

Fourth Session - Fortieth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Crown Corporations

Chairperson
Mr. Bidhu Jha
Constituency of Radisson

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MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON CROWN CORPORATIONS

Monday, September 28, 2015

TIME – 2 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Bidhu Jha (Radisson)

VICE-CHAIRPERSON – Mr. Matt Wiebe (Concordia)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

*Hon. Messrs. Chomiak, Mackintosh,
Hon. Ms. Marcelino*

*Messrs. Altemeyer, Cullen, Goertzen,
Ms. Howard, Mr. Jha, Mrs. Mitchelson,
Messrs. Schuler, Wiebe,*

Substitutions:

Mr. Cullen for Mr. Ewasko

APPEARING:

Hon. Jon Gerrard, MLA for River Heights

*Mr. Dan Guimond, President and Chief
Executive Officer, Manitoba Public Insurance
Corporation*

MATTERS UNDER CONSIDERATION:

*Annual Report of the Manitoba Public Insurance
Corporation for the fiscal year ending
February 29, 2012*

*Annual Report of the Manitoba Public Insurance
Corporation for the fiscal year ending
February 28, 2013*

*Annual Financial Statement of the Manitoba
Public Insurance Corporation for the fiscal year
ending February 28, 2013*

*Annual Report of the Manitoba Public Insurance
Corporation for the fiscal year ending
February 28, 2014*

*Annual Financial Statement of the Manitoba
Public Insurance Corporation for the fiscal year
ending February 28, 2014*

*Annual Report of the Manitoba Public Insurance
Corporation for the fiscal year ending
February 28, 2015*

*Annual Financial Statement of the Manitoba
Public Insurance Corporation for the fiscal year
ending February 28, 2015*

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Mr. Chairperson: Good afternoon. Will the Standing Committee on Crown Corporations please come to order.

Our first item on the business is the election of a new Vice-Chairperson. Are there any nominations?

Ms. Jennifer Howard (Fort Rouge): I nominate Mr. Wiebe.

Mr. Chairperson: Mr. Wiebe has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Wiebe is elected Vice-Chairperson.

The meeting has been called to consider the following reports: annual reports of Manitoba Public Insurance Corporation for the fiscal year ending February 29, 2012, February 28, 2013, February 28, 2014 and February 28, 2015; annual financial statements of the Manitoba Public Insurance Corporation for the fiscal years ending February 28, 2013, February 28, 2014 and February 28, 2015.

Committee Substitution

Mr. Chairperson: I would like to make the following membership substitute–substitution effective immediately for the Standing Committee on Crown Corporations meeting on Monday, September 28, 2015: Mr. Cullen will be sitting for Mr. Ewasko.

* * *

Mr. Chairperson: Now, are there any suggestions as to how long the committee should be sitting this afternoon?

Mr. Kelvin Goertzen (Steinbach): Mr. Chairperson, I propose we sit 'til 4 and then review. It's not my intention for this committee to sit longer than 5 p.m., though.

Mr. Chairperson: Is that agreed? *[Agreed]*

Are there any suggestions into which order should the reports be considered?

Mr. Goertzen: I suggest a discussion on a global manner.

Mr. Chairperson: Global considerations, any discussions? Agreed? *[Agreed]*

Does the honourable minister wish to make an opening statement, and would you please introduce the staff in attendance today.

Hon. Gord Mackintosh (Minister charged with the administration of The Manitoba Public Insurance Corporation Act): At the table is Chairperson Jake Janzen; vice-president and CEO, Dan Guimond. Also with us today is the vice-president, finance and the chief financial officer, Heather Reichert. Maybe put your hand up and then when those—general counsel and corporate secretary, Kathy Kalinowsky; vice-president, business development and communications and chief product officer, Ward Keith. Also with us today—there—vice-president, customer service and chief operating officer, Christine Martin; vice-president, information technology and business transformation and chief information officer, Brad Bunko. Brad there?

So I'll just provide some very brief general comments and then we can get into Q & A.

I'm proud to state that, of course, this Crown corporation continues to provide efficient customer service and affordable auto insurance for Manitobans. A recent report by Deloitte shows Manitoba is the most affordable country in—or most affordable in the country for basic household utilities and auto insurance. The report found Manitobans paid an average of \$2,965 for electricity, home heating and auto insurance for the fiscal ending March 31. That report follows MPI's general rate application in June where the corporation applied for no overall rate increase to the PUB. If approved, that would be the 12th time in 15 years that MPI has not requested a rate increase. That's a pretty good track record, and, once again, it reinforces that the public automobile insurance model implemented in 1971 is highly efficient while providing gold-standard service to its customers.

MPI continues to demonstrate its fiscal responsibility to Manitobans. To compare, let's look to the west of us. ICBC is applying for a rate hike of more than 6 per cent this year. That's not happening here.

MPI continues to be an involved corporate citizen in the province and, of course, is committed to loss prevention through various initiatives. That includes road safety, driver ed and working closely with other groups who have a vested interest in road safety such as senior drivers, cycling groups and schools.

A very successful loss prevention initiative is the low-interest winter tire financing program that's administered by MPI. Currently, more than—wait for it—30,000 Manitobans have taken advantage and signed up for the program.

MPI, of course, has a long history of working collaboratively with MADD Canada and the Manitoba chapter to educate Manitobans about the dangers and consequences of impaired driving. I want to personally put on the record my appreciation to MADD Canada, to its director, Andrew Murie, and as well to the local chapter for providing input on legislative and other administrative changes here for Manitoba.

This past summer the safer roads bill was introduced, paving the way for MPI's registrar of motor vehicles to invoke driver improvement actions such as suspension of the driver's licence to those drivers who have been charged with a serious driving-related offence. I'll just say as an editorial comment that I think the driver improvement action program of MPI is not largely recognized. It is a tremendous on-the-ground effort to improve driver safety in Manitoba, and I think we should celebrate that initiative.

With safety in mind, the corporation also works very closely with MADD and Justice officials in my department to continually advance the legislative work to counter impaired driving. Moving forward, there'll be an immediate roadside three-day suspension period for first-time, low blood alcohol concentration—that's 0.05 to 0.08—and drug-impaired offenders. Currently the suspension period is 24 hours, so that's quite a change that is afoot.

* (14:10)

In addition to raising awareness about the dangers of drinking and driving, MPI has implemented a positive, proactive strategy related to distracted driving and extremely high-risk driving behaviour. I'll say that when I came back into the portfolio of Attorney General and Minister responsible for MPI, I was very careful because in

the eight years of my absence I know there's been a lot of changes in the way that programs are delivered and what's going on generally in Manitoba. And it was very interesting and saddening for me to see that the scourge of the crime of impaired driving and the impact on the lives of Manitobans has now been matched for its—in its—in the number of Manitobans killed each year by distracted or cellphone driving—cellphoning drivers or texting drivers. I think there's about 28 Manitobans a year killed by impaired driving. It's about that same number now for cellphoning drivers, and I think that is so unfortunate.

And so MPI has just launched a new distracted driving campaign. It asks Manitobans: If you're texting, who's driving? It replaces the award-winning Your Last Words campaign that was successfully running for the last two years. But it aims to remind Manitobans how driving while distracted can impact, of course, not only their own lives, but the lives of others. When you understand that youth in—across North America are texting on average 100 times a day, you can see the challenge that lies ahead to wrestle this down.

MPI has taken its awareness and education efforts to the next level with the distracted driving simulator. At this point, thousands of Manitobans have been able to experience this one-of-a-kind simulator. I have just got word from one of my staff, Felix, that came from Cavalia on the weekend, that there was a lineup to use the simulator. I think that's great news, that people are interested in this new method of education and engagement.

But, sadly, there are people who do get injured or killed as a result of an automobile crash—way too many—one is too many. But earlier this year we announced significant enhancements to the caregivers' weekly indemnity, fully recognizing the value of the work done by stay-at-home caregivers who are fatally injured. The enhancement will now compensate the family for economic—for the economic loss.

MPI continues to enhance the products it offers. Last spring MPI announced motorcycle owners would be able to purchase the following new products from their agent: rental vehicle insurance; extension loss of use; excess value coverage; and new and leased vehicle protection extension insurance. The new products will provide motorcycle owners where—with greater peace of mind and add convenience in the event of a collision. The president

of the Coalition of Manitoba Motorcycle Groups described their products as a positive step forward for all motorcycle owners.

To conclude my remarks, we continue to take steps at MPI to improve already stellar customer service. Another example of this is the physical re-engineering project which is a long-term initiative to leverage emerging technology to address the current challenges of vehicle repair, look for cost-efficiencies, increase customer convenience, and improve communication between repair shops, claimants and the corporation.

MPI is engaging its industry partners to create and foster an increased spirit of collaboration and ensure a robust and sustainable repair industry. There's a need to ensure the attraction and retention of workers in the repair industry.

This is a gold-standard service Manitobans have come to expect from MPI. They continue to say that they're very satisfied with MPI, and according to the most recent customer satisfaction survey the corporation meets or exceeds customer service standards 97 per cent of the time.

Perhaps just in conclusion, I—just to reflect for a moment on an announcement from last week. I was also very pleased to work with MPI to address the concerns of Manitobans when, after being victimized by vehicle vandalism they must then pay a deductible, and we have seen, for example, in the River Heights area of Winnipeg, but other areas as well, where when that happens repeatedly the deductible can certainly increase and become very troublesome for families. So that change was just announced and the feedback has been just tremendously positive.

Those are my remarks. And I understand that we're now ready for any questions that come to me or the chair or to the CEO, which I understand is—I understand, Dan, you're the usual focus of questioning, but we'll take questions.

Mr. Chairperson: We thank the minister.

Does the critic for the official opposition have an opening statement?

Mr. Goertzen: Yes, just briefly, Mr. Chairperson. I want to thank the staff for MPI for making themselves available here this afternoon. We appreciate the opportunity to ask questions about what is an important Crown corporation and an important service for Manitobans.

I unfortunately was reminded too dramatically on my way here to the committee today about the importance of safe driving and witnessed a pretty serious accident on the way here. And I offered my prayers to those who were involved in the accident at the scene and I'll do that here as well. I may have to leave a little earlier just to fulfill an obligation to make a police statement, so just let the minister know that.

And, with that, I'm prepared to proceed with questions.

Mr. Chairperson: We thank you, Mr. Goertzen.

Does the representative from MPI have any statement to make?

Mr. Dan Guimond (President and Chief Executive Officer, Manitoba Public Insurance Corporation): I'm just pleased that the corporation's here today to participate in this process. And we'll do everything we can to answer the questions that the opposition may have.

Mr. Chairperson: Thank you, Mr. Guimond.

Seeing no further questions, I would—sorry—I would say that we are open for questions.

Mr. Goertzen: Mr. Guimond, I have a couple of questions regarding the announcement made on Friday by yourself and the minister regarding the waiving of deductibles for vandalism. Just for clarification, this would cover all acts of vandalism, whether it's a key scratch on a vehicle or a smash-and-grab, or those sorts of things. Is that correct?

Floor Comment: That's correct, yes.

Mr. Chairperson: Mr. Guimond, would you kindly make sure that you address through the Chair, raise your hand so I can recognize you? Thank you.

Mr. Goertzen: Thank you, Mr. Guimond. And approximately how many vehicles would that be a year? Now, you might have some historical data on that in terms of how often the vandalism claims are made in Manitoba. Do you have a bit of a historical perspective maybe over the last five years or so?

Mr. Guimond: We average about 10,000 claims a year, vandalism claims a year. And the average severity is about \$1,300.

Mr. Goertzen: Is this something that you've been working on for some time within MPIC? When were—when did the discussions begin about moving

to a system that waived the deductibles on vandalism?

Mr. Guimond: The catalyst was with what was happening in River Heights. There was a lot of vandalism. We were approached by the city councillor. We were also approached by citizens. So we started to look at, you know, the situation. We started to address the situation.

And we looked at it from the following perspective: (1) the vandalism that was happening there, it's—vandalism in nature is a police enforcement issue, so we worked with the police, and the police reduced the number of vandalisms that was occurring in this particular neighbourhood almost to none. So the first step was to let the police do their job, which they did.

The second step was to work with the community in terms of Citizens on Patrol to take action to prevent vandalism. For example, if you have a garage, can you put your car in the garage versus leaving it on the streets and so on.

Then we had to assess in terms of what we could do in terms of meeting customer expectations and was there something that we should do more than what we were doing when it came to vandalism. So in terms of satisfying customer expectation, we didn't want to find a solution for River Heights; we thought it was more aligning the expectation of our customers throughout the province. And it's—so this evolution of changing the limit on our competitive deductibles, for example, you can see that there's an alignment in terms of what we've been doing on vandalism, for example, theft, and now—I'm sorry—glass, having an accident with a domestic animal, also with theft. And so now we added vandalism. So you can see that what we've done is an alignment with customer expectation, and it's a solution for all Manitobans.

* (14:20)

Mr. Goertzen: Thank you, Mr. Guimond.

You mention in your comments there that you'd worked with police to reduce, if I understood you correctly, you said vandalism to almost none in that area. Is that correct?

Mr. Guimond: The police took those steps. Like, we didn't want to go too fast. We wanted to assess the situation, but it's—the councillor of the City of Winnipeg that approached us. And what we did is we also work with them in terms of providing, like,

Citizens on Patrol, for example, and also working with the community to see if there was steps that they could do—although they're victims in this—but sometimes when you get vandalized say, for example, if you have a garage, can you put your car in the garage?

Mr. Goertzen: You'd indicated in your previous answer, though, that the vandalism in this area has been reduced to almost none, though. Is that the current state?

Mr. Guimond: It went from about 77 in terms of frequency in one month down to seven, and then we saw some normal patterns for that particular area of the city, and now we saw that there's a little bit of a spike that started again. But, again, the police are working at it and monitoring the situation and dealing with it.

Mr. Goertzen: Do you know what the impetus was or—how it is that the—this was reduced to almost none in terms of the vandalism that's happening in that area?

Mr. Guimond: Well, it was—the particular area was obviously targeted by mischiefs, you know, people that would like to just do damage, and the police did what the police does. They dealt with the situation; they assessed the situation; they monitored the situation; they acted on it, and I feel they had, like, really excellent results.

Mr. Goertzen: So I'm wondering, then, because I was under the impression, you know, when you sort of talk to some of the residents that there's still a very real concern about what's happening with vandalism. You're sort of telling us that there's a different impression, and you had seen the statistics from the MPI side. But if the—if it's been reduced to almost none, and the minister was sort of saying in his comments yesterday or, I'm sorry, on Friday, regarding this program that it was important to do this because people were paying over and over again. I'm wondering what—why it moved so quickly. If there wasn't really an issue existing any more in the area, as you're suggesting, why did MPI feel it had to move quickly now that the problem seems to have been solved or maybe it has been solved in different ways?

Mr. Guimond: That's why our solution was not for a particular area but for all of our customers. So it was a question of aligning more with the expectations of our customers. It will also benefit definitely that area in the sense that if, let's say, somebody is released on

bail, for example, and they go back and go at it until they end up in jail or whatever, I mean, it's a little bit like auto theft what happened there, you know. The police need to monitor, they need to pick him up. They go out on bail they need to keep track of them, and then they need to until they get into court and get put in jail or whatever the consequences are for going along breaking cars like that.

Mr. Goertzen: Was there any consideration by the corporation—seeing that, according to your testimony, the situation in River Heights in particular has more or less, you're suggesting, have been solved—to wait until this maybe became before the PUB where this can be discussed? I know you don't have to that because it's the extension service that you can do this—and obvious you are doing it on the corporation's own decision-making power—but was there any consideration then to—because it wasn't considered an emergency situation—to bring this to the PUB so it could be discussed at that forum?

Mr. Guimond: Our sort of philosophy when it comes to compulsory auto insurance, we try to make basic as affordable to the public as possible, and we have very competitive pricing on the basic line of business. So what we do in terms of customer experience, we don't force people to buy more insurance if it's not absolutely needed. So what we do is through our competitive lines we allow the customer to tailor the policy to their needs, and that's why you see the changes of all these limits, whether it's theft, whether it's glass, and now vandalism. It's all about allowing the customer to make a choice as to whether they feel they want to do that or not and we keep the basic or the compulsory side of it from a philosophy perspective we have to keep that product affordable. We don't force people to purchase things that they may or may not want.

Mr. Goertzen: But, more specifically, was there consideration to bringing this to the PUB in the sort of regular hearings that you have, given your testimony that the situation in River Heights has more or less been alleviated? Was there any consideration to bringing that to the PUB first?

Mr. Guimond: We talked about, you know, where the limit should be or what it should be. But because of that principle that we have, we did not consider bringing it to PUB because we never wanted to modify the PUB product and the PUB in terms of how we deal with the PUB. It's all about basics. So, because we did not want to modify that product—and it's also important to know that when it comes to

coverage in terms of what people can or cannot buy, that is a fundamental decision by the government of Manitoba and not about the PUB. Coverage is by de facto decision made by the government of Manitoba through legislation. The PUB only approves the rates.

Mr. Goertzen: Thank you, Mr. Guimond.

You mentioned earlier on that there are about 10,000 claims per year. If this applies to the deductibles of \$100 or \$200—if I've got that correct in terms of the announcement, using the average of \$150, by my math, which isn't always the best when I do it in my head, but it would be about a million and a half dollars that you would normally get from that level of deductible in the past when individuals were paying for their deductibles from vandalism. Is that correct?

Mr. Guimond: I was wondering if you could maybe—I'm sorry. I'm not sure I got the question, and it makes two of us in terms of quick count there.

Mr. Goertzen: I think it confused me even when I said it, so I don't blame you.

If there are 10,000 claims a year, and it applies to deductibles of \$150 to \$200, so I'm taking the average—sorry, of \$100 to \$200, I'm taking the average of \$150. Ten thousand claims a year times a deductible of an average of \$150, in the past, if those individuals were paying for the deductible, the corporation would have taken in about one and a half million dollars a year for deductibles. And then, of course, you then turn around and pay out the cost of repairing the vehicle. Is that correct?

Mr. Guimond: I can't say it is and I can't say it's not. The actuaries figured out in terms of what it would be to be able to change that limit on those deductibles. So from an actuarial perspective, it might be up to \$3 or \$5 more depending on which deductible you purchased. And when we have the actuals after we have a few years of history, then we'll know in—if we need to modify the pricing or not. But it's very premature right now to know how this is going to shake out in terms of bottom line.

Mr. Goertzen: And that's partly where my question's going, as you probably guessed. Because if you were paying \$3 to \$5 in addition on your, you know, the extended coverage you have, and there are 700,000 people who have the bought-down deductible, in my calculation that would be some—you know, an average of \$4 per policy, that'd be

about \$2.8 million that the corporation stands to bring in from this program. Is that—would that fit with what your actuarials are saying?

Mr. Guimond: No. No, I would have to say that—what the actuaries did is based on—I know you're using the 10,000. We don't think it'll be 10,000 when you have a zero deductible in vandalism. We may very well have more vandalism claims.

So, in terms of what you're referring to, from a bottom-line perspective we won't know until we have the actuals. And I would suspect that we're going to get more vandalism claims with a zero deductible.

Mr. Goertzen: I understand the logic of that and I appreciate you for mentioning that. I guess the—on the basic math, on the raw math of it, obviously not what actuarials would do, I think the concern is that it looks like this might be a profit for MPI, not in terms of, of course, the repairs, but they were doing the repairs anyway. But the trade-off between getting the additional amount per coverage and not paying out the—or getting the deductibles in, it seemed like to me that it might be a net benefit to the corporation.

Mr. Guimond: I respect the point that you're trying to make, but I would have to respectfully disagree. Our motive wasn't profit. We really ran the numbers to help our customers out. And until we have our—you know, history is always based on past experience, right? So, no, I would have to respectfully disagree that what you're trying to say from a profit perspective, that's not what it's about. I really believe that it's going to help Manitobans, and when we have our actuals we'll know. But I would more expect a more very close to be break even or potentially maybe even having to raise the rates on the long term.

* (14:30)

Mr. Goertzen: Yes, and I don't want to suggest that the motive was to make a profit. It did seem to me that maybe we're not quite sure whether or not it's going to make it a profit or not. Is that correct?

Mr. Guimond: From an actual perspective, we believe that three to five dollars, you know, if we can break even, we'll be happy. Let's put it that way. But you never know until you have the experience.

Mr. Goertzen: I—a couple questions regarding the Rate Stabilization Reserve, the—I guess what is known at MPI, maybe less so in the public, as the RSR. What is the current level of the RSR?

Mr. Guimond: Current level of the RSR is approximately \$180 million. And this is recent information that's just been submitted to the Public Utilities Board.

Mr. Goertzen: Sorry, I didn't catch the exact amount. Can you just repeat that?

Mr. Guimond: The current RSR level is approximately \$180 million, and it's recent information that's just been submitted to the regulator as we approach the hearings.

Mr. Goertzen: Thank you, Mr. Guimond, for repeating that.

And what is the target of the RSR for MPI?

Mr. Guimond: With the new information just provided to PUB as we're nearing the information to be in a satisfactory condition for basic, the target is \$230 million.

Mr. Goertzen: So again, then, with my rough math, which I think is better this time, but it—you're—you would consider it to be about a \$50-million deficit in terms of where you would prefer to be with your RSR for basic and where it currently is?

Mr. Guimond: Yes. We currently have a deficiency in capital for the basic line of business of \$50 million. Having said that, we're at the end of our second quarter. How the markets will perform, you know, between now and the end of our fiscal year, so the—I wouldn't, you know, there's still a lot of things that can happen between now and the end of February in the markets. So we'll see where it lands by the end of February.

Mr. Goertzen: No, and I respect the volatility of the markets, and we all sometimes do well or do poorly as a result of that.

In terms of the RSR, in the past, there has been dividends or rebates or whatever individuals want to call it from Manitoba Public Insurance, and I think largely they've been based on the overall reserves that the corporation held.

How would you compare your financial situation now to the times when dividends were provided to policyholders by MPI?

Mr. Guimond: Last year, the PUB had described the financial position of the corporation—I use the term vulnerable. And I believe that until we're in a financial position where we can, for Manitobans, have rates that are predictable and stable, that that's going to be vulnerable. And we can see that with a

premium deficiency of \$50 million. And we didn't have a premium deficiency in March at the end of our fiscal year. Now we can see how the volatility keeps changing things. So the way I describe is that we're vulnerable from a financial perspective.

Mr. Goertzen: And how is that process determined when MPI decides that it's going to issue a dividend or a rebate to its ratepayers, to its policy holders? Is that process deliberate within the—you executive? Or how is that gone about, making that determination?

Mr. Guimond: It's not the corporation that decides on the rebates; it's the regulator. And so they—it's thoroughly, entirely up to their discretion.

Mr. Goertzen: Well, would you go to the regulator and make the recommendation? Or is that a recommendation they would make to you? Or can it be either-or?

Mr. Guimond: I don't have an answer to that but I certainly hope we will have one after these hearings because it's something we're definitely working with the regulator right now to really understand what is the range of the RSR, when does a rebate occur, when it doesn't occur, what triggers a RSR rebuild and so on. So I'm really hoping by the end of this hearing that we will have answers to those questions. But right now, no, there's no agreed-upon triggers and so on.

Mr. Goertzen: I appreciate that, and just in terms of how the ask is made, though, would it be—in the past has it been the corporation who's gone to the PUB and suggested that there be a rebate, or is it the PUB who says at a hearing, you know, we think that there's—too much is in reserve or too much equity that's being held and we think that there should be a rebate?

Mr. Guimond: It's a decision made by the regulator.

Mr. Goertzen: And so, given that you feel the current financial situation of the—you describe it as vulnerable, the financial situation of MPI, you're not suggesting that there be a rebate provided any time soon, within the next year or two?

Mr. Guimond: Correct. There shouldn't be any rebates for the near future at all.

Mr. Goertzen: In terms of the RSR, and I know this was an issue of discussion at the hearings with the regulator last year, and I don't want to sort of revisit all of that, but there was a lot of discussion about how it's actually drawn upon and what it's used for.

Have you given further thought about that? I think that the point that was being made by—I think it was the Consumers' Association was that it's difficult for Manitobans to always understand and know where the RSR is being drawn upon, because the feeling is that it would be used in extraordinary circumstances, excessive claims because of weather or whatever the reason would be, and there wasn't that sort of clarity that it might be used for a lot of different reasons, whether it's technology or different sorts of things that are desirable within the corporation, but that it's not necessarily an emergency fund per se.

Have you given any thought to that since the hearings about what kind of definition you can put around about when the RSR would be used?

Mr. Guimond: The use of the RSR is defined and has been agreed to by the corporation and regulator for many years, and it's only to be used for adverse financial conditions.

Mr. Goertzen: And then the definition of adverse financial conditions, I mean, it's not limited, obviously, to a specific amount of claims; it's not limited to injury claims that are spiking for a particular reason. It's—is it sort of whatever the corporation defines as being an adverse financial condition?

Mr. Guimond: The adverse condition is triggered by unforeseen events, right, so the RSR is used for unforeseen events that create adverse financial results for the corporation, and that's the sole intent of the RSR. And the whole idea is to have a range, a lower range and a higher range, so that when unforeseen events occur, you don't have to always go and ask for money from your ratepayers. That's what allows the volatility to take place.

And so that's the purpose of the RSR. It's been agreed to for many years, and that's what it's about.

Mr. Goertzen: The—I understand that the corporation made a policy change in terms of how it deals with car seats when there's an accident, and I—if I understand correctly, in the past car seats were always replaced, and if I understand now, that it's either done on a basis of a test or—but it's not automatic, anyway, that the car seats get replaced. Is that correct?

Mr. Vice-Chairperson in the Chair

Mr. Guimond: The corporation made a policy change as to when car seats are replaced, and I'd like

to be able to elaborate on that a little bit. Currently there's about five to seven thousand car seats that are crushed and put in landfills, so we looked at what our counterparts were doing, like in Saskatchewan, in British Columbia and also in the private sector, like companies like Allstate and so on. So there's research that was done by the national highway traffic safety association and ICBC. Those are scientific research that was done with these car seats, and they found that under circumstances—certain circumstances you don't have to replace the car seat.

I want to put some context on what we're talking about. So if you're backing up, for example, of the garage and you scrape the side of your car, you don't have to replace the car seat. A minor fender bender, we all know, for example, like your—how the fenders are plastic and they have electronics backup, so you can spend two, three thousand dollars in no time replacing—a lot of money replacing a fender.

* (14:40)

So, based on those findings, we changed our policy to align that, and it's the same thing that Allstate, SGI, ICBC and so on are doing. They've been doing that for many years. There's been no issues. And so we are so—caution on the side of the error, and since this spring we made that change, and as our customers are having those minor fender-benders, we go over the policy with them. We also explain to them and we talk with St. John Ambulance locally; they had no issues with us changing the policy. And we spent a lot of time educating one-on-one. Our customers, we want them to feel comfortable with the policy change and we want to make sure they have no concerns. And so far, on all of our claims that we've settled, there's been no issues with our customers.

Mr. Goertzen: And what's the threshold for determining, then, whether or not a car seat gets replaced? Does it go in and get checked by, I think, you mentioned St. John Ambulance? Is there an external group like that or local fire departments? I'm not sure, you know, who else does the checking on these sort of things. I know from my own family the fire department has sometimes looked at the car seats, but how is that determination made, then, whether or not it'll get replaced? [*interjection*]

Mr. Vice-Chairperson: Mr. Guimond.

Mr. Guimond: Oh, sorry.

Based on that scientific research, just to provide a high-level overview of how a decision is made as to whether the car seat is replaced or not: so, for example, the vehicle's not drivable, car seats get replaced; air bags are deployed, car seats get deployed; injury to any vehicle occupant—doesn't matter how minor it is—car seats are replaced; damage to the door adjacent to the car seat, the car seats get replaced.

So those are the—based on the scientific research, the condition where a car seat gets replaced and, again, for minor fender-benders, for example, backing out of your garage or hitting a car behind you in the driveway, things of that nature, that's really what we're talking about here. And we've had no issues from our customers.

Mr. Goertzen: Thank you, Mr. Guimond, for that.

Is that a policy, I guess, that's under active review or active examination? It'll be reviewed in the future to see how it's—how that particular change in policy is working; is that correct?

Mr. Guimond: We will continue to work with our colleagues across the country and with the private sector and also with various government entities. For example, our registrar's working with the CCMTA and the Government of Canada to look at, you know, are you going to be able to do more research? It's possible that there's more research that they still don't have to change the car seats for more findings. So it depends on the research that they're doing and what's available out there. So we will continue to monitor what's happening.

Mr. Goertzen: Just some questions around costs and cost containment, and I know you've had some of these questions both last year and also at the PUB hearing. I think it was last year either at this committee or perhaps it was in another forum, you talked about a freeze on front-line staff positions. Is that freeze still in place, or how is that continuing on at the corporation?

Mr. Guimond: The freeze has been lifted by myself recently. The only thing left in place is that if any manager needs to be hired in the corporation, it still requires my approval. The cost-containment strategy is working very well. I said last year we created a committee; we forwarded you the terms of reference of the committee and the members and so on. More importantly, the committee was able to cut about 8 and half million dollars out of our operational budget, which is why we didn't need a rate increase

this year. So it's doing very well, the committee, and we're achieving our near-term objectives.

Mr. Goertzen: So the reason that the freeze was lifted, was it because of the result of the cost-containment committee, or were there other pressures that were—that the corporation was facing, or why was the decision made to lift that freeze?

Mr. Guimond: When I had the chance since I was appointed as president and CEO to review all the budgets and all the staff establishments, so the managers, even though the freeze is lifted, they cannot hire unless it's—whether it's been approved in their budget. So they have to stay within the staff establishment approved by their budget, and they can only hire people that are on their staff establishment. So I think what we're doing now, is now that I'm satisfied that things are going the way I'd like to see them, we're slowly removing those unnecessary constraints and not getting in people's way—in their way more than we have to.

Mr. Goertzen: Last year, you indicated—sorry, the responses to last year's questions, you indicated—and thank you for the responses, Mr. Guimond—that there was, I think, 1,150, if I remember correctly, front-line individuals who were identified as front-line workers at MPI. Is—can you have an update in terms of what that number is?

Mr. Guimond: It's about the same.

Mr. Goertzen: And what about at the executive level, your level of presidents and vice-presidents, have there been any changes to that over the last year both in terms of individuals fulfilling those roles, but also new positions that may have been created?

Mr. Guimond: We've had—we added one vice-president, the chief information officer, as a result of me getting the—becoming president and CEO.

Mr. Goertzen: How does the compensation level work for your executive members? Are there bonuses that are paid on a regular or an ad hoc basis?

Mr. Guimond: There are no bonuses. The way the executive compensation works, you get like your pay salary, your scale and so on. But, in terms of increases, it's the same thing as negotiate with the MGEU. So we just had zero, zero—2.75. So we just had a 2.75 per cent increase in the spring—in the same as the collective agreement, and so that averages about a one—below a per cent on the last three years.

Mr. Goertzen: Just in terms of talking about employees, and we're talking a bit about the freeze and those on front-line workers. It was in the annual report from 2014 you had a satisfaction survey done. I think that was in 2011 for your employees just in terms of their work satisfaction—and I'm just going to find the rating here. I think the rating came in at about 73 per cent, which to me seemed, you know, relatively low, meaning more than a quarter of the staff were in some way not satisfied—and I didn't sort of drill done further. It didn't provide that information. But what accounts for that 70—it's page 28 of the 2014 report. It indicates that the level of employee satisfaction was at 73 per cent, and yet it was within the target because the target was set at between 70 and 80. But does that seem low to you? It certainly seemed low to me.

Mr. Guimond: Not at all. In fact, when we get benchmark in IBM it's not uncommon to—if you're at 68 per cent or above you're doing very, very well.

Mr. Chairperson in the Chair

Mr. Goertzen: So, even though there is a quarter of the staff, which I guess would represent almost 300 employees, who wouldn't consider themselves to be satisfied—and, again, it doesn't—it sort of doesn't give it that specific criteria. But obviously they indicated in some way they were unsatisfied. That doesn't seem difficult or alarming to you?

Mr. Guimond: There's a significant difference between being satisfied and being engaged. So our satisfaction level would be even higher. The engagement level is much harder to occur, and that's why when you look at the IBM benchmarking 68 per cent is considered very, very good. And being in what we are right now we're very happy with those results. That doesn't mean we're not going to keep working at it, but very good result when you start to get benchmarked.

Mr. Goertzen: And so, you know, you raise the issue of engagement levels. I look at the quarterly financial report which was issued on May 31st of this year, and it has an employee engagement of 68 per cent and the target is 65 per cent. The goal seems to be the same on both of those pages. The 2014 report says that Manitoba Public Insurance will offer an environment in career opportunities and will encourage employees to strive for excellence. Our people will be treated with respect and fairness their contributions will be recognized. It's the exact same goal as the 2015 quarterly report, and yet the level is 73 per cent in the 2014 report taken in 2011, and

then it's 68 per cent in 2015. It seems like it's dropped. Is there concern from the corporation based on that?

* (14:50)

Mr. Guimond: I think what's happening there, Mr. Goertzen, is that one is—has to do with satisfaction and the other one has to do with engagement. I don't think they're the same numbers that you're comparing.

Mr. Goertzen: Well, the goals are identical, but why don't you then explain to me the difference between the two.

Mr. Guimond: So in terms of engagement, in terms of employee performance, is that the employee will not do the bare-bone minimum in terms of having a satisfactory condition in terms of their performance; they're actually going to go the extra mile.

So, when I became president and CEO, we started to—we wanted to start to have engagement, but I think that's very important to have that as part of our culture and be able to deliver good customer service to our customers. So we started to measure that.

My personal goal, corporately, as CEO, is to have an engagement core 65 per cent. That's what is in my numbers. The—we're at 68 per cent right now, and we're going to keep working at that. So, in terms of having 68 per cent of your staff that are willing to go the extra mile, so to speak, that's a good number, especially when you compare the IBM studies in terms of benchmarking. So I'm very happy with that. We're going to keep working at it, but they're very good results.

Mr. Goertzen: I've a couple questions regarding, again, along the lines of cost containment. We'd talked a little bit last year on travel for executives, and I'm trying to remember the exact language. I bet I probably could find it if you gave me time, but I know time is precious here. There was something of a freeze last year on executive travel. At least there were some restrictions in place, anyway. Are those restrictions still in place?

Mr. Guimond: Travel has been, for the executives, as I'm pretty sure I mentioned last year, was it's limited to what we need to do to be able to keep the company properly functioning, and that has not changed.

Mr. Goertzen: Has it ever been anything but that? I mean, one would assume that there was never a time

when travel was just whenever somebody wanted to travel. It would have always been because of a reason to go, right?

Mr. Guimond: That's correct. But I wanted to be able to review every travel request that I approve, and I wanted to make sure that it was linked to people's performance objectives, and I wanted to have that whole view of how everything was interlinked and I wanted to be satisfied about it. But it is, you are quite correct, it's always been the case. I just wanted to be able to see it for myself in my first years as I was doing due diligence.

Mr. Goertzen: And so that's still the case? You still review all the travel requests that come from whatever you were reviewing from before?

Mr. Guimond: Yes. Every travel request external to the province needs to be reviewed by myself and approved by myself, not internal to the province.

Mr. Goertzen: Do you have a summary of what those have been in the last year, external from the province travel, not internally, obviously?

Mr. Guimond: It has been about seven out of province.

Mr. Goertzen: Can you just provide a little bit more level of detail in terms of the destination and the reason for that?

Mr. Guimond: One of our executives went at the Gartner ITxpo 2014. One of our executive went to the Infor Conference. This all has to do with our systems regarding all of our accounting and HR.

We had one person that went to the Research Council for Automobile Repair, RCAR, one person that went to the council of HR executives winter meeting. One executive went to the FINEOS Global Summit. And one executive went to the Financial Executive International, FEE, Canada conference.

Mr. Goertzen: Thank you, Mr. Guimond. Now, I wasn't at any of those, so can you just tell me where they were? Or maybe I was and I don't remember, but I'm pretty sure I wasn't, so—

An Honourable Member: You weren't.

Mr. Goertzen: I wasn't? Okay.

Mr. Guimond: I don't have all the particular locations because these conferences sometimes change locations throughout the year, but of the ones that I know, the RCAR, I believe, last year, it was the

one that you talked that was in Brazil. The other one, the FINEOS Global Summit, was in Dublin.

And the other ones I don't have, but what we can do is take an undertaking. We'll come back to you maybe in 10, 15 minutes with the answers.

Mr. Goertzen: Yes, that would be great. Thanks for that undertaking.

Just a couple questions regarding sponsorships, just a few; I won't be doing an exhaustive list of sponsorships at this point. Grey Cup, has MPI been asked to be a sponsor or agreed to be a sponsor for the Grey Cup in Winnipeg later this year?

Mr. Guimond: Yes, we have been asked to provide a sponsorship for Grey Cup.

Mr. Goertzen: You'll be shocked at what my follow-up question is, then. Could you—and it's not whether or not the Bombers will be in there; I know you don't want to answer that question, but can you tell me what the level of that sponsorship is, what it entails and what it provides?

Mr. Guimond: Regarding the Bomber sponsorship, it's approximately \$100,000. We will be getting for that money road safety messaging. We're also going to be doing our distracted driving messaging, and we're also going to have our simulator on site for people to be able to try that out, and there's no tickets for us.

Mr. Chairperson: Mr. Goertzen. Mr. Goertzen.

Mr. Goertzen: Oh, sorry, Mr. Chairperson, I was distracted by my colleague. *[interjection]* Yes, distracted committeeing.

Has there been any approach to MPI regarding sponsorship of a potential outdoor NHL hockey game?

Mr. Guimond: I just want to make sure—NHL hockey game? Or do you mean—

Mr. Chairperson: Mr. Goertzen.

Mr. Goertzen: Yes, that's that fancy league that plays downtown here. See, I don't have a lot of tickets for it either, but for the Winnipeg Jets, any outdoor hockey game that might be—there's been speculation, obviously, that a game is coming, so.

Mr. Guimond: For True North, yes. I was—sometimes they have special games, NHL games, so—but if you're talking about the True North, yes, there is a sponsorship for that.

Mr. Goertzen: I just want to make sure we're talking about the same thing. I think we'll get to Jets tickets yet, but there's been talk about an outdoor NHL game being held at the stadium. There was talk about it being this year. I think there were issues around timing or the preparation of the stadium, but for—specifically for an outdoor NHL game, has there been any ask from the corporation for sponsorship of that?

Mr. Guimond: No.

Mr. Goertzen: I understand that MPI sponsored—I want to pronounce this right, like, I usually get it wrong—Odysseo, and can you sort of tell me what the sponsorship level for that show was and what the corporation received for any sponsorship of Odysseo?

Mr. Guimond: I just want to make sure—the winter sale? Is that what you're talking about?

Mr. Goertzen: No, it's the horse extravaganza with the big tent. I got—I did pronounce it wrong still? Cavalia, okay.

* (15:00)

Mr. Guimond: No. We did not provide a sponsorship for Cavalia. What we did is we bought some print to be able to be—have our messaging of not driving, not texting and so on. We bought print regarding—in their—in the materials that they created for the shows.

Mr. Goertzen: And what level was that at? Or what was the financial commitment for that?

Mr. Guimond: For this kind of event, we purchase \$40,000 of print.

Mr. Goertzen: There were no tickets provided, though, to the corporation?

Mr. Guimond: Yes. There was 100 tickets that—provided to the corporation, which we donated to the United Way.

Mr. Goertzen: The Jets sponsorship, or the Jets tickets, I know that there was some that were cancelled. Is that correct? And so can you tell me which of the Jets tickets were cancelled and which one the corporation still maintains?

Mr. Guimond: Okay, so the way the sponsorship works is that we have one pair of tickets now. One pair of tickets equals 45 home games. Those home games, there's 30 per cent that we give away and there's 70 per cent that we use for staff recognition.

Mr. Goertzen: So MPI doesn't share a box. It's one pair of tickets that are in a P1 or a P2 level within the arena. Is that correct?

Mr. Guimond: They're not in a box. I'm not too sure which section of the arena, but it's not part of a box. And the way we're allocating the tickets is consistent with the Crown Corporations Council's way of handling tickets that was done for the Crown corporations, the policy that was established.

Mr. Goertzen: And there were some that were cancelled, though, is that not correct? I think you had—did you not have more at one point and then you've turned some back?

Mr. Guimond: Our sponsorship used to have two and, as time went by, it dropped to one pair of tickets. So we had two pairs of tickets, now we're down to one pair of tickets.

Mr. Goertzen: And was that part of the cost containment strategy? Or was that done for some other reason?

Mr. Guimond: We used to—so it went down because of how the sponsorship was working in getting more advertising. So we did less pairs of tickets for more advertising. That's how the sponsorship was worked out.

Mr. Goertzen: So just for clarity, my point here is there's more advertising at the True North centre during games and there's less tickets. Is that correct?

Mr. Guimond: Yes, so as the sponsorship evolves over time, we had four pairs of tickets; we're down to one pair of tickets, and as the pair of tickets go down, we get more advertising for not having those tickets. That's how the sponsorship is designed.

Mr. Goertzen: Okay. So there's no—the sponsorship doesn't provide a box for MPI.

Mr. Guimond: No.

Mr. Goertzen: Just for clarity, not that I'm trying to get into it, particularly, I'm just saying I want to make sure we know what exactly it's coming from. The corporation has talked at different times about, you know, the philosophy around sponsorships. And I don't think that there is questions around issues of road safety when you're talking about not texting and driving, not drinking and driving. I think there are more questions that come up when it's talking about name recognition or fostering loyalty within the company.

Is there any thought in terms of the philosophy in terms of when the corporation makes decisions to sponsor that aren't specific to road safety and the rationale in terms of loyalty when it comes to advertising for that purpose?

Mr. Guimond: So the sponsorships that we do, whether they're arts and culture, diversity, education, sporting events, environmental, are all used to be able to have a way to communicate with our customers the messaging that we want to send. It's a way to be able to at one point in time for a very specific event to be able to reach customers with a very specific target, to be able to try and modify behaviour. Sometimes it'll be about buckle up, sometime it'll be about don't text and drive, something will be about don't drink and drive, and sometimes it'll be a mix of things. So we use those opportunities to be able to send a message that we want for that particular event. That's kind of the idea behind it.

Mr. Goertzen: So all advertising for MPI contains some kind of a message other than the corporate logo or brand?

Mr. Guimond: Yes. And it's important that, like, the corporation considers funding requests that supports its core business interests. That's what we're trying to do. So whether it's road safety, medical rehab, loss prevention or sponsorship, those are money that we use to be able to communicate with our customers, and we're hoping that over time what we do in working with our business partners, the police, the justice, the Minister of Transportation, for example, when I started to work for MPI in the 1990s, we were about 120 to 130 fatalities a year on the average. In the last fiscal year we were down to 68. Now, 68 is too much, but again it shows that working with our business partners, sending our message, we can see that over time it does make a difference.

Mr. Goertzen: Has MPI had any meetings with representatives from Uber?

Mr. Guimond: No.

Mr. Goertzen: Has there been any requests for meetings from Uber?

Mr. Guimond: Not that I'm aware of, and Uber, again, we're going to coverage here and this will be the decision of the government of Manitoba as to whether MPI will be providing insurance or not for that kind of business model.

Mr. Goertzen: What's the MPI's position or research on autonomous vehicles, self-driving vehicles? Is there some sense in terms of where things are at on a technology basis and what preparations is MPI making in the, I guess, eventuality that that'll become a reality in Manitoba?

Mr. Guimond: We've done quite a bit of work on the autonomous car and the impacts on auto insurers in general. We know that auto manufacturers right now are predicting to have some form of autonomous vehicles on the roads by 2022, maybe as early as 2020, fully autonomous cars on the roads by 2025. That might seem far away, but they already are on the road; they already are being tested. There's some on the roads in Germany in certain locations. There's some in the States. There's already several states that have provided legislation to how to register and have an autonomous car legally on the road. So we've been looking at that.

We've been monitoring also from a financial perspective what will be the impact on the long term on the corporation and what we might need to do to prepare for the autonomous car. The most important thing right now that's happening is how fast these cars are changing. We're basically seeing, in essence, they're really computers on wheels, and we're already starting to see the impacts.

So right now what the corporation is doing in terms of immediacy as they're rolling out technology like paralysis, backup camera, active systems to slow you down if you're on cruise controls and so on, is we're making sure that we're working with the repair industry to make sure that they have the tools, the skill sets and the facilities to repair those cars, and that if those cars are involved in an accident again that they perform to OEM standards, original equipment manufacturer standards, because we don't want people injured or killed because the car wasn't properly repaired.

So, in terms of impact, near term, we have to absolutely make sure that we have ability to repair those cars as some of these cars already have over 18 computers on board. That's No. 1, and we're well on our way to be able to do that with the physical damage re-engineering initiative.

*(15:10)

The second thing is to prepare the corporation in—from a basic perspective, there'll be less claims in the future and there'll be less accidents. Less accidents means it—that we'll be able to reduce our

premiums for our customers, and we have to prepare for a business that, on the long term, its revenues will be shrinking.

Mr. Goertzen: I appreciate that answer. And I'm not as familiar with the technology as I suspect you are and where it might end up in terms of autonomous vehicles. But, I mean, it's the corporation feeling that it will—the vehicles are more expensive, so where there are accidents or collisions that they're involved with, it'll cost more for their repair but it will reduce the number of accidents. That's your feeling on the technology? I mean, obviously, that's what it's intended to do, but I'm just—

Mr. Chairperson: Mr. Guimond.

Mr. Guimond: Yes, the research that we have done so far indicates the following: On the long term, there'll be a lot less accidents and, therefore, we'll be repairing less vehicles, which means that we'll be able to reduce the premium. When there is an accident, the severity will be much higher. There'll be less accidents, but when there is one, the severity will be pretty, pretty serious. Overall, though, at the end of the day, you pay less in claims than we do today.

Mr. Goertzen: So your feeling is, or the research that you have, is that's probably seven years away before it really impacts Manitoba? And, now, is that in terms of individuals who would own those vehicles here or is that in terms of they just might be entering Manitoba, they might be coming from other jurisdictions?

Mr. Guimond: So how they will enter our society will be over, maybe, the next 10, 15 years. There's actually four levels of autonomous car. We're already seeing the ones, for example, like the Ford Focus with parallel assist. It's not—it's a journey, and they become more and more automated as time goes by.

So, from a financial perspective, rough, back napkin, if you look, from a strategic planning perspective, by 2030, we're probably going to see 100 to 200 dollars—\$200 million less in claims because of collision avoidance. So to give you an idea of the financial implications or the impact on a automobile insurer, so in our case, on the basic line of business, you're probably looking at 100 to, you know, to 200 million dollars less in revenue by 2030.

Mr. Goertzen: I just—a couple questions regarding testing and driving, and then I'll—I promised my friend from River Heights some time for questions.

The issue of texting and driving continues to be a dominant one not only here in Manitoba but other wheres—other places in North America. The impact of increasing the penalties, I mean, have you seen an impact in terms of the level of testing and driving from MPI's perspective?

Mr. Guimond: Texting and driving is a very serious concern for the corporation. You know, one in five of our fatalities are linked to texting and driving. What we have done, what was really important to us, was, first of all, is our consumer awareness or customer awareness of how serious the issue is. It was very important to be able to communicate, to be able to make people understand how serious that is. People today understand how serious that is. And because they do we're now able to get the support of the police, in being able to ticket and to be able to have some serious consequences or penalties. In terms of the penalty you have to pay, I think it's close to four or five hundred dollars, number 1.

Number 2, the public is now also willing, that if you get charged up by the police for texting and driving, that it's linked to our driver-safety rating scale. In other words, if you get an infraction and you're convicted, then they will affect the insurance that you pay both on your car and on your driver licence.

So we've been able to make the public aware. We have their support now to be able to take corrective action. There's even some people now that feel that the police should confiscate the phone; I don't know how far it's going to go. We're actually doing a summit this fall, working collaboratively with the police and ministry of Transportation and Justice and so on to—and with MADD to be able to see what are other things we can do. But we have the support. And right now it doesn't seem like it's getting worse in terms of losses. It's a bit early to sort of claim victory, but, I mean, we're going in the right direction. People understand it. It's linked to behaviour modification now. We're able to take action. We'll continue the road, but right now, it doesn't seem to be getting worse in terms of, like, more deaths, for example.

But still very early in the—you know how—you can think about how it was—like buckle up, for example, how long it took for people to buckle up. But we're definitely going in the right direction. I'm very pleased with what we did.

Mr. Goertzen: In terms of technology, and we were talking about autonomous vehicles, I mean, there's

obviously some technology that exists for—there's some technology that exists for stopping texting and driving, blocking phones from the ability to be texting or to receive phone calls when in a vehicle. Has MPI examined that at all?

Mr. Guimond: We've worked with our business partners in terms of looking, like with IBM, for example, or different companies, there's some companies that have the ability to block. Right now, the technology is not sophisticated enough to be able to limit it to the driver, because other people are actually allowed, like if you're sitting in the back seat, for example, you can, you know, text and you can use your phone.

The other thing is in case of emergency. Like, let's say you pass out and you're under water, for example, you know, and then you can't phone for help or something like that. There's also some serious issues regarding the ability to access the phone if you need it.

So the technology is not sophisticated enough to be able to implement it, but it is something that we've asked IBM, and we are looking into if there are ways that we could maybe be more proactive from a technology perspective.

Mr. Goertzen: So it's fair to say it's something that the corporation's aware of. They're looking at potential technology that might alleviate that problem in the future.

Mr. Guimond: Yes, and even work with—as you know, IBM is also very linked with the auto industry, and maybe even having a standard that—right built in at the manufacturing level when a car is sold in the US or Canada that it would have the ability to have that technology to block it.

Mr. Goertzen: Couple of quick questions on recalls, and when they're—and it's been in the news, I know, a little bit lately, but when there are recalls that are issued by automakers, what ability does MPI have to ensure that those who are their clients are going ahead and making those recalls happen on their individual vehicles, that they go in and they get those things fixed that the individual manufacturer is saying should be fixed?

Mr. Guimond: Recalls in general, that's handled by the government in Canada, and they're pretty good at handling that and making sure that the vehicle, whatever the issue is, is repaired and so on. And we don't have any issues in terms of having accidents because, you know, a recall wasn't done or repaired;

there's no statistical evidence to show that recalls are an issue.

What the corporation is more concerned about from a policy perspective is that because cars are being provided with an IP address—in other words, the computers are linked to the Internet—now we're going from a situation where it's just like a mechanical issue or something that you need to fix but is not an immediate danger to somebody like a hacker who take—can take control of the car and actually create an intentional accident. So I think that's a very important distinction from what we understand recalls in the normal sense and now, because of the computers on board, how you're going from the—what we're used to that's not an issue to now somebody being able to do something intentionally wrong to create havoc on our roads.

So we have to look at—we're actually in the process of preparing a paper for our board of directors on—when you're talking about software patches to prevent somebody from hacking the car and so on, are those things now that the corporation, through the registrar, should be looking at? Should we be more active on that? What are the implications of these new cars? What are the implications of people now being able to do things intentionally malicious? I think that's the exposure to Manitobans. That's the risk, and we need to mitigate it.

*(15:20)

And the corporation is currently in the process of creating a paper for the board to consider on what is our role in this, and they may be having some conversations with the government of Manitoba from a legislative perspective.

Mr. Goertzen: Well, I mean, that is interesting, and look forward to following up on that. And as we see as cars get more technological, everything does. The ability for people to manipulate that in a bad way, as obviously there, and we see that in a lot of different forms in the world. So that is interesting. I thank you for sharing that.

Just in terms of the recalls specifically, though, however, I mean, there certainly can be cases, I think, where recalls can cause problems. I mean, they wouldn't be recalled otherwise.

Is there no ability for MPI, I mean, you know which vehicles people own, by virtue of your records, to follow up to ensure that people are getting those? Maybe it's at the time that they're registering, or maybe it's by way of a letter, or however that

might be done. Is there not a way for MPI to ensure that people are acting on those recalls?

Mr. Guimond: We don't feel that it's—in terms of the costs involved and that and putting the whole infrastructure in place to monitor or even to enforce it, that that's something that would be beneficial from a cost perspective and so on because there's no evidence to show that we're in danger because these recalls are in the process of being done and these vehicles are in the process of being fixed. There's nothing to show that the public is at a disservice.

I think what's more important is when you buy a car maybe you want to know what's—and the private sector is already doing reports or selling reports to that effect in terms of is the recall done and so on. So in terms of us going into an arena where the private sector is already starting to fulfill that need and charging for reports, I don't think the corporation would be viewed in a positive light in terms of entering into that sphere.

Hon. Jon Gerrard (River Heights): I'm going to start with some questions on the situation with vandalism of cars and the deductibles and the forgiving of deductibles under circumstances where there was vandalism.

Now, in the material which has come out, you know, the operating framework seems to be that most passenger vehicles will be covered.

Can you just explain a little bit more clearly who will not be covered and what proportion of vehicles would not be covered?

Mr. Guimond: So there's approximately 75 per cent of our customers that purchase the lower deductible, the 200 or 100. So in terms of who would not have access to a zero deductible on vandalism is the people who don't choose to buy the deductible, and it's a choice that's made on those customers' part. So approximately 25 per cent, and it's a choice.

Mr. Gerrard: The 25 per cent would be—represent approximately how many cars?

Mr. Guimond: I'll have to get back. We'll have somebody look at it and get back to you a little bit later.

Mr. Gerrard: Somebody who doesn't have the lower deductible, as you say, of 100 or 200, many of those would have some higher level of deductibility at 300 or 500, is that it?

Mr. Guimond: The—on the compulsory side, the basic, which is the compulsory auto insurance that you have to buy, has a \$500 deductible.

Mr. Gerrard: Would people who have a deductible which is higher than one to two hundred, whether it's 300 or 400 or 500, would they have any benefit at all in terms of vandalism, any coverage?

Mr. Guimond: You have to purchase the 200 or the 100 to get a zero deductible on vandalism. But if you do have the 300 and so on, then instead of paying 500 you pay 300 on the deductible versus zero.

Mr. Gerrard: So, just to be quite clear, somebody who has a \$300 or \$500 deductible, their deductible remains exactly what it is now. They would still have a \$300 or a \$500 deductible on vandalism. They wouldn't have any benefit whatsoever. Is that right?

Mr. Guimond: Like, from a coverage perspective, you end up paying the deductible. I'm not too sure they're not getting any benefit because it's the choice that you've made as a customer, so I'm not sure I would agree with the context that they have no benefit in the sense that it's a choice that they've made. They're doing the trade-off between, you know, I'll put my money aside versus—you know, it's a personal decision as to what coverage you want.

I do have your answer, sir, on the previous question. It'd be about 230,000 vehicles, that 25 per cent I was talking about.

Mr. Gerrard: I'm really just trying to be in a position so if I have questions or people who are asking me who's covered and who isn't covered, I just want to be absolutely clear. So, thank you for that clarification.

Now, in terms of preventive measures, one of the things that was—came out at the meeting, crime forum in River Heights, was the fact that some, many—I'm not sure exactly what proportion of cars which have alarms—those alarms don't go off if somebody breaks a window.

Can you clarify that for me because I think most people would have assumed that if one of the car windows got broken that the alarm would go off?

Mr. Guimond: There's so many different kind of alarm systems, sir, that you can buy and install in your vehicle, and what one will do or not do, you know, I can't really speak for that. Like, it just—if you actually know the person that that occurred, like, we can maybe look into it. But there's so many kinds of

devices out there that, you know, what the alarm system does or does not do, I wouldn't know.

Mr. Gerrard: I mean, it would seem to me that because we had people—perpetrators who were going down the street and breaking a series of car windows, that if the first car window had an alarm, that he would tend to scare people off. But if none of the car windows had alarms then when a window was broken, then, you know, an individual might keep on breaking the windows.

So it would seem to me that this information would be quite important from a preventative point of view, to know to what extent alarms go off and what proportion of alarms go off when a car window is broken and whether, in fact, just like you've done with immobilizers, that immobilizers prevent problems of car thefts. You know, if one had a higher proportion of cars with alarms, or if people knew more about what kind of alarms would actually go off when there's windows, that this would be helpful.

Mr. Guimond: Okay, so I think the best thing I can do is when it comes to purchasing an alarm system for your vehicle, that that's a personal choice in how it will behave or not behave.

But, in terms of your point, in terms of trying to get an alarm going and then maybe scaring the person away or trying—those are the kinds of things, you know, when we talk with the city councillor in terms of working with the community, with the citizen on patrol, are there things that they can do to be able to mitigate the ability to be victimized over and over again, like putting your car in the garage, like maybe purchasing an alarm system. Or maybe there's other things that they can do, like citizens' watch or having—there's all kinds of things that a community can get together and do to try and protect themselves.

So those are decisions that they will do as a community and we will help them through citizen on patrols to share information on what they can do, what they decide to do, I don't know, but that's—those are decisions made by the citizens, right?

*(15:30)

Mr. Gerrard: Yes, but it will be very helpful if citizens have information, basic information about, you know, what they can do. And I think if your corporation could provide a little bit more information about—relative to the type of alarms and what was available and what proportion of alarms

actually will go off when there's a broken window and what customers might look for if they were looking for alarms which have—which go off when there's a broken window, if you would be able to provide that information to me as a result of this question-and-answer session, perhaps not immediately but later, then, you know, that could be a step in helping to get more accurate information out.

Mr. Guimond: I understand the point that you're making and I want to acknowledge that I understand the point you're making.

I do believe that as a corporation, like, through our seasonal programs, working with the community, like, the idea of putting in alarms is something that's good to talk about.

We would not be able do—to say, hey, you know, why buy this one versus that one. We're going to become liable as a corporation. We're going to get sued by the other manufacturers who say, hey, what are you guys doing?

We cannot provide product recommendations. We can only talk about steps that you can do to protect yourself, like you say, maybe putting in alarm systems, but we cannot go as far, as a corporation, to say which ones. That would be very problematic and would probably end up in court, right?

Mr. Gerrard: Could you provide me information on what proportion of cars have alarms that would go off when a window is smashed versus those that don't go off when a window is smashed?
[interjection]

Mr. Chairperson: Kindly be recognized, yes? Mr. Guimond, yes, thank you.

Mr. Guimond: I'm trying.

I don't have the stats on that, like the data, but what I can do, though, because of the immobilizer program, I certainly can provide you by postal code which—how many have them through our immobilizer program. I can at least do that for you, for sure.

Mr. Gerrard: Okay, so when you say how many have alarms or how many have immobilizers, what—

Mr. Chairperson: Mr. Guimond.

Mr. Guimond: The immobilizer is what I'm referring to. At least you would know—and some of them—you know, we'll look into it to see if they

actually go off or not or if they just neutralize the car. But at least I can get that for you.

Mr. Gerrard: It would seem to me that it might be useful to do a little bit of research in terms of the alarms which are being used in cars and to the extent that they might go off when a window is smashed or not.

Mr. Guimond: You know, I want to say I get your point, and I'll take it under advisement and I'll get back to you, but we have to be so careful, sir, as—because of who we are, if we start to recommend alarms. I wouldn't mind looking into it to say, you know, what they do in general and just give you a general report, but we have to be very careful how far we go with that.

Mrs. Bonnie Mitchelson (River East): Just a couple of questions. I—and it may sound like a silly question, but what's the definition of vandalism? What would be included in what people could expect to get under the definition of vandalism? I know broken windows certainly are one thing, but is there anything else that is covered?

Mr. Guimond: We do have a technical definition that—we'll get somebody to dig it out for you. But in general, it's somebody who damages your car intentionally. Some people take a knife and go at it for the car—the paint job. Some people take baseball bats and they'll break your lights, and some people take a knife and puncture your tires. That's the kind of idea we're talking about here.

Mrs. Mitchelson: I guess that would be on a case-by-case basis, then. You would get the report and make a decision or a determination on whether it indeed is vandalism. Am I correct?

Mr. Guimond: Yes. We—there's a report that's provided by the claimant and then the adjuster makes the decision, yes.

Mrs. Mitchelson: I guess just one other quick question. Oh, gosh. I don't know—just don't know how to word this. I'll come back to it if I—yes, I'll come back. Thanks.

Mr. Gerrard: Okay. So, yes. Thank you, and any information you can provide on the current situation with regard to alarms that I could then pass on to others and to people in the community. I represent River Heights so appreciate this, but that would be very helpful.

Mr. Guimond: We'll definitely look into it and get back to you shortly.

Mr. Gerrard: I just wanted to ask if there's any other actions beyond what you've already mentioned in terms of looking at what can be done in a preventive way or what can be done in terms of through MPI identifying the people who are causing the vandalism.

Mr. Guimond: In terms of identifying who it is or what's going on there, we view that as a police matter. We do share information with the police in terms of frequency if they have—if they ask us about, you know, how many, where, and so on, is there any patterns, for example. Is it always between, you know, 9 and 10? We're open to provide that kind of information working collaboratively. But we do not under any circumstances assume any responsibilities that the police has.

Mr. Gerrard: I note in the comments on the announcement that there was a mention of the fact that MPI will try to recover the costs from the vandalism from where the individual who has caused the vandalism has been identified. But in the press announcement or in the coverage, it was said that there are many people who won't pay. So could you talk a little bit about your experience in terms of recovering costs and under what circumstances you've got many people not—who won't pay.

Mr. Guimond: Speaking generally, so the process you're talking about specifically is called subrogation. So, when somebody is charged and is found guilty in a court of law, then we fix the car, we take care of our customer and then through court we will proceed to try and recover the monies that we paid out. What happens in many instances is that the individual that actually, you know, commits the crime, he or she are not able to repay. There's a lot, and they're in gangs or they're, you know, people who are, in essence, more or less have no money whatsoever. So what we do is we, through the courts, we put a hold on them. From that we flag the file. Eventually, you know, they'll find their way. They'll get a job, and then at a very later time when they try and come back in the system and so on, we will negotiate repayments. So we track you for a very long time, and eventually we do collect part of it or some of it. But some of them will never, right, find their ways, and it's just a segment of our society that finds themselves in those situations.

Mr. Gerrard: You had not given me the information with regard to the proportion of the costs which are recovered. But my next question—and maybe while you're finding that—my next question deals with the

autonomous cars. And it seems to me that one of the concerns is how the autonomous cars will do on snow and ice. I mean, there are conditions which we have in Manitoba which are very, very different from many other jurisdictions in which programming a car autonomously to deal with, it seemed to me, might be tricky.

I wonder whether you would comment on whether you're doing any research or know of research that deals with autonomous cars and very icy and snowy conditions. *[interjection]*

Mr. Chairperson: Please, could I. Thank you.

* (15:40)

Mr. Guimond: It's a very good point that you're making. And we are in the process of trying to do a pilot in Manitoba with autonomous cars. We're trying to put that in place. We haven't been able to secure an agreement with a particular company yet, but we are working on it to be able to pilot autonomous cars in Manitoba in the climate that we're facing, and also to understand, through the pilot, because some of us will still want to drive, so what happens when you're driving, what happens when you're not driving, what are the conditions. It's possible that we might have, you know, you can only go autonomous during the summer—who knows—in terms of legislation. So you're quite right, there's a lot of research that needs to be done on that, and we're trying to negotiate a pilot in for Manitoba.

Mr. Gerrard: You had mentioned that the concern now is related to hackers getting into cars' computers and causing accidents. And I would ask a question in terms of whether there have been any accidents in Manitoba which have been traced back to hackers getting into computers and causing problems which led to accidents, or is this something which is solely a something for the future when the computers are much more involved in driving cars like autonomous cars?

Mr. Guimond: We have no incidents on hacking at this point in time. But we do have cars that, in the study that I was doing right now, there are about six or seven cars that, like the 'Telsa,' for example, so some of these cars need patches, some of them will require patches. So we are looking at that.

So, so far, no incidents. Is it theoretically possible? Yes. Is the risk high? No. But it's still important, before it gets serious, and before these cars becomes common, to have an—to be on the

Internet, that we look at this and make sure that we decide what we want to do from a policy perspective.

Mr. Chairperson: Mr. Schuler.

An Honourable Member: Just a finishing comment.

Mr. Chairperson: Dr. Gerrard.

Mr. Gerrard: Thank you very much, and I think you maybe were looking to get something on the proportion of costs recovered, which is a question that I'd given you earlier on, and if you don't have that now, maybe you can provide that information later on.

And I will pass it on to my colleague from St. Paul's.

Mr. Ron Schuler (St. Paul): I do have a couple of questions about graduated licensing. And could the corporation tell us, what do you need, as a beginner, to register for your beginner's licence?

Mr. Guimond: To be able to register, you need to be able to go through the identity process. We need to know who you are. So we create an identity. You become a customer of the corporation. So we provide you with a customer number. You have to be able to pass a written test to be able to start to be able to drive on the roads. And so that's—those are the steps that you need to take.

Mr. Schuler: And it's the identity process that I would like to ask some questions about.

How do you develop an identity with the driver's branch of the corporation?

Mr. Guimond: The identity is based on the Canadian driver licence agreement standard that the Province of Manitoba has adopted, and this was created by the Canadian—CCMTA—hold on here, I'm just going to—this was created by, it's a standard from the Canadian council of motor transport administration, which is also consistent with the US standard that they came out with.

And so what you have to do is you have to have six data elements that come together. And how these six data elements come together to know who a person is, you have to have, like, your signature, your picture, where you live—so you have to have the name, date of birth, photo, signature, you have to be a resident of Manitoba and you have to have a legal presence in Canada.

Mr. Schuler: Thank you for that answer. And I guess one of the troubling things is—for families—is

having one piece of identification that you need to start the process, and what kind of identification do you actually need?

Mr. Guimond: So, for every data element, there are documents that you can provide, and that's stated in the regulations; the—it's part of the driver vehicle act—and there's numerous documents in there. The list is quite extensive so I don't know it by heart. But it is in the regulation, and if you want us, we can dig that out for you.

Mr. Schuler: No, thank you, because I actually live this process.

And the comment I'd like to make to the corporation, maybe it's more to the minister than to the corporation: It is difficult for young people to start the process because they have no ID. And there's this new thing called the Internet, Al Gore invented it a couple of years ago. And, for instance, kids have online banking and it is very difficult for them to get something printed out or something with—because they have to have their name and their address. There's also the problem of two-parent families. So they might have identification there or they may not have identification here. And I would suggest to the corporation, maybe it's to the minister, and this has been a problem that—I'm on my third round of finding identification that actually works that'll be acceptable for the corporation. Because at 15 the last thing you're thinking about is, oh, my goodness, I need ID because I've got to get a licence, and, you know, not everybody does have a bank account. They don't have a passport. They don't have a charge card statement. They don't have those things. And it—I understand the regulation and I've seen the list, and this is a real problem and—especially for families who don't have the means, perhaps, of others. This actually is a barrier and, you know, in our case, you know, there's other ways that we can get identification, but for kids starting out—because I live this, this isn't theory. So I'm not coming here and just trying to theorize to try to burn time.

This is a real problem that families are facing is to get the proper ID, and I'll put out one suggestion. Is it possible that you could have a form where it's filled out and you get someone to sign that, you know, and you list, you know, all the different categories to serve like a guarantor for a passport, you know, that kind of a thing? Because kids don't have the ID, and with all the family dynamics and that, how are they supposed to come up with

something? And all of a sudden they're faced with it, and if you want to get into the proper driver education thing, you've got to—quickly got to go to MPI or in—wherever and you have to have this ID and it's always a stress point in our household: what ID is there; what can we use, because they don't have ID.

Any feedback, either from the minister or from the corporation?

Mr. Guimond: I acknowledge the—what you've just said, that sometimes it's not easy, and it's not easy. But to your suggesting about having a guarantor form, that's exactly what we have. We do have a form for exceptions or people that don't have the documents and so on, so we have this what call this guarantor form. Somebody can sign on behalf of the child for the data elements that they're missing or cannot produce. So the suggestion that you've made actually exists, and we can—we have that in place.

In addition to that, the corporation has an exception process to be able to be able to help families that may not be able to provide all the data elements for whatever reason. So you can go to a service centre and we'll help you with what's creating the difficulty.

So there's two things to help people out that are having difficulty coming up with the identity documents. One is the guarantor form, which is exactly what you suggest. You need a way out; you can't be stuck in a Catch-22.

* (15:50)

The other thing is that what that guarantor form doesn't, we also have a process that you can go to our service centres and get help from our customer service rep.

Mr. Schuler: Well, that's why committee is great because we come here and we get answers. Seemingly, I couldn't get that answer from anybody else, which is surprising because I cast about and we tried to figure out something and that was never, never put forward as an alternative, which is to me problematic because we went through all kinds of things trying to figure out how we could get something that would be acceptable. And, you know what, I'll go back and I'm going to check everything again one more time, but never was that given as a option.

And is that easily accessible? Where would one go for that kind of a thing? Because I know there are

a lot of new families that are coming in. They do have some immigration documents that come in but the kids—doesn't have a current address, that kind of stuff, and a guarantor, I mean, that would be the way to go because as long as there's—within the prescribed professions that would be able to guarantor—be guarantor, I mean, that certainly would be the best way out of it.

But the first time I've heard of it over all the years that I've been dealing with this issue, the first time I hear about it is here at committee. And at least we hear it here, if nowhere else.

Mr. Guimond: Well, first of all, I'd like to apologize on behalf of the corporation for what you've gone through. I mean, I'm very disappointed that somebody wasn't able to help you.

In terms of trying to communicate the availability of the guarantor form and the exception process, we have it in our brochures that are—to the brokers. We have it on our website, also, available online for people. We—you can also call a call centre to be able to get some help in terms of finding the material and so on. And to deal with the issue you presented to me I would appreciate if maybe you could talk to Christine Martin here before you leave and we'll have somebody make sure that it gets resolved for you, and I apologize for your having to go through that.

Mr. Schuler: And, when I have my opportunity to talk to Christine, I'll point out to her that maybe that's something that should be going to the schools, that if you don't have a bank statement, if you don't have a passport, that kind of thing, that you can do the guarantor. I mean, if it's something as easy as running off the Internet, parents get a stack of stuff that comes home, and I'm sure nobody else has experienced this, the teenager comes home usually with a certain degree of drama and we've got to do this, it's got to be done today and it's a crisis and, you know, as a parent the last thing I'm thinking about is researching. Well, what do you mean you need this? Like, how do you need this and, you know, I have a lot more available at my disposal. Like, I can even come to committee and ask these questions.

But, when I think of families out there with teenagers and all the stress and everything else that's going on, you know, if somebody at school would've said, oh, and if you don't have one of these things, you just—here's a guarantor form; you can just have that filled out. Well, that solves that one, right? And I think there might be a disconnect.

And it always reminds me of the time we were in Minneapolis, standing in front of a grocery store and we stopped one of the individuals cleaning up grocery carts and we said, you know, when does the grocery store close? And he pointed up at the banner in half a block it was, like, open 24 hours a day. And it was—it's so obvious, right, that you don't see the obvious. And for families it would be really good if that was communicated to schools, that besides this you can also do the guarantor because I'm living this. There's, you know, parents get together and they say, oh, my goodness, what are we going to do? It would be easier to say, quick, you can just do the guarantor.

And anyway, I appreciate that and I do have one other question. I don't know if the corporation wanted to respond to that.

Mr. Guimond: The people that can sign their guarantor form, they are all people that are in the registry because we have to audit and make sure that the people who sign the guarantor form are who they say they are. So we have, like, principals in schools, you have lawyers, you have engineers and so on, and we actually communicate with these groups of people to tell them about the guarantor form.

But to your point, though, I will make sure that we do this regularly and that for whatever reason the communication is still ongoing because I really agree with your point.

Mr. Schuler: I thank the corporation on that, and I'll have a chance to speak with the communications, perhaps—person—afterwards.

I have one more question, and that is on page 13 of your 2014 annual report, second paragraph. And I'll just read to committee. It says we remain the proud sponsor of Manitoba's high school driver education program, subsidizing the cost of more than 12,000 participants each year.

My question to the corporation is have you ever done a study of how many students who have gone through driver education, how many of them are failing on their first and second attempt at trying to get a licence when they go for their road test?

Mr. Guimond: I know that pass rate is a little bit higher than 50 per cent, but we're looking into the exact number that we filed with the regulator this year. We'll get back to you on that.

Mr. Schuler: Thank you. And I guess what I'm trying to get at with this is we've done the whole graduated licensing, and I think it was long overdue.

We've gone into that you need to have driver training, driver ed, which should have happened. I can't believe that there was a time when you could get a licence without it. Certainly, I went through driver ed and thankful for it.

But, if we've set the standard, we've set what has to be done, we get young people to buy in. And then they're going for their driver's test, and if we're failing that many, is there a problem between driver's ed and the road test? Because, really, if we're doing a good job with driver's education, nobody—in theory, nobody should be failing. Yet why is there such a high failure rate when it's—by regulation it's the corporation that's helping to set up driver ed. Supposedly, somebody set the standard. Then why are we failing so many students when they go for the test? Is there a disconnect between driver's ed and the instructors?

In fact, I've sat—and it's—it—and I know I'm the only one who has teenagers at this table. And you take your child and you go and you sit in the waiting room which is about as friendly as the doctor's office, and fairly sterile, and you sit there like an expectant parent waiting for your child to come back, and you look to see—the look is on their face, did they pass or fail? Perhaps we should be taking the driver testers and making them instructors for a while and taking some of the instructors and making them testers because then they'd know what they should be instructing; the other ones should know what they should be testing. But why is there such—like, after all the money is paid, after you've gone through all of that, why is there such a high failure rate for students going through driver training and then going for their test and failing? I mean, there is clearly a problem there with such a high failure rate.

Mr. Guimond: We're trying to get the number. The passing rate is higher than 50 per cent, but we'll get you the specific number.

But, to go to your point, though, if you look at all the variables, are you driving the same car that you were testing on? I mean, some people, you know, they have their kids using a particular car for driver instructor, right, and then they go and they drive another car on the test. The nervousness—I mean, 16 years old and you're going on a route. Think about how—you know, you're anxious, right? It's a little bit—there's so many variables, sir, in terms of what can affect the ability for a young person at that stage to—I mean, so I think we—it's one of those things we can't be too harsh on the kids. Like, we,

you know, they'll—they have to go through the test, but the test is the test.

* (16:00)

We have to remember that, when you provide somebody with a driver licence in Manitoba that from a reciprocal perspective, I mean, the next day, for all I know, you could be driving in New York because you went down there with your parents. So we have to be—it's a balance. And I get what you're saying, but I believe that with the success that we have it's—the program is working. And I don't think I'd be too harsh on the kids that are failing in terms of how nervous they are and also how the different probability in terms of the cars that they're driving compared to the cars that they were testing on and so on—lots of variables.

Mr. Chairperson: As previously agreed, the hour being after 4 p.m., what is the wish of the committee?

Mr. Goertzen: As mentioned, I'm going to suggest that we sit 'til 5, although I'm not sure that we'll actually need that much time. But I don't expect it—well, it won't be longer than that.

Mr. Chairperson: Is that agreed? [*Agreed*]

Mr. Guimond: I have some answers of the undertaking, so I don't know if you—when you would like me to put it in the record, but I do have some answers now.

Mr. Goertzen: Maybe we should finish Mr. Schuler's line of questioning. He's on a bit of a roll, so I don't want to stop that.

Mr. Schuler: And I'll close with this. Again, we have the training side of it, and the training side of it should deal with you're going to be nervous; this is what you would expect. And actually, I'm very impressed with the driver training and certainly the things that must be coming out of, you know, what we started here in 2000, and that's when the whole graduated licensing started. And they actually will take you for your last test, and they recommend that you get to drive around in the vehicle you're going to go to your test in. So, I mean, they do that kind of thing.

But we all understand that the driver's test is highly subjective. And, again, I would just like to point out to the corporation, perhaps if they're ever going to be taking a look at it, families are struggling. These are expensive. This whole thing does cost real money, and we don't want it to

be a prohibitive thing where families then decide, well, if, you know, we can't afford it right now. Neither should we lower our standards; I'm not recommending that either. But, if there's a problem with the training that leads itself to so many failures, then there's got to be something done there, and that's my only comment to the corporation is perhaps that that's something that should be looked at at some point in time because there should not be—there should actually be no failures because the training should be such that you pass, and it shouldn't be by lowering standards. It should be that the training should be such that you should pass your test. Certainly, a 50 per cent, as you would call, a pass rate, I would call it a 50 per cent fail rate, because I'm the one then who, as a parent, would pay for those fees; that seems a little steep.

Anyway, those are my comments, and I thank the corporation for their answers.

Mr. Guimond: I knew the pass rate was higher than 50 per cent—it's actually 98 per cent pass rate for the people who do driver ed. For the people that don't do driver ed, the pass rate's 31.5 per cent.

But, to your point, though, I think it's a good point to keep pushing ourselves, and with the—next year, the company will be doing some pilots to try and improve the program. We'll be doing telematics pilots, dash cam also, pilots, to be able to try and maybe deal with behaviour, like to understand, am I—do I have a bigger propensity for risk taking than not risk taking, to really understand my driving patterns to get more data. So even with a 98 per cent pass rate on driver ed, we will continue to push ourselves to improve, to your point.

And we're also probably going to have to do something for people, like, why aren't they going through driver ed? What's happening with the people that are in the segment of 31.5 per cent passing rate? Thanks.

Mr. Goertzen: I thank my colleague from St. Paul for his questions.

Mr. Guimond, I just have a few questions, one regarding specialized plates. Can you just give me an update on the uptake on the individual specialized plates and how much money has been paid out to the various places that each individual specialized plate is intended to provide funding for?

Mr. Guimond: At the highest level, we have issued about 164,000 licence—personal licence—or these specialty plates, and in terms of the money going to

various charities, there's about \$1.6 million that have been distributed to charities.

Mr. Goertzen: Would you undertake to provide me with a breakdown of—perhaps you have it there; I see you flipping through some notes—but the individual level of uptake on each of the individual plates and what's been distributed from them?

Mr. Guimond: Okay, here we go. It's quite an extensive table to put into the record. I can do that or I can just provide it as a handout, but—yes, the handout is fine, so I think I'll just give it to—

Mr. Chairperson: Mr. Goertzen.

Mr. Goertzen: Thank you, Mr. Guimond, for that.

Does MPI have a position on school zones and the reduced speed in school zones, whether or not it should be year-round and uniform?

Mr. Guimond: No, we don't take positions of that nature. This is a decision that's done by the government of Manitoba.

Mr. Goertzen: On the issue of driver suspensions and how one gets their licence suspended, can you take me through the process in terms of how—are there certain benchmarks and certain criteria, that a person reaches a number of demerits or a number of poor rating on their scores where they would lose their privilege to drive?

Mr. Guimond: How we manage drivers is a three-prong approach to be able to isolate people that are starting to be problematic and should we remove the driver licence or not.

The first thing we have is the driver safety rating. And that's the scale, you know, where a customer, if you're a good driver, you'll get, for example, plus 15 and you get up to a 33 per cent discount on your insurance. And the scale will go down to minus 20 where you get surcharge on your driver licence and it start to cost quite a bit of money. How you go up and down that slide is based on the infractions on your driver record and also the number of at-fault claims that you put in with MPI. When we start to notice a particular pattern that's starting to be a concern, depending on the infractions that are on your record, we know that there's a higher propensity to have an accident, from an actuarial perspective.

Then what we do is we go to our second aspect or the second prong of our program, because we know now that the incentive of just having a good rate or a bad rate's not good enough for you. So then

we go to the driver improvement and control program. What that does is that—now we start to take proactive action regarding your behaviour as a driver. So, for example, last year, for 48,000 drivers, we started to take some steps and we talked to them and they have to take courses to improve their driving. They have to do a vary of things.

If we're not satisfied with how things are going, we have a show-cause hearing. So last year, for example, we had 8,000 show-cause hearings, and that's to determine should you be continuing to drive or not. And out of those 8,000 show-cause hearings, we had 4,000 drivers that lost their driver licence.

We also have recently, through legislation that's being processed through, is that the police now will also be informing the registrar of serious infractions against The Highway Traffic Act. And so now we will be aware of something before it's recorded or you're found at fault or responsible in court or charged in court before it shows up on our systems.

So we've—so that's kind of how it works at a very high level in terms of really being able to start to identify people that are concerning to us and how eventually you're going to lose your driver licence.

Now, having said that, you are entitled, when you're suspended, to an appeal process, and often through the appeal process, which is a licence review board that's totally independent of MPI—we have nothing to do with that, but it's an independent process—and you will have people that we have suspended that will be allowed to go back on the road, for example, with some restrictions, but that's the decision of the appeal process. So, for example, they may allow you to drive to go to work, so Monday to Friday between, you know, 6 a.m. to 7 p.m.—7 a.m. and then at night from—you know, they put all these restrictions and so on. So there is that process that, even though you're targeted to be suspended, that through an appeal process that you'll be able to be legally on the road.

*(16:10)

Mr. Goertzen: Thank you, Mr. Guimond. So it sounds a bit arbitrary in the sense that how one gets to the point where their driving privileges are suspended and they're prohibited from driving—it's—there's quite a bit of discretion in that process. Is that correct in terms of when those within MPI will make that decision? There's no sort of specific pointing system or ranking system?

Mr. Guimond: It's not arbitrary. Actually, from an actual perspective now, you're able to know that if you have this kind of infraction on your driver record, or you're starting to behave this way, you will—you're becoming a dangerous driver. So there's a lot of science behind what triggers the driver and improvement control program and how far we go between whether we decide to suspend or not to suspend. So there's a lot of science behind that in terms of how—which infractions lead to—there's things, of course; if you get charged with impaired driving and convicted with impaired driving or if you are charged causing bodily harm and all this and you lose your driver licence automatically. But, when it's not automatic, there's quite a bit of science behind that.

Mr. Goertzen: I guess what I mean by discretionary, I was looking at the British Columbia system, and they list out on their website a points system, I guess, as a—if you've accumulated the points, it's a bad thing. And when you reach certain thresholds—and they provide a chart on the website—if you have 15, between 15 and 19 points, then you have a suspension for a minimum of three months, a maximum of eight, and as you move up that scale, the suspensions can go—they do go up. So it's pretty clear in terms of when these suspensions kick in. The MPI system just seems a little bit more broad. I mean, obviously, there's a certain point where you enter into that—the system of you've been identified as a dangerous driving, so there's obviously some interaction, then, with the driver, but it's not specific in terms of when things happen or don't happen. Is—I am I understanding that correct?

Mr. Guimond: When we do the hearing as to whether we were going to suspend or not, there's a lot of variables. And being careful with my words here because, you know, I respect what ICBC does. Just like the way our system is working, there's always some differences and so on. But there's a lot of things that you need to take into consideration that are not just linked to particular patterns. Sometimes, there's some rationale. And also, you want to know, like, when you see the person, even if it's borderline or something, you know, if you think there's a drug problem or an alcohol problem and so on, you know, you make a different decision right there on the spot. So it's very—it can be very situational as well. So, yes, there is more discretion than just you have this and this and then you're out. You have to look at all the information at the show cause hearing, and you're also entitled to an appeal.

Mr. Goertzen: And, you know, there's been examples, and some of them are quite dramatic, obviously, and difficult to rationalize. But there certainly is, I think, frustration when the public sees these cases of individuals who have multitude of driving infractions already known to MPI. It wasn't an issue of waiting for a court to report on something. And yet that discretion, obviously, has allowed them to continue to be able to drive, to continue to maintain a licence. And, I mean, would you see value in a system that was maybe not quite as discretionary, that triggered in certain penalties at certain points when there were a certain number of infractions?

Mr. Guimond: The situation that you're referring to there is very different in the sense of MPI was not aware of that particular driver. I think you're referring to the case that was in the media quite a bit.

Let me explain why. Before the merger of the department of driver vehicle licensing at MPI, there was no one that really had a total picture of a driver. So when the merger occurred in 2004, by 2011, the systems were integrated, and now we have a view of the customer. And on a go-forward basis we have the complete picture now of what's happening to a particular driver. It doesn't matter if it's a highway infraction, it doesn't matter if it's a claim, we have the whole picture. We did not have that until 2011.

In the old system—in the old ways what happened when the entities were separate is that it was up to a citizen to go and report to the police the accident, and when—and then an accident report would be done by the police and the accident report is what would trigger the driver and improvement control. A lot of people did not go and report their accidents to the police, and it was never even put into the system to be able to even trigger the driver-improvement system

So in 2011, we were able to integrate the systems and we were able to get a view of all the drivers in Manitoba and now these conditions will not manifest themselves in the future because you cannot escape reporting or having an incomplete picture or even intentionally, on the driver's part, to have an incomplete picture of yourself. We know now, and so on a go-forward basis this will not happen again. And now with the police reporting to the registrar the incident before conviction, then we're even going to know about that now, so we'll be able to take more proactive action with those changes that are being made.

So it's a very different situation there, and I wouldn't want to mix the two up together into one big—you know, a very, very, very different situation with this particular case. It is very unfortunate, and I think it's one of the benefits of the mergers now that we have a complete view of the drivers since 2011.

Mr. Goertzen: Although I think the point remains that the complete view may be improved, and I'll accept your word on that. But there's still a great deal of discretion in there, and so you—when the public is still relying on that discretion to be acted upon as opposed to other systems which seem to have more specific triggers and what the consequences are for those triggers.

Mr. Guimond: There's not—I guess I want to be able to make sure that it's clearly articulated that there's two issues here. One is the fact that we were blind on what a driver's history was and we've been able to fix that with the merger of department of driver vehicle licence, and in that case you're talking about, it's not going to happen again.

It's not that arbitrary. I mean once you have a certain frequency in severity, we automatically take action on you, and whether it's you have to take a course or whether you get suspended, I wouldn't want you to think that there's discretion in a sense that the people who are administering the driver and improvement control program have to take very specific action.

So I'm hoping that that comes across, but once you get into the danger zone, I mean, you lose your driver licence.

Mr. Goertzen: Well, and then, just to clarify that, is the certainty that once a person hits a certain number of driving infractions or accidents that they enter the remediation program or is the punishment—use that word—certain? Is it just certain that they are now flagged by MPI and they become part of a program to try to rectify their bad driving or is the sanction actually determined by how many infractions they have or how many accidents they have?

Mr. Guimond: Once you fall into the driver improvement program, it's based on your record, and then we take action based on your record. So—and it's—I'm just being told it's the same approach as ICBC. So it's not different based on the range, like, once you hit the range, you get sanctioned.

Mr. Goertzen: So then can you provide the—that intervention chart in terms of what happens at what

level? Can you provide that? Because I don't think that that's clear.

Mr. Guimond: Yes, we can provide you with the details of the algorithms behind how once you hit a certain combination of events, you get automatically—

* (16:20)

Mr. Chairperson: Mr. Goertzen.

Mr. Goertzen: And I appreciate that, and if that could be provided fairly quickly, that would be helpful.

Mr. Vice-Chairperson in the Chair

Just in terms of how an individual, if they were in an accident and they decide to—I don't know what the right terminology is, but essentially buy back the vehicle, so they're not putting it through a claim, essentially, does that become part of that records system, though? So they've had an accident, but they're paying out the claim, but do they—that's registered on their licence and it becomes part of that system. Is that correct?

Mr. Guimond: If you buy back your claim—you're not forced to claim; like, by law, you don't have to claim. So a lot of customers, they start the process and then they realize that it would be to their advantage of not submitting a claim, so they buy it back. It doesn't go on your record.

Mr. Goertzen: So, then, that doesn't become part of that system that you described earlier about how somebody enters the poor driving program, the dangerous driving program?

Mr. Guimond: The at-fault claim would not show on the system. That's correct.

Mr. Goertzen: I mean, it seems to me that that opens up the possibility to—if somebody, you know, has more money than I do and they get into several accidents and, you know, they can buy themselves out of those claims, so they have a poor driving record, but they have a lot of money so they're able to buy those things out, but it doesn't show up on their record and they've—they kind of avoid your system because they're able to just pay out these accidents.

Mr. Guimond: Well, the number of people that would have the wealth to buy back the claims to try and avoid this system, there's not many people like that.

But I'm not too worried about it because it's more the highway infractions that are important. That's the key. The—you'll start to show up as a—as problematic because you'll get speeding tickets. You'll get charged with impaired driving. You'll have all kinds—it is of the certain profiles that start to show up for people that are really dangerous.

So the issue of what you're suggested, I—it's not something that I'm concerned about because you can't, even if you were to buy back all your claims, I mean, you won't be able to escape. Bad drivers are bad drivers and they show up through the highway traffic infractions. That's the beauty of the system integration that we have.

Mr. Goertzen: Well, I mean, that—there's truth in what you're saying in part. I just think that it keeps you out of that system longer, right? I mean, so, sure, you might be getting some speeding tickets, but combined, then, with a series of accidents that you buy out or you buy back, you know, you're not being alerted by MPI as being a dangerous driver as soon as you should be. And I think in the interim period, I mean, there is danger there. Yes, I agree that it's probably not hundreds of people who have the ability to buy back those claims, but I guess it only takes one, right, who can cause the kind of tragedy that we saw.

So, to me, it seems like a loophole in the system where somebody can buy back an accident and then not have that recorded. I mean, is there a technological reason why that can't simply be recorded and be part of that? I'm not—I don't know why there would be a problem, or is it just a philosophical thing where they figure, well, you're buying back your claim so we won't mark that as part of the scaling if you're a good driver or not? Maybe not necessarily with the other thing.

Mr. Guimond: It's not ideological, to answer your question, or philosophical. There's just no—you know, from a data perspective, when our actuaries look at this stuff, there's absolutely no issue with what—with people trying to avoid the system or trying to buy back their claims to avoid the driver improvement. There's no statistical evidence. So it's not something that we've done over the years because it doesn't show up from a data perspective as being an issue.

Mr. Goertzen: Switching topics, are there any other—are there plans for MPI to be purchasing property, building new or perhaps expanding facilities in the coming year or two or selling any property that MPI has?

Mr. Guimond: Not at this point. The only thing that we're currently doing is we will be phasing out two of our facilities. One is in Brandon that we're renting. So all the properties that we're renting, there's one in Brandon and there's one on Ellice in Winnipeg. So when they're—those leases are due, we're going to be maximizing the use of our new service centres. We'll be phasing out two buildings over—by 2017.

In terms of other projects on the go, we have the centre of excellence that we're going to be working on at Plessis, which is we're improving our abilities in terms of repairability and research on the new cars. But it's not a new building; it's more modifying the facility to be able—the things we need to do, like, for example, being able to repair aluminum cars versus non-aluminum cars. But we're not building anything new, we're not buying anything new but we will be phasing out two of our facilities.

Mr. Goertzen: Is that centre of excellence, is it operating now? Is it—is that potentially opening in the future?

Mr. Guimond: We're hoping to have the centre of excellence up and running some time next fiscal year.

Mr. Goertzen: And in terms of cityplace, does the corporation—it still owns a surface parking lot adjacent to that. Is that correct, or am I confused about that?

Mr. Guimond: Cityplace is an investment that we have made; it's a holding within our portfolio so it's a—technically it's owned by the government of Manitoba. So that asset, we have the cityplace, the shopping mall itself and also three parkades: we have the Hargrave one—parkade, we have the Donald one and we also have the parkade that we own that's at the corner of Hargrave and Portage.

Mr. Goertzen: Now, one of them is involved with True North proposal for downtown, is that correct?

Mr. Guimond: Yes, there was an expression of interest that we submitted, and then there was a—we received some proposal, and there was an agreement. We selected a particular vendor, True North, to be able to work with. How that's going to go, we don't know. There's a possibility they maybe build something on one of our parking lots. But that's very early in the game and we don't know. But we're hoping—the agreement that we have with them expires by the end of December, so we'll see what happens.

Mr. Goertzen: So does True North essentially have an option on the land that is—and that expires at the end of December?

Mr. Guimond: I can't really go too much into details because of confidentiality, but we still own the land and we still look at it as an investment. And, if there's anything done on that parking lot we will—improving the investment or our return on that parking lot.

Mr. Goertzen: Just want to run through a few things that are more nuanced but that have been sent to us. We want to just pass along, and I believe my colleague from Turtle Mountain—

An Honourable Member: Spruce Woods.

Mr. Goertzen: Spruce Woods—I'm thinking back to days past—has some questions. And that should conclude the hearing.

So I'm just going to provide this to Mr. Guimond for your staff and I won't—I'm not tabling this, Mr. Chairperson; it's come from my colleague from Emerson regarding a constituent of theirs who's having a difficult time getting testing done. I think they were—need to retest for their driver's licence. So I'm going to—I don't want this information entered onto the record because it contains personal information, but I'm going to provide this to you, and I'll ask if you consider that together with your staff, and you can provide a response to the member for Emerson (Mr. Graydon).

Mr. Chairperson in the Chair

We also received a question related to something. Now, this is not my area of expertise but it's related to—I'm not sure what my area of expertise is, but it's not this—related to trike conversion kits. And I'm told that trike conversion kits are taking of motorcycles and turning them into, I'm told, more stable set-ups. I'm assuming it's a three-wheel variety and that these conversion kits are not insurable in Manitoba but they are insurable in other parts of Canada. Can the corporation provide an explanation in terms of why these, if this is correct, why they are not insurable here in Manitoba?

Mr. Guimond: So there's two kinds of conversions. There's the ones that you modify the bicycle itself and you can register them legally on the road and, you know, like, for example, you can have a—like Harleys for example, they can convert your bike and have a trike and it's recognized by the guidelines. And there's another one; they're more like training

wheels. And so those ones are not recognized by the corporation because they don't fit the definition in terms of The Highway Traffic Act and they're also not proven to be safe in terms of their handling and so on. So there's two kinds: one that is recognized, one that's not recognized and we're following the guidelines for that.

* (16:30)

Mr. Goertzen: The ones that are considered, and I'll use your vernacular of training wheels, are those insurable in other jurisdictions?

Mr. Guimond: No, they're not, not to my knowledge.

Mr. Goertzen: I thank you for those responses. If we have specific follow-ups on that, then the particular individual who wrote on that will respond directly to the corporation on that.

There is also one more question on another area that I'm not overly familiar with, but it has to do, I'm told, with something that's called a toy hauler. It is a single-axle truck with a deck and fifth wheel for pulling campers and wedge trailers, et cetera, and I'm told that in Manitoba that is licensed as a highway tractor, where in other jurisdictions it's classified as a truck, which, obviously, probably impacts the rates but also the classification of driver's licence you have to have.

Is there a difference in terms of how Manitoba looks at these single-axle trucks, as opposed to other jurisdictions?

Mr. Guimond: We'll have to take that one under advisement because we—I'm not too sure what kind of vehicle you're talking about here. We'll have to look into it.

Mr. Goertzen: I appreciate that, and if you can respond, I think, directly to me, I'll forward that to the MLA who raised that concern.

So, thank you, Mr. Guimond and members of the MPI staff for being here this afternoon. That will conclude my portion, but I'll let my colleague go ahead and ask a question.

Mr. Cliff Cullen (Spruce Woods): First of all, I want to go back to our discussion on staffing. I'm hopeful the corporation could maybe provide the committee with a breakdown of full-time and any permanent staff for each of the last three fiscal years, maybe at the end of the reporting period, and I don't need it today, but I think, just in the future, if the

corporation could allow it to send that to us, I'd appreciate it.

Mr. Guimond: We will do that.

Mr. Cullen: In regard to the latest annual report, there's a reference to the service locations on the last page, and I recognize there's a difference between a claim centre and a service location. I'm wondering if there's been any changes to those service centres since this report was tabled.

Mr. Guimond: No.

Mr. Cullen: I'm just wondering if the corporation is intending to expand the number of service centres they currently have.

Mr. Guimond: Not at this time, no.

Mr. Cullen: I wonder if the corporation would undertake to provide a breakdown of insurance renewals done at the service centres over the last three years in terms of both the numbers of renewals that are done at the service centres versus the premium allocation that are done at the service centres. And, ultimately, what I want to compare is the renewals that are done at the service centres versus the renewals that are done by brokers. I assume that's something that the corporation probably has a record of.

Mr. Guimond: Yes, we do and we'll take that as an undertaking.

Mr. Cullen: In terms of the existing broker contract, obviously there's a term under that particular contract, can you explain to me what the term is right now and when that contract is due for renewal?

Mr. Guimond: There was an agreement that was signed with the broker associations back in 2005 or '6, I believe. Everything that was agreed to has been put into legislation, so it's actually in the regulation under the MPIC act, and so there's no contract per se. It's been legislated and it's part of one of the regulations, but we do work very collaboratively with the Insurance Brokers Association of Manitoba and we continue to discuss, you know, how things are going from a revenue perspective and if what we agreed to works, and we work very collaboratively, and if we need to make some changes, we work together on that, but the agreement itself that you're referring to has sort of been superseded by the legislation.

Mr. Cullen: Well, it's been a few years since I've been in the business, so it's good to get the update in

terms of how things are being addressed at this point in time.

One thing that was brought to my attention by some of my former colleagues is in terms of the communication with the brokers. Sometimes the announcements are made through the press and the brokers aren't aware of it. So they have people coming into the office who've heard of something on the news, but the brokers aren't informed. So it puts them in a bit of a difficult situation.

I just wondered if you would comment on that.

Mr. Guimond: What we do in terms of product changes and timing and being able to, when it comes to announcements, we work with the Insurance Brokers Association of Manitoba and we make sure that the CEO there and some of the key members of the board are aware so they never—from an association perspective, there's no surprises.

In terms of timing in terms of if everybody knows or not everybody knows, depending on the announcement and depending on if it has to be kept until the day of the press release, for example, then we have a protocol that we work together behind the scenes to be able to—how we're going to deal with that.

But there are no surprises in the sense of we work very collaboratively with the Insurance Brokers Association, and then we work together and then we communicate very, very quickly with the field. And when we can communicate to everyone in advance, we will do that.

Mr. Cullen: There was some legislative changes brought forward in regard to PSV vehicles, and I think we're probably just going through that phase now, and clearly there were some changes in terms of the exempt commodity list. So it appears to me, from what I understand, is there's more vehicles now fall under PSV or the new class of limited-use PSV.

I'm just wondering if you could provide me a bit of background on there. You know, clearly, from a broker standpoint, obviously, the brokers can't insure those particular vehicles. So I just want to get your sense of where we're at in terms of those numbers.

Mr. Guimond: Okay, we'll get you the number of vehicles affected, but it has to do with the safety program from the Ministry of Infrastructure and Transportation. So the classification system, from a registration perspective, have been changed where more vehicles fall into that safety program. And the

purpose of that is that, from the program that they're administrating, is they felt that this would provide safer roads in terms of having these vehicles into that safety program.

Mr. Cullen: Well, thank you. I appreciate that follow-up and make sure that the legislation is doing what is intended to do, for sure.

In terms of dealings at the brokerage, where individuals come in to do their insurance, obviously, it's kind of an evolution in terms of the documentation, the paperwork that's needed there. Is there anything—any changes that you foresee in the very near future in terms of that type of documentation or processing thereof?

Mr. Guimond: I'm not sure I understand the question. Do you mean by simplifying it or to—

Mr. Chairperson: Mr. Cullen.

Mr. Cullen: Exactly, if there's any way in terms of simplification or any changes in terms of requirements of documentation.

And, you know, one issue, for instance, as an example, would be a bill of sale. I understand that the corporation requires the actual bill of sale and not a facsimile or photocopy thereof. That's one issue that certainly the—

Mr. Chairperson: Mr. Guimond.

Mr. Guimond: I know what you're referring to now. In this particular case, we did accept the PDF copy of the document to be able to accelerate the process, just for the record.

We have, with the broker—Insurance Brokers Association, we have identified opportunities to be able to simplify business and we are in the process of working with them. There's a lot of things with the new technology, like you say, like digitization.

* (16:40)

But, more importantly, things that are causing frustration to the ability to do business over the phone. There's a lot of things that maybe we could do now to—it's not linked as much as the—to the paperwork. That's not what I'm hearing. What I'm hearing when I talk to them is more the rules in terms of being able to transact business and how people don't always want to be in the office to do—to modify the application or to modify their insurance contract, because it's very—like right now, historically, from an insurance perspective, you want the customer there

and you want them to sign the application of what they're changing.

Now a lot of people are saying, well, you know what, like, why don't you consider the payment as my approval? Some people are sort of saying, why don't you accept my digitized signature to be able to do the work? Like, why do I have to go there?

So we are working on changing some of these processes and making life easier, and not only for the brokers but for our customers.

Mr. Cullen: Thank you very much for those responses. Clearly, as technology changes and it's going to be a bit of a challenge, certainly for the corporation and, I'm sure, individuals, too. So I'm glad to hear there is some ongoing discussions and certainly I look forward to hearing the outcomes of those discussions, so thank you.

Mr. Chairperson: Thank you.

Any more questions?

Seeing no further questions, I will now proceed to putting the questions on each report.

Annual Report of the Manitoba Public Insurance Corporation for the fiscal year ending February 29, 2012—pass.

Annual Report of the Manitoba Public Insurance Corporation for the fiscal year ending February 28, 2013—pass.

Annual Financial Statement of the Manitoba Public Insurance Corporation for the fiscal year ending February 28, 2013—pass.

Shall the Annual Report of the Manitoba Public Insurance Corporation for the fiscal year ending February 28, 2014, pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no, so the report is not passed.

Annual Financial Statement of the Manitoba Public Insurance Corporation for the fiscal year ending February 28, 2014—pass.

Shall the Annual Report of the Manitoba Public Insurance Corporation for the fiscal year ending February 28, 2015, pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: The report is not passed.

Shall the Annual Financial Statement of the Manitoba Public Insurance Corporation for the fiscal year ending February 28, 2015, pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: The report is not passed.

If some reports don't pass, please request—I request the members that please leave those copies on the table for future meetings.

The hour being 4:45, what is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Committee rise. Thank you very much.

COMMITTEE ROSE AT: 4:43 p.m.

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