



Fourth Session - Thirty-Sixth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Public Utilities
and
Natural Resources

Chairperson
Mr. Peter Dyck
Constituency of Pembina



Vol. XLVIII No. 2 - 10 a.m., Tuesday, June 9, 1998

ISSN 0713-9454

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON PUBLIC UTILITIES AND NATURAL RESOURCES

Tuesday, June 9, 1998

TIME – 10 a.m.

committee can proceed, it must elect a new Chairperson. Are there any nominations?

LOCATION – Winnipeg, Manitoba

Mr. Edward Helwer (Gimli): I would like to nominate Mr. Dyck, the member for Pembina.

CHAIRPERSON – Mr. Peter Dyck (Pembina)

Clerk Assistant: Mr. Dyck has been nominated. Are there any other nominations? Seeing none, Mr. Dyck, you are elected Chairperson.

VICE-CHAIRPERSON – Mr. Denis Rocan (Gladstone)**ATTENDANCE** - 13 – **QUORUM** - 6*Members of the Committee present:*

Hon. Mr. McCrae

Messrs. Ashton, Dewar, Doer, Mrs. Driedger,
Messrs. Dyck, Gaudry, Helwer, Maloway,
McAlpine, Reid, Sale, Tweed

Substitutions:

Mr. Tweed for Mr. Sveinson

Mr. Helwer: I move, with the leave of the committee, that the honourable member for Turtle Mountain (Mr. Tweed) replace the honourable member for LaVerendrye (Mr. Sveinson) as a member of the Standing Committee on Public Utilities and Natural Resources effective June 9, 1998, with the understanding that substitution will also be moved in the House to be properly recorded in the official records of the House.

Mr. Chairperson: Thank you, Mr. Helwer. Is there leave of the committee to grant this? [agreed] Is the substitution agreed to? [agreed]

APPEARING:

Mr. Jack Zacharias, President and Chief Executive Officer

Good morning. Will the Standing Committee on Public Utilities and Natural Resources please come to order. This morning, the committee will be considering the February 28, 1997, and the February 28, 1998, Annual Reports of the Manitoba Public Insurance Corporation. Previously, the February 28, 1997, report had been considered by the Standing Committee on Public Utilities and Natural Resources on May 13, 1997, but the committee did not complete consideration of this report at that meeting.

MATTERS UNDER DISCUSSION:

February 28, 1997, and February 28, 1998, Annual Reports of the Manitoba Public Insurance Corporation.

Clerk Assistant (Ms. Patricia Chaychuk): Order, please. Will the Standing Committee on Public Utilities and Natural Resources please come to order. I have before me the resignation of Gerry McAlpine as Chairperson of the committee. Mr. McAlpine is staying on the committee as a member; he has just resigned as Chairperson. Therefore, before the

Would the minister responsible have an opening statement, and would he introduce the officials in attendance from the Manitoba Public Insurance Corporation?

Hon. James McCrae (Minister charged with the administration of The Manitoba Public Insurance

Corporation Act): Quite brief, Mr. Chairperson. Good morning to all my colleagues and representatives from Manitoba Public Insurance. I am pleased to be here to review the annual reports of Manitoba Public Insurance, and specifically the most recent as the ones before have been reviewed by this committee in the past.

Some of the highlights in the 1997 annual report, the most recent one, include the basic Autopac program earning a net income of \$46.9 million in the fiscal year ended February 28, 1998. Of this, \$39.2 million was generated from a one-time realized gain from long-term investments, and \$7.7 million was realized from a surplus on operations.

An average of 755,761 Autopac policies were enforced during the fiscal year. Those customers continued to enjoy the most comprehensive insurance at among the lowest possible rates across this country. There has been an estimated \$5.3 million saved for policyholders through the use of recycled parts, which is something I can support wearing either of my hats, Mr. Chairman. There has been an estimated direct saving of \$3.3 million realized through our antifraud and anticrime activities and through our partnerships with other law enforcement agencies.

I am pleased to note that there has been a levelling off of auto theft claims with a zero percent increase in 1997 over 1996. I notice my friend and colleague the honourable member for Thompson (Mr. Ashton) smiling about that, and I do not blame him, because I agree with him, that even at present rates of auto theft it is much too high and we need to continue our efforts. I look forward to reports from our partners with respect to how well we are doing with investments made by Manitoba Public Insurance in auto theft counter-measures. There have been some early reports of some success, but I look forward to subsequent reports as well.

For those customers carrying Autopac extension coverage, that is, the coverage which has a \$100 or \$200 deductible, the deductible is now waived on total theft of the vehicle, which is a step in the right direction, in my view. Short-term policies were introduced this past year to address the needs of

customers with seasonal vehicles such as motorcycles and motorhomes.

Manitoba Public Insurance, in co-operation with over 30 business partners, is changing the behaviour of some Manitoba motorists through driver education and public awareness. This is where everyone agrees that the best work can be done, and that is in the area of collision prevention. Roadwise programs such as No One Walks Away target messages about the consequences of high-risk driving.

It is interesting to note that almost half of the young drivers who saw the advertisements said that the result was that their driving behaviour had improved, almost half the young drivers who saw those messages. That is very, very positive.

I am accompanied by several corporation officials who will assist me this morning. I think for the time being it would be sufficient if I introduce Mr. Bernie Thiessen, chairman of the Board of Directors of the corporation; and Mr. Jack Zacharias, president and chief executive officer of Manitoba Public Insurance.

* (1010)

So with your permission I would like to move the adoption of the 1996 annual report and concentrate our discussions on the 1997 annual report of Manitoba Public Insurance. If it is necessary I might call on Mr. Zacharias or Mr. Thiessen should the nature of the questions indicate that they are in a better position to answer them than I am. Thank you, Mr. Chairman.

Mr. Chairperson: Thank you, Mr. Minister. Did the critic from the official opposition party have an opening statement?

Mr. Steve Ashton (Thompson): First of all, in terms of the proceedings of the committee, I would indicate that we should be able to pass this report, the '96 report, I think by the end of the session this morning. I do think we may need another hearing. We only had one last year, and it was fairly focused in terms of questions. So I would just state that, that I do hope that we have a further hearing, and rather than deal with that initially, I think we have some flexibility to go

back and forth. Some of my questions will deal with the elements of both reports. I do not see any difficulty in passing the '96 report by the end of the meeting. I do have some comments, but if the minister wishes to respond.

Mr. McCrae: That seems to be standard procedure, Mr. Chairperson, so that is acceptable to me.

Mr. Chairperson: Thank you. Just proceed. Did you have an opening statement?

Mr. Ashton: Mr. Chairperson, I first of all want to indicate that as we have done in the past that our caucus pays a great deal of interest when it comes to MPIC in terms of the hearings and the day-to-day operation of Manitoba Public Insurance Corporation. I would like to put on the record that I think it is one of the proudest achievements of NDP governments the last, in fact, more than a quarter of a century now. One would have to go back to the early 1970s when the Schreyer government had the foresight and vision to bring in MPIC.

I think very much as we look over time we see just how visionary that was. It provides affordable insurance rates for Manitobans in comparison to other jurisdictions, and it also provides a pool of investment capital that has a significant benefit to Manitobans. I want to put that on the record, because essentially those were the two main aspects that were used for the arguments to have MPIC within the public sector.

I remember at the time watching the demonstrations. I think the Conservative MLAs of the day wore black armbands when the MPIC legislation passed. I always enjoy, in a way, the change that has happened with the Conservatives over the years, because they did try during the Lyon period to move towards privatization, and Manitobans said no, and I think the same thing could easily be said today.

In fact, one of the great things about MPIC is if you have a problem or a concern, it can and will be raised and will be dealt with. That is the spirit in which a lot of the issues I will be raising today I hope will be taken. If I am critical of MPIC at any time, I would say

it is because, as critic for our caucus, speaking on behalf of many Manitobans who contact myself and our caucus members, we want to make MPIC the best possible public insurer for automobile coverage, and that is the spirit. So when I am critical, it is with that commitment to the foundation of MPIC itself.

There are a number of issues I want to deal with today. I want to deal with questions related to rates. I want to deal with questions related to coverage, particularly on the injury side. I spent a lot of time last time around, when we had a meeting last year dealing with the process under the PIPP program, the so-called no-fault program. That, of course, has been since subject to the Uskiw review. There have been some legislative changes that are before the House dealing with that, but there are still some questions I have in terms of the level of benefits Manitobans are eligible for, also the appeal process. I will be raising questions on that.

I want to deal with the auto theft issue as well. The minister talked about the number of claims levelling off. I just want to note for the record that it has levelled off at a total of 9,859. That is a huge, huge, huge level. It is a huge cost to Manitobans. I want to suggest too that I think the government has been less than forthcoming in its response to the concern about auto thefts. I think there have been some positive moves, but, quite frankly, I think the government still does not get it. I think the government still does not understand that one of the routes we should be going here is to provide incentives to Manitobans, not penalties for auto theft, and to show some flexibility. The case that we raised last week, our Leader raised, is just typical of the kinds of situations where, I think, one has to look at common sense. I want to deal with that.

I want to also deal with questions of the Autopac rating system. I know it is a concern in parts of Manitoba. Leaf Rapids, for example, the Chamber of Commerce, the town, have raised concerns about the rating system that just happens to have a certain part of northern Manitoba in a separate rate category, of course, at a higher rate category than other areas of the North and rural areas. That is a concern to northerners who do not have much control over the kinds of roads that we have, the kinds of circumstances people are in.

I will be raising some individual rate issues. I know I have received many concerns from operators of motorcycles about the huge escalation of rates for Autopac coverage on motorcycles. I will be raising that issue today.

In general, I will be asking some questions, and that is why I know I will probably need some further time. There have been a number of concerns expressed to us. I have dealt with a number of cases where I think at times Autopac officials have forgotten the balance that you need. You know, when you have a public system, I think there are a lot of positive elements, but you also have to be very cognizant of the need to balance out the tremendous power that Autopac has, being in a monopoly situation as a public utility, with individual rights. I mention that in terms of the appeals for bodily injury. I have dealt with cases where people have had records that have been accessed, taxation records, for example, that went far beyond what was legitimate in that particular case. I think the Autopac officials know the case I have dealt with.

You know, at times, I think there needs to be a bit more of a balance in dealing with that. I raised this in context last year with some of the fraud investigations that, quite frankly, I thought at times that given the cases I had seen that the investigations went too far. There has to be a balance with Autopac just as there is within society, too, when one deals with, say, the police force or others. I will be interested to see if there has been any change on that. I want to stress again that I do believe that it is important to root out fraud, whether it be in the bodily injury side or the claim side. No one can countenance any level of fraud, but, once again, there has to be a balance. I think one has to ensure that we are not going too far.

With those comments, Mr. Chairperson, I am quite prepared to get into questions.

Mr. Chairperson: We thank the critic for the opposition for those comments. Did the officials in attendance from Manitoba Public Insurance Corporation have a statement to deliver to the committee? Not. Thank you. Then we will proceed. How did the committee wish to proceed this morning? Shall the reports be discussed separately or together?

Mr. McCrae: I think the idea set forward by the honourable member for Thompson (Mr. Ashton) should work. I take him at his word that the 1996 report will pass by the end of our deliberations today, and that will leave the '97 report being the subject of one meeting only at this point. So that may well call for a further committee at some point in the future. What the honourable member for Thompson has said is acceptable to me.

* (1020)

Mr. Chairperson: We thank the minister. Then, for clarification, the report will be considered in its entirety. Is that correct? [agreed] Did the committee wish to indicate how long it wishes to sit this morning? Should it be 12 noon?

Mr. Ashton: I suggest we assess around five to. If we are at the tail end of some question on a particular subject, we might go a little bit later, but I would certainly be agreeable to twelve o'clock being the target.

Mr. Chairperson: Is there a will of the committee to proceed that way? At five to? [agreed]

The floor is open for questions.

Mr. Ashton: I want to start by asking if we could have a brief overview of the current financial situation with Autopac as it relates to rate stabilization and the projections that MPIC has for the current year. I realize there have been announcements on this, but for the benefit of the committee, I think it may be useful to get some.

Mr. McCrae: Mr. Chairman, as we go through the morning, I would hope the honourable member will refer back to some of the points that he was talking about in his opening statement, because while Manitoba Public Insurance was born in a climate of discord, shall we say, complete with armbands and whatnot, over the years Manitobans have become supportive of having Manitoba Public Insurance owned by the ratepayers themselves.

That is the history of it. The history has not been totally smooth, however, and here is where the rubber

hits the road, so to speak, because I maintain that this is not a philosophical matter, this public ownership issue. I maintain that stewardship has to go hand in hand with ownership, whether it be public or otherwise, and the stewardship of this corporation is what Manitobans look to for that balance the honourable member referred to.

If it is not there, as we have seen in the past, Manitobans will let us know about that, how they feel about that. So it being a public asset and a monopoly, as the honourable member has pointed out, there is a very, very heavy onus on the board and the management and the minister involved, the government, to ensure that that appropriate balance is found.

I just wanted to say that in a general way. I will not touch on all the things the honourable member spoke about, at this point at least, but it certainly is very clearly a matter of the stewardship of this corporation. If people face rate shock, they want to know why, and if the answers are not satisfactory, the people will let their judgment be known. We have seen that in the past, and I think there is a stabilizing going on that seems to show up in the bottom line with some improvement each and every year.

The honourable member asked about a brief financial review, and before I ask Mr. Zacharias to make some comment about that, I point out to the honourable member that very recently the corporation, as it must do under a law brought in shortly after the 1988 change of government to require the corporation to approach the Public Utilities Board on an annual basis to discuss with the Public Utilities Board their rate application—that will be happening in the fall, and the corporation has just recently put out a release setting out what the corporation expects to be asking for.

Now, one of the things about having this accountability session once a year before the Public Utilities Board is that the corporation does not always get what it wants. This is proof, in my opinion, that the system is working the way it was intended to work. I might be disappointed or not disappointed. That is not really relevant, I guess, whether the corporation gets what it wants.

For instance, last fall the corporation went to the Public Utilities Board, and because we were still behind with respect to the rate stabilization reserve and because of what we projected to be our operating requirements for the year that we are presently in, the corporation went to the PUB with an application for a 2.5 percent revenue increase. Notice I said revenue increase because, as we know, that does not come out to be 2.5 percent with respect to everyone's rates. For some people it is higher; for some people it is lower.

After deliberation and after examination, cross-examination and all the things that happen before the Public Utilities Board, with the attendance of organizations like the Manitoba Society of Seniors, Consumers' Association, and I think others as well, and after hearing from the corporation, the Public Utilities Board came out with an award, if that is what it is called, of 1.5 percent rather than the 2.5 percent we were asking for, or what the corporation was asking for, that tells me this PUB system works the way it was intended to work.

Now this time around, MPI expects to go with a zero percent revenue increase proposal. I guess zero percent is not an increase; it is kind of neutral. We will see how that comes out. I do not want to prejudge what is going to happen at the Public Utilities Board, because I am confident that MPI's case will be heard, the comments of others will also be heard, and the PUB will do its job as it has been doing. The point is that whole process was put in place shortly after the 1988 election at a time when Manitobans were reeling from rate shock. In those days, the government of the day chose to set rates in the cabinet room.

Well, we know how the public reacted to that particular approach, and we are happy to be able to have managed this corporation over the years since, at such point, that we can come to the Public Utilities Board this fall with a zero percent application. Now that is thanks to more than just the PUB policy. No doubt corporations would prefer if they did not have to go to the Public Utilities Board. But again, we are a monopoly corporation here in Manitoba. You do not have any choice. You have to buy your insurance from—at least your basic coverage—the Manitoba Public

Insurance. We owe it to the people to be accountable for all aspects of the operations of this corporation.

In addition to the Public Utilities Board, the Crown Corporations Council has oversight of this corporation as well. The wishes and demands of the Crown Corporations Council are not always precisely the same as those of the Public Utilities Board. So it is a balancing act for this corporation to figure out which master it is supposed to be pleasing the most. Nonetheless, I think all the masters of this particular corporation have the best interests of Manitobans at heart.

I can tell you after a year and a bit, as minister responsible for this corporation, it is an extremely interesting endeavour that the corporation has embarked on and is engaged in. The success that we have enjoyed as Manitoba ratepayers to this point is thanks not only to the mechanisms that I have talked about but also to the very fine people who deliver the services and manage this corporation. They, like I, would be very quick to recognize that no matter how much we have improved, perfection remains a very elusive sort of thing. We all know that and we recognize that. Quality control is sort of like a daily reminder that we all have to give ourselves. Services to our clients, customers, and the way we deal with our fellow Manitobans is uppermost in my mind and in the minds of the board and members of the corporation. If we can make improvements every day, every week, or every year, then that is exactly what we should be doing.

* (1030)

So there is no room for any smugness, I can tell you. We are extremely pleased with the results that we have seen on the bottom line with respect to stabilization, the various accounts that are there for stabilization of the various types of product that we deliver. But on the basic one, which is the one that is of concern to most Manitobans, we have moved far, I suggest, in the right direction, from a pretty serious deficit situation to a modest, shall I say at this point, surplus position, and we have some distance to go yet. We need every opportunity, like this committee, for example, to explain to Manitobans the importance of a rate

stabilization reserve. This is something that is a requirement in the private sector that there be appropriate capital on hand to look after claims that might come along, and this corporation is no different from any other in that regard. So I am pleased about that.

I am pleased that the corporation was able to put forward the announcement it did on June 3. Even though it does not always read this way when you read the public media, it is pretty significant to say that 47 percent of vehicle premiums would decrease under this proposal going to the Public Utilities Board, but there is another way to put it. Fifty-three percent will be either not decreasing or going up, and that is, of course, the line that the critics would prefer to take.

Let us examine that 53 percent, I think it is important to do that. One percent of that 53 percent will be policyholders whose premiums will remain unchanged, and 24 percent of that will increase by \$20 or less. In this day and age, perhaps \$20 or less could be regarded as not too unreasonable. Sixteen percent will increase between \$20 and \$50. Now the remaining two classes: 5 percent will increase between \$50 and \$80, and 7 percent will increase more than \$80.

So when it is broken down that way, it seems fairly reasonable, especially when compared with the kind of rate shock that Manitobans had to endure in years past before the whole idea of the Public Utilities Board and the requirement of the corporation to attend to the Public Utilities Board to explain itself. In those earlier days, the explanations came from a minister and a premier who, in the closed doors of the cabinet room, set rates. It is very different today. It is a very public matter today, and that is good.

There will be those who remain unhappy. I mean, if mine went up by \$80 I might say, well, that is too bad, and I think maybe mine might be one of those, but I am not sure. I would not be too happy about that, but if I understood why, people are pretty reasonable. If they actually are given the information they need on which to make a rational judgment about these things, I would say that in almost 100 percent of the cases, there would be a higher level of understanding and even support.

The honourable member, for example, mentioned motorcycle operators, and I, when I was a younger fellow, had a Honda 50 motor scooter. It was not exactly a power machine, but I know the pleasure that motorcyclists get from their motorcycles and riding them and enjoying them, and I know people who take long trips on their motorcycles in the summertime and really, really enjoy that. So I am pretty sympathetic to the plight of the motorcyclist who sees rates. But rates in this company, as with any insurance company, need to have some bearing on the level of risk and that is the whole discussion there. The level of risk is reflected in the rates that Manitobans pay. When that is explained, it is sometimes not the most pleasant discussion, but, Mr. Chairman, Manitobans are reasonable people, and given a reasonable explanation there is a higher level of understanding.

Now with respect to some of the more detailed analysis of the financial performance of this corporation over the past year, I would perhaps turn to President Zacharias for his review.

Mr. Jack Zacharias (President and Chief Executive Officer): The basic Autopac program during the past fiscal year had a surplus of 46.9 million. Thirty-nine million out of that 46.9 came from investments and 7 million came from operations. That 46.9 million allowed us to move the rate stabilization reserve from a deficit of 24 million last year into a positive position of 22.5 million.

On the Autopac extension, there was a net income of 19.1 million, and on the special risk extension, a net income of 15.6 million. Those funds will stay within the respective divisions as retained earnings to cushion against years when our results are not quite that favourable. Discontinued operations had a net loss of 5.5 million, and the total net income was 76.1.

Mr. Ashton: Actually what I was looking for in the way of an answer was the answer I just got. I think he was responding to some of the comments I made in my opening remarks, and I have not even asked the questions on them yet. We could spend several committee meetings, I am sure, if we get into fairly lengthy debate back and forth, but believe me, I will be asking questions on those points. But I had not asked

them yet, so I think the minister was reacting a bit soon.

What I want to do is get a fair picture of it. I just want to focus in on some of the real reasons why Autopac is in that current situation. I am wondering if the minister can confirm, as is in fact outlined in some detail in the Uskiw report, that essentially what we are seeing right now in terms of rates is very much because of the reduction in payouts on injury claims from, I believe \$193 million before the no-fault, and the two reports here indicate that was \$103 million in 1996, and 147 million last time. That is the amount that is being paid. It is \$50 million to \$100 million less than was the experience before no-fault.

Mr. McCrae: While moving to the personal injury protection program, it seemed to be a step in the right direction, thereby taking the risk away from people that they could end up under the old system, getting nothing, to a system—and others receiving awards which were going through the roof. We now see a system where everybody gets what is felt in most instances to be a reasonable level of compensation for the injuries sustained in motor vehicle collisions.

* (1040)

Now I think the honourable member and I agree generally about that and that there are specific issues related to the PIPP that might be the subject of discussion and sometimes even debate. I think, though, there is a reflection in these numbers of an increasing cost of repairing automobiles. I mean, our cars nowadays are more and more expensive. I remember around the time when Autopac was born, a car that cost \$5,000 or \$6,000 might be \$25,000 or \$26,000 today, and that is reflected in automobile repair costs and replacement costs. That is one side of the issue. That is not the PIPP part.

When this government was contemplating moving to the no-fault system, I remember so vividly being shown graphs as to how personal injury awards were escalating, and, within a relatively foreseeable future, you could see that the line went physically off the graph that was placed before us. There was simply no end in sight to the level that the tort system was coming

up with in terms of awards, but that is so totally unfair because, I mean, if you could afford the best lawyer in town you might be able to achieve that sort of thing, but on the other hand there were those in Manitoba who were doing without any coverage at all, and that was not right.

So I do not think I need to justify the reasons for going to the PIPP, because I think they are supported, but to suggest that the PIPP has not been the most comprehensive or the most generous as a matter of fact in North America would be an incorrect suggestion.

If you want to look at the '97 report, page 26, it sets out information about the types of claims over the years. Now, PIPP came in 1994. So using that as a guide, you can see how the performance has been. I guess you could say that the major savings from the PIPP come from a reduction in those more minor types of injury claims, ones related, for example, to whiplash. I was a court reporter for many years and sat in on many of those kinds of cases and I know how decisions were arrived at in those cases and how awards were arrived at too. The system we have today, I suggest, is fairer to all the people, because there must have been, in those tort days, hundreds if not thousands of people who got zero for their pain and their injuries, and that was not fair either.

Mr. Ashton: Once again, I think the minister is getting away from the basic question. I pointed to the fact, this is demonstrated by the reports, that essentially the reason why there is an average increase of about 1.5 percent, as the minister is saying, we are not looking at an overall increase, is because of PIPP, and I think the minister sort of confirmed that, but, I mean, the page he points to indicates a number of things. One is that the number of claims is down significantly. So fewer people are getting coverage in the whiplash claims. There were problems with whiplash. I mean, I certainly know from personal experience cases of where there was fraud, but there are people that clearly were not defrauding the system who no longer are eligible, period, the soft tissue side. In terms of the generosity, I can point to examples where people were far better off under the tort system in terms of the kinds of claims they were able to receive.

So I think the minister should be very careful in not using a blanket statement. The reason I am asking these questions is because I think it is important for the public record for people to know that essentially they have less injury coverage today overall. I mean, you can say it is because of whiplash, you can say it is because of this, that, and the other in the tort system. I am looking at the gross payouts. I am also looking, and the minister I believe has a copy of the Uskiw report, which does outline the trends. I am quite aware of what the trends were, but I think it is important to be up front with that, and I think it is important when you are debating, discussing how fair the system is to start from that recognition.

You stabilized rates by cutting injury claims. Is that not a fair statement, given the fact that you have gone from \$192 million prior to no-fault to 103 in the '96 report, 147 in this report, and even given all the discussion about the cost of the legal system, whatever percentage that is—and by the way, I think you also have to look at some of the equivalent costs of the PIPP system. I mean, you absorb costs within a system, as you do with Workers Comp, that you do not have in the tort system.

I am not saying this is an argument against no-fault as a general concept. I am just asking the minister to be up front and say, look, the reason we have stabilized rates right now is because of PIPP. Good, bad, indifferent, you can debate it, but it is because of PIPP six years ago that we are now in that position.

Mr. McCrae: Well, the honourable member is absolutely right. Let us be very up front about it. There is a net saving to ratepayers of \$200 annually because of the introduction of the Personal Injury Protection plan. So let us not have a message that is not 100 percent clear. Let us be fair, too, and remember that a significant component of the dollars that the honourable member is comparing are taken up in legal and court costs that are involved in processing a tort claim. Let us be fair and compare one thing with another thing.

Now, if you factor out the legal component of the total awards, you get a different picture, and if the honourable member is saying let us be up front, then let

place under PIPP. From what would have been \$340 according to projections to \$140, that is the reason why rates have been stabilized.

* (1100)

Mr. McCrae: Oh, I am not trying to box or shadowbox or anything. I simply want the message to be correct. Good, bad or indifferent, I want the message to be correct. The message is not always 100 percent positive and happy and all of that, but in this case, in my view, it is. The expression \$340 worth of coverage is misleading, I say to the honourable member with respect, because you might have paid your \$340 and got nothing if you had been injured.

With PIPP, you get \$140-and-then-some worth of coverage because you are guaranteed that you will be covered. I just point that out, and the honourable member knows it, but let us let the message be really clear and one that we can both agree on, okay, because \$340 worth of coverage is a misleading statement when you consider that maybe thousands of Manitobans got no coverage under tort.

Mr. Ashton: Mr. Chairperson, the minister is twisting in the wind on this. You know, I asked a very straightforward question. Under the old system, it would have been \$340 you paid out and \$340 collectively that you receive back. I mean, the minister is picking—most Manitobans do not ever collect on the bodily injury side of it, but you know the reality under the old system was you would be paying out \$340 and getting \$340. That is why you have insurance. You know, you pay your premiums and collectively you get benefits. Under the current system, it is \$140. You know, the minister keeps talking about people who are covered that were not covered before. Under the old system there may have been people who were not covered. The stats show that overall the number of people covered by bodily injury claims—the number of people receiving it since PIPP—has dropped by 50 percent. Now, that fits in with the figure that was just quoted, \$340 down to \$140. In fact, the drop in terms of claim costs is even higher than the drop in the number of claimants.

I want that on the record because essentially what has happened with rates is because of a legislative change because of PIPP. That is the biggest impact on rates we have seen in the last decade. I want that on the record because I think Manitobans should realize that, and particularly I think the minister should realize that there are still problems with PIPP. A lot of those problems could have been avoided if the amendments we proposed to PIPP when the bill was introduced six years ago were adopted. The minister, quite conveniently I think, as he said—I mean some of the suggestions in the Uskiw report were not adopted. The minister knows that. The minister has the report there. I can go through that. I do not want to get into that debate. We have a bill that deals with that. I will be dealing with some of the recommendations that were adopted and some that were not.

What I would like to ask on the PIPP report, though, I think now we have established that you have basically compressed the payments for bodily injury significantly, I mean from what would have been \$340 per policy down to \$140. That is pretty significant. From 20,659 claims down to 10,339, that is significant. What I want to ask is: what is the impact of the Uskiw report going to be on claims costs? Assuming that the amendments that are in the bill are all passed, how much is that going to cost Autopac?

Mr. McCrae: I am going to ask the corporation to get that number while I briefly, hopefully, close this part of the discussion off. I do not think I have any quarrel with the honourable member. I am not trying to muddy the waters. He is right that \$140 now versus \$340. I am not quarrelling about that. I simply would not want the honourable member to go out there and somehow make an argument, a negative argument, or put out a negative message about something that he actually supports. I think he knows what I mean here. He supports a personal injury protection program, wants to see it working well. I assume he is going to support the legislation we have before the House and probably ask for more than what is in it. That is fair and reasonable. That is why we went to the PIPP, because of the question the honourable member is raising. Too many dollars were going actually to too few people. I think we all agree on that.

So I am sure the honourable member will argue whatever it is he wants to argue, but I am just saying I would find it unfortunate if while supporting the PIPP he went out speaking against it. That is all. Now Mr. Zacharias may have that number we are looking for.

Mr. Zacharias: The PIPP amendments, if adopted, would add between \$2 million and \$3 million a year to PIPP costs, payouts.

Mr. Ashton: I appreciate that information. So the impact will be relatively minor on the basis of \$140 million.

Mr. McCrae: If I may, Mr. Chairman, that would be on an ongoing basis, Mr. Zacharias, would that be correct, and there is an initial higher cost because of the life annuity situation that we are creating and the extension of the income replacement to the age of 69? I think that at the beginning it would be more like \$9 million or something like that for that first start-up phase, but once it is in operation, it is \$2 million. Would that be correct?

Mr. Zacharias: Yes, the \$2 million to \$3 million is on an annual basis. To extend some of the income replacement benefits for life to existing claimants would require a \$9-million capital now to fund those liabilities.

Mr. Ashton: Just in regard to my question, I just want to let the minister know, it is like with Workers Compensation. We support Workers Compensation. We do not support what the government has done to Workers Compensation. It is that type of a debate here as well, and I think the minister knows that.

My next question is: what would have been the cost, what was the cost analysis if the other elements of the Uskiw report which were not adopted by the government were implemented? What would have that cost been?

Mr. McCrae: I am going to take note of the honourable member's question, because some of these amendments are still being worked on to see what, indeed, they will cost, would cost, or would have cost if we had accepted them, or, if we do accept some of

them, what they will cost. As information becomes available, I would ask the corporation to make note of this question being asked today, so that we can share this information with the honourable member.

The legislation before the House covers certain of the costs. The \$2-million one, in addition to that, there are other improvements that there are some costs attached to that are not legislatively based. Like I say, I am going to ask the corporation to make a note of this discussion here today and, as the information becomes available, I would like to share it with the honourable member.

Mr. Ashton: I would appreciate it, because if you look at some of the issues that are still being debated, even within the context of no-fault such a modified limited tort, some of the other areas that were not dealt with. The reason I am asking this question is when we deal with a bill, I think it is important that we, as MLAs, have all the information. I assume the government when it went through the Uskiw report, the first question it asked is: how much it is going to cost? I do not mean that as a criticism. I mean, that is the first question anyone would ask. I think if we can get that information as soon as possible, it would be useful.

There are certainly some amendments that we are considering introducing at the bill stage, a number of which are elements they used for the report that were not adopted. But, I would like to have that information. I do not believe in providing it in the dark.

I would like to move on. Now I think we have established what has happened with rates which is bottom line with—PIPP has dramatically decreased the payouts in terms of injury claims into some of the rate issues. I want to start with some issues related to auto theft and other issues. I will get into some broader issues about ratings in a minute.

I would like to ask the minister, with auto theft, we had a debate on this in the House last year. I think there was a clear consensus of MLAs on all sides that the previous system of applying the deductible to auto thefts was not appropriate. The minister has sort of responded to that. You can now buy extension coverage which reduces it. But I am wondering why

us be up front. Factor out the legal costs, and then let us have a comparison. I do not mind if it comes out looking a little less, PIPP compared with tort. That is okay because more Manitobans are getting to benefit than used to be able to benefit because of those who, unfortunately, maybe were not able to prove their damages and ended up with less than they should have got or nothing at all.

I think the more important point is where is the honourable member going with this question? Mr. Uskiw, pursuant to our legislation which called for a review which I think the honourable member supported back in 1994, proposed it, and so we had the review. The review told us the system is working the way it is supposed to be working and suggested improvements which we see in front of us in this very legislative session.

An Honourable Member: Not all of them.

Mr. McCrae: Perhaps not all of them, as the honourable member points out, because not all recommendations were accepted. I suppose if the honourable member did not like a particular recommendation and we accepted it, then he would have something to say about that, too, and that is fair ball. But the fact is Mr. Uskiw made his review of the Personal Injury Protection plan, told us it is working the way it was intended to work, but fix it a little bit, and that is what we are doing in this legislative session.

Mr. Ashton: But, once again, I do not want to leave on the record the suggestion by the minister that there are more people covered. The statistics show clearly: 1993, 20,659 claims; 1997, 10,339 claims, injury claims, primarily because of whiplash cases.

* (1050)

But, you know, the point is again that fewer people are covered, period. Now, we can debate whether that is legitimate, and there were legitimate concerns expressed about that. I would like the minister to also explain in more detail the \$200 figure which appears on page 25 of the report because, once again, I think it is important to be up front with people. It is easy to say, well, this system saves you \$200. You could save

people even more than that if you eliminated injury claims entirely.

You know, you get what you pay for in insurance. I think people should understand that. Often when people talk to me about the PIPP program, I think I am up front with people. I say one of the main reasons the government brought it in, I believe, and I think it was clear in the minister's comments, is because they felt that if they stuck with the old system, that claims payouts would go up, as has been the case with liability claims in the tort system generally, and there would be a concurrent increase in rates.

But I am wondering if the minister could explain the \$200 figure. Is that just the difference between what the current situation is per policy? I wonder if the minister could tell us what the current amount per policy is being attributed to bodily injury and what it would have been without no-fault. That might be a better way of getting some handle on it.

Mr. McCrae: Let me make a general comment. I will make a general comment first. The honourable member is right in terms of total numbers. What I meant by my comment was to say that more Manitobans who might have been out of court in the past now are not. In other words, the no-fault recognizes that an injury is an injury is an injury, and whoever suffers it ought to get some kind of protection. That is what I meant by that comment, and I did not mean to leave any other impression on the record.

The other point that I make is that the \$200 I refer to is the amount Manitobans would be paying had the projections in 1994 come to pass, the projections in terms of bodily injury claims and the direction they were going. If they had come to pass, we would be paying today on average \$200 more per policyholder, but because of PIPP and the rationalizing or whatever the proper word is to describe the scenario we have today with respect to claims, the average ratepayer now is paying \$200 less. Now, that is \$200 less for an overall better and more comprehensive system of coverage.

So, generally speaking, it was the right direction to go. Very clearly, we were in serious trouble as

Manitoba ratepayers. We would be no doubt looking at rates like we see in—where is that? What page is that comparison on across the country? Here it is. On page 6, page 7, you will see that in Manitoba on average we are paying \$982, whereas in places like British Columbia, where they actually have public ownership there, they are paying \$1,364, and in Alberta, \$1,746. I know people who are not poor living in Alberta but simply cannot afford to drive because of the cost of their policies. All of this is happening while we have coverages that are as comprehensive as you will find anywhere.

Actually, the only place that you can go to where you will see something comparable to Manitoba is in Saskatchewan. This comparison that you see on the page here reflects our present rates and reflects Saskatchewan's, I guess, last year's rates. I understand Saskatchewan is moving to a \$700 deductible, which in overall terms would probably end up having Manitoba in the most advantageous position with respect to overall costs related to auto insurance, and they are looking at a 9 percent increase on average in rates over the next three years.

An important point, the number of people who are disabled by automobile collisions is basically the same today as it was pre-PIPP, but coverages would be different in that people who might not have received appropriate coverage whatsoever before now are. If you think of it—

An Honourable Member: And vice versa.

Mr. McCrae: The honourable member can make his point in a minute, but I am just saying the program is what the program is. It is very well understood by the honourable member and by members in this House. I think the honourable member is pulling out figures which reflect what they reflect and using them to make some kind of argument, but I am still not sure where the honourable member wants to take us with this argument that he is making. Is he suggesting that we jack rates up further? If that is what he is doing, let him say so and then we can talk about that.

Mr. Ashton: Mr. Chairperson, I think the minister is shadowboxing here. I asked the minister about the

figure—I mean the last question I had, and you can check Hansard, I asked about page 25. It says \$200 per claim. The real thing I would like is in addition to that, and I assume that is from the minister's answer what the projection would have been, what is the actual payout per policy? We know the minister says \$200 less. What is the current payout?

Mr. McCrae: I will ask Mr. Zacharias to talk about that, because what it would be is we take in through premiums X number of dollars. We pay out in benefits X minus because that minus would represent money we have to put in reserves. But I will maybe leave it to the expert, Mr. Zacharias, to answer that question.

Mr. Zacharias: The current per-policy PIPP costs are between \$135 and \$140 per vehicle per policy.

Mr. Ashton: So taking, say, \$140, what you are saying is that it would have been \$340 without PIPP.

Mr. Zacharias: That is correct. What we have done is we had the long-term trend on where tort was taking us, if we continued with that scenario, what the premium requirements would be today compared to what they actually are under PIPP, and that is where the \$200 difference comes in.

Mr. Ashton: The reason I raise this question again is because the minister went into some length talking about rates being stabilized, but this is the reason rates have been stabilized. Manitobans before would have had \$340 worth of coverage. Now you can argue whether it was legitimate coverage. You can argue the equity back and forth. They would have been paying that amount. They are currently paying for and getting \$140 in coverage.

Just, you know, the minister keeps trying to read in meaning into the questions. Hey, I am usually pretty upfront. I mean, if I want to say something, I say it. What I am saying is though you have to be upfront with Manitobans and say, look, this year, if your rates are not going up, it is because you are getting less injury coverage because we have this new system. Then you can argue the merits of the system versus the old system. You know, I think that is legitimate, but that is a huge difference, that is a huge shift that has taken

This is a new development. Underwriters' testing labs have been commissioned as the body that would test after-market devices to see whether or not they could meet the standard and therefore qualify for a discount or be one that would be considered for a discount. To this point in time, there are no after-market devices that have been certified. As I say, this is a very new development within the last six weeks or so.

Depending on the number of devices that are certified as meeting the Canadian standard, the corporation would be interested in this kind of data to reassess as to whether or not further incentives could be offered. But they are being offered now and will continue to be offered on factory-installed anti-theft devices that do meet the standard. After-market, there is no standard. We find, unfortunately, a large number of stolen vehicles where the club is in the trunk, and providing discounts to those people so they can run around with the club under the seat or in the trunk does not make a lot of sense to us as a basis for paying lower premiums.

It is a concern within the Canadian industry and not only Canadian but worldwide, and I am pleased to say that there has been some positive development.

* (1120)

Mr. Ashton: I appreciate the response, and I think that is the direction to go, is in terms of incentives. I would point out, for example, with the club that one of the questions that has to be asked there is, I mean, if you have that discount for ownership of it, are you having a higher percentage of people using the club if it is a proven anti-theft device?

I realize that there may be some people who do not use it, but I get back to, again, most people I talk to—you ask somebody on the street, they say, if somebody leaves the key in the car, and the car is running, somebody steals the car, whatever, that is their fault, and I realize you get into this fault, no-fault side of it. When it comes to auto theft, I would point out to the minister who says how difficult it is to deal with the circumstance, with this individual before, that it was his government's decision to move with this original policy decision on applying the deductible in all car theft

cases. My understanding is that most other insurance companies did not have such a blanket deductible in place.

You know, it is very easy to sit there and say, hey, it is tough, but you made the original decision. That was not in place until a number of years ago, and I would say in the case of this particular individual, I do not care if it is a tough decision. Do not apply the deductible in that case. I mean, if you asked anybody on the street, they would say it is absurd for this individual to be stuck with that.

So I just say to the minister—I do not say this personally because it was not this minister who did it, but your government came up with this stupid idea, and I will say that. I think it was stupid. I think most people out on the street thought it was stupid. You are trying to rectify it now, but do not throw back to me that, hey, we have a stupid decision initially and how do we work around this? If it is a stupid decision initially, you either get rid of it or come up with something that does not result in these kinds of cases.

We get criticized in the opposition for coming up with criticisms. I have just given some positive suggestions, and I think Autopac is dealing with that at the industry level. But I would suggest look at it again in terms of giving some incentive to people and perhaps even dealing with that, because I, quite frankly, feel that you should lock your cars, particularly in the city of Winnipeg. You should not leave the car running, and if you do, I think there is a different level of responsibility that goes with that. I think most people on the street would understand that, and I realize in this Legislature sometimes we filter out common sense a little bit.

Sometimes we should just listen to the people. I think most people out there could come up with a better system on auto theft than we have currently. I say those as suggestions to the minister. I did say that last year. I think ever since I have been critic from our side we have said: stupid decision initially, but, hey, you want suggestions, we can give you suggestions.

Mr. McCrae: I can tell you that if I was the honourable member for Thompson, I would be saying

exactly what the honourable member for Thompson is saying, because, while it is an unpleasant aspect of the insurance business, the deductible is part of it, while I have said what I said about the specific case, and I mean it wholeheartedly, because, in that man's case, whether it is stupid or whatever it is, it is downright unjust for that person to have to come up with that \$500, however, because of the Good Samaritan nature of that case. I say that without reservation. But, you see, the honourable member is only looking at one little part of the pie here, and he does not have to answer questions like I do about what the overall rates are for everybody. He has found out what it is like to be the instigator of rate shock and that sort of thing. I do not want to be in that same position. I have got to answer to all Manitobans.

We are trying to find a way to help this person who was victimized, and I am going to keep trying until we help him. But the point is the honourable member is saying: apply it to everybody who has their car stolen. Now, he is right. You want some incentive for using the stick on your steering wheel, the Club. How do you make it work? How do you know in a car theft case, how does the adjuster know that that club was really on that wheel when you just do not know for sure. It could have been thrown out the window by the car thief. It could have been thrown in the backseat by the car thief, thrown in the truck by the car thief. How do you really know how to administer such an incentive?

I do not say all this to defend this whole business of deductibles, because I personally am not terribly fond of this myself, but the point is we have rates for all Manitobans to consider, and when you consider all the thousands of cars that are stolen and multiply that by the \$500 the honourable wants to build into the rates, I guess we could do the numbers and figure out what the honourable member's policy would cost the ratepayers, but it would cost more. That is something that I would have thought the honourable member and his friends would have learned a lesson from by now.

Mr. Ashton: I do not think the minister has learned a lesson yet on the theft issue. Just go out and talk to people on the street. They will tell you that is one of the most unpopular decisions that have been made in

Autopac on anything to do with specific claims the last little while, and you have not dealt with it. I am not saying you personally, but I say that to the government. It is still a concern out there.

Most people, all they want, we can discuss back and forth the Club and various different things, and I appreciate what Mr. Zacharias was talking about, about the industry level, but that is the solution. If we want to solve auto theft in this province, I think we do it by making individuals partners to deal with it. Do not deal with it at the back end only.

Fine, we have got additional police resources. Some of the initiatives you have taken I think are positive. We have not criticized that, but the level of auto theft in this province right now is horrendous. It should not be at that level, and it is going to get worse, because it is becoming a global problem.

I disagree with the minister when he says it has been a strictly gang-related thing. We are now hitting huge theft of high level Jeeps, Range Rovers. Vehicles of choice that are often worth \$35,000-40,000 are shipped off out of the country. There are documented cases.

But while we are on issues of specific MPIC policies, I would like to raise concerns of a number of people that have talked to us on very similar—

Mr. McCrae: Before the honourable member does that, I believe Mr. Zacharias was going to add something to the last topic if the member is moving on. Maybe we could finish it off with that.

Mr. Zacharias: Looking at different types of antitheft devices, in particular some of the satellite tracking systems that are available, at present we are recovering around 95-96 percent of stolen vehicles within the immediate area of where they were stolen. So we are not seeing a lot of commercial crime type of theft.

The cost per unit to put a tracking device into vehicles in Manitoba is around \$600 per car, plus tracking satellites and towers to compensate that, so many of those solutions at present are cost prohibitive with respect to this market. In some of the coastal towns, where a lot of them are going off in boats and

we still have not moved with a more comprehensive system that provides incentives to motorists in the fight against auto theft.

I am thinking in terms of basic devices such as the Club. There are various other devices, alarm systems. There is new technology that is now being applied in high-theft areas. Certainly Manitoba has been—in the last number of years, we have had the dubious distinction, certainly in the city of Winnipeg, of having the highest auto theft rate in Canada. But there is new technology looking at what is called the equivalent of DNA for cars—allows tracking, even to the point of satellite tracking of vehicles, and that is particularly the problem with high-end vehicles. I mean, there has been a lot of coverage recently of Range Rovers and Jeeps being stolen and sent to, I think, Bulgaria. There was a recent incident of that. We had a case last year of a number of, I think it was about 30-40 Jeeps which were shipped off there, stolen Jeeps.

So I am wondering why we have used the stick with people. I think it has been grossly unfair. I have had people who had their car stolen twice within a couple of months. I am wondering why the minister does not use the carrot. One of the best ways I think of improving the system right now would be to give people incentives. Even when it comes to deductibles, I wonder why the minister did not look at such factors as—you know, it is one thing, I will tell you, if I leave my car running with the keys in it, the door wide open, and my car is stolen. You know, there is an element of fault there. But if it is locked, it is in a secure area, I have taken every precaution possible, I am just wondering why there would not be a differentiation on that.

Most Manitobans I talked to say, well, this idea was stupid to begin with, but, if you are going to have any kind of deductible under any circumstances, there should be some incentive on individuals for positive behaviour.

Mr. McCrae: The honourable member raises a very troubling area of the whole issue, and I certainly acknowledge that. It is not with a whole lot of pleasure that the former practice of waiving deductibles was

discontinued, so again I appreciate the difficulties that people have when their vehicles are stolen.

* (1110)

There is a range of initiatives that are underway at any given time. The deductible is one part of a larger issue, a very significant problem. The honourable member, I think, would acknowledge too that a lot of the statistics that we are unfortunately seeing in recent years, in Winnipeg especially, have to do with gang activities. The police authority is getting organized, as it were, in terms of dealing with gang activities. There was a recent bringing to justice of quite a number of young people who were involved in car thefts, I think, responsible for dozens, if not more than that.

I do not think we can lose sight of the fact that I am told that just to be a member of some of these gangs, it is a requirement that you go out and steal a whole bunch of cars, I think 10 in one day. If you only get eight done or nine, then you have to go out and do it again and not get just the one or two that you left out the previous time, you have to do 10. That is ridiculous, I know, but that is what was going on and may still be going on, but I think some progress has been made.

I guess our partnership with the Winnipeg police is about a year old now. That is where we provided through Manitoba Public Insurance half a million dollars to hire more police officers to work on this specific detail.

We do not simply turn over the money and walk away and think we have solved the problems. We want results, and we are asking the police department, the Winnipeg Police Service, to provide us with reports on an annual basis so that we can make a determination how effective this partnership is, but it stands to reason that if you conduct your police work in the area where the illegal activity is taking place you are more likely to have a good result.

In other words, you need to target your activity to the problem that there is. Yes, people need to protect their assets and people with expensive cars that are popular with car thieves, well, not only is that reflected in their

rates, but those are the same people who are the most likely to take option 1 or option 2 so that they would be saved from having to pay the \$500 deductible. If I was running with my basic insurance and my car was stolen, I too would feel that I was victimized twice.

No matter how you look at it, you are going to feel that way, but, generally speaking, insurance is a partnership, and deductibles are part of life in an insurance business.

There are a variety of ways to do it. It is waived in some places, it is not waived in some places. I think we are working with the Justice department, with the Highways department, and they are working with other levels of government and automakers. You know, if we could get the automakers to start building into the new automobiles that are being built devices that would make it virtually impossible to get them started, would that not go a long way towards alleviating the problem too?

So I certainly understand where the honourable member is coming from, because I feel the same way about that basically. On the other hand, we have an insurance program that we have to run too. It involves making decisions and choices, and it is something that is looked at on a regular basis. As a matter of fact, for this insurance year we did look at that issue. We thought, well, how far can we go to alleviating the problem?

The member's Leader, the Leader of the Opposition (Mr. Doer), raised the issue of the poor fellow driving along the highway. He is a Good Samaritan, and there are some young people having apparent car trouble. He pulls over to help them out. They stab him. They hurt him badly, and they steal his car. So, as the Leader of the Opposition said, he is victimized three times. He is stabbed. His car is stolen. Then he has to turn around and pay a deductible.

Well, surely to goodness, the deductible policy could not, the drafters, including myself, who as a member of the government at least had to agree to this policy, could never have foreseen such a set of circumstances and would not have wanted to see such a policy applied in that particular case.

I am presently looking at ways that we can help this individual. I think that just as a fellow Manitoban, never mind as the Minister responsible for MPI, but as a fellow Manitoban I would like to find some way to help this person, because this is more than anybody should have to put up with, but you do not change the whole policy based on a set of circumstance which even the honourable member for Thompson (Mr. Ashton) would have to agree are somewhat unique.

So I do not know if Criminal Injuries Compensation can help us in this regard or who can, but I am certainly going to find out who can, and this person will at least know that we feel very badly, we all do, that these things should be happening to anybody.

Now, anybody who gets their car stolen is a victim, let us understand that, because they need their cars. It is their property, and that is not something that should be violated. So this is something that the corporation looks at fairly often, because it is something I like them to look at, to see what is achievable for us and how we can deliver the best product possible at the least possible cost.

I think there is a partnership required here. People who have those kinds of cars that are the most attractive targets of car thieves have some responsibility. That is reflected in rates, and extension policies can buy your deductible down to zero, but I think that we should get the automakers to be cognizant of this problem. It is happening right across North America. Why do they not get involved in the solution to this problem? I understand President Zacharias has something to say about this as well.

Mr. Zacharias: About a month ago, the Canadian Standards Association adopted a vehicle theft standard with respect to antitheft devices for the Canadian market. It is the first time that Canada has had a standard. It was negotiated in conjunction with manufacturers and insurers, and basically it is an immobilization type of device. For vehicles that have that equipment installed, coming from the manufacturer, the rating for that vehicle is now going to be reduced, so that those vehicles will, in fact, receive a lower premium than if those devices were not installed.

containers, they have used some of the tracking systems for high-end cars, but that does not appear to be a practical solution for Manitoba at this point in time.

Mr. Ashton: I appreciate it does not apply to all vehicles. I am concerned about the high-end vehicles. It is increasing fairly significantly, and it is now moving to other areas. In Toronto there were recent revelations, and most of the vehicles are fairly easily identifiable. They are Jeeps and Range Rovers. They are the vehicles of choice. In terms of that, there was a seizure recently, I think they routed it through Piraeus in Greece, and it was going to Bulgaria. I only mention that because there was a case here that occurred a year ago, but I appreciate that. We will certainly continue this because we want to see some positive initiatives.

Speaking of claims policies, I want to raise some concerns with the minister. We have had a number of complaints from people where their cars caught fire because of a fire in a neighbouring vehicle. There is one individual, Brad Carr [phonetic], who has had this problem. I think several MLAs—I know that the MLA for Selkirk (Mr. Dewar) has had a constituent with the same problem, that the MLA for Osborne (Ms. McGifford) has had a constituent with the same problem. A lot of people feel this is really unfair as well; the car is sitting there.

I know one case, a person whose vehicle was pretty well totalled, an elderly lady, and it creates a fairly significant hardship on people in terms of the application of the deductible. I am wondering if the minister is prepared to review this specific circumstance: a stationary vehicle that you have the neighbouring vehicle catch fire, and particularly where, you know, this is somewhat different than where you do not know the other party. You know the party; the car is sitting there. Your car is here, their car catches fire, and your car is destroyed. So people are saying that they feel that there should be some flexibility on the deductible in those kinds of cases. I am wondering if the minister is prepared to respond to that.

Mr. McCrae: Again, the whole issue of deductibles is a difficult one for insurance companies generally, and certainly our monopoly MPI in particular, because we are, I think, in that situation where we are very public. I do not know of any other insurance company that has to appear before the PUB and has to appear before the legislative committee and all those things. So, that being said, I am sensitive to the deductible issues.

I think the members of the board of directors and the corporation are sensitive to those issues too. It is again a balancing job that needs to be done. We have got all of these ratepayers who want us to keep rates at reasonable levels, and then we have those who have claims that want to be treated properly too. I take what the honourable member says as a responsible sort of representation to myself, the chair of the board, and the representatives of the corporation who are here today to look very carefully at our deductible policy each and every year.

The last year we were able to move in the direction of seeing deductibles on stolen vehicles disappear for those who purchased the extension options. That was a step, and the honourable member says we need to take further steps. All I am doing today, without making any firm commitments, is asking the corporation to look very hard at the deductible issues each and every year, and measure what they can do in that area with what they have to do at the other end of it, at the area of rates, and how the whole program is affected.

As usual, when you are in a responsible sort of position, you have to look at the issue under discussion, but when you deal with it, what is the effect of dealing with it on all the other aspects of the operations of the corporation. That is something that they do have to do and I do have to do. I know the honourable member knows that but it does not stop him from asking his questions. I do not blame him for doing it, because people do write in to people like the honourable member for Thompson (Mr. Ashton). They write in to people like me and other MLAs with their complaints and their concerns and it is appropriate that they be raised here.

I see that the Saskatchewan Government Insurance company is facing the same issues and their deductibles are going up to \$700. Now, that is not the case here. We are at \$500, which is, depending on how you look at it, quite a sizable sum of money, but \$700 is even more sizable, last time I checked, and that must be a pretty big concern to people with claims in Saskatchewan to have to come up with \$700. They get into a car accident, maybe it was not their fault, and maybe they cannot collect their deductible from the person in the other car and there is a \$700 hit. Same principles, same issues, kind of.

I think what you have to do is be assured. I need to be assured and I get this assurance all the time. I need to be assured that these are issues that are being seriously examined on a periodic basis to ensure that our rates and deductibles and coverages reflect what is possible, reflect what is acceptable to our clients, remembering they do not have any choice about who they are buying their insurance from. Well, I suppose it would be nice if none of us had to buy any insurance at all and were covered for everything, but that is not the reality, and the honourable member accepts that.

So I take what he says at face value. I have feelings of sympathy for people who get into difficult circumstances, sometimes through absolutely no fault of their own whatsoever, and, bingo, they are facing a bill that they were not expecting. Maybe it is happening around the time they were going to spend their money on something far more important to them, and now they have to readjust all of their plans. It is a traumatic time in a person's life when you get into these sorts of situations. So I just want the honourable member to know I am listening and so is the corporation. We look at it very carefully each and every time we review our rates and deductibles and coverages.

Mr. Ashton: Well, I will be pursuing this because I think this is just absolutely unfair, and I can indicate to the minister it has created some real hardship in some of the cases I have dealt with, and it is another one of those things where people just say: this does not make sense. Common sense does go a long way. I realize it is not always the easiest thing when one has to apply that test to policies, but I think that should be the root

basis on which we look at any MPIC decisions. I dare say that probably government members have had similar concerns expressed to them.

I want to move on to the rating system, because this is another area where I have had a lot of inquiries. I think the minister has been getting regular letters from myself and from our Leader. I would say to the minister—he mentioned earlier in terms of the global increase versus the actual increase for people, a lot of people, and I realize with the application of the CLEAR system, Canadian Loss Experience Automobile Rating, there have been some people who have had some pretty hefty increases. I have got cases of people up to 17 percent. 16 percent. This is like last year and I assume it is going to continue this year with the system.

I have written, I believe, on the case of Zbignew Oster [phonetic], for example, an average car, 9.3 percent increase. I dare say he is quite frustrated with that. You get the other end of the scale. I have got a case that I have corresponded with the minister on a much older car. It was Mr. Boulanger [phonetic] with a '72 Ventura. You get concerns about people with cars that are essentially write-offs, and it does not take much to be a write-off nowadays. It does not take too old of a car before you are considered to be in that area that your car is written off pretty well, no matter what damage occurs.

The concern again is the fact that people have virtually no coverage for their own vehicle, and then realize there are other aspects of automobile insurance in the bodily injury side, for example, third party liabilities, damage to other vehicles. But I am wondering what response the minister has to many of these concerns because there appear to be some real anomalies.

I have run through the system, and I understand the basis of the system. There is some logic to having a system that does build in, as we just talked about earlier, factors such as the direct claims cost. I quite frankly fault manufacturers. There are a couple of manufacturers in particular that I know have a reputation for being easy targets for auto theft, for example, manufacturers that have significantly higher

repair costs. It is not a concern to the manufacturer. They want to get their cars out and sell them. It is a big concern to insurance companies and to the claimants. I really want to say to the minister, there is a lot of frustrated people out there and I suspect there are going to be more this time.

The minister says about some people are getting lower rates. It is when you have got a \$100 increase—I talked to a senior citizen last week I was visiting in Winnipeg, and he said, you know, I got a \$97 increase last year. He said, I thought rates were not going up. I am wondering how the minister deals with that. I would like to hear the minister's response because what concerns me in a way is that I have run across some real anomalies in the system. I am wondering how fair the system really is. It makes sense in principle, I understand that. It is a bit like no-fault. The principle is great until you get the \$97 increase, and you are sitting there saying, what happened? Last year it was the same car, this year it is the same car. So I am wondering if the minister can respond to those concerns.

Mr. McCrae: The honourable member has a very good way of getting to the issues that are important to people. I think that is one of the skills one needs if one is going to be a politician.

Rates, this is very important to members of our government, too. We did talk about coverage at first, but at the bottom line, most Manitobans are not the ones making claims in a given year. Those are the ones who have to be satisfied, too, that their rates are at a fair level.

The honourable member, near the end of his comments, asked me to deal with how we talk about rates. That is really an important topic. We used to talk about rate increases. We have really changed the emphasis on that, because again one can be misled into a false sense of security only to have an unpleasant surprise when your Autopac bill comes, if you talk simply about an overall rate decrease or increase of a certain level.

* (1140)

So you will notice when we made our announcement this time—and I think last time too, but certainly this time—we worded it in such a way not to be cute, but to be totally clear and honest about it. The compulsory Autopac program will require no overall increase in revenue. Revenue is the key word there because, yes, 53 percent of ratepayers are going to pay either a little bit more or a small percentage, a fair bit more than they were last year. The example the honourable member talked about, where somebody had a hundred dollar increase in their rates, the honourable member would not say it to that constituent I am sure, but maybe that reflects the fact that person was not paying a sufficient amount last year or the year before or the year before that.

An Honourable Member: You tell him that.

Mr. McCrae: I do not want to go and talk that way to him, either. So I can understand where the honourable member would not want to and would not need to, under all the circumstances. But in appropriate fashion, I think it can be pointed out, same as reassessment on your property tax. My taxes went way up through the roof this year and, though while my wife and I are talking about this, we are feeling pretty badly about it. We had to admit that maybe in the past number of years we had been getting a bit of a break. We have already spent that money, so it is kind of forgotten about. Now all we are worried about is our major tax increase, you see.

But I think that is human nature. Nobody likes surprises, and we learned that back in 1988. We learned a very important lesson, all of us, collectively, that people simply hate surprises like that. So we try to build a system that will reduce those surprises. The bringing into line of rates on individual vehicles, rating groups, drivers and locations, all of those things need to be done in order to properly get rates to reflect risk. That is fair. That is the right thing to do. I hope honourable members agree with that. How do you bring things into line in a way that is sort of rational and does not create total mayhem and bedlam out there with our customers?

Well, so you phase it in over a number of years, which is what we are doing. Over five years we are

bringing these rates into line. So, if somebody has got a \$100 increase, they probably got an increase last year too, if it is the same car and all the other circumstances are the same, which really says there was a time when some of these ratepayers were getting a pretty good deal. Now they are having to sort of come up to where they belong. It is a tough message to deliver. I am sure the honourable member is not going to take much advice from me about how to deliver that message.

But on the other hand, in an overall sense, once we get through that process, maybe things will settle down a little bit. But then they will just keep on building different cars. There will be different sorts of risks out there. Car thieves will catch their eyes on certain cars, and they are going to want to steal them more often, and so on. It is an ongoing thing, but, again, requires the corporation to do a good job of explaining its position out there, explaining to its customers why rates are such as they are. If that explanation is coming through our partners in the insurance business, then it is the corporation's job to make sure that our insurance agents are well versed on all of the products that we are making available and well able to make the appropriate explanation.

Like I say, I think we are doing fairly well, but always looking for ways to improve what we do at all of the levels of delivery of our product. I guess I cannot call on the honourable member to help us out too much, but that does explain, I believe, why the gentleman he referred to had an increase. That explains why motorcyclists are facing the increases they face. It is to match risk with premium. To try to do it with less pain than would otherwise be the case if it was all done in one shot, we are trying to spread it out over about five years.

Mr. Ashton: I mentioned about rates, and the minister led right into the concern of motorcyclists. I have raised this before, because I can tell you, you know, we are turning motorcyclists in this province into an endangered species. If you look at what has happened to motorcycle rates the last number of years, it has been huge increases.

One of the concerns that is expressed to me by a lot of people that do have motorcycles is, first of all,

obviously you get into claims cost and the rest of it, but is the fault of a lot of accidents—I mean, as a former motorcyclist myself, I did not have a muscle machine. Slightly bigger than the minister's 50 cc. I can tell you that the reason I stopped riding a motorcycle in this province was, a) the short season, and b) because I had too many close calls of accidents where people driving cars just did not even see you.

A lot of motorcyclists tell me that, yes, you have an accident between a car and a motorcycle. The car drivers are at fault. The motorcycle is written off. The car has \$500, \$1000 worth of damage, but the concern is that the motorcyclist is, in essence, paying the cost.

You know, I think it is a legitimate concern. I am wondering what response the minister has to motorcyclists who will show me and I am sure other MLAs what they used to pay and what they pay currently, will point to Saskatchewan and other areas as to what is happening, and what response the minister has to people who say that it is going up and up and up. I believe it has gone up 15 percent this year again.

I understand the minister is running an insurance company, but a lot of Manitoba motorcyclists are afraid they are going to become an endangered species at this rate.

Mr. McCrae: I am going to ask Mr. Zacharias to talk about this a little bit, because I think the question indicates that a more thorough answer is called for.

But, again, if the honourable member is suggesting—let us say all things being done fairly, if they are, and the honourable member can disagree with that if he likes, but if all things are to be fair, is the honourable member suggesting that matching risk to rate is the inappropriate policy?

If his answer to that is that we should match rates and risks, then confine the criticism to the way that it is done. I simply think it is important to know, because if it is the policy of the honourable member and his colleagues to have this sort of artificial subsidy being paid by those who are not responsible for risk in favour of those who are responsible for risk, then let that be known, because as a general principle we are moving

toward matching risk to rates. If that is the wrong policy, or if the honourable member disagrees, I need to know that, because that is pretty important for me to tell my constituents next election time, because what it means is we are right back to 1988 again.

On the other hand, I would like to get an explanation of the very example—

Mr. Ashton: Do you want an answer?

Mr. McCrae: Well, I am sure I will get one pretty soon from the honourable member. [interjection] Well, I do not mean to unfairly take up the time, but Mr. Zacharias has a comment.

I asked him about the example the honourable member used where a motorcyclist is perhaps not responsible for an accident. I asked, in that case, in the statistical workup to the creation of rates in the insurance company, does the motorcyclist bear an unfair burden in that situation? Mr. Zacharias will address that question.

Mr. Zacharias: There are two issues impacting motorcycle rates over the last few years, one ordered by PUB, and that dealt with proration. At one point in time, we would charge a motorcycle \$700, and that premium would basically be used during the summer months because that is when the bike was on the road. If you turned your bike in when the snow came, there was virtually no refund because the premium had been used up during the summer months.

* (1150)

We were ordered to treat motorcycles the same as cars, where the premium was earned one-twelfth over 12 months rather than during the summer period. So when we sent out the \$700 premium the next year, they all turned in their plates as soon as the snow came, so, in fact, they only paid \$350, and we gave them \$350 back. That created a large shortfall in the funds coming in from motorcycles to pay motorcycle claims. So what has basically had to happen is we have had to keep increasing the premium so that the premium ends up at \$1,400, so when they turn in their plates in the fall and get \$700 back, we are at least getting the \$700 that

they were charged in the first place or that they needed to pay in the first place.

So because of a change in how those premiums were administered and not done over the summer months, the total bill has to go up considerably when it goes out because after you refund a portion of the premium, you still need enough to pay those claims.

The second issue that came about that the motorcyclists have talked to us on several occasions is the old issue of risk transfer. If an accident is the responsibility of the car, should all the funds go to the car? On the other hand, if the accident is the responsibility of a motorcyclist—and I am thinking of a motorcycle weaving in and out of traffic causing a five-car pile up—today zero of those dollars go to motorcycles in that, as adjudicated by the Public Utilities Board in our hearings application, they have said that attach the dollars to the vehicle where the injury or claims come from. If a motorcycle and a car hit, it does not matter who is at fault, the motorcycle dollars stay with the motorcycle, the car dollars stay with the car. That still is the case today.

Most motorcycle accidents are single vehicle, not double vehicle. The dollars simply associated with single-vehicle motorcycle accidents eat up nearly all their premium that we have today. When there are a car and a motorcycle involved, there is a slight increase or a slight more higher proportion of those are caused by cars than by motorcyclists, but, again, the numbers are not that different. So we are trying to ensure that each of the rating groups pays their own pay. While they are not eliminating all the costs, they are also not attracting all the costs that they would under a pure risk transfer system.

Mr. Ashton: I have some further questions, particularly in the area of the appeals process and authorization of access to records. There are a number of cases that I have corresponded with the minister with. Given the fact that we have only seven minutes left, I would like to indicate I will be raising those at our next meeting, which I am sure we can negotiate during some time. The member for Transcona has some questions.

Mr. Daryl Reid (Transcona): Mr. Chairperson, I have some questions, and I am seeking some information or advice from MPI with respect to service. But first I want to comment on some statements that were made by my colleague earlier with respect to our ability to receive or obtain information on behalf of constituents that call us with concerns involving their claims with MPI.

It is one of the advantages that I have had in my eight years as MLA for Transcona in being able to pick up the phone, call and talk to people like Zdenka Melnyk at MPI and being able to access information in a very timely fashion and get answers back to my constituents. So having MPI in the public realm versus private insurance industry, where I have also had dealings on other matters involving insurance claims, where I have, in some cases, absolutely no co-operation from the private insurance agency, I find the public insurance system much more responsive to the needs of the people that I represent from my personal experiences.

I have also made note of your programs involving your advertising campaigns, trying to reduce the number of accidents and injuries in specific target groups. I am not exactly sure what your experience is showing with respect to the number of claims you have, because I do not know how the PIPP program has influenced the reduction in the number of claims versus the advertising that you have undertaken through the various electronic media, radio, TV, et cetera, and the impact that is going to have on your specific target groups.

I think from comments that I am getting back, the few that I have had back, there seems to be some awareness that the advertising is at least sinking in a little bit to specific—and I am talking young people here in particular, because quite often your advertisement deals with young people.

I want to ask a couple of questions because I look at the service centres that you have specifically here in the city of Winnipeg. I look at the names that you have on them here in your documents, your annual reports. You have the North Winnipeg claim centre; you have the West Winnipeg claim centre; you have the South Winnipeg claim centre; you have the South Central;

you have the North Central; but you do not have a North East.

So I look at my constituency and the constituency of Elmwood, Radisson, Concordia, Rossmere, and I say to myself: why is that this particular sector of northeast Winnipeg cannot have the same type of access to services that we see in other quadrants of the city of Winnipeg? I know that you have the Commercial Claims facility on Plessis Road, and I am wondering here: is there any way that you can provide for me information relating to perhaps using postal codes, the R2C, which is in my constituency, and the postal code, perhaps, for the Elmwood and Concordia areas, to give us some kind of an indication on the number of claims that are coming into Autopac so that we might see how many of our constituents are having to travel to these other claim centres?

Can you tell me, and perhaps not here today, but perhaps by way of forwarding information, whether or not there is some opportunity to convert at least a portion of the Commercial Claims Centre into what we would consider to be general claims purposes so that people residing in Transcona, Elmwood, Concordia may access, or perhaps, even in some of the rural areas like Birds Hill, people may want to come into access, that particular claim centre, if one was to be established as part of the Commercial Claims facility.

I ask perhaps if you can get back to me with that information if you do not have it here today. I would look forward to receiving that information. The other question I have is this: can you tell me, with respect to the specialists that MPI uses in the appeals that they have—and I am talking particularly those with medical specialists such as neurologists. Are all of the people that you have advising you on these claims matters what we would call certified or registered specialists in their chosen field? In other words, if you are a neurologist and you are providing expert medical advice or testimony on behalf of the corporation, are all of these people registered with the College of Physicians and Surgeons in Manitoba, and, more importantly, are they registered with the national body in regard to their particular field under which they are giving expert testimony?

I am not sure whether you have that information available here today, but I would appreciate receiving that type of information because there is a case that has come to my attention that causes me some distress from the information that I am hearing, and I know it involves a member of MPI's own staff or a family member of MPI's own staff. If this is the way the corporation is conducting business, I would find it somewhat suspect if that would be occurring.

I am not going to put all of the comments on the record here with respect to how this is being done, but I want perhaps for you to provide that information back to me if that is indeed the case and what steps you plan to take with respect to corrective action.

Mr. Chairperson: Order, please. As previously agreed, at 11:55, we were going to establish the time frame here. What is the will of the committee?

Mr. McCrae: If it is okay with the honourable members of the committee, I think the questions of the honourable member for Transcona (Mr. Reid) should get answered, and then we will pass the '96 and have another meeting at a later date.

Mr. Chairperson: Is there a consensus? [agreed]

Mr. McCrae: In general terms I appreciate many of the comments the honourable member has made, especially the ones about the responses he gets when he deals with the corporation. I appreciate those comments. They are well received, I am sure, and hopefully we will continue to deserve those types of comments.

Indeed, in response to some concerns that I have, the corporation has placed another adjuster in each of the claims locations in Winnipeg and a customer service person as well, so those are two additional people in each of our claim centres in the city of Winnipeg. We would take note of what the honourable member said about locations of claim centres and numbers of them, because that is something that gets reviewed and is being reviewed at this time, I understand from the corporation. I just want to say that we want to be responsive. If the honourable member knows of a situation where, for whatever reason we are not, feel

free, please, to let us know about it and we will take steps to address whatever the problem is.

* (1200)

Mr. Zacharias, I would like, if it is possible, for him to respond to the more specific parts of the honourable member's questions.

Mr. Zacharias: With respect to medical specialists, I am a little unclear as to whether we are talking about some people that work with our adjusters on our medical services team to provide us with internal advice or outside specialists to whom we may refer patients. With respect to the outside specialists to whom we refer patients, we would be relying on the College of Physicians and Surgeons to certify whether those people can properly operate in Manitoba.

We have not, to the best of my knowledge, done any checking as to whether those people belong to national bodies or not. We are relying on the College of Physicians and Surgeons as to who is operating or not operating and what specialty they may have within the province.

On our medical services team, some of the people we use internally, we certainly do not have all medical disciplines represented there. Those people would not, like I say, represent all the disciplines. Consequently we would be relying on people outside the organization to provide us with advice on specific specialties.

Mr. Reid: I do not want to go too far down the road here because I do not want to—if the corporation is going to take corrective steps to make sure that they are using the appropriate people to provide them with advice and in some cases may in fact be involved in dealing with legal matters involving the corporation and claimants as part of MPI's overall system, information came to my attention that a certain person that was acting in the capacity of a neurologist was practising without the duly authorized or certified certification of the particular college, the national licensing body and the provincial licensing body, which I would think would be contrary to what would be considered fair and reasonable when you are dealing with claimants of MPI.

I know that from my understanding from information that is coming to me that the corporation has been recently made aware of this. I would hope that where you are dealing and where this individual, if this is indeed the case, if the information coming to me is accurate, that where you have had dealings with other claimants in regard to having this particular person give medical advice from that particular discipline without having the benefit of being registered or recognized as qualified in those areas—I am not talking just trained here, I am talking certified, having passed the examination—that the corporation would review those practices and those past cases to make sure that the people were treated fairly in all cases. That is what I am asking for here.

Mr. Zacharias: I would share those concerns very deeply. I received some information very recently with respect to a recent case where there have been some questions raised. If the results are indeed as you have indicated, I think it is only fair that we go back and have a second look at those cases from someone who is qualified.

Mr. Chairperson: Shall the February 28, 1997, Annual Report of the Manitoba Public Insurance Corporation pass?

Some Honourable Members: Yes.

Mr. Chairperson: The report is accordingly passed.

Shall the February 28, 1998, Annual Report of the Manitoba Public Insurance Corporation pass?

Some Honourable Members: No.

Mr. Chairperson: The report is accordingly not passed.

The time being 12:08, what is the will of the committee? Committee rise.

COMMITTEE ROSE AT: 12:08 p.m.