

First Session – Forty-Third Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Crown Corporations

Chairperson
Mr. Diljeet Brar
Constituency of Burrows

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-Third Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON CROWN CORPORATIONS

Tuesday, March 5, 2024

TIME – 9 a.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Diljeet Brar (Burrows)

VICE-CHAIRPERSON – MLA Mike Moroz (River Heights)

ATTENDANCE – 6 QUORUM – 4

Members of the committee present:

Hon. Min. Wiebe

Mr. Brar, MLA Moroz, Messrs. Oxenham, Perchotte, Piwniuk

Substitutions:

MLA Moroz for MLA Maloway

APPEARING:

Jodie Byram, MLA for Agassiz

Ms. Carmen Nedohin, Chair of the Board, Manitoba Public Insurance Corporation

Ms. Satvir Jatana, 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 March 31, 2023

* * *

Deputy Clerk (Mr. Tim Abbott): Good morning, everyone. Will the Standing Committee on Crown Corporations please come to order.

Before the committee can proceed with the business before it, it must elect a Chairperson.

Are there any nominations?

Hon. Matt Wiebe (Minister responsible for the Manitoba Public Insurance Corporation): I'd like to nominate Mr. Brar.

Deputy Clerk: Mr. Brar has been nominated.

Are there any other nominations?

Hearing none, Mr. Brar, please take the Chair.

The Chairperson: Good morning, friends.

Committee Substitution

The Chairperson: I just want to make the committee aware that we are making the substitution: MLA Moroz would be the substitute for MLA Maloway.

* * *

The Chairperson: Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

Mr. Wiebe: I'd like to nominate Mr. Moroz.

The Chairperson: MLA Moroz has been nominated.

Are there any other nominations?

Hearing no other nominations, MLA Moroz is elected Vice-Chairperson.

This meeting has been called to consider the annual report of the Manitoba Public Insurance Corporation for the fiscal year ending March 31, 2023. Before we begin, I would like to remind everyone that questions and comments must be put through the Chair.

Are there any suggestions from the committee as to how long we should sit this morning?

Mr. Doyle Piwniuk (Turtle Mountain): I would say three hours maximum, but we could—we'll see how all the questions go, and we'll do accordingly to that time. But we'll definitely use three hours.

The Chairperson: It has been suggested that the committee would sit for three hours and then we'll see, depending upon the questions, if we want to sit longer. Agreed? [*Agreed*]

Does the honourable minister wish to make an opening statement, and would they please introduce the officials in attendance.

Mr. Wiebe: I will make just a brief opening statement.

Good morning, everyone. My name is Matt Wiebe. I'm the Minister of Justice and the Minister responsible for Manitoba Public Insurance. This represents my first standing committee as Minister responsible for MPI, and I do look forward to the opportunity to be here with you today to learn from

our officials and to hear the important questions of the opposition.

Like to begin by acknowledging that the committee here today takes place on the traditional lands of the Anishinaabe, the Cree, the Oji-Cree, the Dakota, the Dene and the Métis people, but also that MPI operates throughout Manitoba.

MPI's primary office is located on Treaty 1 territory and the homeland of the Métis nation, but their work extends throughout Treaties 2, 3, 4 and 5, and all here today acknowledge that Winnipeg's water is sourced from Shoal Lake 40 First Nation.

It is a new day at MPI. In our short time in office, our government settled the strike, gave workers a fair deal and appointed a new board with a wealth of experience at MPI.

We have a new CEO, a new CEO who is committed to stabilizing the corporation with a renewed focus on serving the people of Manitoba.

MPI belongs to all Manitobans, and we're putting it back on track to deliver those affordable rates and quality services now and for years to come.

With that short opening statement, I'd like to introduce those in attendance who will be answering questions and supporting the work of the committee here today, including senior officials from the corporation.

With us today is Carmen Nedohin, the MPI's chair of the board of directors, as well as Satvir Jatana, MPI's new president and chief executive officer.

Carmen brings a wealth of experience to the board, being the Winnipeg chapter president of the Canadian Association of Retired Persons, a lay bencher for the Law Society of Manitoba, the former chairperson of the Manitoba Liquor Control Commission and, furthermore, a former Manitoba Hydro board member. We thank Carmen for her service, in addition to all other board members who we are thrilled to have appointed. There's much work to do, but we have full faith and confidence in the work that the people that we have appointed will do.

Satvir Jatana was appointed as the new president and chief executive officer of the corporation, effective January 29, 2024. Satvir has been with MPI since 2015, serving in various executive-level positions, including executive director of operations, interim CEO for a short time, and vice-president and chief customer officer. Under Satvir's leadership, MPI will focus on getting a new direction for MPI, informed by

guidance and advice from the board of directors, key stakeholders and our government.

We as government and myself as minister look forward to MPI's new strategic approach, which will focus on financial responsibility, customer service and strengthening relationships with employees and stakeholders.

* (09:10)

And with those short opening comments, I turn it back over to the Chair.

The Chairperson: Thank you, Minister Wiebe.

Does the cricket—sorry, does the critic for the official opposition have an opening statement?

Mr. Piwniuk: I do have a statement, and I just want to, again, congratulate Satvir Jatana for her position of—getting the appointment for the president and CEO of MPI. I know we've had—given awards to the motorcycle—when it was the declaration for the motorcycle week, a couple years in a row there, and I just want to congratulate.

I'm looking forward to asking questions when it comes to the MPI. I actually have a background in MPI. I was an insurance broker for about 20 years before I became an MLA here, and—at the Legislature for the—first for the constituency of Arthur-Virden, and then for Turtle Mountain.

And so I do have a couple of my colleagues here who will also ask questions as we go along. We have MLA Perchotte and MLA Byram who will be also asking questions during these next three hours. And we may not go all the three hours, but we just wanted to make sure that in case there was more questions that my colleagues have, we could continue as far as we can go.

And looking forward to getting more information about MPI, learning more the interior, in—like, I knew the—like, when it comes to the brokerage side, but also learning more about the company itself. I'm looking forward to the questions to be asked, and looking forward to all the answers.

Thank you, Mr. Chair.

The Chairperson: Thank you, Mr. Piwniuk.

Do the representatives from Manitoba Public Insurance Corporation wish to make an opening statement?

Floor Comment: Yes, thank you very much, Mr. Chair. Good morning, everyone, and thank you for the—oh, I'm sorry.

The Chairperson: Sorry. Sorry; Ms. Nedohin.

Ms. Carmen Nedohin (Chair of the Board, Manitoba Public Insurance Corporation): Good morning everyone, and thank you very much for the opportunity to be here with you today. It's an honour and a pleasure to represent the board of MPI as well as our employees across the province. It was just over four months ago that I became chair of MPI, working alongside an amazing group of individuals that make up our board.

We have a well-seasoned board that includes business leaders, three former employees, including a former CEO, two actuaries and a trade unionist. The six women and three men who make up our board bring to the table exactly the expertise that we need.

When we were appointed by Minister Wiebe last October, job 1 was to settle the strike, which was accomplished in very short order; job 2 was to constitute our board committees. The committees were struck based on their particular areas of expertise, along with the needs of the corporation.

Our chair of technology is Christian Dandeneau, who is the owner of ID Fusion Software. Our chair of HR and governance is Fran Frederickson, who recently retired from MPI after 23 years and who has much experience with Crown corporations, as she was vice-chair of Manitoba liquor commission and later Manitoba Liquor & Lotteries. Our investment committee chair is Candy Wong, an employee of the superannuation board of Manitoba. And our risk and audit committee's chair is Luke Johnston, MPI's former chief actuary, whose insight is invaluable.

Each and every member of the board sits on at least two committees, and all of the committees are very active. Much has been accomplished in our short term on the board, including, as mentioned above, quickly settling the strike.

We hired our new CEO, Satvir Jatana, receiving and prioritizing the findings with the E&Y report. We received an approved Q1, Q2 and Q3 financial results. We worked with executive on preparing and finalizing 2024-2025 annual budget. We started our strategic planning, including constituting a separate committee of board, management and staff.

MPI is a complex organization. Our staff and management have had a couple of bumpy years, with

three CEOs in six years and three board chairs in seven months. This board and this executive are fully committed to returning MPI to a stable organization that is focused on delivering affordable rates and providing value to—for Manitobans. I'm pleased to be here today with Ms.—sorry—with Satvir, who will provide you with additional insight into the commitment we have made to guide MPI into a new chapter.

The Chairperson: Thank you.

Ms. Satvir Jatana (President and Chief Executive Officer, Manitoba Public Insurance Corporation): Hello. My name is Satvir Jatana, and my last name is just as unique as my first one, so I get it that it's not always easy to pronounce, but thank you for having me here today.

As the board chair alluded, I'm the president, the new president and CEO of Manitoba Public Insurance, and I welcome this opportunity to be here with you today.

As this is my first appearance in front of this committee, I would like to take a few minutes to introduce myself and give you a little bit of my background and how I will ensure that we continue to deliver value to Manitobans for years to come.

I am honoured to step into this new role, and I am grateful to MPI's board of directors for the opportunity to serve the province I call home.

As a member of the corporation for almost nine years, I have seen firsthand the impact MPI has on our customers and the pride that our team have in what they do. Over the years, I have worked alongside talented people in many areas of the corporation. In 2017, I joined MPI's executive leadership team, and most recently served as the vice-president and chief customer officer.

In this position, I had the opportunity to oversee product development, communication, government relations and the design and development of customer experience, which included the corporation's effort to expand the gathering and utilization of customer feedback across the organization.

Over the years as a senior leader, I have had the privilege of leading various teams in the corporation, including operations, human resources, facility management and corporate services, as well as serving as the interim president and CEO.

Through this work I have developed a strong understanding of the role of a Crown corporation and the expectation that Manitobans have for their public

insurer. I know that there has been time, more in the recent past, that we have fallen short of those expectations, but I am here committed to changing that, and that begins with my commitment to my organization and to Manitobans by putting a new corporate strategy and structure in place that will help MPI rebuild trust with our employees, stakeholders, including our regulator, the Public Utilities Board, and of course our customers.

Our corporation's success depends on MPI staying aligned with our valued partners. We will begin by introducing a one-year stability strategy that will focus MPI on meeting customers' needs, restoring employee trust and engagement, strengthening enterprise technology, delivering stable and affordable rates and promoting data-driven decisions.

While we have finalized our near-term strategy, we have also begun the work of developing our multi-year strategy that will guide MPI over a longer horizon. As we plan that strategy, I have already begun the work of reaching out to our partners and stakeholders to seek their feedback, guidance and advice.

Through this collaborative approach, MPI will create a plan that will prioritize our long-standing tradition of providing exceptional service experience and delivering affordable rates for Manitobans. I deeply believe in these principles and understand that we must continue to evolve to meet the needs of our customers moving forward.

We recognize that we have struggled to meet those needs while experiencing the first strike in MPI's 52-year history last year. It is difficult to put into words the impact the strike had on our team, organization and customers, and as leaders we are committed to ensuring we restore the trust and engagement of these valued groups.

We are incredibly grateful to our team now that they are back at work, and we are so pleased with the progress they are making to restore full services across the province. Our team is hard at work committed to reducing the service backlogs after the strike. These backlogs were further impacted as 2023 was one of the worst years for hail claim in the history of MPI.

* (09:20)

Since the end of the strike in November, we have prioritized rescheduling customers who had cancelled appointments, including road tests, estimating and adjusting for claims. Customers with

cancelled class 1 and 5 road tests were offered new appointments, and the majority have completed at least one test when we resumed testing services. In fact, 84 per cent of customers who had their class 5 road test cancelled have taken at least one test since the strike ended, and there is also availability across the province for new road test availability.

We are making significant progress in setting total loss claims and completing outstanding adjusting appointments by creating new 'procees' and offering overtime to ensure we can get caught up by spring.

While these updates have been important for me to share today, I know that we are here today to review the '22-23 annual report. As reflected in this report, the corporation's focus remains centred on fiscal prudence. I truly believe that controlling our costs is one of the main factors in driving affordable rates for Manitobans.

Overall, I'm pleased to share that MPI ended the year in a positive financial position with a net income of \$4.2 million. We are particularly proud of this result as the past year has included a number of challenges, including significant inflationary pressures that impacted both our claims costs and corporate expenses.

MPI's capital management plan also continued to protect Manitobans by ensuring MPI is properly capitalized or above legislative targets for three core lines of business. At the end of last fiscal, all three insurance lines, basic, extension and SRE, special risk extension, met or exceeded these targets. While each of these lines is unique, they all play a vital role in providing comprehensive coverage for customers across the province.

We have the responsibility to regularly review and update our products to meet the needs of these—

The Chairperson: Order. The speaking time has expired.

Is the committee willing to allow to complete the statement? *[Agreed]*

Ms. Jatana: As I was saying, we have a responsibility to regularly review and update our products to meet customer needs and keep these lines sustainable. This includes our special risk extension line. We have recently adjusted our rates and third-party liability limit to ensure that commercial line remains competitive while providing customers with appropriate coverage.

We worked closely with our industry partners, including the Insurance Brokers Association of Manitoba and the Manitoba Trucking Association, to ensure alignment and understanding of these changes for this important industry in our province.

Our fourth line of business is DVA, which manages vehicle licensing and registration. MPI has administered DVA since 2004, and since the beginning of this agreement, this line of business has operated in deficit. Recognizing this is a challenge for the corporation, we are pleased that government will be providing an additional \$10 million to MPI this upcoming fiscal year, and that is over and above the agreed-upon amount to cover the cost we bear to provide these services to Manitobans.

We are working with government to find a sustainable and a long-term solution for these essential services. These financial results and efforts to improve our product all align with our core commitment to providing stable rates that are among the lowest in Canada.

Manitobans will also see, coming in upcoming fiscal, April 1st, 2024, with a 5 per cent rate decrease in basic insurance rate. This rate reduction will mark the fifth consecutive year of rate decreases for Manitobans.

We will also be expanding the driver safety rating scale, which means Manitoba's safest drivers will receive a higher vehicle premium discount starting next month.

Customers who move to the new level of 18 on the scale will now receive a 46 per cent discount. MPI will also apply a greater discount to the majority of the DSR levels, offering larger savings to customers.

Together MPI's effort to keep rates affordable remain a key focus of our organization.

Now I'll just briefly also touch on Project Nova. We launched Nova in 2019 for the purpose of replacing MPI's core technology systems that are near end of life. These systems represent the foundation of Manitoba's public-MPI's model, and the longer we wait, the more costly it becomes to maintain the outdated technology.

Replacing the older system will help MPI mitigate risk, improve information security and allow more flexibility in meeting customers' needs.

Nova is the largest and most complex business transformation in MPI's history. Unfortunately, there

have been significant challenges thus far in our journey. We recognize that our original timeline for the project was too aggressive, and in 2022 we were forced to re-baseline our project to allow the team to address risk that would get in the way of us achieving our results.

We launched first release of the project early last year, addressing changes to our SRE line of business. And, through this, we have learned a lot, including the importance of investing time into readiness—effort to prevent issues after a launch.

I will be upfront that our lack of readiness resulted in a number of defects following our first release, which has impacted our timeline and put pressure on available resources.

We have further faced challenges in staying on track with Nova delivery timelines due to changes in leadership at the senior leadership level last year, and the ongoing impact of the strike. All this has caused us to rethink and replan the rest of Nova delivery to ensure we deliver value while staying within the budget.

We will have more to share later this spring about Nova, along with our broader strategy work.

I want to again thank you today for giving me this opportunity to share these updates about our team and our organization. MPI is dedicated to being accountable and transparent as we begin a new chapter in providing value to Manitobans and contributing to safer roads through public insurance.

And thank you.

The Chairperson: Thank you, Ms. Jatana, and congratulations on your new position. And thank you, Ms. Nedohin.

And the floor is now open for questions.

Mr. Piwniuk: I've got a question, like, it's—I'm going to focus on my questions. They're going to be focused on the—when it comes to the actual insurance, you know, when it comes to the reserve funds. I'm going to start with the question to the CEO. On the annual report on page 17, it stated that the fair market value of a corporation's investment portfolio was at the end of the last fiscal year was \$3.6 billion.

This sounds like the corporation is in good standings with—when it comes to the reserve funds. And can the official provide us with the update on the investment portfolio today?

Ms. Jatana: At the end of Q2, so absolutely our reserves are in a very good financial position. Quarter 3, which we just posted this morning, all of our portfolios are at or above target, with the exception of a special risk extension.

So our basic portfolio, the target is 100 to 120. We are at 143.

For extension line of business, we are above the target of 200, at 223, and special risk extension is sitting at 264, just shy of the target being 300.

Mr. Piwniuk: Going on, still on the reserve fund. So what is—what has it—how's it—how has it changed since the last fiscal year of 2022-2023 last March?

* (09:30)

Has the—I know the investment portfolios have increased, let's say, with markets across the—around the world. I believe there was an opportunity to—also for MPI to invest globally, so that there's a better return on the reserve.

Is that correct?

Ms. Jatana: So, last year, we updated our asset-liability management program, or policy, which was reviewed and realigned. We are slightly short on the global side, but we are working towards implementing that ALM strategy.

Mr. Piwniuk: Continuing with the—when it comes to the reserve funds that, you know, it's so important that, you know, a lot of times there's a good return on these investments, because the fact is it does pay for a lot of the claims in the future.

Is there plans to continue to really focus on the reserve fund so that there's never—like, making sure that the health of the corporation is in good standings going into the future?

Ms. Jatana: Absolutely, and hence why there was targets established ensuring that all three lines of business are sustainable and prevents any rate shocks from happening. So, thresholds were established: for basic from 100 to 120, for extension being 200, and of course the SRE being 300. It is important that MPI maintains those thresholds, and we are in a very good position, basic being higher than the threshold right now.

Mr. Piwniuk: Mr. Chair, this is another question for the CEO. When it came to the last seven years, how has the performance of the reserve fund grown, and can that—can the CEO give that information to us?

Ms. Jatana: Yes, we—for many different reasons, we've been in a very good position on the financial health, and that would—that supported, of course, our rebate just a number of years ago, during the pandemic especially, where we rebated over half a million dollars—pardon me, \$500 million, half a billion dollars back to our customers through three different rebates. Of course, some of that was, there was a surplus of funds, as we were in—experiencing a lesser volume in claims. Of course, nobody was—hardly anybody was on the roads, so—which was a factor in that, along with the company's ability to maintain fiscal prudence.

Of course, we're here to serve the customers and answer to customers when they need us, and in the times of COVID when there was fewer claims, has definitely helped build those reserves and more importantly provide immediate rebates back to the customers.

Mr. Piwniuk: Mr. Chair, with the \$3.6-billion investment in reserve funds and the \$665 million went on retained earnings at the end of the last fiscal year, Manitoba Public Insurance is floating that you could begin to reduce rates and to improve the products and services you provide, such as the SRE insurance. Would that be correct?

Ms. Jatana: I would not say that's quite accurate. So each line of business has to be self-sustainable the way MPI is structured. The basic insurance line of business and extension has a close link, as we all are aware, that most basic compulsory parts of our insurance, customers also end up purchasing our products on the extension side. However, the reserves, and each line of business, is on its own. Any surplus from the extension line of business flow back through—generally, flow back to basic customers, or the basic line of business, benefiting the basic line of business.

SRE is independent and on its own. We do not promote subsidies from one line of business to another. So MPI is not in a position to fund SREs from basic or from extension lines of business. So therefore, that line of business has to be sustainable on its own, and that's the way the lines of business have been structured.

Mr. Piwniuk: So, going back to the SRE portion of it, I know the—when it comes to special risk, it has to be sustainable.

What is the future of special risk extension insurance for the future when it comes, Mr. Chair, to,

you know, making sure that it's—we're profitable enough for MPI to be satisfied but also can provide the services when it comes to the actual products that SRE provides for, say, truck drivers to farmers, anybody that can't put—insure through the basic Autopac that provides.

So if we can just see what the future is when it comes to comparison to extension policies throughout the country, with other provinces in other jurisdictions, Mr. Chair.

Ms. Jatana: Yes, maybe I'll just touch on the two.

So, although basic is a mandatory and compulsory line of business, customers do have a choice to either buy products from MPI through our extension line of business. They can also purchase from other providers.

And that same goes to special risk extension. It is a competitive line of business, but I understand that we probably serve a majority of Manitoban business. And that's what it's there for, is to promote economics and trucking industry in Manitoba.

Having said that, you know, we are understanding that that industry is challenged. We're hearing that in times of—especially post-pandemic, there is a market depression that that industry is facing. We're hearing that, you know, small, one- to two-truck businesses is coming in with aggressive price cuts to compete with more established businesses.

There is a higher risk, at times, with the new operators who may not have proven history or investment in safety. We're also hearing that, in these tough times, higher quality companies may also be looking for ways to reduce their expenses and cutting lower quality owner-operators. So there's a bit of a shift and change happening in the industry.

We're seeing that, you know, these lower quality operators that often go out on their own, start a business and undercut the price of more established operators and may—sometimes, in these cases, safety tends to kind of take the back seat. So we are—you know, in working with our partners, we're trying to understand the industry, where it's going.

However, we are here to serve customers. We are here to—as that business is competitive on its own, for it to remain sustainable, we need to ensure that we also take the right risk and the right business on.

In terms of the viability of that line of business, we've—recently have implemented some of those changes that needed to be happened. One, we have

increased the price in this line of business just recently. And we've also made some product changes. What we're also learning in this line of business, our product, the third-party liability, we're perhaps superior than any of other jurisdictions that we can look across and especially peers like ours.

We were offering exposures: 10, 20 million for long-haul trucking. And what we were learning in jurisdictions outside of Canada, especially when there is large losses and when there's a reward, it's often to the extent of the coverage that the customer has. So we were, you know, facing large losses which has put this line of business into this concern that we're facing.

And in recent times, we've—have determined the need to change products to align with our peers and also to look at a increment price increases. Up 'til this year, we were not able to—for many different reasons, we were not able to extend that price increase, which has put us behind the eight ball. I'm pleased that that support was given to us, both government and, of course, the—our partners, Manitoba Trucking Association, IBAM, and we have recently implemented that price.

* (09:40)

Those are the things that need to happen for this line of business to be sustainable in the long run. MPI is not in a position to ask for all of Manitobans to fund this line of business nor do we—are in a position to be asking for government funding. This line of business must sustain and remain sustainable on its own. So I feel very confident that the measures that we have taken recently will help sustain this line of business.

One other thing that we're working on is in conjunction with the Manitoba Trucking Association and IBAM is we're looking at our eligibility criteria. What are the types of risks and how do we ensure that we are taking the right risks and we're pricing it appropriately when we take on a business so there is no rate shock year over year and we're also maintaining fiscal prudence, financially—I'll say financial responsibility—as we take on new customers.

Mr. Piwniuk: Again, I have another question for the CEO. When it comes to, like, again, with the special risk extension insurance policies, when it comes to, say, the trucking industry. The trucking industry is so valuable for the province of Manitoba.

Myself being the—a former minister of Transportation, Infrastructure, we met with trucking industry for so many times, you know, making sure there's a balance between safety and making sure that, you

know, the flow of goods and services, you know, we are a corridor when it comes to the province of Manitoba, kind of the keystone province. And the thing is what we need—really need to focus on is making sure that we provide the services to these truck drivers, but at the same time making sure that we don't hold back, let's say, economic development when it comes to the trucking—expansion of the trucking industry, bringing more industry coming into the province of Manitoba.

We've had some, you know, back in the day, last seven years, we had a lot of investment coming to the province, a site like Roquette; lot—Simplot had an expansion. So we're looking at a—now a lot of farmers now are—become bigger, they're transporting more goods and services when it comes to trucking.

So, the focus is in how do you—how does MPI balance—and this is the question for the CEO—balance the making sure that we allow the economy to grow, but at the same time we don't hold back some of the services to, let's say, new truck driving companies or when it comes to expansion of existing trucking companies?

Thank you, Mr. Chair.

Ms. Jatana: I couldn't agree with you more. We need to maintain that balance of helping the economy grow while ensuring that MPI's SRE line of business remains available to our customers in Manitoba. And that fine balance is a juggling act on a daily basis by ensuring that by no means we ever want to hold our products or services back.

We're here to serve Manitoba, but we want to also—we have the responsibility to ensure that SRE remains viable, remains sustainable for our customers by taking the right risks, by ensuring that we price it appropriately, by ensuring we promote safety in—promote the health of the industry.

So I just, you know, last week I met with the Manitoba Trucking Association who represents 75 per cent of the trucks in Manitoba, and we very much share that with our partners that those are the things that Manitoba Public Insurance needs to do and hence why we're working with the working group along with IBAM and MTA to update, re-establish our eligibility criteria so we can be here for years to come to serve the needs of Manitobans.

Mr. Piwniuk: I'm going to go on to the next—before I pass it over to my colleagues here. One of the questions when it came to, let's say that, you know,

the—when it came to the special risk extension insurance, when it comes to new drivers and when it comes to the industry itself, the trucking industry, the big factor was also when I met with a number of companies that actually provide education and, you know, when it comes to training, companies in Manitoba, a lot of them are reputable companies that have a very good track record.

They felt that they were under the gun when it came to allowing, let's say, new schools like that coming into the market that maybe are not as reputable.

How do you balance, Mr. Chair, I was wanting to know if the CEO—how to balance that, to make sure that we retain the ongoing—the, like, truck-driving school programs that we have existing with existing companies, but also making sure that new companies also abide by the standards when it comes to the future of training truck drivers in Manitoba?

Ms. Jatana: That is, you know, a very important part. One is ensuring that we have the right drivers, we have the right training and education feeding this industry, and that really is at the front end.

Of course with the MELT it has helped, but it's—I would say there's still lots of work to be done. We work very closely with government and with the schools, along with MTA, to create that accountability, create that sense of ownership, and there's absolutely some room for improvement, I would say.

But we are coming along. Some of the changes that we've—so, you know, MELT now has been in Manitoba I want to say four or five years, probably, and while it has increased the number of hours somebody needs to go through training, which is a great program to follow, but you're right. It depends on the instructor ensuring that the schools do what they are required under this program.

We have certain programs that we're monitoring and working with these schools, and we look forward to working collaboratively with MTA and with the schools as well.

You know, some of the pass rates, if you look at in class 1, it still is a struggle in Manitoba. It's low 30s, and that is an area of concern that I look forward to working with my team and putting additional measures and working with the industry as to how do we combat this issue. It's not just MPI. It's really—it needs to be various stakeholders coming together to solve this problem, and I look forward to those discussions.

Mr. Richard Perchotte (Selkirk): Like Ms. Jatana, I also have a unique name, as many Manitobans do. It's pronounced per shot, as if you go into a place to buy a beverage, it's often so many dollars per shot, so that should help you remember that.

I am—I come from a background of private industry. I have been in construction and manufacturing most of my life. I used your SRE policies in a previous life. I'm also an avid car collector, so I have a number of policies; I range between 14 and 27 policies a year through MPI, so I'm a very good customer.

One of the things that I'm hearing from our constituents is on the SRE side, they have gone out and they've completed their class 1; they are typically working for another firm. They've gone out and done all the things we're supposed to, including buying a brand-new vehicle and facing payments of approximately \$6,000 a month.

Several of them have come and approached us and said, I can't get an SRE policy. I'm going on three months or four months. I'm at a point where I'm going to go bankrupt before I start.

Is there—is this in a correlation to the launch of Project Nova? Is this in direct relation to re-evaluating the SRE system, and is there any steps coming forward to help these people get to do the business that they're trained to do?

The Chairperson: Thank you, Mr. Perchotte.

To the whole committee members, if your name is not being pronounced properly, please feel free to correct each other, so that's welcome.

And when one of the members is ready for answering a question, just indicate that—who is answering, so that it's easy for me to recognize.

Ms. Jatana: You know, a couple of things here. One is—one, I can assure you the example that you're sharing with us has nothing to do with Nova. I recognize Nova release 1 was implemented for the SRE line of business.

* (09:50)

While there's some struggles with the system, operationalizing the system, the issue of this example has nothing to do with Nova. When we look at a price of an SRE, it's dependent on a number of things: loss experience of any particular company in that year; whether there has been any changes to where the fleet is travelling; and how many miles, especially outside of the jurisdiction or in certain jurisdictions that may

be more risky, that is a key factor in price changes and fleet composition; changes in cargo, and those are the things that factor into a price change. So I don't want to necessarily discuss individual cases, but where you would see a price increase from a few thousand to a hundred and some, those are some of the main factors why the price change is occurring.

In some cases, when the initial price was offered, if the information was not available to properly risk—properly price the product, and there was information that came forward at the renewal, MPI cannot properly price and ensure that the proper coverage is in place, because that puts the customer at risk. And I'm happy to look at individual cases, but it can—it is not the reason why perhaps somebody is facing that significant increase year over year.

Mr. Perchotte: In the four cases that have been brought to my attention, they're all outside the province. The interprovincial SRE policies don't seem to have any issues getting coverage. It just seems the length of time that these folks have been waiting for an answer is—it's detrimental to their business. It's arbitrary—it's difficult for them to operate; they're forced to do jobs that they're not planning on doing and losing potential business.

Is there some type of mechanism that is available for them to not wait three or four months to have direct dialogue if there's a piece of the puzzle missing? Is there something they can do to move forward?

Ms. Jatana: Mr. Perchotte, let me say one thing I should have mentioned. So, in cases where there is—I'm aware of one or two customers that are facing a large increase year over year. What we have done in those cases, we've actually extended the policy by so many months so that customer, if our price is not the most competitive, that they can also shop around. So we're not just shutting the door on them.

The second—the question that you just asked me here is about renewal. So what happened when the strike, one of the worst situations MPI could have been in last year with ten weeks of strike, we came out of the strike with an enormous amount of backlog, including in SRE. In SRE, I want to say probably close to 500 policies were backlogged after the strike, and right now the latest number I got from my team is we're still sitting at 250 policies that have not been review—renewed.

Our staff was on strike, but what we are doing now is offering overtime, addressing that backlog. But what I can tell you, even though somebody's policy

has not been renewed, they're still buying—like they're not out of coverage. That's the—I'll say that's what MPI has done above and beyond to ensure that our customers are still looked after while we're struggling to deal with our backlog.

It is very unfortunate. That is not a normal way MPI would operate. But there was some circumstances beyond our control. We had no underwriting staff to issue policies for 10 weeks, and it's not just the 10 weeks of backlog; we still have customers that come to us every day, so now while we're looking after the customers from last summer, we have customers that are falling in the backlog, you know, from November to now.

So, you know, I'm proud of my team for their ability to give all they can and working overtime, but we're just—we're struggling coming out of the strike and dealing with the backlog. But we have some measures in place to get caught up in this line of business. I'm—the last update I got from my team is around springtime, but we're working actively on them.

Mr. Perchotte: I can certainly understand the tremendous stress MPI is under with—recovering from the strike and the backlog that's going on.

In particular, the cases I'm talking about are new purchases of insurance and I just feel for somebody, as a private business owner for many, many years, to start a business and have tremendous payments coming and you're dealing with MPI and you need MPI to get your business going and you have wait three or four months. It just seems we're missing something to get these people out, gainfully employed.

Mr. Wiebe: I'm happy to allow the CEO to respond.

I simply wanted to say, and I appreciate that the critic is bringing this forward here directly to the CEO. That's, I think, an important step. If there are any particular cases and, in particular, when it comes to businesses and making sure that they have what they need to succeed and to grow in our province, I'd just invite the member to bring it forward to my office at any time.

I'd be happy to work with him and certainly give him any assistance or information through my office that might assist him and might assist his constituents or the contacts that he has. I just wanted to add that context. Anytime, he's welcome to come to my office.

The Chairperson: Thank you, Minister.

Ms. Jatana: I'll just say two things. When it comes to accepting new business, there's two—one is, in the

province we are accepting applications, although it may not be as quickly as we would have attended otherwise. And the second is, applications for long-haul trucking that we hope to open in April with the new eligibility, as I alluded to earlier, that would be opening in April.

So, that's the timeframe, but in the meantime if there is something, as the minister alluded to, something needs urgent attention, we remain open to looking at that.

Mr. Perchotte: Thank you very much for those comments.

My next question has to do a little bit more with the farmers. We have a driver licensing system for class 1 that requires training, several hours and several thousands of dollars worth of training for people to go to graduate to get their class 1 licence.

Farmers are finding the locations to get the training cumbersome, difficult, costly. Most of the people on the farms have been on the farms for many years. Many of them have class 3 licences that have been demonstrating their abilities.

Is there any sort of plans in the future, moving forward, through MPI to address that one sector to have a prior learning assessment done or recognizing their level of training done on class 3 to help them graduate without having—going through the class 1 training program?

Ms. Jatana: Yes, Mr. Perchotte, I'd like to learn more about that. Perhaps I may not be close to that concern coming into this role, but if I can understand a little bit more what the concern may be and—I'm sure we can, together, work on a solution, that obviously we're here to support our farmers and it's an important industry in our province.

So, I wouldn't want to just make a quick comment here without fully understanding what the concern or the situation may be.

Mr. Perchotte: Thank you again for a great answer.

The question I have around Project Nova—we talked about the difficulties. Is there a foreseeable future where you feel that there's an implement stage that's going to happen for the SRE policy, for the—or the main line of business through MPI?

Is there a clear, concise, achievable goal? I know sometimes things get sidetracked and you get waylaid on stuff, but is there a clear goal that you will feel that finally this is behind you?

Ms. Jatana: Absolutely. Stepping into this role, along with creating a longer term strategy and direction, I would say that's probably one of the top things that keeps me up at night.

The reality is MPI needs to change its core technology that cannot be supported, that does not meet the needs of the business or our customers. And there are a number of things that got us to where we are.

We do need to rethink, replan and we do need to deliver Nova. Not changing technology is not the answer for MPI.

* (10:00)

But what we need to look at is the way we were delivering the what—and I'll say, you know, at one point we looked at the, do we need to build those capabilities in-house or, because this project has a lifeline, and it's—has a start and end, should MPI be looking for more outside help to develop and implement this, versus trying to build those capabilities in Manitoba.

Sometimes we are constrained for various different reasons; whether it's the market we're in, there's certain accountabilities on us in terms of controlling our costs and our FTEs and compensation, all of those things that need to be in play. So is there a better way of accomplishing that? Those are the discussions we're having today.

There has not been much work in the last 12 months on Nova. We implemented release 1; it has operational issues that we're addressing as we speak. We are—we have a dedicated team that is still standing up that technology while we look at future releases. So the plan is to implement the second release, which touches on our international registration program customers, IRP. The plan is to launch that next year.

However, the large part of Nova which is—was the future release, release 3, which impacts all of us as Manitobans, that needs to be—rethink. Because we believe that is the largest implementation portion of the overall project, but also where there could be larger exposure if it's not implemented properly. So I'm very pleased to say that we had our new CITO that just started with us about two and a half months ago, after the departure of the last CITO along with the CEO just before that.

So the organization is going through a bit of a, I'll say reset and rethinking of Project Nova, and I want

to bring a plan that is just not on a paper but something that we can stand behind, something we can deliver and something that we can show value with. And I look forward to coming back in the late spring, early summer, showcasing what is the Nova plan. And we want to do it with great transparency. I don't think plans like this can be built in the background or can be kept in the background, and we want to do it—do this with Manitobans, with our Public Utilities Board, our regulator, and with our shareholders. So that's the conversations we are going to be having.

Mr. Perchotte: Once again, thank you very much. We all know that we learn from failures as you move forward. Great ideas come out of failure.

I've got a bunch of questions. But one of the things, as private industry, that I noticed: In order to get insurance coverage on our larger vehicles, we needed to have our Manitoba safety certificate, fitness certificate, before we can get the insurance. Before we can get the safety certificate, we have to prove insurance. It seemed very confusing at the time; you can't have one without the other, so you need one to get one. Perhaps we can shed some light—maybe I was missing something—on that. Maybe one of the members of the board can tell me, what is the relationship between the Manitoba safety certificate as well as receiving insurance?

Ms. Jatana: Mr. Perchotte, just so I understand the question, is your question about SRE or just in general, you and me purchasing a vehicle, so I formulate the right response.

Mr. Perchotte: It was for the general insurance before you get the SRE policy. The—on the general insurance, before you can get your policy, you need to have your Manitoba safety certificate of fitness, which is generated, I believe, by MPI. But you also need to—before they can issue that, you needed to have insurance. So if your insurance was due on the same day as you're going to renew your safety certificate, it was a—who's going to blink first, who's going to give me what first, so.

Ms. Jatana: If I may just have a moment to—you know, I can speak generally, but maybe I can understand this issue a little bit better.

So in general, I'll say—let's say if I'm purchasing a new vehicle that requires a safety certificate, I can go get a temporary permit or temporary registration—I believe it varies week to—from a—anywhere from seven days to 30 days—while I secure a safety certificate to properly register a vehicle in Manitoba.

But there might be some nuances that I need to just understand a little bit better if we're talking about SRE and class 1. But generally, for most Manitobans, that's how the safety and insurance would work.

Absolutely we cannot register a vehicle unless it passes safety, though.

Mr. Perchotte: I'm sorry, I might have been a little misleading there. The information that I was asking for wasn't to do with the safety of the vehicle, but the company itself insuring has a safety fitness certificate issued by the Province.

And in order to get insurance, you have to prove that you have—the company has that, which I guess is basically decided on the drivers', collectively, their accident rates or what have you. In order to get your company's safety certificate, you have to show that you have insured vehicles. In order to get your vehicles insured, you have to show that you have the Manitoba safety certificate.

Ms. Jatana: You know, just when you know you've spent nine years, you know every part of the business, there's things that come up I'm still learning. So let me take that under advisement and look into that to make sure that I provide the appropriate response.

Mr. Perchotte: Mr. Chair, I thank the CEO for, again, taking—listening to the questions and looking at that.

One more question I have is in relation to the employees of MPI and the policy of return to work or who's still working from home. Can you—just for informational purposes, can the Chair have the CEO, or anybody from the board, just please answer where we're at with that?

Ms. Jatana: Absolutely. I'm thrilled and pleased to hear that our team's actually started coming back to the office as of last week. So basically, what we have, with the exception of a small number of employees that would work in a contact centre, all other employees are classified as hybrid, so meaning that they are working half of the time in the office and the other half of the time they work from home.

We recognize that that was probably the best way to, post-COVID, introduce flexibility. And it's also having them in our workplace, because there is great benefit for our employees to work with their peers, be together and serve our customers face to face. So that we just started—we communicated that back in December, under the direction of the new board, and we started welcoming our staff back just last week.

Mr. Perchotte: Has there been any recordable data available as productivity in comparison to working from home or working in the office, Mr. Chair?

Ms. Jatana: You know, I can't say there's a hard data that would showcase one way or the other. We know that, during COVID, we all learned to work from home. You know, I'm one of those individuals struggled the most to leave the office and work from home, but over time, I got used to, as an executive, being functional right from home.

So I feel our team members are the same, with the exception of a certain area like contact centres, where you can measure productivity right down to the minute.

* (10:10)

It's difficult when, you know, you are, I'll say in an office space, it's not counting the widgets, necessarily, but what we can say from results overall—you know, how the organization has done, our staff has been productive at home.

But we don't necessarily have hard data. What we do know that flexibility is still something that everybody is wanting, and we believe that we've reached a happy medium. Sometimes as a Crown corporation, although, you know, we try to align to other Crowns, we are in, you know, Winnipeg and Manitoba so we're also required to kind of see what other businesses are doing.

And I'm glad to hear that most organizations are starting to adopt a hybrid workplace where it allows flexibility, but also allows people to be in the building together.

Mr. Piwniuk: Since we're on, when it comes to hybrid, when it comes to the policy of getting back to work, my question is now, is that gives an opportunity for this, Mr. Chair, for the CEO to find some savings when it comes to, you know when, you know, your province grows, the staff grows, is there opportunity that, you know, you could keep this, the—you know, some savings when it comes to the office space—like, the footprint? Is there opportunities of savings when it comes to having certain people come in at certain times to really utilize the workspace?

Ms. Jatana: Absolutely. You know, when we, back in 2019, we actually started the city space—Cityplace space plan. And before that, MPI used to occupy roughly 300,000 square feet in Cityplace. At that time

we had a business case and a plan to reduce our footprint. So today we occupy half of that space, about 150,000 square feet.

And—which means that we have seats for roughly 600 to 650 employees in Cityplace. The total complement of our staff downtown is actually 1,400. So we've done exactly that. So we were not actually able to adopt—some organizations are doing three in and two out, so we had to very strategically design this hybrid so that we can maximize the space and not have to invest any more space for us to bring all of our team members back.

So we're trying to kind of balance that. And through that space plan, we do have a reduction in operating costs, just by giving up 150,000 square feet that we were able to rent out to other tenants. So another success story of MPI that our tower is fully occupied right now. So it's not we're sitting on a vacant space. That space is being utilized from someone else and we're generating revenue off of that.

Mr. Piwniuk: I've got another question for the CEO. When it comes to Project Nova, you know—I know it's very important to invest in technology as you go along here. So when was the last—when was the first launch of the old system? Was it going back to 1995, Mr. Chair, a question I have for the CEO? Has there been any improvements in, like, when it comes to the systems over that period of time?

Ms. Jatana: To the best of my understanding, I believe the system that we are updating goes back several decades. That's my understanding, but I can confirm that.

Mr. Piwniuk: Like, I guess when I was a very brand-new broker at the time, in 1995, when we implemented the first system, when it all went from paperwork to be sent in, to be upgraded—updated, to actually online. And it was kind of a—it was a rigamarole, because it was, I guess everybody was put on the system at the same time. And it was—the system crashed.

So there was an investment that was put in, and 'wentially,' it was the summer of hell, but I would say it was—once it got going it was a great system, because everything was live. So you're sort of saying that there was probably no investment in that 20-some period, these two decades then, until it was just done recently for Project Nova. So nothing was done in the last 20 years before that.

Ms. Jatana: I wouldn't say nothing was done. As, you know, take for your phone; you know, there's always

work, there's always updates, there's always some sort of a system investment required. But we're still operating on the same system.

And just like my iPhone, in a couple of years this is going to be outdated; it's no different for a large technology that we're talking about. Of course MPI continues to invest on all technology, but comes a point that you need to replace that technology. And that's the point we're at with these technologies we're talking about.

Mr. Piwniuk: So the question would be, if we're—it's, you know, 20-20 hindsight, would there be, say, if you went back in the past, would there have been an opportunity to say, look, we should've invested as we went along, instead of look—relying on the old system, we should've upgraded it so that it hadn't all had to be done at one time. Would you agree with that, Mr. Chair—for the CEO?

Ms. Jatana: I would agree with that comment, that, you know, we—with any—and that's one of the, as part of our multi-year strategy, we are looking at all of our technology, creating a technology road map to understand the depth that we will be facing, so that we're not hit with a—one big bill at the end. That we continue to invest in our technology.

And technology is an enabler in any business, including ours. So, you know, I can't speak to, kind of, my predecessors, and whether those discussions were happening, whether those conversations occurred. But I truly believe that, you know, for us to keep up with the needs of the customers, our technology also needs to keep up with our needs. So I absolutely agree with that.

Mr. Piwniuk: I've got another question. When it came to the backlog, I just wanted to make sure that—if we have a date of when the backlog is going to be actually fulfilled, actually back to a normalcy when it comes to just focusing on renewals and focusing on new policies being issued for new clients. I was wondering if there's a timeline when that backlog is going to be eliminated, Mr. Chair.

Ms. Jatana: Thank you, Mr. Piwniuk, for that question. Let me kind of share with you where we're at—where we were, where we're at, and maybe that'll give you a bit of a light at the end of the tunnel.

So for the 10 weeks that we were in strike, if you look at our main buckets of work, adjusting, estimating, total loss vehicles that are not driveable that need to be replaced; one, we looked at kind of, what did we actually accomplish during the strike? You

know, we worked with our partners and our stakeholders. We deployed very—85 per cent of our staff was on strike, so we had a very few staff members that were left behind.

And during the strike, you know, we really were not able to serve the needs of Manitobans during that time. For adjusting, we were only able to serve three per cent of our customers, three per cent of the claims that came in. We, you know, working very closely with our repair shop partners, and they absolutely stepped up. And I couldn't imagine where we would've been without them. You know, we were able to serve about 29 per cent of the customers.

However, the estimates that we were doing, necessarily we have to redo some of them, because we didn't have our estimators at the time that we were doing, like, hail estimating. So we invested in the technology that we're—that was doing a quick estimate, but that technology is only good if you have an experienced estimator there, validating that we got all the information in that seven-minute scan.

Total loss, you know, we had 545 claims that came through during the strike, and we were only able to serve 10 per cent of those customers. So what that meant, that gave us roughly over 32,000 types of appointments that were just waiting for us to serve customers.

Now, this is where I get to be proud of the team that I'm representing here today. At the end of February, we have completed 50 per cent of those—the backlog in adjusting. We've completed 66 per cent of the estimates that occurred during that strike. And we have completed 87 per cent of total-loss claims that came during that strike.

So we are making significant progress. What my team tells me—and this is a live topic at the executive table every two weeks, as to what is the backlog, what other measures, additional support and resources we need to put in place to clear this backlog. And I feel, you know, I'm speaking for my team, but I feel that we can accomplish this by spring. That would be our goal.

* (10:20)

Mr. Piwniuk: I've got a question again for the CEO. When it comes to backlogs like that and times of year, too, I know manufacturers, too, when it comes to investment firms—I worked at Investors Group over the—many years ago—we used to always get, like, temporary services of employees that come in to do some of the backlog, let's say, doing some of the more,

like, clerical work that allows people to, like, say, employees—long-term employees to focus on, you know, more of the—when it comes to actually issuing the policies, which will be more advanced; you need to know the knowledge of the insurance industry. But is that also an opportunity, when it comes to MPI, to look at, you know, at certain times of the year when you need to get more staffing in, is that a consideration when it comes to—for the future of MPI?

Ms. Jatana: You know, we—absolutely, there's a number of things we've exhausted during the strike. We did have replacement workers that we brought in, but what we found—I'm not saying our business is so unique, but our business, not to point out our peers, we're not selling bottles of liquor that anybody can come and sell. We're dealing with complex insurance claim issues that needs trained staff members to serve those customers.

So, we're, you know—and quite honestly, whether you look at our estimators or our adjusters or even service reps that provide front-counter services are highly trained people. It's not something we can just take somebody off the street and put them in the position and they will hit the ground running. Adjuster requires minimum of 30 days of training. Our driver examiners go through, I believe, a minimum of six weeks of training before they're able to be put in a vehicle.

So it requires time to train and—but, believe me, as soon as we came out of the strike, we started that work. We've hired additional adjusters, we're hired many front-line staff members to help us combat this issue. So that's kind of what I monitor.

Also on a weekly basis is how are we recruiting new team members that we need, and how are we training them, and what can we improve in the process that can also clear the backlog, including the use of technology, you know. So we've implemented things like first notice loss where customers can kind of report, give us basic information so you're not waiting on a call in a contact centre.

So, we're looking at absolutely those measures, including some of the things that you talked about as to how do we deal this. We don't want to be in this situation and we're not our best when we have a backlog and our customers are not being served.

And, you know, I come from a service industry. I've spent my 30 years being in a service industry and I fundamentally believe that we're here to serve

Manitobans and we need to do whatever it takes to provide those services.

Mr. Piwniuk: Thanks to the CEO for the information there. That's great.

The other thing is it's basically, when it comes to the adjusters. I guess there's also independent adjusters, too, that could be also tapped into. Have you ever considered, Mr. Chair, the—actually looking at that service in the future, if there was ever a backlog, especially when it comes to claims?

Ms. Jatana: You know, we are recruiting adjusters. Of course, today those are MPI employees, and I would love to know where there is folks that we can bring on and hire.

One thing to note here: Manitoba probably has one of the lowest unemployment rates. I just saw the number yesterday: 4 per cent. That is a challenging—like, we are coming out of a COVID and many other issues that we're facing. Like, we are finding difficulties attracting, retaining folks. You know, we're—it's become a bit of a revolving role—door in some of the positions that we are hiring, and we're constantly—adjusting is one of those areas that it's a challenging area to be in for a long period of time, so often we find our folks that also want to get out of that role and get into something else.

But those are real issues, and what's not lost on me is that we need to build our adjusting. I truly believe, like, that is one of the moments that matters to customers. Most customers, we will sell a policy and we never see them, and that's great. That's what we should be, in the background. But when a customer has an accident, when they have a claim, that truly is probably the most significant thing that they're going through, and we want to make sure we put the right, highly skilled, trained people in front of them to serve them.

Mr. Piwniuk: I'm going to go more towards, like, some of the constituency issues when it came to—again, I represent southwest region of Manitoba. Our—like, the challenges are, I guess, again, we're—we see a lot of baby boomers retiring, though there's a lot of, like, lot of—so the service gets reflected on the lack of staff, I guess. When it comes to just talking about adjusters, one of the biggest concerns that I have right now is that there was a lot of claim centres, like, claims, not claim centres, because claim centres are in regional places like Brandon.

But it's those days where the adjuster goes out to certain communities, and we're seeing that more and

more of, Mr. Chair, more and more of those communities are being taken off the list now, and now individuals have to go that much further to get their vehicle adjusted, and that's a really big concern especially when it comes to rural Manitoba, when, you know, it's—a lot of them are farmers who are very busy. They're challenging, you know, getting other services in the community. They have to go further and further away to get their services like equipment, but then also they have a claim; they have to go now to a larger centre.

So my question would be, is that something that the focus is on, is centralization of the claims, or are there going to be opportunities that once you look at the—training more adjusters so that they can actually go out to the rural areas where they used to have adjusting being done?

So that's my question, Mr. Chair.

Ms. Jatana: Mr. Piwniuk, I would love to learn a little bit more about perhaps is there a community that we've overlooked that—what I can tell you, we're here to serve all parts of Manitoba. We serve the province, not just one particular area. And far as—last time I looked into this matter, which maybe is a few months behind, but we were going to different communities, to go where the community is and not kind of bring necessarily them to our major locations. So if there is something that is perhaps overlooked or underserved, we'd be happy to look at that.

Ms. Jodie Byram (Agassiz): Thank you for the opportunity to ask a question here today.

So, we're hearing in rural Manitoba and other jurisdictions as well that there's a lack of driving training programs in high schools in some communities, and this is due to the lack of the instructors. And we're also hearing that some communities lack access to the driver testing and examinations, and some have to travel long distances to get access to those.

Can you tell us a little bit about how you're going to address those concerns going forward and address the lack of driving instructors? [*interjection*]

The Chairperson: Ms. Jatana.

Ms. Jatana: My apologies. I think there's two questions. One is about driver's ed, which is training we offer through high schools, and we hire instructors. And before COVID we used to complete—we used to have nearly 10,000 students that went through that program. I've seen some recent numbers; I recognize that number has declined and maybe it's just between

eight and nine thousand dollars, and I also recognize that what I understand from my team there has been—this is kind of where baby boomer conversation comes into play—we've had some retirements in some communities that we have not able to replace those instructors.

So there is a plan in place to look at those. I believe there is a number of communities, and I was just speaking to our leader yesterday on that plan as to what's the plan for us to get those instructors and bring our numbers back to what we had. So there is an active plan that's being worked on when it comes to that.

* (10:30)

Your second question is in general testing. You know, about 18 months ago we had a 12-to-16-week wait when it came to driver testing and we put a lot of emphasis on addressing that issue by hiring additional driver examiners, looking at the process, looking at how and when we serve, including going to the communities that we were going to provide tests.

What I can tell you today, I believe it's about four weeks that you can book your appointment. I'm also—I was given information, and that's something I look at it on a biweekly basis, that you can almost get a—in a same-day appointment in most of our centres across the province. So we—that's one area, I would say. I didn't highlight that in terms of the backlog, That is kind of a shining star for us, that we have made significant improvements.

That is not to say that we can't do more. And what—we do want to maintain that booking time to four to six weeks that customers should be able to book that appointment out and, where possible, that we have some availability on an ongoing basis. *[interjection]*

The Chairperson: Ms. Byram.

Ms. Byram: —further.

The Chairperson: Mr. Piwniuk.

Mr. Piwniuk: Mr. Chair, I was wondering if we can have a 10-minute recess, just to—for everybody to have a break and continue after 10 minutes.

The Chairperson: Is it the will of the committee to have a break for 10 minutes? *[Agreed]*

We would meet after the recess; 10 minutes. Thank you.

The committee recessed at 10:31 a.m.

The committee resumed at 10:42 a.m.

The Chairperson: Will the Standing Committee on Crown Corporations please come back to order.

The floor is now open to questions.

Mr. Perchotte: Mr. Chair, I'm the MLA representing Selkirk, and in the area of Selkirk, we have a number of constituents who've complained to me for driver's licensing and testing that they have to drive out to places such as Arborg or Beausejour.

Although places like that are wonderful in our province, they just don't feel it's necessary to drive that far. They should be adequate spaces available, and when they find out that people from outside the area are fulfilling those spaces, they question me as to why would we be doing that, Mr. Chair.

Ms. Jatana: Yes, I think I understand the question. What happens a lot of times, Selkirk is sometimes considered a bedroom community of Winnipeg, and customers can travel into Selkirk to book appointments.

I'm going by my memory, but I believe there was—this has been talked about, whether we should create a bit of a ring around Winnipeg. And there may have been kind of back and forth on that. But maybe something I can take back, whether Selkirk is in—is an opportunity to look at a little closer. That's probably the nearest community that I could see kind of facing that type of challenge, but something I can take back, for sure.

Mr. Perchotte: Mr. Chair, when it comes to MPI and insuring of vehicles, there's a maximum value allocation on your basic insurance. That value—with the cost of vehicles rising and, you know, trucks being, you know, \$80,000 to \$130,000 for a nice truck to drive, that value doesn't really represent the average cost of the vehicle.

What is MPI doing to make sure that the maximum insured value represents the current cost of vehicles?

Ms. Jatana: Mr. Perchotte, you're absolutely right. Maximum insured value is \$70,000. And it was updated back in, I believe, 2019 was the last time. And it was increased from 50 to 70.

But we have seen the increase cost in vehicle repair, including new vehicles. So that is something that perhaps MPI could revisit, whether it's time for us to, you know, rethink and relook at that amount and

whether it's time for another adjustment. That's something I—we can take back.

Mr. Perchotte: When it comes to the additional cost, is there a separate add-on policy that could be purchased to make that gap coverage?

Ms. Jatana: Yes, Mr. Chair, maybe I need to take that back. I do not believe offhand that there is an extension product. But it's something I can take back.

Mr. Perchotte: Mr. Chair, as I stated earlier, I have a number of vehicles, and I'm quite involved with the classic car industry. In that classic industry, vehicles are quite old. They can range from 1920s to I think it's up to 25 years from current date.

Now, collectively, if you would look at those vehicles, the value of those vehicles are ranged from beaters worth nothing to—a collector car could be worth hundreds of thousands of dollars. Right now, the only system to establish a value is where the collector car owner goes out and gets an appraisal done prior to insuring the vehicle.

Is there a method that you could insure your vehicle within a bracket of, you know, an example, up to \$20,000, 20 to 30, 30 to 40, 40 to 50 and so on, that we can establish a value for those collector car owners who cherish their vehicles that this is the starting point that they're insuring, that they would expect? Not to say that your appraisal has expired, and that way you only get a couple of hundred dollars for your vehicle.

Ms. Jatana: Thanks for that question, Mr. Perchotte. And actually, I'm very attuned to kind of the concern you're raising. I worked very closely with the collector car association. I've attended a number of their events as well. And actually, we're working with that group, I'll say, for lack of a better word. Right now, there's a survey that's out collecting the feedback as to what the needs and wants of that customer is.

And we recognize that we need to look at that product and how we serve those customers. I believe it's a small number of customers in that group, but very important for us. So that is something that we will be looking at. And if this is one of the opportunities to improve and enhance products, that's kind of what we're looking at.

Mr. Perchotte: Mr. Chair, I believe, currently, the appraisals are not even considered by MPI in the event of a total loss if they're over three years old.

Based on the fact that collector cars only drive their vehicles on warm sunny days and typically once a week—they are definitely a cherished commodity

that they have—could there be some attention given to increase that date further down the road? These are typically the only vehicles that actually appreciate in value and do not depreciate, Mr. Chair.

Ms. Jatana: Like I said, you know, I think the best way to look at this product and serving the customer is really through a complete consultation that's happening through that survey. And if there's opportunity to enhance that product, obviously it will get prioritized. We will take a look at it.

But it's something I can take back. I don't think I can kind of, in the moment, say that—what's the right value, what's the product enhancement. The commitment I can make is that we will look at this product and whether it needs to be enhanced.

* (10:50)

Mr. Perchotte: Throughout the strike process, MPI was—had the direct repair facilities where the people were taking their vehicles right to the repair outfits to be estimated, and the paperwork was done. Relatively easy for the consumer.

Is there plans to continue with the direct-repair facility moving forward?

Ms. Jatana: Yes, direct repair has been part of MPI's ecosystem, probably now five, six years, and there's no plan to change that. What happened during the strike, we actually leveraged our partnership and just asked them to—whether they can take more customers on in estimates. And they were able to take a little bit more on.

But we also heard from that industry at that time that sometimes estimating kind of takes away from them repairing the vehicles, so there is a balance, right? So the service that they provide for our mutual customers is the estimating part; repairs have always, obviously, happened there. So there's no changes to that program; that program remained as-is and will continue to serve as part of our ecosystem.

Mr. Perchotte: As somebody goes through the repair process, is there any type of system to follow up with the consumer to make sure they are satisfied with the facility and make sure the work was done according to their expectations?

Ms. Jatana: Absolutely, yes. Part of the PDR program, once you go the direct repair, the PDR, the customer is actually called to provide that feedback. And unfortunately I have been a customer a couple of times, of MPI, so I personally remember. And actually, they're quite diligent, that they will call you multiple times to

get your feedback. So there's no way escaping from that feedback.

And then what we do with that feedback, we report that back to our shops as they—how they are doing in performing the services on behalf of MPI. So that mechanism exists today.

Mr. Perchotte: Thank you very much for that. Based on the information that you gather through these surveys, is there anything relatable to the consumers where they can take a look? If I've had a collision and I can go online and say, you know, company A has a 98 per cent approval rating and company G has a 12 per cent, I think I would know not to go to G and go to A. Is there anything available to the consumer that says what these surveys show?

Ms. Jatana: Going by my memory, but I believe we used to showcase the net promoter score of shops so customers actually can see how those shops are performing. I hope that is still part of our recent evolution, but that is one way we showcase the performance of shops. And we also follow up with shops if they are not performing at—it is an eligibility, you know; they have to enter into that program, they have to maintain certain success factors for them to remain, and if there is any performance issue, we have a dedicated team that deals with the relationship and the shop management.

Mr. Perchotte: I'd like to thank the CEO; she answered my next question. So thank you very much for that. It's a very important tool for—to have, to let—know that the shops are being, you know, carefully scrutinized and to make sure that they are following what we need for the consumers.

I do have another question on the licensing requirements for RVs and motorhomes, recreational vehicles. What is the current classification required for somebody to operate a class A motorhome?

Ms. Jatana: You're testing my memory, Mr. Perchotte, but let me confirm, because it's been not too long that I got this.

Mr. Perchotte, to the best of my knowledge, I believe it's class 4, but I can confirm.

Mr. Perchotte: I thought class 4 had to do with taxi cabs and safety vehicles. I thought class 3 was a little bit larger.

Ms. Jatana: That's why you bring your experts with you. I've been corrected that it's class 5, and so is for—vehicle for hire is also class 5.

Mr. Perchotte: Is there any mechanism—the concern that I have is that somebody, as a city driver who's driven a small, compact car on a class 5 licence as a commuter, all of a sudden goes out one day and buys a 14,000-pound RV and goes thundering down the road without having the training that most people would have in a class 3 licence requirement.

Is there any plans to look at the licensing requirements?

Ms. Jatana: It hasn't registered my attention. That does not mean it's not an issue. I know that we work very closely with the government. We are the administrator of DVA, but we work with government closely where there's needs to change or change needs to happen. So I absolutely can understand the issue if that has been an issue, but I would be taking this under advisement.

Mr. Perchotte: Mr. Chair, I don't know if it has been an issue, I just know that the people who are trained under a class 3 licence have a much broader fundamental understanding of a large vehicle of that type of weight. It may be a non-starter here. It may be very simply that people buy an RV and they learn to drive it.

I do have another question in regards to the motorcycle requirement. The motorcycle requirement, which is a system that was put through through MPI to make sure that people looking for their motorcycle licence go through a fairly comprehensive training program. I, myself, have gone through that program. It's a wonderful program.

What is the feedback that you have received from people who've achieved their motorcycle licence and/or the instructors?

Ms. Jatana: MPI partners with Safety Services Manitoba for that training and, I guess, feedback. I know that I've had conversations with Safety Services Manitoba. I'm not aware of any, necessarily, concern. I believe the program serves well that community. And it's, you know, it's something that we work very closely with them to ensure that it remains—it's actually funded—part of it is funded by MPI.

But I'm—that's something maybe I can learn in my new role, whether there is opportunity to improve and do better. But that's, like I said, it's been functioning well for Manitoba Public Insurance.

Mr. Perchotte: Mr. Chair, I do want to say that the motorcycle program is very well run. It's a fun program to be at, and this is one of the highlights MPI

can take back and say they're serving their community very well.

At this time, I would like to pass it back to Mr. Piwniuk.

Mr. Piwniuk: I just—question for the CEO. When you go back to the financial statements of the balance sheet, I didn't—in the liability, the last item of the liability section, provisions of unpaid claims. So there's notes of 17 and 18. There's, like, a—*[interjection]* It's on page 28, the balance sheet.

The Chairperson: Mr. Piwniuk.

Mr. Piwniuk: The question I have is the amount is \$2.364 billion. I just wanted to know if it can—if the CEO can explain why it's such a high amount and when it comes to—I believe it's for future claims, estimates.

Thanks, Mr. Chair.

Ms. Jatana: If I may just have a few minutes to speak to my team here.

* (11:00)

So, yes, speaking with my CFO, couple of things: One, it's—the number is comparable year over year, and that is our best guess as to claims that have incurred but not paid. So it's a large number, but obviously the claims, as they go through, not everything is paid in the moment. Sometimes, you know, customers—and it's both from physical damage and the PIPP which is the future benefits. That's that number that combines.

Mr. Piwniuk: So when it comes to future claims, let's say, for instance, you know, sometimes we have situations where we have a extraordinary claims event. For instance, what—say, for example, Calgary had one of the worst hailstorms in Canadian history. It was actually—I think both behind the ice storm of Montreal and Quebec.

So, is MPI prepared for, let's say, if Winnipeg ever received a claim like that too, when it comes to a major hail claim? We had a few hail claims, but it was only sectional parts of the city. But what happens if it was the whole city in general? Are we—is MPI prepared in that port, in that amount, for a possible—you know, a major claim like that?

Ms. Jatana: Yes, MPI is, although we don't want those types of claims. Unfortunately, it did happen, like last August, so we—yes, we had few hailstorms and then we had one major one, actually couple of days before we went into strike. And last year, as

I said in my opening remark, that it was the largest hail claim in our history of MPI.

So, in those events, we have something called reinsurance, and actually MPI is one of your unique companies that was able to secure reinsurance at aggregated levels. So we are able to lump those together and pursue our reinsurance options. And, in this case, I believe the total hail claim, my understanding is well over \$100 million last year, and we will recover roughly, I believe, so far \$60 million of that.

So, MPI is, I'll say, prepared to deal with that. There is a cost of reinsurance, so we cannot recover the first 50, so we lose \$50 million, and the rest is recovered through the reinsurance options.

Mr. Piwniuk: I guess one other question I have now that you talk about reassurers, we're finding that there's less and less of them out there right now. Is that a challenge that MPI has when it comes to reinsurance of, let's say, of risk when it comes to the major risk? Are you having challenges with reassured companies and of the supply and demand out there?

Ms. Jatana: Absolutely. We're actually in negotiations with our reinsurers as we speak, and we have faced—the market is hardening. And my understanding, my limited understanding, in that area would be that some of the large losses overall has impacted demand and availability of products and which we're facing some of that.

We have seen price increases in reinsurance, and we further anticipate that there would be a hefty price increase coming through, securing that reinsurance for next year. But we're still able to, you know, reinsure, and our—again, our aggregated kind of reinsurance is one of—something that not all insurance companies are able to even take or get.

And the reason why we're able to, my understanding is, that because we serve only one province, so we don't have the risk, necessarily. When I talk about basic insurance or that product, we don't have the exposure like other insurance companies would necessarily face where they would serve multiple jurisdictions, facing kind of a different type of risk. So we're somewhat, I'll say, sheltered and protected.

Nevertheless, the hardening of the overall market has an impact on MPI as well, and that comes through often pricing. It's not the product may not be able to be secured; it's the price that we pay for the product.

Mr. Piwniuk: Another question for the CEO: When it comes to comparison to other jurisdictions, I know

we always compare MPI's rates to Toronto and Calgary, which are, again, they're larger centres, there's probably more accidents and stuff, but at the same time, younger drivers there too. But when it comes to Manitoba, how do we compare, let's say, with something more comparable like Saskatchewan, you know, the same type of population density and demographics? How do we compare with other jurisdictions, like which—other jurisdictions that have public insurance, like BC, ICBC, when it comes to SGI and other jurisdictions like that?

Ms. Jatana: You know, we pride, in MPI, in saying that, you know, we remain amongst the lowest. We're not always going to be the lowest, but we're going to be amongst the lowest. And when we look at the—we do showcase this, actually, during PUB, and I know it's somewhere in the annual report, too, that showcases all of the jurisdictions and where MPI lands, and often MPI is either ahead of SGI or just behind.

So that's probably the most comparable jurisdiction that we can look at because similar landscapes, similar coverage, public versus public. So that's probably the most reasonable way of looking at our comparability. And we remain amongst the lowest or sometimes, like I said, slightly ahead or slightly behind them.

Mr. Piwniuk: Okay, I got a question when it comes to the PUB, when it comes to establishing rates. And like, I guess, you know, we have to, like, take all of these—like, since we've been talking here today, we talked about the major claim that happened in Winnipeg, the hail storm. But also at the same time we have a great healthy reserve now that can be diversified into investments to take advantage of diversification globally.

So when it comes to PUB setting rates for the future for Manitoba drivers out there, how does it look going forward on this, and also the challenges that we have with reassurers now, too, that there's always going to be that extra cost when it comes to—lot of things are—lot of claims are happening around the world. It does affect when it comes to MPI and how the rates are established. Can you give me any—can the CEO give me any indications where the rates could be seen going forward on—in the future?

Ms. Jatana: Couple of things. One is reserves being at target or above the target necessarily does not translate into a rate reduction. So when we apply for a rate, it's based on what our forecast is on claims, expenses, what we anticipate investment, return on

investment, and that formulates what the rate's going to be in the future.

Whenever there is a surplus in our reserves, as per legislation, as per our policy, that surplus, if we are in the case of over the threshold, that is required to be returned in the form of a rebate. So it's two separate—so if today, actually, our reserves are well over the threshold and we very much could be in a position of offering or providing a rebate in the future once our annual report has been audited, and then we would be making that decision.

On the other hand—I'm not saying this is the case; I'm using as an example—but if we forecast a large—we've seen a larger severity in claims; I think it's 10 to 12 per cent. That could impact what—the forecast of the claim cost. Claim cost is one of your larger factors into the rate setting. If we see an increase in severity, increase in claim costs, we could very much be in a position for asking for a rate increase while we're offering—providing rebates at the same time.

So not saying that that's the case going into next year, but that very much could be. And often, if I had my actuary here, you know, she would give you a lot more detail, but I try to understand as an average individual. So what I need to know as a Manitoban: that I could get a rebate cheque and plus I could see an increase in my rate for future years.

To answer your question as to what the forecast looks like, I am expecting those numbers—initial, I'll say, indication, by the middle of next month, and we would be, obviously, showcasing and ensuring that as part of the GRA in June to a larger population, large public, as to what that rate ask and what is—that forecasted rate will look like.

* (11:10)

Mr. Piwniuk: Thanks to the information that you provided. It's very valuable for Manitobans to hear that, you know, we are—that MPI is looking at possible rebates or, when it comes to the—an award when it comes to—how the reserve is invested that was just changed not ago.

The other thing is, I have—being that I was the transportation minister, too—is it important to MPI to making sure that government continues to invest in highways, to improve infrastructure, especially removing—when it comes to, you know, doing interchanges like St. Mary's, doing, possibly, McGillivray, around the Perimeter Highway? Because—and Winnipeg is going to go—grow over a million people in the next

number of—decade or so, is it important that we continue investing in infrastructure to limit the claims in the future for what MPI has to claim—pay out?

Ms. Jatana: Mr. Piwniuk, I would say it's outside of my expertise. As a CEO of MPI, what I can say, that road safety is part of our mandate. And I often, when I talk about road safety to our team, we—I often say it's a three-legged stool.

There's a responsibility on MPI to ensure that we increase education and awareness around risky behaviour, promoting safe driving in Manitoba, working with partners to increase road safety. Then there is government, and that's responsible for infrastructure. And then the third leg is the enforcement, and often we work with enforcement to create awareness or accountability on certain things.

So I can speak as to what MPI's responsibilities are. Now, as I'm sure—in Manitoba, I understand that road infrastructure has an impact on safety. In winter's like this where we could anticipate a few more potholes, has a direct impact on our claims and insurance, of course.

But I will leave that to, perhaps, government to decide as to what the investment should be. But we, as Manitobans, we would all benefit from having, I'll say, the right infrastructure.

Mr. Piwniuk: One of the things I experienced, just, you know, on the highway—especially on the divided highway, like the Trans-Canada Highway—I know that the—when I was minister, there was a situation where—I don't think a lot of our public drivers out there are understanding what the passing lane is on a Trans-Canada Highway.

It's creating an unsafe situation where people—like, it's not in the—what I found out, wasn't in the handbooks of educating our youth or our new Canadians here that a passing lane, especially on the—it's not like the city where you can drive any lane you want, but on the Trans-Canada Highway, there is a, like, there is a law, actually, and they could be fined for passing on the line. So I think—I'm hoping that now, that MPI actually puts that in their education brochures when it comes to training new drivers.

One place so I found was when I was driving down one of the jurisdictions in the States, they actually marked it on the signage, saying that this is the law, you know, basically, in big print—like, on print, saying that any drivers using the passing lane could get fined, and this is law. And it's in one—it's in—actually in Oklahoma is that—what they did.

And I thought that was a brilliant way of making sure to educate our young drivers, because we're seeing more and more that it's unsafe. I see truck drivers almost hitting people on the Trans-Canada Highway. I live on the Trans-Canada Highway. I drive three hours a—just to drive into Winnipeg on the Trans-Canada Highway, and I've seen close calls.

And I think MPI—it's up to MPI, I believe, to really focus on education to—when it comes to drivers.

I'll leave it at that, Mr. Chair.

Ms. Jatana: Thank you for that feedback, Piwniuk—Mr. Piwniuk. I think that absolutely is—seems like a very reasonable, proactive approach another jurisdiction has taken.

I know that we updated our driver's ed education, and I know some of that knowledge was in there, but I recognize not everyone goes through a driver's ed. Perhaps there's opportunities for us to further improve our road safety and driver education in the future.

Mr. Perchotte: We talked about the PUB and the forecast earlier when I talked about the increase of value of new vehicles. But second to that is used vehicles, that the value of used vehicles have gone up tremendously. Has that been put into the forecast rates moving forward?

Ms. Jatana: Yes, we are seeing the change in prices of used and new vehicles. And perhaps that's one of the reasons why we also struggle in finalizing the total-loss claims, because customers—what the vehicle is worth to what they may be able to replace, they are having challenges, so therefore the insurer is also facing that.

That is part of the severity—when I was talking about 10 to 12 per cent severity that we're facing, those numbers are part of—it's considered in the forecasting.

Mr. Perchotte: In a separate topic altogether, in reading the report it looks like the future service available for people renewing their Autopac would be to simply just go online down the road. Is that something that we could foresee in the near future, or does that exist already?

Ms. Jatana: You know, I would say I get that we all look for convenience and we like online options. And insurance is no different. I don't believe that's the only way to serve customers when it comes to insurance.

And actually, what we've found—and sometimes we learn by our peers—ICBC, who's a little bit ahead

of us in terms of offering online options, and my understanding from—and they've been, now, in an online for the last couple of years at least. And what we've found, they have about 10 to 15 per cent take-up, that customers choose to transact online versus going to a broker.

And it's—sometimes it's the comfort level of the customer or the relationship that they formed with the broker. I believe that we need to offer choices in Manitoba and leave it to the customer as to what the best solution may be for them. I know myself, I still go into a broker's office to provide my quarterly payment or renew my licence or renew those services, even though I have access to service centres. And partially I have a relationship with the broker that I deal with.

So I think it's a little bit of a mix of both, so I think we need to give the same options to our customers in Manitoba.

Mr. Perchotte: Has any—in those options that are available, has any consideration been taken to the brokers and how this impacts their financial statements if the customer chooses to go to—directly to MPI as opposed to going into their establishment?

Ms. Jatana: We have an agreement in place with IBAM for the brokers, and we meet with IBAM on a monthly basis to understand as to how do we continue to work with that industry, how do we continue to ensure that option is available and part of those conversations take on—you know, on a regular basis we're having those conversations.

We want to manage, you know, the balance between fiscal prudence and having those options for our customers. And I believe there's a good balance, with the agreement that we have in place right now.

Mr. Piwniuk: I just have a few more questions here. When it comes to Personal Injury Protection Plan, I know that was implemented when I was still a broker. And when it comes to—let's say for instance that if a family member—let's say a child, like a teenager—was in—visiting an aunt and uncle, let's say in the States, and they were in car.

Does this personal protection also cover for them if they don't—No. 1, they don't have a licence, driver's licence, but No. 2, they're not in a Manitoba vehicle?

Mr. Chair.

Ms. Jatana: So, all of us are—Manitobans are covered by PIPP, regardless whether we have a driver's licence or not, whether we're a driver or a passenger. The

extent the coverage is, of course, if your injury is sustained being in a vehicle or with a vehicle, that coverage extends to all Manitobans.

Mr. Piwniuk: So, in this case it wasn't a Manitoba car, but it was—it is a Manitoban who was in a car accident in the United States. They didn't have a driver's licence. Because I think sometimes your driver's licence sometimes covers you for an uninsured car, I remembered that. Yes.

Ms. Jatana: Just so I understand, so they were in a vehicle that was not a Manitoban vehicle, but the individual happened to be Manitoban?

* (11:20)

Mr. Piwniuk: They were visiting with—Mr. Chair, they were visiting with an aunt and uncle, let's say, for instance, to use an example, and they were in that car of their aunt and uncle's, which is, let's say, insured in Iowa. Does that person—does that child have coverage?

Ms. Jatana: My understanding is that all Manitobans have that coverage in North America, but I could confirm to make sure.

Mr. Piwniuk: I got a question. So here's an example: is this part of the—is it because of the personal protection industry. I've got a constituent who rented a car here in Manitoba and went down to the States. And their—and then went to, let's say, to Texas. Their coverage was \$2 a day. Meanwhile, if they went—flew to Texas and rented a car in Texas, their coverage is \$5 a day on your vacation driver's policy.

Is that because the vehicle that you rent here is under the, like, under that PIPP program, or what—why is there a different cost when it comes to where you get—where you pick up the vehicle, is my question? That's in the States or in Canada.

Ms. Jatana: So, you're talking about two products. There's the first product, me taking my vehicle to the US is—

The Chairperson: Mr. Piwniuk

Mr. Piwniuk: It's a rental car in both—picking up a rental car here and driving down to the States versus taking—going to the States by airplane and picking up a rental car there. And it's \$5 a day versus \$2 from here and driving with a Manitoba car, plated vehicle, from a rental company and going down south.

Ms. Jatana: It is our extension product that we offer in both cases, and you're absolutely right, it has a

different rate based on exposure. But what I can say, let me brag about our products. Our—

An Honourable Member: It is the best.

Ms. Jatana: I know. You don't get this type of publicity, so I will say that our rental vehicle coverage is probably the lowest compared to anyone. So even \$2 and \$5, I can tell you is an excellent product that MPI has.

Mr. Piwniuk: On that note, I will—we have no other questions, and thank you very much for your answers to all our questions, and we just want to learn more about MPI. As a critic, I'm just the new critic for MPI since we became opposition, so I'm—value the time that you've spent with us and value the minister for allowing—getting us these questions and the opportunity to get—learn more about MPI.

Thank you very much, everyone.

Thanks, Mr. Chair.

The Chairperson: Does the CEO want to respond to the comment?

Floor Comment: Yes, maybe I'll just say thank you for—

The Chairperson: Ms. Jatana, sorry.

Ms. Jatana: No problem. Thank you for giving me this opportunity. In some ways, it's really too easy—it's

easy to answer questions when you're sharing information. I'm not making up stuff, so it makes it easier for me to do my job.

I am honestly honoured. I want to just do what's right for our people and Manitobans. While I don't have all the answers, but I am committed to learning, I am committing to doing what this organization should.

I've benefitted from Manitoba Public Insurance for 30 years, and this is home, so I want the public insurance to be here for a long time to come, even beyond when I retire.

And I'm going to do everything with my team to ensure that we deliver on a value. So thank you.

The Chairperson: Thank you, everyone, for a wonderful discussion and your participation.

Seeing no further questions, I will now put the question on the report.

Annual Report of the Manitoba Public Insurance Corporation for the fiscal year ending March 31, 2023—pass.

The hour being 11:24, what is the will of the committee?

Some Honourable Members: Committee rise.

The Chairperson: Committee rise.

COMMITTEE ROSE AT: 11:24 a.m.

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