



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

STANDING COMMITTEE
on
PUBLIC UTILITIES
and
NATURAL RESOURCES

31-32 Elizabeth II

Chairman
Mr. P. Eyer
Constituency of River East



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

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| ASHTON, Steve | Thompson | NDP |
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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PUBLIC UTILITIES AND NATURAL RESOURCES

Thursday, 5 May, 1983

TIME — 10:00 a.m.

LOCATION — Room 255, Legislative Building, Winnipeg

CHAIRMAN — P. Eyler, River East

ATTENDANCE — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Bucklaschuk and Mackling
Messrs. Doern, Enns, Eyler, Fox, Lecuyer,
Orchard, Ransom and Scott.

APPEARING: Mr. Olafur P. Sigurdson, Chairman of the Board.

Mr. Carl A. Laufer, President and General Manager.

MATTERS UNDER DISCUSSION:

Annual Report of the Manitoba Public Insurance Corporation for the fiscal year ending October 31, 1982.

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MADAM CLERK, Carmen DePape: Committee come to order. I have here the letter of resignation of Mr. Lecuyer as Chairman of the committee, so we'll proceed to the election of new Chairman. Are there any nominations?

Mr. Bucklaschuk.

HON. J. BUCKLASCHUK: I would like to nominate the Member for River East, Phil Eyler.

MADAM CLERK: Are there any further nominations? Seeing none, Mr. Eyler, would you please take the Chair?

MR. CHAIRMAN, P. Eyler: Order please, order please. We are considering the Annual Report of the Manitoba Public Insurance Corporation. Does the Minister have any opening remarks?

HON. J. BUCKLASCHUK: Yes, Mr. Chairman. As the Minister responsible for the Manitoba Public Insurance Corporation, I am pleased to appear before this committee to review the Corporation's operations for the fiscal year ended October 31, 1982.

Before I begin, however, I would like to introduce the officials of the Corporation who are here to assist me today, Olafur Sigurdson, Chairman of the Board; Carl Laufer, President and General Manager of MPIC; Henry Dribnenky, Vice-President, Finance; Barry Galenzoski, Comptroller; and Ken Jordon, Senior Vice-President, General Insurance Division.

As most of you know, the Manitoba Public Insurance Corporation was created in 1971 to provide high quality insurance services to the people of Manitoba at a reasonable cost. Each year since then, the Corporation has grown steadily, progressing from an organization with about 300 employees and assets of \$26 million to one with a full-time staff of 879 and assets of 232.3 million. I am pleased to report that 1982 was no exception. As MPIC begins its twelfth year of service to Manitoba, it does so as a fundamentally strong, stable and efficient organization.

As I mentioned, the MPIC now employs 879 Manitobans in 16 locations across the province. Salaries and benefits paid in the 1982 fiscal year totaled \$21.3 million, an increase of 3 percent over 1981. In addition, the Corporation is represented by 399 agents, and in 1982 paid them \$13.3 million in commissions.

The Corporation's assets, which consist mainly of investments, also record steady growth in the year under review, increasing to \$232.3 million from \$189.1 in 1981.

Provisions for unpaid claims and unearned premiums are the major source of funds for the investment portfolio which now totals more than \$197 million. Of this, \$136.4 million is invested in long-term provincial, school, hospital, and municipal bonds and debentures. As well as contributing to the overall growth and development of the province, these investments are a major source of revenue for the corporation. In 1982, for example, investment income totalled \$25.5 million, up from \$20.1 million in the previous year.

The province benefits from the corporation's operations in other ways as well. A total of \$454,000 was paid to municipalities in 1982 as grants in lieu of taxes, while premium taxes totalled \$4.9 million. This, again, represents a significant contribution to the Manitoba economy.

While the corporation enjoyed a highly successful financial year in 1982, it suffered a serious personal loss with the passing of its President and General Manager, Mr. J.O. Dutton.

Mr. Dutton, who had 37 years experience in the insurance industry, was a widely respected and dedicated professional who guided the Manitoba Public Insurance Corporation through its formative years to become the vital and financially sound organization it is today. The results I have just reported stand as evidence of his considerable abilities.

Gentlemen, that concludes my statement on the corporation's 1982 operations. I would now like to call on Mr. Olafur Sigurdson, Chairman of the Board, to address the committee.

MR. O. SIGURDSON: Mr. Chairman, as Mr. Bucklaschuk has indicated, the Manitoba Public Insurance Corporation enjoyed a successful financial year in 1982, and I am pleased to provide members of the committee with a brief overview of those results.

You will see from the Annual Report that the corporation recorded a consolidated net profit of \$14.3

million for the fiscal year ended October 31, 1982. It is gratifying to note that it is the eighth net profit reported by the corporation since its formation in 1971.

Total net premiums reached 194.9 million for the year, an increase of 23.7 million from 1981; while the cost of claims incurred rose from 153.3 million to 170.7 million.

Autopac, or the Automobile Insurance Division, earned a net profit of 15.1 million on total earned revenues of 192 million. At the same time, expenses rose from 32.8 million in 1981 to 37 million in 1982, contributing to the net profit, with an 8.4 percent reduction in the number of claims from 214,000 to 196,000, and a substantial increase in investment income as a result of higher than normal short-term interest rates.

Although the number of claims dropped for the third consecutive year, the cost of those claims increased from 128.1 million to 139.9 million. Of course, this trend is a source of some concern to the Manitoba Public Insurance Corporation and, in fact, to all other insurance companies. Unfortunately, the higher costs are largely the result of factors outside the corporation's control, such as increased repair parts, prices, and higher payments for liability claims.

The 15.1 million profit enabled the corporation to increase its catastrophe reserve by 12 million, its contingency reserve by 750,000, and its rate stabilization reserve by 2.3 million.

The General Insurance Division, which competes with the private insurers throughout the province, recorded an \$800,000 loss in the year under review. Premiums earned totaled 18.4 million, an increase of 6.1 million over 1981. Offsetting this, however, was a significant increase in the cost of claims incurred from 9 million to 14 million, or 55 percent.

While these results are somewhat disappointing, they reflect the general state of the Canadian insurance industry which suffered a \$500 million underwriting loss in 1982, largely as a result of intense competitive pressure. However, the Corporation has already taken steps to improve its financial performance in the General Insurance Division by reducing expenses and carrying out a series of product pricing reviews.

We are confident that these measures, coupled with sound underwriting and innovative marketing, will lead to continued growth of the division.

Gentlemen, that is my report on the Manitoba Public Insurance Corporation's 1982 operation.

MR. CHAIRMAN: What is the will of the committee on how to proceed, general discussion or page-by-page?
The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Chairman, I think perhaps we'd be prepared to discuss generally the subject matter of the Manitoba Public Insurance Corporation and then agree to pass the report in total.

MR. CHAIRMAN: Is that agreed? (Agreed)
The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Chairman, I think one of the things that certainly is of final interest to the members of the committee has to do with the Corporation's attitude

or indeed projections, that they anticipate will happen with the introduction of compulsory and mandatory seat belt legislation as well as helmet legislation in this province.

But prior to my asking questions about that, allow me to first of all acknowledge the report that the Minister, and the Chairman of the Board, just described for us, the report that's before us, and indicate to the Minister and to the members of the Corporation that we are, of course, pleased that it is a positive report, that it's on the black side of the ledger, Mr. Chairman.

I would also take this first opportunity for us to congratulate and acknowledge the appointment of Mr. Carl Laufer as General Manager of the Corporation. I want to assure the new Executive Officer of Autopac that he will have the co-operation of members of the opposition.

We, I think, in the main are pleased that the board and the government saw fit to find the next managers to succeed the job that Mr. J.O. Dutton performed so capably and so well over many years from within, without having to reach out in this instance.

My first question then, Mr. Chairman, through either you or the Chairman of the Board, or to the Executive and General Manager. I'm aware that executives of Autopac have for some time now advocated the passing of legislation with respect to seat belts. I am also aware that Autopac undertook some years ago an internal study of its own accident claim records as to the experience that Autopac had in terms of its own experience. In other words, we do have the opportunity, with Autopac being the corporation where all accidents have to be reported to and referred to, to have Manitoba-made statistics and data. I wonder if the general manager or the chairman has any particular information to provide the committee at this time that bears on this matter.

MR. CHAIRMAN: Mr. Laufer.

MR. C. LAUFER: The report to which you refer was conducted some time ago. I believe the study took place over about a 14-month period. The results were not all that clear. They did indicate, however, in the view of the persons that were collecting the data that some serious injury and certainly in certain cases some death could have been avoided had the occupants of the vehicles involved in the crashes worn seat belts.

With the study being conducted from within, the results were not entirely conclusive, but based on that information with a pessimistic eye, it would have looked like perhaps a 3 percent savings in lives and a somewhat greater percentage reduction in injuries. Now, I am just bringing that forward from my recollection of the study, but I believe that's about what it showed.

MR. H. ENNS: Pardon me. Could the General Manager just repeat those figures again - 3 percent?

MR. C. LAUFER: I think there would have been about a 3 percent reduction in the number of deaths, and a somewhat greater reduction in the number of serious injuries.

MR. H. ENNS: Mr. Chairman, I would ask the officials of Autopac to perhaps dust off those figures in light

of the fact that members of this committee, as indeed all members of the Legislature within the next few weeks and months will be dealing with legislation, the package that the Minister of Transportation is bringing in having to do with seat belts, and I think it would be helpful for us to have that information.

I acknowledge that it may not be totally satisfactory in its form. It was just an in-house survey, as I recall it, and nobody is asking anybody at Autopac to present it as anything other than that. But it was a compilation of accident figures over a 14-month period, and they were Manitoba accidents that we were talking about. I think members of the Legislature would find that information useful, Mr. Chairman, if that could be made available for us.

MR. C. LAUFER: Yes, we'll bring the study forward and put it in some kind of a summary form and make it available to the Minister for distribution.

MR. H. ENNS: Mr. Chairman, again on the same subject, there have been, of course, suggestions made that there are other ways to approach the question of encouraging the use of seat belts. My question to the general manager or the Chairman of the Board is, did Autopac at any time recommend to this government prior to their coming to the conclusion that the passage of mandatory legislation was, in fact, the only route open to them, did the executive of Autopac suggest to the government that the alternative might be a deterrent fee, if you like, or a charge, certain loss of benefits for those people who were found to be in an accident or injured in an accident without wearing seat belts of one kind or another. I believe, Mr. Chairman, that it's not that long ago that Autopac officials were in court, or about to go to court - I may be wrong - attempting to, you know, reduce their liability because the party injured was not wearing seat belts.

The point that I'm getting at, there is the suggestion that rather than going the compulsory route, we as legislators could, particularly in this instance where Manitoba Public Insurance Corporation is the insurance corporation covering all Manitoba drivers, all Manitoba vehicles, you might have suggested to the government, look we'll make it a little easier for you politically if you allow us to deduct 15 percent or 20 percent off of any claim of parties injured that weren't wearing seat belts. Was that suggestion or recommendation made to this government?

MR. C. LAUFER: The case in question was one in which I believe it was the occupant of a motor vehicle was quite seriously injured, was not wearing a seat belt at the time, and there was evidence to support our view that had the individual been wearing seat belts the injuries would have been much less severe. We took the matter to court on that basis indicating that we were of the view the individual contributed to his own injuries, and we asked the court to find a percentage of contribution on the part of the individual. Naturally, that would result in a percentage reduction in the award that he would normally have received as a result of the accident. The honourable members of the court saw fit to advise the corporation that we ought to turn to the legislators in order to have law

put in place requiring the use of seat belts before we came to the courts looking for relief of that nature. The case was not pursued further than that.

MR. H. ENNS: Well, the obvious question then, Mr. Chairman, is, did Autopac turn to the legislators? Is the request for compulsory seat belt legislation - pardon me. I want to word this correctly. Did the Manitoba Public Insurance Corporation, to use the General Manager's phrase, turn to the Legislature and ask this government to provide them with the necessary legislative support so that you could have proceeded or won that court case and taken whatever 10 or 15 or 20 percent reduction in your liability from that claim because the party was not wearing a seat belt? Was that request officially made of this government?

MR. C. LAUFER: There was no official request made to my knowledge.

MR. H. ENNS: Mr. Chairman, I think maybe even after tonight, when we will be visited again with a number of our constituents, as I understand, in front of the steps of the Legislature, that the Minister or other members of this government might well want to ponder about whether or not that solution would not have been one at least that should have been looked at, and one which they might still be wanting to look at.

I simply want to ask the Chairman of Autopac again just so that we have the opportunity of his expert advice to the committee members. I am certainly not wishing the Chairman to place the General Manager in any awkward position, and I invite the Minister and/or indeed the Chairman of the Board to answer any of the questions that I will place in this area if they perceive them to be more in the policy area, rather than in the direct management of the corporation. But I want to ask of the honourable members before us: Is there any reason why such a system would not work, why a substantial deterrent fee that could be put in place would not work?

In other words, are there jurisdictions, that Manitoba Public Insurance Corporation is aware of, that employ some form of what I'm speaking about? Are the members aware of other private insurance corporations or other jurisdictions that do in fact encourage the usage of safety devices like seat belts in an economic way by making it a penalty for the non-compliance or non-wearing of seat belts?

MR. C. LAUFER: I believe the Province of British Columbia has had cases before the courts in which they were successful in getting contribution where the injured party was not wearing a belt. I also believe there are one or two cases on record in Ontario. Beyond that, I can't really say, but the information wouldn't be difficult to put together.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. I'm not sure whether it was the Chairman, but one of the reports this morning indicated that in the last year claims were down, accident claims were down. Could you attach a percentage decrease to accident claims, the decrease in accident claims?

MR. O. SIGURDSON: The percentage is about 8.6.

MR. D. ORCHARD: Can you, as well, attach a percentage reduction in the number of bodily injury claims?

MR. O. SIGURDSON: I'm sorry, I do not have that figure.

MR. D. ORCHARD: But I note that the bodily injury claims are up in dollar value, but you mentioned increasing costs and awards. Is it fair to assume that the number of bodily injury claims as well is down?

MR. O. SIGURDSON: I think I'll have to defer that to Mr. Laufer.

MR. C. LAUFER: I'll just see what figures I have here for you in that respect. The public liability claims rose in cost by 16 percent, 1980-81 over 1981-82, from \$24 million to \$27.85 million. Unfortunately, I don't have claim counts for you, but they can be provided if you wish.

MR. D. ORCHARD: Yes, I think that would be most beneficial if those claims numbers could be provided. The 8.6 reduction in the number of claims, does this reflect an 8.6 percent reduction in the number of vehicle accidents in the province over the year we're discussing?

MR. O. SIGURDSON: Yes, it does. But Carl says that I am in error.

MR. C. LAUFER: Unfortunately we weren't able in those figures to split out the exact of number of reduction in accidents. As you know, claim costs encompass many other things than just collisions. There are windshield claims, vandalism claims, theft claims, various other comprehensive claims, perhaps hail or lightning damage, or fire damage and things like that. So we'd have to do a separate analysis to bring out what the actual reduction in accidents is and I don't know whether that figure would match up with the 8.6 percent.

MR. D. ORCHARD: I think that would be an interesting figure to have, Mr. Chairman. We've got year over year, comparing 1981 to 1982, we've got a percentage reduction. Now, whether that translates into dollars on the bar graph on Page 10, we've got a reduction in collision damage and a reduction in comprehensive claims payouts, both, which would seem to me to cover off paying for vehicle damage and accidents, as well as the windshields under the comprehensive, and with both of those down, it would be interesting to see if you could develop the statistics showing the reduction in the numbers of accidents. If you could provide that, that would be most . . .

MR. C. LAUFER: Yes, we could provide that. The bar graphs, while the percentages might show small differences from 1981 to 1982, it's based on a different dollar value. In other words, the 1982 dollar value on that bar graph is quite a bit larger than the 1981 dollar value. So if you have 67 percent in 1981, 67 percent

of a smaller figure, it could still show a reduction, say to 66 percent in 1982 of a larger figure. There's still more dollars involved in the 1982 claims, but we'll get the actual count for you.

MR. D. ORCHARD: In the study my colleague referred to, going back, a figure, an approximation was made of 3 percent fewer deaths and something higher in terms of injuries. A reduction in injuries by the wearing of seat belts. Did the corporation also attempt to determine the percentage of accident situations, in which the wearing of seat belts would enhance the injury, or increase the injury, or the possibility of death. Did the corporation develop any guesstimates on those types of accident circumstances, as well?

MR. C. LAUFER: You'll forgive me for not being very clear on this because it's a couple or three years since I had a look at that report. But it seems to me, we sought the view of the people being interviewed, as to whether the wearing of belts increased the extent of their injuries. I believe that was part of the survey, but it would be an opinion sought from the individual themselves. I'll be able to clarify that once we dig out the report and go over it. We'll look for those details for you.

MR. D. ORCHARD: The receipt of that information would be welcomed, Mr. Chairman. The corporation did attempt to have the matter of, I suppose contributory negligence, dealt with by the courts in terms of an injury claim where the individual was not wearing a seat belt. If compulsory seat belt legislation were passed, would the corporation feel that it may be exposed to claims from potential accident victims who could legitimately demonstrate that the wearing of the seat belt enhanced their injury and would the corporation consider itself in a position to be taken to court to pay more damages?

You were working on the reverse onus of attempting to reduce a claim where you felt the accident victim's injuries were enhanced by not wearing a seat belt, there are circumstances where injuries are increased. Would the corporation feel vulnerable to court cases with compulsory seat belts, should a circumstance like that be brought before the courts?

MR. C. LAUFER: The legislation which, if passed, would be separate from anything that's in The Manitoba Public Insurance Corporation Act. But I would assume that in dealing with the tort system, if the injuries are more severe, albeit whether they were caused by one striking his head on the windshield, or one damaging internal organs, as a result of the belt restraining them, I believe the courts would hold that all of those injuries, including those, if any, caused by the belt would be subject to compensation for the injured party and we naturally would end up paying that.

MR. D. ORCHARD: Thank you.

MR. CHAIRMAN: The Member for Elmwood.

MR. R. DOERN: Mr. Chairman, I want to know if there are any statistics or information we could get on

motorcycle accidents. Does the corporation have some numbers they can provide in terms of the number of payouts and amount of payouts in the past fiscal year or calendar year?

MR. C. LAUFER: I don't believe that we statistically break out motorcycles quite that precisely. We know what the loss ratio is on the motorcycles. I think we know what we pay as a whole. Now, whether we could refine those statistics to bring forward some specific information or not, we'd have to look at when we get back to the office, but we could certainly try to do that.

MR. R. DOERN: When you say, as a whole, are you referring to a bulk amount allocated to motorcycle payments?

MR. C. LAUFER: Well, we know that under a certain code which would be the motorcycles, that we paid out X number of dollars over whatever period of time. I believe we could even split that into what was paid for physical damage, what was paid for injuries and so on, but they would be very summarized type of statistics. I don't know whether we could then relate that back to helmet usage or other things. I rather doubt it.

MR. R. DOERN: Could you indicate whether that figure runs into the high millions or any approximation?

MR. C. LAUFER: Not off-hand. I don't know what that figure would be.

MR. R. DOERN: Could you indicate how many accidents there were with motorcycles in the past year?

MR. C. LAUFER: No. We had, I think, 11,000 motorcycles registered, and my guess would be that there would be well in excess of 1,000 accidents.

MR. R. DOERN: Over 1,000, so approximately 10 percent or in that region?

MR. C. LAUFER: That would be my guess, yes.

MR. R. DOERN: I wonder if you could just indicate if you have any recollection of numbers of deaths or number of people who suffered extremely serious accidents, for example, I don't have exact numbers, but I've heard numbers and I don't know if it was something like seven or eight motorcycle deaths in the past year and eight, or nine, or 10 people who suffered broken necks and as a result became quadriplegics. Do you have any numbers in those areas about serious injuries or deaths?

MR. C. LAUFER: Yes, we have those numbers. I don't know what they are right off-hand, but we certainly have those.

MR. R. DOERN: And you could provide those to the committee, if not today, at some point in the future?

MR. C. LAUFER: Yes.

MR. R. DOERN: Could you explain just for general information, what would happen to a motorcyclist who had a number of injuries in a year or two, I mean, let me pose an example. If a person was driving a motorcycle and suffered two or three accidents over a period of a year or two, how would that affect his insurance?

MR. C. LAUFER: Well dependent, of course, upon fault. If the two or three accidents in which he was involved were the fault of some other party, then, of course, it wouldn't affect the motorcyclist's insurance at all. If the motorcyclist were 50 percent or more at fault in two of the accidents, his insurance premium on the driver's licence would rise by \$100.00. If he were responsible for all three, his insurance premium would rise on his driver's licence by \$300.00. If he were responsible for only one, it would not affect his insurance premium in that year.

MR. R. DOERN: It's also my impression, Mr. Chairman, that some of the new motorcycles run in the neighbourhood of \$5,000 to \$8,000.00. Could you indicate what an insurance premium might be on such a machine - a brand new one?

MR. C. LAUFER: I don't have a premium schedule with me at the moment, but you're quite correct, some of the bikes are running 8,000 and even higher in price. They're coming out with more and more accessories, all the way from special consoles to special leg guards, to stereos to any number of things and that, of course, enhances the cost of the motorcycles. The loss ratio on those bikes, as I recall, are still not in a satisfactory range. We pay out more premium dollars for the repair of the bikes and the mending of the injuries than we collect in premiums for that class of insurance risk.

MR. R. DOERN: So is it possible that premiums might go up in that division because of the fact that you lose money on it annually?

MR. C. LAUFER: Yes, in the last submission to the members for rate increases, the motorcyclists were assessed a 9 percent premium increase which was the high end of the selective premium increases, which we put in last year.

MR. R. DOERN: Do you have any figures on the number of stolen motorcycles per annum?

MR. C. LAUFER: Yes, I think we could develop those figures. They're in with some other statistics, but I believe we could bring them out.

MR. R. DOERN: Mr. Chairman, I also wanted to ask Mr. Lafer, I wanted to give him a real accident and ask him if he could indicate what responsibility there would be by MPIC in this particular case.

I'd like to cite an example of a young man I know, whom I hope will appear before this committee and tell his story. A couple of years ago he was riding down the highway near Portage la Prairie going 60 miles an hour when he suffered a blowout on his machine and he went flying off the machine, banged his head on

the pavement - he was wearing a helmet - cracked the helmet and slid down the highway missing one or more motor vehicles, probably much to the horror of the automobile drivers, slid down the highway a couple of hundred feet and wasn't seriously injured although his bike suffered damage, his helmet was cracked and I guess his clothing was ripped and torn.

In such an accident I wonder if you could answer a few questions, for example, if a motorcyclist is wearing a helmet under existing procedures and I gather that they run in the neighbourhood, according to one dealer I spoke to, \$75 to \$175 for a good helmet, although there are cheaper ones available and probably more expensive ones available. If a motorcyclist had a helmet in the \$75 to \$100 range and he's in an accident, his fault or otherwise, would you replace the helmet?

MR. C. LAUFER: Under the present policy wording the helmet would not be replaced.

MR. R. DOERN: If legislation is passed that requires mandatory helmets could the corporation then include that as an insurable item?

MR. C. LAUFER: We've done a brief study on the cost implications of doing that and are of the view that that cover can be provided as part of the motorcycle. One of the reasons it wasn't looked at too seriously before was because most homeowner policies or personal belonging policies would pay for a motorcycle helmet in such circumstances as would they pay for, perhaps, some of the clothing that was damaged in the accident. We feel that if, indeed, it's compulsory to wear helmets and they must be carried on the bike, we should provide some type of protection for loss of those helmets through collision and perhaps one or two other perils. It has to be, as you can appreciate, very carefully underwritten so as to prevent claim abuse, but the Corporation would certainly be prepared to include at no extra cost coverage for those helmets, both the driver's and the passenger's.

MR. R. DOERN: Mr. Chairman, I think I would like to commend - is it the general manager? - for that comment. I would also like to ask him about theft under existing legislation or procedures and in the future. There, undoubtedly, will be thousands of helmets around, whereas now there may be hundreds. Theft may become a commonplace problem. Under your existing procedure, what would happen with a stolen helmet? Not covered?

MR. C. LAUFER: That's correct. There would be no coverage for theft under the existing procedure. There is no coverage for the bike under the basic insurance plan for theft as well. That is underwritten separately, because of the special risks involved in that type of loss. I believe that, were we to include helmets in the coverage on the bike, even after the legislation theft would be an exclusion.

MR. R. DOERN: An exclusion. So you would have to - what? - pay a premium for theft?

MR. C. LAUFER: A great number of the motorcycle owners buy extension cover through our SRE

Department in Brandon. That department would undertake to, if an individual wants theft cover on the helmet, write that into the package if the risk is acceptable.

MR. R. DOERN: So do I understand the general manager correctly then in saying that, given the legislation and the new set of conditions, the Corporation will probably define a motorcycle to include a helmet and that would then cover damage to the helmet as well as to the bike?

MR. C. LAUFER: Yes, it would include two helmets, the driver's helmet and the passenger's helmet, and there would be certain stipulations and conditions under which cover would exist so as to ensure that we're providing coverage for the thing that we are trying to do and protect the motorcyclist against legitimate loss through collision and perhaps one or two other perils.

At the same time we have to, because no additional premium is being charged, ensure that the coverage is not subject to abuse through a looseness of wording.

MR. R. DOERN: Mr. Chairman, I cited this example of an accident from a blowout at 60 to 70 miles an hour, whatever the exact speed was, and a damaged helmet, damaged bicycle or motorcycle, I should say - in that particular instance where you have a blowout, assuming that person had normal insurance, would that motorcycle be repaired?

MR. C. LAUFER: Yes, it would be repaired subject to a collision deductible, whatever deductible he carried at the time. When the legislation is passed and we amend our cover, the helmet in that case would be covered as well.

MR. R. DOERN: I wonder if Mr. Laufer could give us any information about options on the type of coverage I'm talking about in other provinces, whether there's sort of a standard manner of dealing with theft and with helmet replacement, etc., or does it vary across the country?

MR. C. LAUFER: It varies indeed to some extent across the country. I'm not entirely familiar with all the practices. I do know, however, that motorcycle risks are very strictly underwritten in other jurisdictions. The premiums are very high and, in many cases, insurers won't write them at all, particularly if the people applying for cover are known to belong to certain groups of riders, Hell's Angels or one of those groups. They simply are refused cover.

MR. R. DOERN: Could you give us any numbers in terms of what it might cost to ensure a motorcycle in another province where they charge a high premium?

MR. C. LAUFER: No, I don't have those numbers handy.

MR. R. DOERN: Again on this particular accident of a tire blowout and so on, what would happen to the clothing of a rider, for example, if a person were wearing jacket, pants, boots, etc., that were just shredded or mangled or ruined as a result of this? Would a person's garb or clothing be covered as well in an accident?

MR. C. LAUFER: No, the clothing is excluded. The only cover that there might be for that is under his personal property insurance policy. That would extend to cover in most cases, but there would be no coverage on the bike itself.

MR. R. DOERN: Although it's true that the extent of your injuries might be the result of the kind of clothing you're wearing - if you are wearing a pair of shorts and a T-shirt, you might suffer very severe physical injuries, whereas if you're wearing a black leather jacket and jeans and boots, you might suffer less of an injury, but under the present flat insurance then one's clothing wouldn't be replaced.

MR. C. LAUFER: That's correct.

MR. R. DOERN: The last question I want to ask, Mr. Chairman, is again on the division that handles motorcycles. Could you indicate whether there's a premium loss, an accident loss and so on, in that particular division. In other words, I'm looking for dollars again. How much did you lose in that particular division?

MR. C. LAUFER: I'm sorry, I don't have that experience here.

MR. R. DOERN: Well, again I think it would be interesting, Mr. Chairman, if we could get some figures on accidents, thefts, etc., on that division.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, women, females, have traditionally been better drivers than men and that has always been actuarially acknowledged by insurance companies. I think the first nine or ten years of Autopac's insurance, business has acknowledged that by favouring them with a slight reduction in their premiums. However, the feminist movement won yet another battle in getting equal treatment and they now pay the same as men do. My question is, actuarially speaking, are women still better drivers than men? I just want to find out what the feminist movement has cost the women in this respect.

MR. CHAIRMAN: Could the Member for Lakeside indicate who he would like to answer that question?

MR. H. ENNS: Whoever has the courage to answer it. That's a serious question, Mr. Chairman, Autopac indeed, as other insurance agencies in other jurisdictions, acknowledged the fact that the female, the woman driver has a better record with respect to accidents. Let me put it this way, when was the discriminatory difference in premiums between male and female drivers removed?

MR. C. LAUFER: The premiums were changed March 1, 1983 - equalized, I should say, March 1, 1983, and it's fair to say that the fair sex are still the fairest drivers.

MR. H. ENNS: So, Mr. Chairman, in this very fair conversation that we're having, it's fair to say that the fairer sex are helping to defray the poor driving habits

of us males, but they have the satisfaction of being treated equally.

On a more serious matter, Mr. Chairman, for many many years and of course with the introduction of government automobile insurance into the Province of Manitoba, the members of the New Democratic Party, in government, always felt that a surcharge on gasoline was a fair and appropriate source of revenue for Autopac and Autopac, of course, was introduced with a 2 cent-a-gallon, I believe it was, surcharge on gasoline that was sold in the province to augment Autopac's revenues.

Mr. Chairman, with the advent of \$2 gas, I haven't heard that subject talked about too often - I direct this question to the Minister - but I can assure the Honourable Minister that having been the Minister responsible at the time the 2 cent a gallon on gas was taken away from Autopac revenues and having listened to many speeches in the House about the wrongness of that move, I ask the Minister of the present government whether or not there is any thought to reintroducing a surcharge on gasoline; 1 cent, 2 cent, 3 cent, whatever it is, to help the revenue picture of Autopac.

HON. J. BUCKLASCHUK: In response to that, there is no consideration at the present time to reintroducing the previous system whereby part of the tax was directed to MPIC.

MR. H. ENNS: Thank you, Mr. Chairman. I think one of the areas of Autopac's operation that always has been, and continues to be, of some concern or interest, and I suspect always represents some area of difficulty for the corporation, is the question of its relationship with their agents, agency selection process. I would ask the General Manager what the present status is in that regard? Perhaps we can get it out this way. Does the board have before it, currently, any number of requests for new franchises for new agencies at this time?

MR. C. LAUFER: Yes, we have - I don't the exact number right at the moment, but probably in the area of 20 requests for new franchises, secondary locations, reactivation of dormant licences and so on.

MR. H. ENNS: Can the General Manager indicate how many new agencies were authorized in the past fiscal year?

MR. C. LAUFER: The number of agents that we had in the entire corporation as of October 31, 1981, which includes both the General and Automobile, '81 there were 384; at the end of October in '82, there were 399.

MR. H. ENNS: Pardon me, at the end of this year, we have now 399?

MR. C. LAUFER: There were 384 at the end of the year prior.

MR. H. ENNS: So there were some 15 new agencies established in the past fiscal year.

MR. C. LAUFER: That's correct.

MR. H. ENNS: Mr. Chairman, would it be possible to have the Corporation, not necessarily at this time, but to furnish members of the committee with the listing of the new agencies that were established in the last 12 months?

MR. C. LAUFER: Yes, we can make that available.

MR. H. ENNS: I thank the general manager for that response.

One further question, Mr. Chairman, at this time, perhaps again to the Minister. The NDP administration had, some time ago, encouraged Manitoba Public Insurance Corporation to build its own building. Indeed we were, one might say, well on the way to doing exactly that. Since then, of course, Autopac has relocated into the newly-renovated facilities at Eaton Place, but my question to the Minister is, has the question of a major building project been entertained by this government, by this Minister, at this time?

HON. J. BUCKLASCHUK: No, to the Member for Lakeside, there has been no thought or any initiation on my part to reconsider the building of a headquarters, a separate building for MPIC.

MR. H. ENNS: A final question to the general manager of Autopac. The facilities that you are currently operating out of at Eaton Place, have they, from an administrative point of view, worked out reasonably well in terms of space requirements, other service requirements that any corporation of your size would require in dealing with the general public?

MR. C. LAUFER: The space that we now occupy has been particularly efficient space for us, because of the large floor areas that we have in that particular building. We are able to locate interrelated departments next to one another, speed up the flow of documents, and generally have a more efficient operation than you would in a vertical transport situation in a high-rise building. The renovations were quite satisfactory and the space is comfortable. The location is excellent and the administration of the Corporation is quite satisfied with it.

MR. H. ENNS: Mr. Chairman, one final question having to do with staff. What is the current situation with the agreement management has with the Autopac staff? Are you in the midst of an agreement? Have you signed an agreement, a labour contract covering what period time? The question that I'm after is, what was the increase afforded to Autopac employees in their last working agreement?

MR. C. LAUFER: The current agreement will expire on the 30th of June, 1983 and we are just beginning the process of collective bargaining for a new agreement. The wage increase afforded the MPIC in-scope staff, on this past collective agreement, was 10.5 percent plus \$300.00.

MR. CHAIRMAN: The Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Chairman. I'd like to go back to one other, as Mr. Doern had earlier. He was

speaking on motorcycles themselves. I'm wondering, on other vehicles or other vehicle classifications, that I understand a few years ago, in particular four-wheel drives, the Corporation was taking a bath, a very severe bath, on them. I'm wondering if that situation has reversed in that class of vehicle, and if we are coming anywhere close to covering, with premiums, the actual cost of covering such vehicles.

MR. C. LAUFER: I don't believe we singled out four-wheel drives as a specific class. But most of those vehicles fall into the pleasure truck class and the loss experience for that particular group is still not what it ought to be although we have put I think, two years running, selective rate increases against those particular vehicles.

MR. D. SCOTT: What kind of policy do you have where there is a particular area where you are obviously losing money and how long do you maintain a subsidy of that particular class of vehicle by the motoring public?

MR. C. LAUFER: The insurance of a large number of automobiles and trucks operates on a pool basis and in any given year one class can have a bad experience. It can be done through, perhaps one or two very serious losses in a group that has a small number of vehicles. So there has to be some pooling effect, and before we begin a surcharge procedure or a selective rate increase procedure on certain classes of vehicles, we usually have to see a three-year trend that has some statistical sense to it. We don't then try to correct it in one fell swoop. The following year's results could vary and create an imbalance the other way. So the policy of the corporation has been in recent years to monitor those carefully, apply a bit of an extra premium increase to those classes with the view of gradually bringing them in line. We don't want to end up in a situation where you tilt the scales the other way, which could happen.

MR. D. SCOTT: I guess part of my concern in this particular division is that I think an awful lot of the damage that the vehicle suffers is not even on the highways. Our principal idea behind, I think, our automobile insurance is for protection of vehicles as operated on the highways and byways of the province. So I guess I don't like to see us regular ratepayers taking too much or subsidizing especially a particular class like this where it's a form of recreation. If we're subsidizing a form of recreation out of the general pool, if you wish, of the rate base I don't know how wise, both in a business sense and also in a policy sense, that would be.

Another question on facilities. You're now in Eaton Place and have been now for about three years, if my memory serves me correctly. How long is that lease and how much is that lease worth? How much are you paying for your lease?

MR. C. LAUFER: The present lease has a term of five years with two five-year renewal options. The cost of the present lease for 1982 was \$1.1 million. There is something in excess of 100,000 square feet, and the cost per square foot amounts to about \$11.03 including

electricity and cleaning, and any tax escalations and so on are included in that figure.

In 1981, which was our first year in the premises, the cost was \$963,000 and the cost per square foot, \$10.50 including all those escalators and electricity.

MR. D. SCOTT: So you have three years left in your lease?

MR. C. LAUFER: We have three years left in this term of the lease, with two five-year renewal options.

MR. D. SCOTT: Would it be fair to say that your lease in 1983, 1984, 1985 will be somewhat above the 1.1 million you are presently paying for 1982?

MR. C. LAUFER: The cost of that lease will always escalate in direct proportion to the maintenance costs in the building, and the increase in property and other taxes that might be assessed against that building. We as tenants would share proportionately in those costs with other tenants.

MR. D. SCOTT: Just on a quick guesstimate here, we're paying about \$5.5 million for the facility for five years. What was the cost of the building that was proposed to be built in 1977?

MR. C. LAUFER: We didn't, of course, have all the tenders in. At the time the project was abandoned, we had only tendered for the parking garage. It wasn't a single MPIC complex. It was a complex which would have provided accommodation for the Motor Vehicle Branch as well. It seems to me that at that time, our best guess was around 7.8 million and having had some experience with building things in the past, it probably would have run closer to 18.5 by the time we were finished.

MR. D. SCOTT: So that in 18 years time, one will have paid well over the initial capital cost in that on lease fees. Once the five-year term is up, we will have paid almost 30 percent of the total cost that you would have put in the building in 1977-78 in the construction period; whereas at the end of the five years here, you will have nothing. At that point in time you would have recovered some portion of your capital cost, plus been able to rent some of the space.

MR. C. LAUFER: I believe we did a very detailed study in analysing the type of costs that you're talking about. Initially, if you put up \$18 million or \$19 million for a building, right off the top you have to consider what your return would have been on that capital had you invested it. If that were at the rate of 10 percent, you have a capital investment loss of about 1.8 million before you begin to operate the building. Now your operating costs, I think, in a very efficient building would run in the area of \$4.50 a square foot. Those would have to be added to that. Mind you, there would be some depreciation factors and so on that might be advantageous. I believe our study showed that at 22 years we would be at a break-even point and after that the building would start to give off positive revenue effects.

MR. D. SCOTT: If one was to contemplate in time for when this present lease expires, if it was not to be renewed, and you were to look at building a suitable building to house Autopac now, what kind of costs would you be looking at for that same building? What kind of pay-back time would you be having? Would it still be 22 years, or would you be looking at 30 or 35 years?

MR. C. LAUFER: I really have no idea. I do know that since that time, the costs of building a facility have escalated sharply and a whole new study would have to be undertaken in light of the new costs.

MR. D. SCOTT: Just one final comment on another subject, I would like to mention before I finish and that is something I find very interesting is scheduled investments. It is something that few people recognize of how valuable MPIC is both to the province and to the municipalities and to hospitals and school boards, and I see through your schedule of investments that you have invested very heavily in both the Province of Manitoba, about \$85 million into the hospital system of Manitoba by purchase of debentures primarily, I would suspect, of some almost \$33 million, schools .5 million, and municipalities just a bit over \$18 million. It certainly helps, I think, the Province of Manitoba greatly when the corporation is reinvesting in the province, the money stays in the province. We do not have to worry about exchange rates and fluctuations or of going outside, or if we go even into other parts of Canada, the money that is made in this by reinvesting in the Province of Manitoba has very much a positive effect on the province and on the various facilities, such as hospitals and school boards and also municipal structures that are using it. I'd just like to encourage you in the strongest way possible to continue that policy and play your role as you have been of being a very instrumental agent in the long-term security of both our health system, our education system and the municipal and provincial governments.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman, before I ask my question to the Chairman, I'd just like to point out to the Member for Inkster that at the time that the arrangement, the lease, was entered into for the space for Autopac, I believe, the commercial space in Winnipeg was over 25 percent vacancy within the City of Winnipeg. Last year I had pointed out a situation to Mr. Dutton, whereby in rural areas people with claims who phoned to get an appointment for getting a damage claim assessed, they would be told that yes they could come at 1:00 o'clock, for instance, and they would arrive and find that there might be a dozen other people had been told to come at 1:00 o'clock as well.

In some cases, they were expected to wait in a body shop, a repair shop, for instance, where painting and hammering of repairs and fenders, and so on, was going on and occasionally people would be left standing while the adjuster went to have coffee, and this sort of thing. Mr. Dutton said at the time, well, I'm pleased that you brought this forward, that should not occur, of course, and certainly I'll look into it as quickly as we can and

see that this type of thing does not occur in future, because we certainly don't want that to happen. There is no excuse for it and we'll put a stop to it. I'd just like to ask then, what has been done during the course of the last year to carry out the commitment that Mr. Dutton gave us last year?

MR. C. LAUFER: We have provided for proper office space in, I don't know the exact number of rural communities now, where the adjuster does not have a claim office to work out of; in other words, where the adjuster travels from town to town. We have now provided, in most cases, a space away from a body shop or other facility that is more like an office space from which he can work. We've also tried to schedule the appointments a little better. Unfortunately, if the people don't call in, it's very difficult to do. If they just show up at the location at the time the adjuster is supposed to be there, we can still get a situation where there are several people there at the same time and naturally some will have to wait.

What we have also done initially on an experimental basis and are finding it successful, we have expanded a bit and will continue to expand it as we've put DIAL-a-CLAIM in Brandon and the rural areas serviced by Brandon, which is quite a large rural area, whereby the people in the smaller communities can phone in and report their claim by telephone. In many instances, all that is required thereafter is inspection of the vehicle. There is no additional contact required for the purpose of taking statements and doing other accident investigation work, which would slow down what the adjuster does out in the field.

Having found that to be quite successful, we expanded it this year as well to our Selkirk District Office and the rural areas that Selkirk services. The Vice-President of Claims informs me that they're not looking at Dauphin and Portage la Prairie, and if those are feasible, the system will be installed there as well to further enhance that type of claim reporting and cut down the length of time the adjuster has to spend interfacing with each person out in the field. If we can conclude the investigative part of 70 percent of the claims by telephone, that leaves the adjuster just that much more time in the field to deal with the other 30 percent, where he must get involved in statement taking and other investigative work. It should significantly improve the service and reduce the inconvenience to the clientele presenting claims.

MR. B. RANSOM: How many situations might there be during the course of the last year where you now have better facilities in terms of claimants having a place to wait that is a little more comfortable than standing around in an auto body repair shop?

MR. C. LAUFER: I don't have those numbers here, but we could provide them to you.

MR. B. RANSOM: Can Mr. Laufer tell me then roughly how many places where it is still necessary for people to wait in an auto body shop rather than some more reasonable surroundings?

MR. C. LAUFER: No, I don't have that information either.

MR. B. RANSOM: Is there an effort then to eliminate that completely and if it hasn't been eliminated completely now, then what would be preventing it from being carried out?

MR. C. LAUFER: I don't know if we could ever eliminate it completely. In those areas where there is any volume of claims, we could certainly do that and we're striving to do that with the DIAL-a-CLAIM system and the placement of small rental offices.

There are body shops in very small communities; sometimes they're busy, sometimes they're not. If we don't know what the adjuster faces when he comes out to that particular body shop, where normally he may get one or two claims in a week and suddenly he's hit with four or five, there's going to be a problem. For that kind of volume we can't justify the rental of office space. I don't think we'll ever totally eliminate it so that everybody will be looked after right away, anymore than a supermarket can eliminate queues in buying of groceries. There are certain surges that take place that they just can't staff for. It's not economically feasible.

MR. B. RANSOM: I realize that there is some economics involved, but I hardly think that it's reasonable that people should be expected to stand around for extended periods of time in an auto body shop while they're waiting to have their assessment done, but perhaps some improvements have been made and I hope that more will be made.

At the moment then if there are half-a-dozen people who phone up and say that they want to have an assessment made, will they all be given the same time to come, or is the assessor going to recognize that if he's already got two calls that he should give the next person 1:15 or 1:30.

MR. C. LAUFER: They are to schedule the calls on that kind of a basis; they'll say I have three people coming in at 1:00, I don't think we'll be able to look after you till 2:00 or 2:30; this type of thing. With the DIAL-a-CLAIM, of course, a lot of those will be dealt with and the individual doesn't have to show up at all except when the appraisal takes place.

MR. D. ORCHARD: Mr. Chairman, a question to the Minister. The Member for Inkster raised a rather interesting subject about four-wheel drives representing a greater claim loss under their present insurance. From a policy standpoint, does the Minister feel that discrepancy should be eliminated?

HON. J. BUCKLASCHUK: I thought that question was responded to by the general manager. In fact, I recall Mr. Laufer had said that the rates are determined on a three-year experience. I'm quite sure that if the losses continue in that particular area, the premiums that will be assessed for coverage will reflect that loss in a given period of time. It's a moving sort of a situation.

MR. D. ORCHARD: But from a policy standpoint, the Minister has no trouble with adjusting rates upward if they don't adequately reflect the claims incurred on that type of vehicle?

HON. J. BUCKLASCHUK: The rates must be adjusted according to the experience. That is something that the staff at MPIC consider, and the premiums that are recommended are based on that information.

MR. D. ORCHARD: To the chairman: Is there a greater claim loss from drivers under 25 than from drivers over 25?

MR. O. SIGURDSON: Yes, there is a disparity there.

MR. D. ORCHARD: My question to the Minister then, following through on his last answer: Would he be directing policy wise, as the Member for Inkster would indicate should be done, that young drivers' premiums go up so that there isn't a cross-subsidization between the insured?

HON. J. BUCKLASCHUK: The premiums for young drivers under the new rate schedule do not prejudge that driver's experience for the forthcoming year. So if the person who is, let's say, 23 years old has not had an accident, there's very little reason why he should be paying a different premium than a person who is 27 years old. If he has a bad driving record, two, three accidents, then he will be surcharged as was previously indicated by the general manager.

MR. D. ORCHARD: Did the chairman not indicate, despite that circumstance that the Minister has indicated, that there is a higher loss ratio to under-25 drivers?

HON. J. BUCKLASCHUK: I believe the chairman did indicate that, and if the young under-25 driver is responsible for those accidents, for those persons that are involved in accidents, their premiums will reflect that experience.

MR. D. ORCHARD: Mr. Chairman, a question for the general manager. What's the current sharing arrangement of registration costs with the Motor Vehicle Branch? What's the percentage breakdown between MPIC and the Motor Vehicle Branch?

MR. C. LAUFER: Did you want the dollars or just the percentage pledge?

MR. D. ORCHARD: Percentage.

MR. C. LAUFER: 55-45.

MR. D. ORCHARD: My question is for the general manager. In the past year or whatever, has the corporation investigated the possibility of going into the used auto part business or setting up a division to handle that?

MR. C. LAUFER: We conducted a study of the possibility of entering the salvage recycling business, did some comparative work with other insurance companies who do that sort of thing. Our primary interest was to see how it would affect the down side of claims by making available more crash-damage parts

than are presently available from the salvors that we have in place now.

Against that, we had a look at the economies of operation as compared to the present system of selling off all the salvage vehicles. The study concluded that there is very little to be gained in the way of economies of operation by recycling parts. Judging from the experience of the Saskatchewan Government Insurance Office, who have been in the recycling business for a long time, we don't see that we would be able to meet the demand for crash-damage parts that is put forward any better than the salvage recyclers in the private sector are doing right now. The main reason for it is the parts in demand are usually the front-end parts, and the cars that we have wrecked are wrecked on the front end and you just can't get enough of those. There are lots of trunks and quarter panels and roof panels and things like that, but you end up shipping those out to the shredder because there's no demand. There are not enough grills, fenders, hoods and front bumpers, and what have you.

MR. D. ORCHARD: Mr. Chairman, on Page 20 of the report under the "Schedule of Expenses Incurred," the payroll tax paid was \$109,000.00. Would that represent only four months payment of the payroll tax?

MR. C. LAUFER: From July 1 to October 31.

MR. D. ORCHARD: Is it fair to extrapolate then that on a yearly basis, given salary increases, the payroll tax will cost the corporation close to \$350,000 per year?

MR. C. LAUFER: \$330,000.00.

MR. D. ORCHARD: I note that Premium Taxes are up fairly significantly. I think that represents roughly a 50 percent increase in Premium Taxes. In going back to the Premiums Written, unless I'm missing the correlation, there was only roughly about a 10 percent or 11 percent increase in Premiums Written. Why was the premium tax so significantly higher year over year?

MR. C. LAUFER: There was a 1 percent increase in the premium tax and a 1 percent increase in the fire marshall's tax. That, coupled with the increased Premiums Written, would account for the larger expenditure there.

MR. D. ORCHARD: The 1 percent increase, who increased the tax by 1 percent? I'm not familiar with this.

MR. C. LAUFER: This would be the Provincial Government's increase.

MR. D. ORCHARD: So it would appear as if the new direct taxation by the Provincial Government on MPIC in terms of a rough calculation is going to cost maybe \$1.3 million to \$1.4 million per year, and in terms of a percentage of expenses, that \$1.3 million-\$1.4 million will probably reflect the inclusion of the payroll tax as well as the increase in the premium tax. That would mean that the driving public of Manitoba would be paying roughly 2 percent more on \$45 million worth

of expenses. Do you expect those increases in costs will be reflected in increased premiums to the driving public?

MR. C. LAUFER: Well, it's a little early in this fiscal year to answer that question. It's highly dependent on what our claims costs will be. Naturally if the claim costs eat up the premium dollars allocated for those costs, we have to look for an extra \$1.4 million and of course the only place that could come from is the motorists. I would think that in coming fiscal year there will be no noticeable impact as a result of those changes.

MR. D. ORCHARD: Speaking of the current insurance year, is it a fair assessment that the number of accidents this winter was down compared to last because of the relatively snowless winter we had, or was there still fair accident involvement because of ice?

MR. C. LAUFER: Well, March wasn't too good with the ice storms but year-to-date we are down somewhat - not nearly to the extent that we were the year before.

MR. D. ORCHARD: I think that's all the questions I have right now, Mr. Chairman.

MR. H. ENNS: Mr. Chairman, I appreciate that it's not the usual rule to plead individual cases before the corporation at this committee. It's probably a rule to keep, by and large, or else one would be attempting to second-guess the works of the Corporation in the many, many claims they have to deal with, but I move to nonetheless to break that rule and present a particular case that had been brought to my attention. It involves a Mrs. Elaine McLellan (phonetic). I mention her to bring to the general manager's attention in the event that he may indeed be apprised of this individual case. Of course, it would not surprise me if he's not.

It would appear that this particular person who was injured in an accident in September of 1979 and who has suffered consequent injuries that are somewhat unique, injuries to her jaw, that although the party is covered under Manitoba Health Commission, of course, Blue Cross and Autopac, still to date has not been able to receive the necessary assistance in getting the work done to improve her situation.

I say all this, aware of the fact that she has presented her claim as forcefully as she could to Autopac officials. I believe she's attempted to be in touch with the Minister directly either by mail or in person. I'm also aware that there may well be a court case pending - or not totally aware of it - but there seems to be something amiss with the different coverages that are available to Manitobans and that this party can't receive some redress to her situation. It doesn't help, of course, if she reads in the paper that part-time employees at the race track get their medical expenses paid for by the public purse and yet she is a long-time citizen of this province, fully covered by Autopac, fully covered by Medicare, cannot have the injury done to her jaw in an automobile accident looked after.

The case perhaps could be resolved and it would require and I recognize the unusual nature of this appeal directly to the Minister or indeed to the management,

to reconsider the situation on compassionate grounds. There was, of course, a substantive change made in 1980 that increased the medical expenses from some \$2,000 to \$20,000, a move, Mr. Chairman, that I take some pleasure in having been part of in the decision-making along with Autopac officials at that time to considerably enhance the benefit package to the driving motorists of Manitoba at that time.

If for no other reasons but compassionate reasons, Autopac officials could be encouraged to view this as a 1980 claim rather than a September, 1979, claim this party would at least have redress to that upper limit of \$20,000 for medical expenses rather than be held to the, then, rates of \$2,000, which I understand she has received some portion thereof. Again, Mr. Chairman, I want to assure the officials of Autopac and you, Mr. Chairman, the Chairman of the committee, that I don't believe it's good practice to do what I'm doing right now. I want to assure you that I do so only because of the several visits that I had with the party involved, reading the correspondence and that I feel that under these circumstances, unless the corporation has some further information as, undoubtedly, there is - there are always the other sides of all these situations - but nonetheless it would appear to me that a party that is being turned down by all our services in this area seems to fall in between stools. The Manitoba Health Commission is not helping her because they view it as being a matter closer related to dentistry; dental surgeons are not assisting her because it is a unique injury involving rebuilding of jaw joints, muscular joints, which apparently the treatment for which only available at a centre outside of this jurisdiction.

I plead her case, Mr. Chairman. I would table some of the information that was made available to me which I'm sure is in the hands of the corporation but as a reminder of this request, and invite the chairman to either accept this as a matter of notice or, if he has a response that he can make at this time, hopefully he would. I would ask in the most sincere way that I can for the corporation to review this case, this file, afresh, setting aside as sometimes is necessary, I believe, in the interests of justice, the fact that she may have pleaded this case at different doors, the Ombudsman, Human Rights Commission or the Minister.

The point of the matter is she is not getting looked after and I would ask the general manager to personally review the case to see whether or not there is not some way, and I'm not even suggesting necessarily, that it is the total responsibility of Autopac although an auto injury was the official cause of her difficulties, it may well be the case that the Manitoba Health Commission should be looking at this on compassionate grounds; but somebody should be looking at this case. Mr. Chairman, with your permission, I will forward this correspondence directly to the general manager in the hope that perhaps he can in some way provide some assistance to one Mrs. Elaine McLellan.

HON. J. BUCKLASCHUK: Yes, I guess we would be rather hesitant to get involved with individual cases. We certainly are aware of this specific claim. I have not met with Mrs. McLellan or her husband in person, but I have received letters on a number of occasions on behalf of Mrs. McLellan. As the Member for Lakeside

indicated, she is presently represented by legal counsel, and I don't know where this whole matter is with respect to the courts. Therefore, I suppose we have to be cautious as to the extent to which we discuss this particular claim.

This claim has been reviewed by the general manager of MPIC at my request. It has been reviewed, I believe, at least twice and possibly even more times. In fact, what the Member for Lakeside had failed to mention is that there may well be a resolution to this particular claim through options that are available to Mrs. McLellan through her legal counsel. Now, whether or not she has chosen to exercise these options is a matter between herself and her legal counsel.

With respect to the claim itself, the member is correct in that the limit for medical expenses, I believe, was \$2,000 at the time of the accident. It has since been raised to \$20,000.00. The fact is that there were, I suspect, dozens and possibly hundreds of claims for accidents that occurred at that time that had to be resolved under that \$2,000 limit, and it would be, I think, somewhat unfair for us to single out one particular claim and say that we will allow a \$20,000 limit on this one and let the others stay with that \$2,000 limit. If the general manager would like to respond further on this?

MR. CHAIRMAN: The Minister of Natural Resources.

HON. A. MACKLING: On a point of order, Mr. Chairman, I think that the Honourable Member for Lakeside has appreciated that the rule is that we in this committee should not be engaged in analysis of individual cases. The member has made his point about this particular case; the Minister has responded. I don't think there should be further discussion of it.

The Minister has also indicated that a lawyer is involved. There are legal rights involved. I think it would imprudent to have any further discussion of it. I'm not critical of the Honourable Member for Lakeside for making what I consider to be a very eloquent plea on behalf of this individual. I think the Minister has responded and I really think any further discussion would be out of order.

MR. H. ENNS: Mr. Chairman, the Minister indicated, and I have to agree with him, that one can't stretch the retroactivity rule; there has to be a cut-off.

But my question to the corporation is: Are there any requests for consideration retroactively before the corporation as a result of that change from \$2,000 to \$20,000 on the medical expenses limit?

MR. C. LAUFER: I'm not aware of any.

MR. H. ENNS: Well, Mr. Chairman, that makes my point. The Minister hypothetically said, and I agreed with him, if in fact there were a large number of claims before the corporation, that some retroactive consideration would further increase the liability for the corporation, it would cause them greater difficulty, then that is the case, but the truth of the matter is one cannot generalize. The truth of the matter is the general manager's not aware of any particular cases that are pending, and I would suggest therefore that consideration for retroactivity in this case could be considered on compassionate grounds.

MR. CHAIRMAN: The Minister of Economic Development.

HON. M. SMITH: Mr. Chairman, I was wondering if you were going to rule on whether or not we should continue discussing this case. I'd rather you'd rule before I proceed.

MR. CHAIRMAN: The last question that the Member for Lakeside asked was a matter of broad application, whether or not there were any requests for retroactive reconsideration, which is not on an individual case. However, I do think that it would not be prudent to pursue discussions of an individual case.

Are there any further questions in a general way on the MPIC Annual Report?

MR. H. ENNS: Proceed with passing the report, Mr. Chairman, page-by-page.

MR. CHAIRMAN: Pages 1 to 32, inclusive—pass; report—pass.

Committee rise.