies implemented by ICBC and SGI.

10 Do you recall that?

11 MR. KHURRAM MASUD: Yes.

12 MS. SHARNA NELKO: So I understood  
13 that to mean that many of the features in the proposed  
14 TNC blanket policy put forward by MPI are similar to  
15 features of the blanket policies in these other  
16 jurisdictions.

17 MR. KHURRAM MASUD: That's -- that's  
18 true.

19 MS. SHARNA NELKO: So, for example,  
20 the use of -- of periods and for MPI being P2 and P3,  
21 when the blanket policy is in place, that's a common  
22 feature?

23 MR. KHURRAM MASUD: Yes.

24 MS. SHARNA NELKO: Okay. The two (2)  
25 reconciliation processes, being the annual kilometre



1 reconciliation and the claims and annual loss  
2 reconciliation, that's a similar feature?

3

4 (BRIEF PAUSE)

5

6 MR. KHURRAM MASUD: It's not entirely  
7 identical, but the intent is similar, that they do  
8 allow rebates and surcharges. But the way we  
9 calculate it and the way we settle it, it's different  
10 from ICBC and SGI.

11 MS. SHARNA NELKO: Sure, but at a high  
12 level, the concept of these two (2) reconciliations --

13 MR. KHURRAM MASUD: Right.

14 MS. SHARNA NELKO: -- is similar.

15 MR. KHURRAM MASUD: Yeah.

16 MS. SHARNA NELKO: Okay. And also  
17 what's similar is that a per-kilometre rate is used,  
18 correct?

19 MR. KHURRAM MASUD: Yes.

20 MS. SHARNA NELKO: Okay. And the per-  
21 kilometre formula that MPI is proposing in this Rate  
22 Application is the expected revenue from passenger  
23 vehicle for hire less the expected revenue from all  
24 purpose divided by the expected annual kilometres in  
25 P2 and P3, right?

1 UNIDENTIFIED SPEAKER: (NO AUDIBLE  
2 RESPONSE)

3 MS. SHARNA NELKO: Okay. Now, would  
4 you agree with me that the methodology or the formula  
5 underlying this per-kilometre rate calculation is  
6 unique to Manitoba?

7

8 (BRIEF PAUSE)

9

10 MR. KHURRAM MASUD: Yeah. That's --  
11 that's a starting point, and as more and more  
12 experience unfolds and we have more experience, then  
13 we're going to refine this.

14 So this is just something to begin  
15 with, and even if the rates are too high or too low,  
16 we have a premium adjustment mechanism that makes sure  
17 that this product remains profit neutral.

18 MS. SHARNA NELKO: Sure, sure. And --  
19 and I think -- that's very helpful, but I think maybe  
20 I'll clarify what I was trying to get at.

21 So MPI is not suggesting, in putting  
22 forward this formula, that this same formula or  
23 methodology was also utilized by SGI and ICBC when  
24 they first introduced their blanket policies.

25 MR. KHURRAM MASUD: We are not aware

1 of what methodology others have used to calculate  
2 their premiums, but I'm sure they must have based it  
3 on certain -- based their premium calculations on  
4 certain assumptions as well.

5 MS. SHARNA NELKO: Okay. So just to -  
6 - to clarify, MPI's not suggesting that this is the  
7 identical approach for the per-kilometre rate that was  
8 used in ICBC or SGI?

9 MR. KHURRAM MASUD: That's correct,  
10 yes.

11 MS. SHARNA NELKO: Okay. Okay. Those  
12 are all my questions. Thank you.

13 PANEL CHAIRPERSON: Thank you, Ms.  
14 Nelko. Mr. Gabor...? Ms. Boulter...? Mr. Bass...?  
15 Ms. Nemec...?

16 BOARD MEMBER NEMEC: My question is  
17 just maybe a little bit of a clarification and -- on  
18 the fleet rebates.

19 I was looking at your ratemaking  
20 presentation. On page 7, and it just shows the first  
21 three (3) private passenger, commercial, public. And  
22 then on page 8, of the same document, it shows the  
23 percentages.

24 And I'm just looking at the increase of  
25 the major classes 2 and 3, which are commercial and

1 public.

2 MS. CARA LOW: M-hm.

3 BOARD MEMBER NEMEC: And it's a  
4 significant increase and -- and it's mentioned. It  
5 was twenty-one eighteen (21.18) I think, if that would  
6 have been allocated as it had in prior years, and I'm  
7 just looking at the increase.

8 So of the percent of total of fleet  
9 vehicles, I believe on this document 32.60 percent is  
10 the percentage of fleet vehicles in that  
11 classification. Is that correct?

12 MR. KHURRAM MASUD: Can we go to that  
13 slide?

14 BOARD MEMBER NEMEC: Slide 8 I think  
15 it is.

16 MS. CARA LOW: Slide 8.

17 BOARD MEMBER NEMEC: Page 8. Page 8.  
18 Oh. It's different on mine. Reallocation of fleet --  
19 it's called 'Reallocation of Fleet Rebates'.

20 MS. CARA LOW: Yeah. There we go.

21 BOARD MEMBER NEMEC: Yeah. Different  
22 page numbers. Page 6. So the 32.6 percent.

23 Is that the percent of fleet vehicles  
24 in that major class?

25 MR. KHURRAM MASUD: That's right. So

1 that's --

2 BOARD MEMBER NEMEC: Okay. So --

3 MR. KHURRAM MASUD: -- one thousand  
4 (1,000) divided by sixty-five thousand (65,000). The  
5 (INDISCERNIBLE) fleet --

6 BOARD MEMBER NEMEC: The twenty-one  
7 thousand (21,000) divided by sixty-five thousand  
8 (65,000)? Okay.

9 And so that -- so of that group,  
10 thirty-two point six (32.6) of them have fleet  
11 vehicles, so the other 67.4 percent of that group will  
12 receive a higher unit cost allocation, but they aren't  
13 fleet. They are not actually fleet vehicles?

14 MR. KHURRAM MASUD: So this 32.6  
15 percent signifies that out of all the fleet policies,  
16 32.6 percent of the fleet policies belong to major  
17 class 2.

18 That does not mean that 67.4 percent of  
19 the -- all policies in major class 2 are non-fleet.  
20 It just means that of the total fleet policies, 32.6  
21 percent reside in major class 2 commercial.

22 BOARD MEMBER NEMEC: Okay.

23 MS. CARA LOW: But non-fleet vehicles  
24 in major classes 2 and 3 will see the increase because  
25 of this reallocation of costs into those major classes

1 --

2 BOARD MEMBER NEMEC: Right. And I'm  
3 just --

4 MS. CARA LOW: -- regardless if  
5 they're fleet or non-fleet, yes.

6 BOARD MEMBER NEMEC: Yeah. So the --  
7 the impact -- there will be quite a significant  
8 negative impact in those two (2) classes when there  
9 are not fleet vehicles and receiving the actual  
10 rebate?

11 MS. CARA LOW: Correct.

12 BOARD MEMBER NEMEC: Okay. That was  
13 my clarification. Thank you.

14 PANEL CHAIRPERSON: Thank you. Mr.  
15 Scarfone...?

16 MR. STEVE SCARFONE: Thank you.

17

18 RE-DIRECT EXAMINATION BY MR. STEVE SCARFONE:

19 MR. STEVE SCARFONE: Just one (1)  
20 question following up on the line of questioning put  
21 to you by counsel for the Taxi Coalition, Ms. Nelko.

22 When determining the rates for the  
23 TNCs, how does the -- the reconciliation that we heard  
24 about represent an improvement over how the rates were  
25 determined when the Vehicles for Hire Act was first

1 introduced about five (5) years go?

2 How -- how does this new policy, this  
3 new blanket policy, represent an improvement, in your  
4 view, over the rate setting that was used in years  
5 past for the ride sharing companies?

6

7

(BRIEF PAUSE)

8

9 MR. KHURRAM MASUD: It's more aligned  
10 to industry practices elsewhere in Canada. And it's  
11 better reflective of the true exposure of how much the  
12 vehicle is being driven as it is based on the number  
13 of kilometres driven rather than just assuming that  
14 people are driving right throughout the day every day  
15 when the select period (INDISCERNIBLE) 4 in  
16 particular.

17 So we feel that this is better  
18 representative of the true risk. And since it's  
19 profit neutral, so this is not subsidized -- being  
20 subsidized or subsidizing other parts of the book of  
21 business.

22 MR. STEVE SCARFONE: And so will that  
23 reconciliation at your end ensure that the customers  
24 have paid the exact rate that covers the risk for that  
25 particular vehicle?

1 MR. KHURRAM MASUD: That's -- that's  
2 correct. And it's done at the aggregate D&C level, so  
3 it's not just individual drivers, but on the whole,  
4 they are paying what they should be paying, what is  
5 representative of their true claims experience.

6 MR. STEVE SCARFONE: Thank you. That  
7 was my only question for this Panel.

8 PANEL CHAIRPERSON: Thank you, Mr.  
9 Scarfone. I believe we are concluded for the day.  
10 And we will start on Monday with the MPI Financial  
11 Forecasting Panel. So thank you very much. See you  
12 on Monday.

13 MR. STEVE SCARFONE: Did you -- Madam  
14 Chair, did -- Ms. McCandless, did we want to have a  
15 discussion on the record or off the record about the  
16 motion next week?

17 MS. KATHLEEN MCCANDLESS: I'm not  
18 aware of any issues that need to be discussed on the  
19 record at this time --

20 MR. STEVE SCARFONE: Okay.

21 MS. KATHLEEN MCCANDLESS: -- so off  
22 the record.

23 MR. STEVE SCARFONE: So we can take  
24 that offline.

25 MS. KATHLEEN MCCANDLESS: Yeah.



1 MR. STEVE SCARFONE: Yes.

2 PANEL CHAIRPERSON: Okay. Thank you.

3

4 -- Upon adjourning at 9:44 a.m.

5

6 Certified Correct,

7

8

9 \_\_\_\_\_

10 Wendy Woodworth, Ms.

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