

**First Session - Thirty-Ninth Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Crown Corporations**

*Chairperson*  
*Mr. Doug Martindale*  
*Constituency of Burrows*

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON CROWN CORPORATIONS**

**Wednesday, November 7, 2007**

**TIME – 6 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Doug Martindale (Burrows)**

**VICE-CHAIRPERSON – Mr. Bidhu Jha (Radisson)**

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

Hon. Mr. Chomiak

Messrs. Cullen, Derkach, Graydon, Jha, Ms. Korzeniowski, Mr. Maguire, Ms. Marcelino, Messrs. Martindale, Nevakshonoff, Swan

**APPEARING:**

Mr. Gerald Hawranik, MLA for Lac du Bonnet

Mr. David Faurchou, MLA for Portage la Prairie

Mr. Kevin Lamoureux, MLA for Inkster

Ms. Shari Decter Hirst, Chairperson, Manitoba Public Insurance Board of Directors

Ms. Marilyn McLaren, President and Chief Executive Officer, Manitoba Public Insurance

**MATTERS UNDER CONSIDERATION:**

Annual Report of the Manitoba Public Insurance Corporation for the year ended February 29, 2004

Annual Report of the Manitoba Public Insurance Corporation for the year ended February 28, 2005

Annual Report of the Manitoba Public Insurance Corporation for the year ended February 28, 2006

Annual Report of the Manitoba Public Insurance Corporation for the year ended February 28, 2007

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**Clerk Assistant (Ms. Tamara Pomanski):** Good evening. Will the Standing Committee on Crown Corporations please come to order.

Your first item of business is the election of a Chairperson. Are there any nominations?

**Mr. Andrew Swan (Minto):** I nominate Mr. Martindale.

**Clerk Assistant:** Mr. Martindale has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Martindale, will you please take the Chair.

**Mr. Chairperson:** Our next item of business is the election of a Vice-Chairperson. Are there any nominations?

**Mr. Swan:** I nominate Mr. Jha.

**Mr. Chairperson:** Mr. Jha has been nominated. Are there any further nominations?

Hearing none, the Vice-Chair is Mr. Jha.

This meeting has been called to consider the following reports: the Annual Report of the Manitoba Public Insurance Corporation for the year ended February 29, 2004; the Annual Report of the Manitoba Public Insurance Corporation for the year ended February 28, 2005; the Annual Report of the Manitoba Public Insurance Corporation for the year ended February 28, 2006; the Annual Report of the Manitoba Public Insurance Corporation for the year ended February 28, 2007.

Before we get started, are there any suggestions from the committee as to how long we should sit this evening?

**Mr. Cliff Graydon (Emerson):** I would suggest that we sit for three hours and if we conclude sooner than that, we'll call it.

**Mr. Chairperson:** It's been suggested that we sit for three hours and conclude sooner if we are finished before then. Is that agreed? *[Agreed]*

Are there any suggestions as to the order in which we should consider the reports?

**Mr. Graydon:** I would suggest that we deal with all of the reports but, more specifically, start with 2004 and any other concerns that may come up at the same time, Mr. Chairman.

**Mr. Chairperson:** It's been suggested we start with all reports and 2004. *[interjection]* Beginning with 2004. Is that agreed? *[Agreed]*

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

**Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Public Insurance Corporation Act):** Thank you, Mr. Chairperson. Thank you, members of the committee, for convening.

I'll just turn to Shari Decter Hirst, who is the Chair of the Board of MPI, to introduce the people that are here today. Then I will commence with what I don't normally do, which is opening remarks, just to expedite matters as much as possible.

**Ms. Shari Decter Hirst (Chairperson, Manitoba Public Insurance Board of Directors):** I'd like to introduce the President and CEO of Manitoba Public Insurance, Marilyn McLaren. Marilyn will be introducing her senior team.

**Ms. Marilyn McLaren (President and Chief Executive Officer, Manitoba Public Insurance):** Thank you very much. Immediately behind me is Mr. Barry Galenzoski, our Chief Administration Officer. Mr. Galenzoski has served the corporation and Manitoba motorists for over 35 years with Manitoba Public Insurance and will be retiring at the end of this year. This will be his last appearance before this group. He has been here many times before and offered phenomenal support in all his areas of responsibility.

Beside him to his immediate left is Mr. Don Palmer. Don Palmer is our Vice-President, Finance and Chief Actuary. To his left is Mr. Ottmar Kramer, who is our Corporate Controller.

In the general seating area, we also have our Vice-President, Legal, General Counsel and Corporate Secretary, Mr. Kevin McCulloch; and our Vice-President, Public Affairs, Mr. John Douglas.

**Mr. Chairperson:** Thank you.

**Mr. Chomiak:** I thank the senior staff and the officers and the corporation in general for their continuing good work to all Manitobans, and any of those that are lucky enough to retire in the next little while, have an excellent rest-of-one's life and know that we'll be here year after year after year after year after year, which is a good thing.

I'm going to read specific results from the 2006-2007 fiscal year report. As I said, I normally at Crown Corporations don't open with a presentation, but the corporation did prepare one for me roughly that I'm going to illustrate, so it will outline the major issues and put that on record.

The last year could be described as much progress—well, don't we always say that, and it is—for Crown corporations aimed at preserving affordable, stable insurance rates while increasing the value Manitobans derive from their public auto insurance system, which was actually commenced and what happened in the first place from MPI, and I won't go into "when I was in grade 12 and following the debates in the Legislature" speech.

\* (18:10)

The two most viable initiatives were the corporation's continued efforts to reduce auto theft and the transition to a new licensing system for Manitoba drivers. As you know, the efforts to reduce auto theft have made significant progress. In the first 10 months of '07, we've seen a reduction of 28.4 percent in auto theft compared to the same period a year ago. That translates into 1,869 fewer vehicles stolen and, importantly, lessening a community safety risk. The progress has been not at the expense of people facing the inconvenience because, in terms of attempts, only 55 more vehicles were attempted to be stolen this year than last year, an increase of less than 1 percent. We have arrived at this point because of outstanding work of the corporation and the law enforcement.

In the annual report, you'll see how anti-theft programs have grown and evolved to meet Manitoba's unique needs. These efforts were escalated on June 1, 2007, the day that the mandatory immobilizer law was introduced. It took effect September 1 and it's been generally, widely accepted by owners of most-at-risk vehicles. There are 47,000 of those vehicles in Winnipeg, and nine weeks into the year-long program, more than 21,000 have come forward to have their vehicles protected from auto theft. The acceptance by Manitobans of this is very important. These vehicles make up fewer than

5 percent of the vehicles in Winnipeg, yet they account for more than 50 percent of the auto thefts. They clearly need the protection of immobilizers.

Between the MPI program and the program introduced by the federal government, also on September 1, 2007, we sought to close the gap. I was very pleased that Minister Cannon—can you tell I'm off script now? I was very pleased to see that Minister Cannon spoke very strongly in favour of the immobilizer initiative being undertaken by the federal Conservative government. Between that initiative and our own initiative to deal with our 47,000 vehicles, we are attempting to close the gap. It will be demonstrated in time through measured, safer streets, reduced crime, and continued stability in auto insurance.

This month marks the anniversary of another important initiative undertaken by Manitoba Public Insurance, the launch of the new system to renew and obtain driver's licences. A project of this magnitude certainly presented many challenges for MPI. More than 300 independent brokers who market the corporation's products across the province have had to be involved.

The first challenge was to make it possible for all Manitobans to renew their driver's licences through any Autopac outlet. While rural Manitobans have enjoyed this convenience for many years, it was not available to drivers in Winnipeg, Brandon, Portage la Prairie, Thompson, Dauphin. Last November, when all brokers in the province began renewing driver's licences, the number of service outlets for customers doubled, literally, overnight.

The next step was to make it possible to renew driver's licences and Autopac policies not just at the same place, but at the same time. Manitoba Public Insurance is in the final stages of aligning the two renewal dates for all drivers. By next month, the transition will be complete for every driver in the province. Now customers have just one renewal date to remember and one visit to make. This change marked the end of a Manitoba tradition, namely, lining up at the end of the month with hundreds of others who were waiting until the last minute to renew their driver's licences. I never did that. I—not. Instead, renewal dates for driver's licences are now staggered throughout the month just as they are for Autopac policies.

With these improvements in service came improvements to the driver's licence itself. The colourful new photo card has new security features

to help protect Manitobans against identity theft, a crime all of us need to guard against. It also meets more of the international best practices for driver's licences.

To the Member for Russell (Mr. Derkach): Do you know of anyone, particularly one's spouse, that likes the pictures?

**An Honourable Member:** No.

**An Honourable Member:** What about the colour?

**An Honourable Member:** What about the guy whose picture is on the card?

**Mr. Chomiak:** My point is made.

For many people the most important improvement is that the licence now fits in their wallets and the new photo card is actually cheaper to produce than the old card it replaced.

Manitobans have responded favourably to these changes; 94 percent tell us that they are satisfied with the new system and prefer it to the old system. More than nine out of 10 people say they find the new process convenient, like weekend service, and like having a choice between going to an Autopac agent or MPI to complete all their insurance and driving licensing needs.

With this big project completed, the public auto insurers are preparing to introduce more service improvements. For example, in the near future, more customer services will be available at more locations across the province. That's because MPI is starting a process of converting its claim centres into full-service facilities that would also provide driver testing, commercial vehicle registration and more. In February the corporation began piloting this service model in Winkler. The response from our customers has been positive. It's brought more full-time services to the region and customers are giving it high marks.

All of these improvements mark a new era of convenience and quality for Manitoba drivers. They demonstrate the value of merging driver and vehicle licensing services with public auto insurance, a decision made in 2004.

When public auto insurance was first introduced in our province in 1971, it was designed to provide Manitoba motorists with the most comprehensive coverage at the most affordable rates. I'm proud to say that after 36 years, the same founding principles apply. The annual report before you reflects the

ongoing financial stability of MPI in the face of challenges that affect the whole industry, including the challenge of rising claim costs, and Manitoba vehicle owners continue to benefit from public auto insurance.

Over the last six years, MPI has returned \$200 million in rebates to its policyholders. No other insurance company in Canada or North America can make that claim. Currently, the PUB is reviewing the most recent rate application which proposes another rebate of 7.75 percent, or about \$90 for the average vehicle. Total payouts would be \$49 million. This rate application for the 2008-2009 insurance year also calls for zero increase in overall revenue. If accepted, this will be the ninth year in 10 that MPI has held the line of reduced basic Autopac rates without lowering customer service or reducing coverage.

Let me now touch briefly upon a few of their highlights from the annual report that you have in front of you. In fiscal 2006, the corporation's 22 claim centres handled more than 1,000 claims every working day. The company paid \$2.4 million in claims benefits to Manitobans every working day. Claim costs increased 3.5 percent to \$731 million from \$707.2 million, while the average cost per claim declined about 4 percent to \$2,335.

Manitobans continue to benefit from the company's investment policy. Investment income in 2006-07 of \$129 million reduced each premium by \$127. Total earned revenue in 2006-07 at \$838 million was \$38 million higher than the previous year.

MPI maintains a fiscal stability in keeping rates low by directing its attention to both sides of the ledger. The corporation controls its operating costs, keeping them at about half the industry average and is always working to reduce the number of claims. The company has seen considerable success in both areas. In fiscal 2006, for example, the corporation saved an estimated \$13.9 million through the use of recycled, certified vehicle parts.

On behalf of its ratepayers, Manitoba Public Insurance also saved \$12.2 million through its anti-fraud, anti-crime and subrogation activities. Further, the corporation invested \$23.5 million in a broad range of road safety activities which are aimed at reducing vehicle collisions and, in turn, the number of Manitobans injured, killed on our roadways.

As a publicly operated insurer, the company remains committed to breaking even over the long-term while providing the high quality of service Manitobans have come to expect. The documents tabled today show clearly that MPI is meeting its corporate success targets.

Now we can turn to questions, and you may go to me or to President Marilyn McLaren for any responses. Thank you, Mr. Chairperson.

**Mr. Chairperson:** Before we do that, does the critic for the official opposition have an opening statement?

**Mr. Graydon:** Yes, I do, Mr. Chairman. It's just a short statement. I'd like to thank the minister for his opening statement today and thank the president of MPIC and her colleagues for being here with us tonight. I know that it's certainly an inconvenience for you when you could be at home with your families and we really appreciate you being here.

As you probably know, I'm a new MLA and a new critic to this portfolio, so you'll have to bear with me tonight. If it seems that at times that I'm semi- or unprofessional, it's not by choice. It's because of ignorance. I'm looking forward to the opportunity to ask the minister as well as the president of MPI and her colleagues a few questions about the corporation.

This committee gives us a valuable opportunity to examine the MPI reports and raise a few issues that have been brought to our attention by concerned Manitobans. We're happy to have the opportunity to bring these items forward on behalf of Manitobans. The opportunity is necessary for accountability and transparency in a legislative process, particularly when you consider how many Manitobans are affected by MPI.

It is interesting to note that this committee has not met for more than two years and, as a result, we have a bit of a backlog of reports that need to be dealt with. We look forward to, hopefully, getting through a portion of that tonight.

With these few remarks, I'm happy to turn it over to the Chairperson and we look forward to asking a number of important questions this evening. Thank you, Mr. Chair.

**Mr. Chairperson:** We thank the member. Does the representative from MPI wish to make an opening statement?

**Ms. McLaren:** No, Mr. Chairman.

\* (18:20)

**Mr. Chairperson:** Thank you. Before we proceed to questions, for the information of all committee members, Information Services will be filming some of the proceedings of tonight's committee meeting in order to update the video *A Day in the Life of the Legislative Assembly*. So we might be mindful of decorum tonight.

The floor is now open for questions.

**Mr. Graydon:** Mr. Chairman, I would like to start off this evening with probably an easy question for you, but it's one of a concern to me. The Fraser Institute has put out a publication and it's labelled *The False Promises of Government Auto Insurance: Estimating Average Auto Insurance Premiums in Ten Provinces*.

Perhaps you're aware of that report. It's dated for 2005. It indicates in that report that there are three provinces that have government insurance, total government insurance. Of all the 10 provinces in Manitoba, two of the provinces with government insurance are the highest premiums in Canada. Manitoba is one of those, it's been pointed out by the Fraser Institute. Perhaps I could ask the minister or the president of MPI how they arrive at that. If you could explain that to me, how their figures would indicate this and they have the right to publish it. So the floor is yours.

**Ms. McLaren:** Thank you. It's been some time since I've looked at that specific report, so I will be talking from memory. If you would like us to provide a more substantive answer off-line, we can certainly do that as well. But, as I recall, they go through a very, I guess one might say, somewhat academic process of making a number of assumptions about what some costs would be if the public insurers were operating in a different legislative and market environment, and on that basis they construct what they say would be the premiums otherwise. It's a very—and I will stand by this word—concocted argument. It's a very concocted result.

From the corporation's perspective, there are two key ways that you can really compare auto insurance rates across jurisdictions because every province in this country has different mandatory coverages. Whether it's a competitive system or a publicly owned system, every government decides what motorists must buy in order to legally operate their

vehicle on the roadways. All of those are different in the different jurisdictions.

So, if you look in the annual reports that we've published, we provide an actual rate comparison. We take a particular vehicle, a particular driving record with particular coverage, and we price that across the country. Without exception, Manitoba is the lowest or the second lowest next to Saskatchewan—always, and that is irrefutable statistically reliable information.

The other thing that we believe is a really relevant way to compare insurance programs like this when there are different coverages and different benefits and different systems is you look at how much does the insurer take in from all its ratepayers in premiums and how much does it give back in terms of claims benefits. The founding goal of Manitoba Public Insurance is that we should return at least 85 cents on the dollar. Every dollar we collect, we should give back at least 85 cents in claims benefits. Generally, we're right around the dollar mark, and that's because we don't have a profit motive. It is a break-even program. As long as our investment income that we have, by law we need to have and set aside to cover future claims obligations, that investment income covers our operating expenses, our buildings, our staff, our broker commissions, and therefore we can return virtually every dollar in premium paid we turn back.

Private-sector companies are hard pressed to turn back more than 65 cents on the dollar because they have, first of all, higher operating expenses that they have to cover. They also have to provide a return to their shareholder.

So those are the two tests that we think are legitimate. No one in the country holds a candle to Manitoba Public Insurance on either of those measures, and we think that works for Manitobans.

**Mr. Graydon:** Thank you. Do I refer to you as Madam President, or do I just refer to you as Marilyn?

**Ms. McLaren:** Marilyn would be fine.

**Mr. Graydon:** Thank you very much.

Marilyn, I'm not an economist, so I'm asking these questions out of the lack of knowledge of how to compare things, but in their chart, they show that Manitoba has a 5.3—what would that be now? I guess that would be a, yes, it's average EP of the PDI. So, when we look at Manitoba at 5.3 and Alberta at 3.6,

is that where the difference comes in? Is that how they're making the assumption? Is that how they make the assumption that we're paying more, or that we're paying more because of our per capita and our disposable income?

**Ms. McLaren:** I really don't have the information in front of me to speak to that definitively for you, but when that report was published we did some work. I think we actually did an op ed piece for the *Free Press* in response to that report, laying out some of the key differences, so Manitobans—so we can find that for you and provide it to you off-line.

**An Honourable Member:** That would be good, yeah—

**Mr. Chairperson:** Mr. Graydon.

**Mr. Graydon:** —and in layman's terms—thank you, Mr. Chairman. You'll have to remind me from time to time.

**Mr. Chairperson:** I will.

**Mr. Graydon:** If you would do that, we really appreciate that, and in layman's terms, that we could understand it, or I could understand it. I know that my colleagues probably do understand it, but I don't always understand these types of things.

You did make a comment that you give back almost every dollar of your premium and that you live on the investment income. Could I ask what your investment is at this point?

**Ms. McLaren:** Certainly. Until 1998, all of Manitoba Public Insurance investments were in bonds. Since that time, we have begun to diversify the investment portfolio somewhat, but it is still 75 percent in bonds. Other than that, the balance is largely Canadian equities with a small amount of U.S. equities.

**Mr. Graydon:** I would suggest that those U.S. equities are costing you money today.

**Ms. McLaren:** We're not doing well on them, but they're not costing us as much as you might—because since we started investing in the U.S. we did hedge the dollar.

**Mr. Graydon:** So the amount of the investment, did I miss that?

**Ms. McLaren:** The investment portfolio as a whole is very close to \$2 billion right now.

**Mr. Graydon:** Could I ask how we have grown that portfolio to that size?

**Ms. McLaren:** Yes. Two primary sources of funds that become available to invest. First of all, many ratepayers still pay us their annual premium up front. So a good piece of that through most of the year is unearned premium. Then we invest that, but that's relatively a short-term investment, because all of that is used up within that policyholder's 12-month term.

Most of the funds that we invest are money that we have to set aside to pay claims. The way the financial operation of the corporation works is that we need to make sure that we have the financial resources to pay every claim that happens within a certain policy year. So, if the claim happened this year, we collect the premium from people in this year. Even though we may not make the final payments on that claim sometimes for 30 or 40 or 50 years, we have to have that money today. So we take that money and we invest it. It's that investment income that also flows back into the income statement of the corporation.

**Mr. Graydon:** So that would explain how you pay out the full one-dollar-for-dollar situation.

While I was reading through the reports, and, again, I'm not an expert at this, but I understood that your rate reserve stabilization fund was somewhere in the neighbourhood of 136. It dropped down to 127, I believe, but the Public Utilities Board suggests that it should be 105.

Can you explain to me why they would suggest that, and why you're holding it at—or why you don't want to comply with what they're suggesting?

\* (18:30)

**Ms. McLaren:** Yes. We do comply with what they order. They have that authority to order disbursements of rebates to customers to an RSR level they believe is appropriate. The corporation believes it should have about twice as much as the PUB believes Manitoba Public Insurance should have, and we believe we need twice as much as they allow to be retained.

The way we came up with that belief is that we have used an industry standard mechanism to decide how much financial risk, how much financial volatility, the corporation is really subject to, and how much money do we believe is an appropriate amount using this insurance industry measurement tool to determine, based on our liabilities and our investments and our regular annual income, how much do we think is reasonable to have set aside to



provide Manitobans with rate stability going forward.

Based on our claims liabilities and our financial situation, if we had about 200 million, we would have the same amount as the other two publicly owned monopoly insurers in Canada, being in Saskatchewan and British Columbia. So we think that no public insurer really has all the same financial volatility as an insurance company operating in a competitive marketplace. We do not believe our volatility is the same. We do not believe we would need as much reserves as a private company, but the targets established by regulators in Saskatchewan and in B.C. are that those organizations should have about half as much as a private-sector company. The Public Utilities Board of Manitoba has set the \$105, really amounts to about 25 percent of what a private company would have, and only 50 percent of what the other public insurers have been directed to have.

**Mr. Graydon:** So would you suggest then that MPI is overexposed at this point to a shock rate increase?

**Mr. Chomiak:** The corporation is generally—and we are supportive of the view that the corporation should have a rate stabilization fund in reserves in line with industry standards albeit adjusted because of the public nature. I think the difference is the Public Utilities Board is of the view that the Treasury of Manitoba backs the Crown Corporation entity, and, consequently, exposure is not as serious an issue as it would be if the Treasury of Manitoba did not back the financial stability of the corporation.

I just jumped in because of the—I didn't want to put the president in a position of saying that there was anything untoward in terms of decisions made by PUB or the actual financial composition of the corporation in light of those considerations which have been made both by PUB and both by the corporation.

**Mr. Graydon:** Mr. Chairman and Mr. Minister, it wasn't my intention to create any animosity between the PUB and/or the president of MPI with the question. I felt that she would be quite capable of answering whether she felt that they were overexposed at 105 or at 130 and to what degree. I thought it was a fair question, but thank you very much for your answer.

Based on industry standards—when you say industry standards, that would be private versus government insurance, monopoly insurance versus either private or, as in Québec, it has—I believe both

are offered? Is that what you mean by industry standards, that you took in all of the industries or all of the 10 provinces?

**Ms. McLaren:** I was really referring to a methodology that the Office of the Superintendent of Financial Institutions, which is a federal regulator of financial institutions, has established this methodology that all of the insurance industry uses. It's called the Minimum Capital Test. So it's a methodology that has been developed for use to gauge the financial strength of private sector companies. Yes.

**Mr. Graydon:** Thank you, Mr. Chairman. I think I'll give some of my colleagues an opportunity to ask questions.

**Mr. Gerald Hawranik (Lac du Bonnet):** I just wanted to go back on one of the questions that was asked by the critic, and that was with respect to the stabilization fund that was established. The level was established by the Public Utilities Board. Did MPI have a position with respect to the stabilization fund at the Public Utilities Board?

**Ms. McLaren:** Yes. Successive Public Utilities Board hearings into the Manitoba Public Insurance basic Autopac rate application included broad and in-depth discussions about the rate stabilization reserve. What should the level be? In the earlier days, how should it be rebuilt? What should the mechanisms to return excesses? All of those issues were talked about a number of times. The corporation did have opportunity to put its best case forward for the target that it believed to be appropriate, and at the end of the day, the PUB made its ruling, and we're working within that framework.

**Mr. Hawranik:** What was the position of MPI with respect to the level that was appropriate in the stabilization fund?

**Ms. McLaren:** The corporation's view is that it should have a target based on about a maximum of 50 percent of its Minimum Capital Test score, 50 percent of its MCT score, which is the same level that Saskatchewan government insurance and ICBC in British Columbia are obligated to hold in retained earnings. The PUB-established target for MPI is about half that amount.

**Mr. Hawranik:** Is that amount higher or lower than that level that was established by the Public Utilities Board?

**Ms. McLaren:** I'm sorry. Could you repeat the question?

**Mr. Hawranik:** Was your position that it should be higher than what was permitted by the Public Utilities Board?

**Ms. McLaren:** Yes. The PUB established a target that's about half as much as MPI proposed that it should have.

**Mr. Hawranik:** Referring to the financial statements, statement of operations, which compares the financial statements in 2007 versus 2006, on that statement of operations, driver's licence operations recovery was \$20.475 million, and I'm referring to the decision to—this relates, I believe, to the decision to merge driver licensing with MPI in 2004?

In 2007, it indicates that the driver's licence operation recovery was a little over \$20 million, and from what I can tell, this is the amount paid by the Manitoba government to MPI to handle the driver's licensing portion that was taken over by MPI. When I turn to note 17, under the financial statements, it says that that amount is to defray the costs of taking over that function, and in note 17, it indicates the total fees collected and turned over to MPI were a little over \$116 million.

So my question is: The government gave you \$20.475 million to defray the costs. What are the actual costs to MPI to perform that function?

\* (18:40)

**Ms. McLaren:** In this reporting period, the costs were approximately \$26 million. Some of that is related to just different reporting requirements for a Crown corporation versus a department of government.

But we're also making some investments in that operation that we believe, at the end of the day, will result in lower costs to provide, not only those services, but better services for Manitobans. For example, the minister mentioned the new driver licence system that we rolled out beginning a year ago. Once that new system is fully paid for, we believe that that will save about \$2.5 million a year.

**Mr. Hawranik:** So, if that saves \$2.5 million a year, I believe you said it was \$26 million? So you expect the annual operations to be about \$23.5 million into the future. Would that be a fair estimate?

**Ms. McLaren:** No, that was just the one example. There's also reference to the fact that we are moving

to increase the services at all of our MPI claim centres across the province and turning those into full-service MPI service centres. Not only will that improve access to service for everyone in Manitoba, it will also save about another \$2 million.

Those are the two key projects that we have identified. One is completed. One is currently underway. We're not done though. We believe there are significant advantages yet to be obtained for Manitobans through that amalgamation. I guess if you think in terms of the corporate world in terms of any acquisition, generally speaking your costs tend to go up in the short term, but we really believe that not only will service improve but the costs will continue to come down beyond the \$5 million or so that we've identified so far.

**Mr. Hawranik:** I also note in note 17 of the report that the \$21 million is fixed in perpetuity. So that number is not going to change over a period of time. What are your projections in terms of the actual costs into the future, say five years from now, 10 years from now? Is \$21 million realistically going to cover those costs?

**Ms. McLaren:** My belief is that for the foreseeable future it will, because we have not yet found the efficiencies and the cost-reduction opportunities just in the first two large initiatives that we've undertaken.

The other thing is that the context of that being fixed in time is for the services that were provided at that time as well. So it's hard to say, well, might we be doing something different that the government DVL operation wasn't doing? Might we do that 10 years from now that we weren't doing in 2003? That's hard to say, but I think, generally, in terms of our expectation, we're comfortable that Manitoba ratepayers are not disadvantaged by receiving that \$21-million fixed amount as far as we can see into the future.

**Mr. Hawranik:** In terms of that move to move driver's licensing into MPI, can you tell me what the total investment was in terms of computer hardware, computer software, to have to get this program started? Was there any other capital investment that was involved, and if so, what are those costs?

**Ms. McLaren:** The costs related directly to the amalgamation were really quite low, not material in terms of either organization's general operating expenses.

If what you're asking is how much are you spending in order to obtain the \$2.5 million a year in savings and the \$2 million a year in savings, I believe the total cost of both of those initiatives is perhaps around \$25 million, but I don't have that information in front of me. We can take that away and provide it in writing to you after the fact if that works for you.

But those are really related to strategic initiatives that provide service benefits to Manitobans as well as the cost savings. They're opportunities we have because of the amalgamation, but they're not costs that we incur because of the amalgamation.

**Mr. Hawranik:** I noted in the 2003 statements of MPI that there was about \$41.7 million invested in equipment, and yet, in 2006 there was about \$53 million invested in equipment, which means that there was an increase of \$11.5 million.

This was really the period over which MPI was converting driver's licences from MPI at that point. It looks like to be about an \$11-million increase. What portion of that would relate to the driver's licence registration being performed now by MPI?

**Ms. McLaren:** Excuse me. Is this the report that you're looking at? Or is it the—

**An Honourable Member:** I'm looking at the '07. I don't have the '03 with me, unfortunately. Under heading 5 of '07.

**Ms. McLaren:** If we look at the balance sheet and the line that says property and equipment. I'm looking at page 29 of the '03 report that talks about the years ending February 28 in '03 and '04.

If I look at the most recent report and look at that same line on page 52, which is the year ending February of 2007, again it's 29.871. So the property and equipment since '03 have been almost the same.

**Mr. Hawranik:** I'm looking at the '07 report and I've got—

I guess I didn't bring the '03 report unfortunately, but when I look at the '07 report my equipment number shows \$53 million.

**Mr. Chairperson:** While you're studying that, Mr. Swan wants in here.

**Mr. Swan:** I'm just wondering, to expedite things, if we can invite our senior employee, Mr. Galenzoski, to pull his chair up to the table just to make it easier for both him and Ms. McLaren.

**Mr. Chairperson:** Thank you. That was a good suggestion.

Mr. Hawranik, can you clarify the page numbers?

**Mr. Hawranik:** The '03 report, page 38, No. 5, Equipment \$43.889 million. When I look at the '07 report it shows \$53,216,000, quite a difference there in terms of equipment in the investment cost of equipment. This was the period over which MPI was really converting and performing the function of driver's licence renewals.

So I'm just wondering what portion of that, when you've got about \$11 million there, what portion of that would relate to the offloading of driver's licence registrations to MPI.

**Ms. McLaren:** As Mr. Galenzoski explained to me, the reference there that you're looking at in the notes to the financial statement, that first line there with the actual cost, that number will continue to grow forever because it continues to be the value of the equipment that you purchase and bring into the company. If you go back and look at the balance sheet reference to property and equipment that I mentioned to you earlier, you can see that it's about \$29 million in '03 and again in '07. That's a pretty constant amount. That amount is the actual cost of the equipment after the amortization's taken out and it gives you a better picture that it is pretty stable through time.

**Mr. Hawranik:** Except when you compare the two numbers, there's a \$10-million difference between '03 and '07, and that's at cost, the equipment purchased at cost.

My question is, out of that \$10 million, how much equipment would be related to MPI taking over driver's licensing?

**Ms. McLaren:** Very little, and that's because the kinds of equipment that we would be including, they may be automobiles, it would be computers, it might be a few more servers, things like that. We assumed 300 employees in addition to the 1,400 we already had at Manitoba Public Insurance, so the DVL component is a small component. If they gave up the government-issued computers and we had to buy computers for them, it's still a small percentage of the total.

\* (18:50)

**Mr. Hawranik:** Okay, with the '07 financial statements, in terms of revenue—no, sorry, expenses;

premium taxes, \$20.8 million. Are these taxes which MPI pays to government?

**Ms. McLaren:** Yes, they are.

**Mr. Hawranik:** What are they in relation to? What are the taxes imposed upon?

**Ms. McLaren:** The premium tax is an amount that any insurer would pay the Province of Manitoba for doing business here in the province. Virtually every jurisdiction has a premium tax like that of varying amounts. Insurers in Manitoba pay the government 3 percent premium tax.

**Mr. Hawranik:** Has that amount increased over time or has that amount been stable over the, say last 10 years?

**Ms. McLaren:** I don't believe it has changed at all within the last 10 years. There may have been one small increase before that, but it's been very stable.

**Mr. Hawranik:** Again, on the '07 report, investment income for the year, I see was \$120 million thereabouts? The previous year it was \$166 million. The amount of money on hand, the cash on hand or the investment portfolio on hand, I believe it went up from '06 to '07. Why would the investment income come down?

**Ms. McLaren:** The corporation's investments are managed by the Department of Finance of the government of Manitoba by statute. The corporation, in addition to the Department of Finance which serves as its bond manager, also contracts through the Department of Finance for a number of different equity managers for its equity investments which are, as we mentioned earlier, primarily in the Canadian large cap equity market.

The investment committee working group, which is a joint committee of MPI investment staff as well as Department of Finance investment professionals, have a practice of actively managing the portfolio. Given the financial reporting requirements of an insurance company, we cannot recognize the gain in the value of equity investments unless such gains are actually realized, which means the investment is sold and you actually get the benefit. So we have actively managed that and have taken gains where they are available, primarily through the equity portfolio.

The previous year where we had higher investment income the Canadian equity market was really going gangbusters. It was doing very, very well. The equity managers were directed through the

investment committee working group to take those gains and those gains come into the corporation. They come into the income statement and are really served as a source of a good part of the rebates, premium rebates, to Manitoba ratepayers.

The '07 year was another good year. We had more gains on the equity portfolio than we expected at the beginning of the year, but it was not as good as the prior year.

**Mr. Hawranik:** The investment income typically is used to keep premiums down to a great extent. Can you advise what your projection is for the coming year in terms of investment income? Is it projected to go up or is it projected to come down?

**Ms. McLaren:** The investment income projection goes up each year, but our forecast is really one that does not count on those kinds of gains being available to be taken and brought in to the income statement. So, when you have a year like we did in the year that ended in February of '06, and in '07, your investment income is always over forecast, over budget. So we would never then forecast into the future to do that well again. That is opportunity that comes your way that you can't rely on. So our forecasts are based on a reasonable expectation of what we project the bond income to be with a little bit of a premium for a little bit more income than that on the equity side of things, but when the market does very well and there are gains to be taken, we always end up being above forecast, above budget.

**Mr. Hawranik:** With respect to claims costs, just a few questions about claims costs, particularly relating to auto theft, successful auto theft. Do you have a number in terms of—particularly over the last seven or eight years, would you be able to tell me—if you can't get back to me today on this, I'd certainly appreciate an answer later as to what costs MPI has incurred, say, with respect to property damage for auto theft each year and for personal injury each year?

**Ms. McLaren:** Yes, we can provide those numbers to you broken down that way. I can tell you that this year, to date, part way through the year, our auto theft claims costs are over \$7 million lower than they were last year. We're definitely headed in the right direction. I can also tell you that, while there are far too often tragic circumstances where people are injured or killed in auto theft-related crashes, the vast majority of our costs are still related to property damage. The majority of our auto theft costs, which, you know, in the worst year that we had a couple of

years back, was approaching somewhere up near \$40 million. The large, large majority of that was property damage, the vehicles themselves, and the damage they did to other vehicles and other people's property. We'll get that for you.

**Mr. Hawranik:** Would you also be able to provide me with a breakdown between property damage and personal injury costs related to auto theft and auto theft attempts as well?

**Ms. McLaren:** Yes. Really, because the claims that we have categorized as attempt theft are failed thefts where they were not able to move the vehicle, luckily, there are no injury claims associated with those, but we can give you the property damage costs.

**Mr. Hawranik:** You indicated that cost to MPI a few years ago was around the \$40-million range, and it's decreased since that time. At \$40 million, what percentage of total claim costs would be incurred as a result of auto theft?

**Ms. McLaren:** A little bit more than 5 percent.

**Mr. Hawranik:** In terms of MPI's budget, obviously, you know, yourself, as president and the CEO, and other ranking officers of MPI, you do leave the province for trips on occasion, whether it be for conferences or presentations and so on. How many times during the past year, has a minister of the Crown travelled with MPI? Now, you may not be able to answer that today, but—and were those costs—I'd like to know whether those costs of travel and accommodation and so on were covered by MPI as opposed to the minister's office. Would you be able to provide that information to me?

**Mr. Chomiak:** Yes, Mr. Chairperson, insofar as we released today for the first time statements of ministerial travel expenses to the Legislature and put that information up on the Web site, which is a first, I think that that particular issue or matter is something that I could probably answer and deal with, and whatever information is available I will certainly provide it to the member.

Certainly, if memory serves me correctly, since I've been involved in MPI as the minister responsible, I have not travelled out of the province on behalf of MPI or on the expense of MPI, nor am I aware of any minister that has during the time for which I've been minister, but I will double-check that information.

\* (19:00)

**Mr. Hawranik:** I thank the minister for that. If you could provide me with information over the last, say, five years, whether MPI has covered any travel expenses, where they went and the costs.

**Mr. Chomiak:** Yes, just that I may try to get 10. I'll see what's available in terms of those issues.

**Mr. Leonard Derkach (Russell):** I'm going to change the subject matter, perhaps.

**Mr. Chairperson:** Excuse me, can you pull your microphone forward, please.

**Mr. Derkach:** Absolutely. Thank you, Mr. Chair. I want to ask a few questions regarding policy, if I might. This question may better relate to the minister answering it or, in fact, somebody from MPI.

I heard in the minister's opening remarks and also from members of the corporation that services are being expanded to other sites across the province, or more services are being expanded. Can the minister or can members of the corporation be a little more specific in terms of the types of services that are being expanded to the claims centres and to the various spots across the province?

**Ms. McLaren:** Yes, certainly. We're running a pilot right now in the city of Winkler where the Winkler claim centre is now offering all other driver testing and driver licensing services that used to come to Winkler on a periodic basis. Someone employed as a driver examiner would visit Winkler and other communities on a periodic scheduled basis. Now we have a full-time driver examiner working out of the Winkler claim centre.

We will get to the point where people will be able to schedule and come in for their written tests in all of our claim centres across the province. A physical presence of driver examiners and those kinds of driver testing services, as well as other driver licensing, such as driver improvement and control, medical record interviews, things like that, will be available everywhere we have a claims centre, whereas, until recently, they are available only in Thompson, Dauphin, Brandon, Portage and Winnipeg. Am I missing any? I think that's it.

**Mr. Derkach:** Ms. McLaren, can you help me out? I live in a rural community on the west side of the province, a fair distance from either Brandon, Dauphin or Winnipeg, for that matter. There is some driver testing being done in the community, being run out of a town hall, if you would imagine, not out of an office. It's done, I think, on a biweekly basis,

but the problem now seems to have shown itself in that scheduling for driver's tests is now being done through a 1-800 number. I've had a number of calls from constituents who complain that the 1-800 number is just impossible to get a live person on the line. You hold the telephone for hours.

A gentleman who needed his class 3 tried to get through for a period of three hours in a row and could not. After the third day, he finally got through. Now, mind you, this is an individual who has a job as well and was scheduled to take his driver's test on January 2, at the earliest time. Yet this individual depends for his livelihood on a driving licence.

Can you explain why that kind of a scenario is happening in this day and age of communication and also service availability throughout the province and other areas?

**Ms. McLaren:** That kind of service does not meet our service standards. It's not an acceptable level of service. I can't explain how that particular circumstance would have happened. It shouldn't.

There is really a small number of people. I don't think that's new. The people phone a 1-800 number to schedule their driver tests. That has happened. I believe that it is still happening to a small dedicated group of people who work within the DVL; 1075 Portage building has not been amalgamated into the core MPI services. Sometimes, there are shortages of staff, and sometimes they get overwhelmed if it's a particular end of a high school driver ed training session when all the high school driver ed students are now flooding the phone lines trying to get in to schedule their tests. There are peaks and valleys that we cannot manage appropriately when it's a small little dedicated group like that. Those are some of the things that may cause that sort of thing.

Also, it is more difficult for us to schedule more specialized tests like class 3, class 4, rather than the regular ordinary private passenger vehicle testing. Those are some possible things that can make it difficult to meet our service standards. But, no, that's not acceptable. It shouldn't happen, and we need to make sure that we provide a more consistently acceptable level of service.

**Mr. Derkach:** I thank you for that. This is an issue that is repeating itself quite often in that people who require a licence for work are waiting weeks on end to get tested. In two instances, the individuals were told that their test would be in Winnipeg and in January. For the life of me, I can't understand why

someone from the west side of the province should have to travel all the way to Winnipeg to get a class 3 test when those should be available in the community, as are class 1 and regular driver's tests.

**Ms. McLaren:** Well, I'd like to say two things in response to that. First of all, I would like to get a little more information from you, if I can, off-line, because my executive team and their staff do a pretty good job of keeping us all informed as to where the service bottlenecks are, where we're having a bit of a problem. For example, we knew and were cognizant on a daily basis of how things were going after the Dauphin hail storm. So this is news. This is not something that people have come to me and said, you know, we're really having a problem with the higher standards of testing outside of Winnipeg. So it is new to me. I would like to look into it, and I'll do that if you can share some information with me.

The second thing I'd like to say though, is there are certain standards with respect to some of those professional driving categories that you may have to go to a larger centre where they have certain roadway features and certain obstacles that they need to test around, but certainly Winnipeg is not the only place in this province that has those things. So to force someone into Winnipeg does seem inappropriate. I would agree with you.

**Mr. Derkach:** I can appreciate what you're saying, and certainly I will get the information to you. But let me just say that our communities are not that backward that they don't have the driving features that cities have, except for stop lights perhaps.

I'd also like to say that I can get my professional class 1 licence tested in my community with no problem, and I did it by phoning a 1-800 number, scheduling a test, as a matter of fact, very quickly. So my experience was excellent.

Something has happened since then, though, and I don't know what it is. Whether it's the volume, or whether it's perhaps some staff in the corporation that may have either retired or taken leave, and for that reason that particular vacancy hasn't been filled, but there is a fairly high demand for testing in that western side of the province. I just wanted to know whether there was a policy shift in terms of where testing would be done, and how often, and whether the corporation had in fact retracted on some of the services that they were providing earlier.

**Ms. McLaren:** No, the corporation's policy is to meet the service need. If, for example, there is a

community somewhere where the first person to ever ask for a class 1 test in that particular community there may not be immediately readily available, but our policy is to meet the need.

I can tell you, one of the things that we did learn through the Winkler pilot is there is significant increase in the requests for some of those professional driver testing categories. Absolutely. It's increased significantly in the Winkler area, and it wouldn't surprise me if it did in the other parts of the province as well.

\*(19:10)

**Mr. Derkach:** Okay. We'll leave that topic alone. I think we understand that there hasn't been a policy change. As a matter of fact, from what you've said, we're looking at improving those areas.

I have another area of concern that I'd like to address, and that is the area of commercial licensing. We have a number of trucking firms on the west side of the province who, because of processing facilities—and trucking companies operate out of that region of the province. Even from personal experience, I can tell you that this happens, that in order to get a commercial licence on your vehicle, either on your trailer or on your tractor, you have to come into Winnipeg from the west side of the province, right from the border, to get a commercial licence. Is there any way that MPI perhaps is looking at providing those types of services in those outlets that are outside of the city so that people who are trying to make a living in business don't have to travel for four hours just to pick up a licence, a commercial licence, for either their tractor or their trailer?

**Ms. McLaren:** Again, you've surprised me. I knew that that used to be true a few years ago. My understanding was that, even before the amalgamation, DVL had worked with its own satellite offices to change that, that people can go to Dauphin and Brandon to have those things done. It is still a very laborious process. The staff in those offices have to get on the phone to the people in Winnipeg, and it's kind of a back-and-forth sort of process. But I understand that that change has been made to at least cut down on the customer travel time.

That absolutely used to be true. I'm surprised to hear that people think it is still true. So, again, we can follow up on that, but, yes, our goal is to have that service available in every MPI claim centre about to become a service centre. Ideally, we would

like to be able to move some of that, at least not the initial set-up transactions, but ideally we would like to work with brokers to have some of that available in these firms' own communities.

**Mr. Derkach:** Is there any way that MPI can begin a communication process to businesses and to licence holders, for that matter, whether it's through an annual—that, when the annual renewal comes up, that information package is provided because even in our own company we still have to drive into Winnipeg to get commercial licences.

**Ms. McLaren:** Definitely. It's a small enough group that we can find ways to better understand how they're having their needs met now, what we could do differently, and find ways to communicate that to them, definitely.

**Mr. Derkach:** Going to a different area: I guess I do this because of the representation I've been getting from people who have had the unfortunate experience of being in an accident, and it has to do with personal injury claims. The problem seems to be that people who are injured fairly severely in an accident will retain effects of the injury for a lifetime in many instances and cannot function. It appears that it's an ongoing battle with staff at MPI in order to be able to recognize that a person who has been injured carries that effect with them and the pain, in many instances, for the rest of their life.

I can tell you I have three cases right now that I have been assisting in trying to get a conclusion to where people who have been injured in a car accident, who suffered no ill effects prior to the accidents in terms of immobility, in terms of being able to sustain a job, or to carry on a normal life, since the accident now either find themselves incapacitated, unable to work, and unable to earn an income. Yet their doctors have written letters. I've got copies of those letters indicating that those individuals are still suffering severely from the effects of the accident, yet MPI's physicians who do the assessment have a contrary view. They are not the individual's family physician who sees that patient on a weekly basis or whatever the case may be, but that one visit with that physician and the physician's analysis of the person's case throws the claim out the window.

The compensation is cut off and the individual finds himself or herself without an income, to begin with, that was supposed to have been—it's a no-fault insurance program. In a couple of cases, the person is destitute, and they can no longer fight the case

because they have no funds by which to fight it and are still living with severe pain and unable to keep a job. In a couple of instances, they have even tried to be retrained so they could do other work, but it's just concentration, things like concentration. Head injuries cause that kind of a situation.

We kind of, as MLAs who try to represent these people, come into a brick wall in trying to represent them because some of the strangest things happen. A case worker is changed and then a new case worker comes on the scene and you begin the process right from scratch. Six months later that case worker is taken away and a new case worker comes in and you repeat the process. You've got stacks of paper that are that deep on claims that have not been acted upon for not one year, not two, but as far back as 1995. Basically, people just finally give up because they can no longer fight.

I'm wondering whether MPI has an appeal body that can truly effectively look at all of the circumstances and then adjudicate the case finally without dragging that case on for years and years, because in the three significant cases that I speak of, these cases have been ongoing now for years, and the claims are stopped and aren't continued while that dispute is going on.

**Mr. Chomiak:** I think that's a well-laid-out argument that the member's making on issues that we've talked about in the House and that have been discussed. I think that's a valid question to ask of MPI or any insurer because we've had cases like that or, for example, even the disability provisions of—in the case that we come upon as MLAs, the disability-criteria decisions made by the government with respect to lifetime disability as well as the issues relating to Workers Compensation Board and those related matters.

I think with the advisor office and with the other systems that have been put in place in terms of the appeal commissioner as well as the court process, I think the member's suggestion is probably can we put in place a more seamless or a more—a process that will capture some of those very difficult cases where individuals, through no fault of their own, find themselves in those circumstances.

I jumped in for two reasons, first because I think it's something we all look for in terms of the insurance corporation being a public insurance corporation, but I think it's a larger question. I think it relates to disabilities in general and all of our constituents as it applies to a whole variety of issues

when you have a family doctor or when you have a brain injury or something like that where it's not as easy to medically identify the injury particularly over the long period of time.

So I just interjected to add, to make it a broader question that we all have to deal with in a whole variety of areas. In fact, it's not isolated to the corporation. But I'll let the president answer. I just wanted to make that interjection.

\* (19:20)

**Ms. McLaren:** Unfortunately, there's always a small number of difficult cases where we just seem to have trouble getting it resolved to the claimant's satisfaction. From the corporate perspective, we pay a lot of attention to the extent to which our injury claimants are satisfied with the services they receive, the benefits they receive. We really spend a lot of time working on that and finding ways to continue to improve and enhance that. Generally, Manitobans believe our injury claimant benefits have a good level of satisfaction as a large group—[interjection]—in general.

There are a number of protections built into the legislation for people in that situation that you describe, and it's always difficult for me to sort of envision the circumstances that would actually get people into that situation because we always rely on the individual's own medical doctor's advice until such time as we see things starting to evolve that are just not the norm, that it's going on longer than it should, this doesn't seem to fit our normal expectations. Then we start asking for more specialist advice.

We cannot discontinue income payments without making sure that we've done our due diligence, but then formally communicating to that person that this is what we are doing. We're making a decision to end benefits. The letter that we have to send to them saying that we have made a decision to end benefits, we're obligated by law to put a statement in that letter that says, you have the right to appeal this decision and here's how you do that.

There is an internal review process built into the legislation where claimants who are not satisfied with a decision can have someone from our internal review office, outside of the claims division, have a second look at it. If they're not happy with that process, it does go to the independent Automobile Injury Compensation Appeal Commission, a separate



organization completely removed from Manitoba Public Insurance.

So the fact that a case manager would change shouldn't cause that person to have to restart the process, asking the case manager to reconsider a decision. If a formal decision's been made and benefits have stopped, they have recourse through the legislation, through, you know, our best efforts to make sure that everyone understands their rights. We're obligated to do that, and we work very hard to try to do that. There will still be people who fall through the cracks, and, you know, we would respectfully implement anything in a broader context that the minister referenced. I don't know. Again, if you have specific examples, we can try to help, off-line.

**Mr. Derkach:** It's not my place to bring specific cases here. I'm simply asking about the broader policy, perhaps steps that can be taken to make this a more action-oriented approach to resolving difficult cases because, as you point out, Ms. McLaren, there are not handfuls of them in areas of the province. There are a few, and the frustration, I think, that is experienced is something that, I think, is added to the injury and shouldn't be there. There needs to be some compassion shown in those instances and at least a conclusion, if you like, put to the case so that it doesn't drag out for five or 10 years or more.

It's a general policy question that I was referring to, and if there's anything that MPI can do in that regard, and I must say, in the same breath, that there are many people who have also reported to us that they were handled in the highest of regard when they were dealing with claims with MPI, so it's not an across-the-board situation.

Just one more question regarding a 50-50 damage program. Is there a policy within the corporation where there is no recourse after the adjuster or the supervisor of an adjuster makes a decision on who's responsible for an accident in a case where there is question, other than going through a small claims court?

**Ms. McLaren:** For many years, we've also had an independent liability assessment review process. We have retained the services of a retired judge that, based on, I think it's a really, a \$25 fee, perhaps, something like that. People can present their case, write their case to this person, and this individual will give them a ruling as to whether they believe the liability decision of the corporation should be upheld or should be changed. That is available to people. It's

been available for a long time. It's discussed in the policy guide and on the Web site in terms of how to access that service. Even after that process, you're still not prohibited from going to small claims. If you don't like what the retired judge decides, you can still go to small claims court.

I know 50-50 decisions are contentious; they're difficult. No one is ever happy when the corporation decides it's 50-50. Sometimes, that's the decision, truly; the responsibility was shared. Sometimes there's conflicting information that you really can't decide on. The fact that we do it, we come to that determination frequently, though, is something that the perception is that we come to that frequently. We've tracked this for a number of years, and counting windshield claims and everything else, we have close to a quarter of a million in claims a year, 200,000 or so. We generally have fewer than 2,000 in any given year that are determined to be 50-50.

**Mr. Hawranik:** Yes. Just a couple of brief questions. I was wondering whether MPI keeps stats in terms of the amount of money paid out for property damage and personal injury with respect to collisions with wildlife?

**Ms. McLaren:** Yes. We regularly track the number of collisions. I honestly don't know if we have immediately available information for the total cost of the claims split between injury and vehicle damage, but we would be able to prepare such a—

**An Honourable Member:** Define wildlife.

**Mr. Chairperson:** Okay. The lawyers are having fun.

**Mr. Hawranik:** Yes. I'd appreciate getting the information, specifically relating to deer, but I'm not so certain that you keep stats to that detail. Of concern to a number of my constituents, and I represent the Lac du Bonnet constituency, and they travel to Winnipeg going down 59 highway just on the west side of Birds Hill Park. There seem to be an incredible number of wildlife collisions, particularly in the fall, during that section.

Does MPI keep stats in terms of how many collisions occur in the year and how much property damage occurs for that particular stretch of highway?

**Ms. McLaren:** We do collect information on the date of the accident and the nature of the accident. We should be able to pull that sort of information out. You know, there is an increasing deer population in this province. That's just the reality.

There are more of them than there used to be, and there's a surprising number of deer collisions that occur in the city of Winnipeg, but, certainly, across the province. I would expect that people in your community would have as many deer sightings closer to home as they would around the Birds Hill Park area, but you would know better than I.

**Mr. Hawranik:** Yes, I'd appreciate getting a breakdown in terms of the number of collisions per year in that particular stretch. The reason I ask that—well, first of all, yes, there are deer collisions in Winnipeg, but they're at a slower rate of speed than 59 highway. So it's likely the property damage resulting on 59 highway near Birds Hill Park would be much greater than it would be in the city of Winnipeg and the potential for personal injury would be there as well.

I'm just wondering if I could get the numbers of collisions and the amount of property damage that might occur in a year in that particular section of highway. I suspect that it's quite a lot of money, and if that's the case, has MPI considered, for instance, erecting fences on each side of 59 for that three- or four-mile section as they do in, let's say, for instance, Banff National Park? They do that right through the entire park. In this particular area, which I feel has an inordinate number of deer collisions, we're only talking about three or four miles of fencing during that particular section of road.

\* (19:30)

First of all, has MPI studied that particular issue in that particular portion of road, and have they considered at all putting fencing on each side of 59 to prevent deer collisions?

**Mr. Chomiak:** Yes, thank you. I think that's a valid question, and I think we should actually discuss that with highways, with respect to the policy considerations as well. It is a fact that MPI does want to reduce—wants to improve safety, so there's obviously an interchange of information, but I think Highways would be in a better position to track and to make that safety decision.

Also, in Banff now, they have developed not just the fences, but they've also developed pathways—and if the wildlife could only read the signs is always my consideration—in order to cross the highways at particular intersections.

So I think those are valid questions that we ought to direct towards Highways department and I

will also merge it with information from MPI. It's a good question.

**Ms. McLaren:** We will do our best, though, to put the information together for you. I'm not sure of the level of detail that we have with respect to accident location. Where, you know, there is intersections involved, we have some pretty good information now, but where it is on a stretch of highway, I'm not sure if we would know for sure, if it was north of Libau or directly across from Birds Hill Park, but we will see what we have and we'll try to do that.

You know, further to the minister's comments, I think, on occasion, people have suggested that MPI move out of its insurer role and do things like that, you know, put up fences and other things like that and it's always a challenge to figure out exactly what would be an appropriate role for Manitoba Public Insurance to be playing. In this regard, I think Conservation probably would be quite concerned about fences without overpasses. The deer do need to move back and forth, those kinds of things. So that there are some very much broader public policy kinds of discussions around this, but in terms of what do we know about the actual costs, we'll get what we can for you.

**Mr. Chomiak:** Yes, and I just want, again, go back to the general question and I think, with respect to road hazards and safety and these issues in general, I think it's worthwhile discussing this with our colleagues in Cabinet. It's a very valid suggestion and I'm taking it from there. I mean, short of the pathways and the signs and the fences, the only other thing is to bring my brother-in-law in from Enderby, B.C., to deal with the deer problem, but short of that, we'll pass that on.

**Mr. Larry Maguire (Arthur-Virden):** I just would like to ask, as well, a few questions in regard to a particular area that became a concern in my constituency back some time ago, and that is around immobilizers, the use of immobilizers and the placing of them in vehicles, and either you or the minister, or perhaps, the president—CEO, pardon me—answer that for me.

It's to do with a situation where a person from out-of-province came to Manitoba—and I know there's the 90 days, I believe it is, that they have to safety their vehicles before they can get registration and licensed in Manitoba—and the person's vehicle was such that it was on the list of vehicles that needed to have an immobilizer. She was in a rural community and she took the vehicle to the place to

get the safety done, garage service station to get the safety done, at an authorized location. The vehicle passed all of the safety except they didn't have an immobilizer in it.

So can you just inform me as to what the procedure is around what happens then? In this case, she was told that she couldn't move the vehicle, so I just wanted to get a clarification from you on that.

**Ms. McLaren:** The regulation specifies that these vehicles that are on the most at-risk list and come into Manitoba for the first time do need to be immobilized, and the way that's administered is through the safety inspection process; that the safety inspection stations understand what to look for and specify that now this vehicle does, in fact, need that. There is some measure of leeway for people, both in being granted extra time or being granted a temporary permit, but people need to follow up and ask. You know, it's not something that would be readily provided to everybody.

I know there was one circumstance where an insurance broker in one small town with a similar situation didn't take the step to sort of ask MPI: Is this a situation where you would provide some extra time or some extra consideration? We do what we can to make sure that people do have that time. So, you know, it would be unusual for the vehicle to pass everything to be safe, except that it doesn't have an immobilizer, therefore, it cannot be moved.

We certainly are doing everything we can to get those vehicles protected from theft, but there is, especially in rural Manitoba, where there is limited availability of people doing the immobilizer installs, we need to have the ability to work with people to have their needs met as well as the overall safety issue.

**Mr. Maguire:** Yes, thank you very much for that.

The circumstance that we were looking at at that time, and you're right, you're correct that not every service station has the right or has even applied to have immobilizers installed, from what I understand, and maybe a question on that in a moment, but this particular case, if it's a regular, certified, an authorized service station that can do the—or garage business that can do an authorization, can actually provide a safety, they could, technically, correct everything in that vehicle even if there were other issues around it and, technically, do all of the repairs that would be required to make the vehicle pass a safety other than just having the immobilizer

installed. Of course, as you've pointed out, it has to have an immobilizer installed to get its registration and licence at that time, or insurance I should say.

So, because of the limited number of locations, if you happen to, just by luck, hit a service station that doesn't have a licence and you happen to come in from out of province and you don't know that, that was the case that I'm referring to and there was no special permit allowed for this particular individual to move when the calls were made. It may be, speaking under the questions—my honourable friend from Russell was asking questions about a colleague on the issues of disability. There's always a few cases that maybe just don't fit the mold, but in this particular case, it's one where the government brought in the issue and set up the immobilizers and you know, and they certainly have worked in some jurisdictions. There's no doubt about that. But I think that the case that where this person was put out is there was limited funds, would have had to have got a, you know, a special tow truck or a tow truck to tow the vehicle to another location or else loaded it to take it to another location.

I think the only five places in western Manitoba to have these installed are Neepawa, Killarney and three in Brandon. That's what I was told at that time. Perhaps you can inform me whether that's changed lately or not. I don't know where the next closest one is east of that line, sort of just east of No. 10 because Neepawa and Killarney are both east of there as well, which means that there's nobody in my constituency that does it, I guess. Maybe they just don't want to apply.

Anyway, my point is, can you advise me as to whether there's been any process put in place to allow for a special permit to move a vehicle in that kind of case since this has taken place, since you've become aware of this?

**Ms. McLaren:** There is, yes. There is the opportunity to get the temporary permits for people that, under this most recent regulation, there's also—we're building time in for people who simply have to renew and have not had the chance to get that vehicle immobilized. There are people who still show up at the broker on almost the last day and not realize after everything we've done and many, many letters we've sent and notifications from brokers, there's still people who've been away, been not in contact and it's a surprise to them. So those people are given extra time. There is opportunity for temporary permits.

The best thing that we can do, though, really, is to make sure we get the information up front because, the way you articulate it—one of the things, they have 90 days. They have 90 days. Most people, as part of the moving process, that's one of the first things they do. What do I have to do? Our call centre doesn't let one of those calls go without saying, well, what kind of vehicle do you have? You might need an immobilizer.

\* (19:40)

So we do our best to get that information out to people. Yes, there is an opportunity to—first of all, if people buy one of those vehicles and move it into Manitoba and they live—and I don't remember the exact distance, but there's a specified hundred or more—if you live beyond that 100 kilometres or so from a community with an installer, then you're exempt from the immobilizer requirement.

So there are provisions built in. There are a number of different ones for different circumstances built in to avoid, wherever possible, people having to trailer their vehicle to an immobilizer installer.

**Mr. Maguire:** Just for clarification, this was a situation that even if the person had applied for the upgrade, the safety on day one, once they got the vehicle into the area and found out that they complied with everything except the fact that they didn't have an immobilizer, they couldn't move the vehicle because it had failed the safety. That's where the extra cost came into it. All of a sudden, they've got a vehicle they can't move; that's basically in a compound.

The situation was one that with the limited funds that were available in this particular case for a single mother of three kids living in a community where she didn't have a lot of resources, the community tried to help her as much as they could, but basically in order to get this put in without going to the extra cost, she would have to take it out on her own and run the risk of driving it to a community that had the ability to put the immobilizer in for her.

Fortunately, in this case, she didn't have an accident. Nobody hit her or anything on the way. But no licence on the vehicle, no registration on it—or, pardon me, a licence was there, but no insurance and no registration is just a terrible way, an awful position to put someone in. It wasn't about the time. The time, the 90 days, hadn't run out, that's for sure. So there was time to do it. It's just that the resources weren't there and she had a vehicle in a compound

that basically was—she wasn't able to move it because it had failed the safety, and it failed the safety because it didn't have the immobilizer.

So I just wanted to bring that to your attention. I know that I brought it to the attention of the minister, and I just wanted to know how recently those changes had been made to allow permits for them to be able to move that vehicle.

**Mr. Chomiak:** The president can't deal with specific third-party information, specific cases, so the facts the member has laid out, the corporation has endeavoured to do a follow-up, and we will do a direct follow-up to the member on the specific-fact situation. But we ought not to do an individual fact situation here in committee because of matters of third-party privilege.

Scenarios can be laid out, but specific cases we should try to keep away from.

**Mr. Maguire:** I take the minister's caution. That's why I didn't use a name, I didn't use a town, didn't use a business, and won't. But I'm laying it out as a scenario just to see when the recent change was brought about.

My question was, has there been a recent change then, to Ms. McLaren, just in regard to this type of a circumstance?

**Ms. McLaren:** The provisions that I mentioned have been there since the various stages of the program have been implemented, but we have taken some steps more recently to communicate again with brokers and with the inspection stations to make sure they understand the flexibility that's there.

**Mr. Maguire:** My understanding is, is \$284 correct, that a dealership is provided for the installation of a—correct me if I got the number wrong, but there is an amount that the dealership or a service station can get for putting an immobilizer in and they would apply to Manitoba Public Insurance for the right to have the authority to make the installations?

**Ms. McLaren:** No, they don't apply to Manitoba Public Insurance. The immobilizers that are funded by MPI are certified, through a national program, as meeting the national standard in terms of their effectiveness.

There's also a national organization called the Vehicle Security Installation Bureau. They are responsible for certifying the devices and then also certifying the individual shops that want to become installers. They train the technicians. They come in

and do spot checks on the operation of the facilities to make sure they're operating appropriately. They follow up with any customer concerns. They ensure, to the extent that they can, that all of the shops installing these national standard immobilizers are doing so according to the national standards.

So, if someone wanted to start offering immobilizers that would be funded through MPI, they would deal with the Vehicle Security Installation Bureau, get the training, get the certification, and then they would be part of our program where we put them on our list of certified, qualified shops. The shops are paid \$300 for installation, a standard immobilizer install.

**Mr. Chomiak:** I know the member will find it hard to believe, but if he was referring to a newspaper column relating to a fact scenario, there was a correction printed in the newspaper about some of the factual errors that appeared in that particular column.

**Mr. Maguire:** Yes, the minister may be right on that. I wasn't, but, anyway, this was a first-hand case that had been put before me. The \$300 for installation, are you finding that dealerships are lining up to apply for the installation of these immobilizers in the vehicles, or are they finding it not worth their while?

**Ms. McLaren:** Actually, there are a number of businesses, primarily in Winnipeg, that have been started up to do nothing else. So it's certainly viable for them. They believe it a good business to be in. There are a number of specialty automotive electronic shops and some motor vehicle dealers who have also set aside a certain number of bays in their operation and fill those slots virtually every day.

When we recommended to the government the number of vehicles that should be covered by the mandatory program that began September 1, it was with full consideration of what is the capacity of the installation market because we didn't want to be requiring immobilizers that people couldn't get access to.

So the number of immobilizer installation facilities has been fairly static for the last couple of years. Sometimes some of the shops add a few more technicians; sometimes they'll have a few less. Some shops will stop doing installs and others will start, but the core of that group has been very stable. As I say, some businesses are doing nothing else, so I

think they would have to say it's a worthwhile economic venture for them.

**Mr. Maguire:** How many vehicles would there have been on September 1 that required the installation of an immobilizer? How many, given that 75 percent of the population is within 50 miles of Portage and Main, I'm not counting the Perimeter and going beyond that, but how many immobilizer installers, just for my information, I may have missed it in the paper, would there be in that surrounding area within the 50 miles of Portage and Main, within the Winnipeg area?

**Ms. McLaren:** There are about 47,000 vehicles that will be immobilized under that mandatory program over that full 12-month period, which are about 4,000 a month.

The only vehicles that are required by law to have the immobilizer are those that are registered here in Winnipeg or used to commute into Winnipeg. So all of them, by virtue of that requirement, have ready access to most of the installers which are located here in Winnipeg.

The capacity of the installation marketplace within that catchment of the mandatory 47,000 vehicles, we need to immobilize about 4,000 a month and the installers have the capacity to handle about 4,500 to 4,600 a month. So there is still a little bit of room for people who missed their first window or people who are not obligated under the mandatory program, but still want to voluntarily come forward, different situations like that. There's a little bit more capacity than we need.

**Mr. Maguire:** From one of the previous questions I asked, if you're in a rural area and you're over 100 kilometres away from an installer, you're exempt. Did I hear you correctly on that?

\* (19:50)

**Ms. McLaren:** Only rural Manitobans who own most-at-risk vehicles and don't use them to commute into Winnipeg, who are obligated to get an immobilizer, are those who bring one into the province for the first time. I will double-check before we leave tonight if it is 100 kilometres, but there is a limit of at least 100 kilometres. If they are that far from an installer community, they do not need an immobilizer.

**Mr. Graydon:** I just want to speak to this immobilizer situation, and I'm going to quote from a response to MPI on September 13, '07.

I spoke to Jolene Lewandiwsky. She says that they will not be authorizing any more immobilizer installers. They feel they have sufficient installers now. A mandatory immobilizer requirement is only for owners of certain cars living in Winnipeg, or certain cars that are commuting to Winnipeg daily, paying a commuter status insurance fee. CAA Manitoba and Absolute AutoGuard will not accept any more business to do the installing. They have two years left in the program and are focussing on workmanship issues. If they bring more dealers in, the mess will just get much greater to clean up. Now, I'm quoting this. This is how this has been. I asked to speak to her superior. He was in a meeting but she would not tell me his name. I asked who his superior was. She said it was a VP of automated services. He was in a meeting but would give me the same information, and this is documented from a very, very high source.

Is that the situation in rural Manitoba, that there will be no installers put into place from now on, and is there some mess to clean up? I just don't understand that.

**Mr. Chomiak:** I don't think that's in fact the situation, and I think it would be useful to check out the source of that particular quote. Without the source and without the specific reference, one case quote given to the president or the CEO—an exception does not make a policy; no pun intended in terms of the insurance industry. We can perhaps discuss that. There's obviously—no one in the corporation would want to create a mess. We have expanded the capacity in rural Manitoba. We'd be prepared to expand the capacity in terms of immobilizers. I don't think that's a problem, so I think that's the extent to which we could answer that question. The specifics I'd be prepared to follow up on, but I don't know if the president can actually deal with that kind of an issue.

**Mr. Graydon:** If you're prepared to follow up on that, Mr. Minister, the documentation is available and will be presented to you at the earliest possible moment.

I'll turn it over to my colleague from Turtle Mountain.

**Mr. Cliff Cullen (Turtle Mountain):** Mr. Chairman, I just want to change gears here a little bit, if I could. I believe that Manitobans have been pretty well served through the broker network throughout Manitoba, and over the last year or so, of course, it's been greatly increased in Winnipeg

through the driver licensing extension. I do have some concerns and hopefully you can explain it to me in terms of enhancing some of your services at your MPI—I'll call it regional centres, if you will. I'm just wondering what type of services you're going to be providing at those branches and if it's going to impact the delivery of services by the broker network.

**Ms. McLaren:** No, we don't believe that that will disadvantage the broker network at all. Primarily, the services that we are expanding into what are currently claim centres are services that MPI employees have to provide: driver examiner surveys, driver examiner services, driver improvement and control interviews, those sorts of things. We do, though, have a policy that we will not turn people away. If they choose to come to us to do their driver licence renewal, their Autopac renewal, we will serve them. We don't promote that we do that directly, but we will not turn them away if they choose to come to us. This is a conversation that we have had with the Insurance Brokers Association of Manitoba. The Insurance Brokers Association has been actively engaged with us in the Winkler pilot. Manitoba Public Insurance has always been a broker company. We have always primarily delivered our services and our products through the independent insurance brokers. We have every intention of continuing to do that. We work very hard to continue to have a very strong relationship with brokers.

As I say, in the Winkler situation, they've been working very closely with us to understand what we're doing to play a proactive role in it. We're working to make sure that they are not disadvantaged by the things that we're doing, you know, in that first service centre, which we're using as a pilot. We've been really pleased with the way that they've co-operated and collaborated with us.

For example, you know, they really do put their customers first. Since we have the Winkler service centre operating, there are things that brokers can continue to do for people, but, really, what they do is they facilitate a request and they send the request off to Winnipeg. The Winkler brokers are now saying to their customers: You know what? If you get back in your car, go down the road, you can get that today. Go down to the service centre and get it today. They're not being territorial with their customers. They're looking out for their customers' best interests and, together, MPI and the Insurance Brokers Association will make sure that brokers continue to be people's first choice and the primary service

delivery vehicle. I have no doubt that they will continue to do that.

**Mr. Cullen:** I appreciate Ms. McLaren's comments on that, and I'm sure the brokers will be quite happy to hear that as well.

There has been, I guess, a requirement by brokers, especially with the driver licensing aspect, to have additional equipment in their office. I'm not sure how the finances were worked out with MPI and the brokers in terms of that extra cost of that investment in both hardware and software. I know the other thing that has been a bit of a concern was with the new system of driver licensing renewal, that it does take a longer period of time to do a renewal now at a broker's office.

So has there been any change in commission or compensation in that regard? Or is there any discussion about changes in commission going forward, both from the driver licensing side of it and also from the Autopac insurance side of it?

**Ms. McLaren:** First of all, with respect to the software that brokers need to do any Autopac or MPI-related business, we provide software always. In terms of the cameras, which is really the other hardware that we needed to introduce with the new driver licence system—cameras, flashes, signature tablets, things like that—we paid for all of it. We bought it all for them. So no issues around that.

Historically, and continuing today, the commission paid to brokers to handle the driver licence transaction is low. It's small. During the transition year, particularly because we were aligning information from two computer systems, you know—and it's surprising the number of people who had a box number on their driver licence and a physical address on their Autopac. We had to take the time lining that up together to say: Okay, which one is right, and how do you want that to work? The process of aligning the driver licensing information into the Autopac system took more time. Brokers definitely took more time. For the one dollar that they earned to do a driver licence renewal, they weren't sure that that was time that they were really making much profit on, to say the least.

What IBAM and MPI have always agreed with each other, though is, you know, if anyone wants to do a full, overall review of all the costs of doing business as an Autopac agent and the total commission picture that brokers earn for doing that, and start to make some changes around that, both

parties, MPI has always said, if IBAM wants to have that full, overall look at the entire commission future and structure, we would be willing to do that. We didn't want to sort of start taking one-off little situations here and there. That's where we left it. You know, it was a transition issue. It took a little bit more time, but it's much smoother now. It's aligned. They're saving a lot of time now because people come in there together. The documents are printed together. They're back out. They get their, especially in rural Manitoba, right? You get the three half-tons and the family car and the driver licence all done at once. You're good to go.

\* (20:00)

So there may be coming a point. There may be coming a point that we will revisit the entire commission structure, but it will be when both parties agree that that makes sense to do that. We didn't sort of just take a little look at the driver licence fee. In the time that it is a dollar, it's very low, but when you look at the entire picture now, the way it is, the dates are aligned, the processes are aligned, it is inherently more efficient for everyone the way it is now.

You look at that in light of the fact, as well, that the percentage base commissions that they earn on the Autopac program as a whole have continued to produce more revenue from them because premiums have increased as people buy more different kinds of Autopac coverage or they upgrade to higher-rated newer vehicles. The overall commission increases regularly every year.

**Mr. Cullen:** I appreciate Ms. McLaren's response. In terms of the vehicle registration fees and the driver licence fees MPI collects almost—well, last year \$117 million on behalf of the Province and turns that money over to the Province. I think most Manitobans believe that \$117 million would go into infrastructure, but unfortunately it goes into the big hole there in terms of the provincial coffers. That's a political statement, Mr. Minister, and I'll leave on the record.

**An Honourable Member:** As long as it's factual, it's okay.

**Mr. Cullen:** It's factual. There's no doubt in my mind it's factual.

The question I have is in terms of setting the vehicle registration fees and the driver licence fees, who does that? I assume that is also regulated by the Public Utilities Board. The second part to that, or

third, are there any possible changes coming forward in the future in terms of rate increases?

**Mr. Chomiak:** Of course, I am forced to respond to the member's statement in the preamble which actually I'm proud to do because it's similar to what the previous minister responsible said to the member two years ago about the funds going into general revenue and the robustness, in fact, and the expansion and the absolute increase in infrastructure and highway money in the 10-year plan of this government which is unprecedented in provincial history.

Should the member want to continue this discussion, I'm quite happy, but having said that I'll turn the microphone over to the president to deal with the rest of the answer.

**Ms. McLaren:** One of the key features of the Autopac program is that both driver licences and vehicle registrations, the registration insurance process is really inextricably linked. You can't have one without the other. You register your vehicle, you're guaranteed the right to buy insurance. It's a high-quality comprehensive package of insurance. You just can't be refused.

That's one of the key features of the Autopac program, but the whole system of establishing registration fees and driver licence fees has absolutely nothing to do with Manitoba Public Insurance. Those fees are not set by MPI. We do not apply to the Public Utilities Board to approve those fees. They have nothing to do with us. Those are government fees, always have been. We have always collected registration fees with the Autopac renewal process, and then passed that money directly back to government. Before the amalgamation DVL always collected the insurance premium on every driver licence and gave that over to us because they administered the driver licences, we administered the vehicles.

The Public Utilities Board reviews and approves basic compulsory automobile insurance rates. That's it. I don't really know the answer as to who sets those fees, but it is somebody in the government.

**Mr. Cullen:** Just for the minister's benefit, up till the present year, you know, the province spent about \$300 million, I believe, or less than that on infrastructure in terms of highways, \$100 million came directly through MPI through vehicle registration driver licensing fees, and probably close to \$200 million in gas tax revenue. So the Province—

government didn't spend a lot of extra money on its own in infrastructure up till this point in time.

*Mr. Vice-Chairperson in the Chair*

Certainly, we as opposition will be making sure that the government is spending its budgeted amount; it's \$400 million this year. We will certainly keep tabs on that.

I guess one final question from my perspective, the driver licences, I understand, are manufactured, put together in Saskatchewan. Will that continue in the future, or are you looking at a Manitoba option?

**Mr. Chomiak:** Yes. Just before I turn the floor over to the president of MPI, I'll just suggest that the highway budget in the Infrastructure budget is at an all-time high, as is the number of seats held by the New Democratic Party in Manitoba and leave it at that.

**Ms. McLaren:** We certainly don't have any plans to start producing the driver licences in-house or with a Manitoba supplier in the short term. We'll see, through the longer term, but, you know, when we talk to Manitobans, we try very hard to understand what Manitobans expect of us, and we try very hard to meet those expectations. They really expect us to run an effective operation and an efficient operation. They certainly wouldn't argue with a made-in-Manitoba solution, a Manitoba production of the driver licences, but I think a good number of them, most of them in fact, would qualify that by saying, if you could do it for the same cost.

We pay less than \$2 a card to have Saskatchewan Government Insurance, in a Saskatchewan government facility, produce those cards in a very high-quality production in ways that perfectly meet our needs at this point in time, have enabled us to come much closer to meeting the emerging Canadian standards of driver licence issuing quality, and so on. We'll continue to do that as long as they can meet our needs in a highly cost-effective and satisfactory way.

**Mr. Maguire:** Just a quick question. Last spring there were rebate cheques came out in May. Was that from the '05 or the '06 surplus year?

**Ms. McLaren:** The rebate cheques that we issued to Manitobans were paid in the '07-08 fiscal year based on excess funds to policyholders in the previous year based on excess funds the year before that. So there's a three-year window that the PUB looks at in terms of determining. They look at the financial picture.



When we are in front of them is usually in October of each year, so they passed the order in November '06, ordering the rebate that was mailed out early in our '07-08 fiscal year. But it was really based on excess, what they considered to be excess retained earnings, in the last fiscal year because of rates that people paid the year before.

**Mr. Maguire:** Would it have been your office that made the decision to send those cheques out in May when they were dated in March?

**Ms. McLaren:** Well, the reason they were dated in March, and it's exactly the same thing we did exactly the year before. It's the second rebate in a year that was mailed within days of each other. The process that we have is we have to take a snapshot of our computer file and calculate the amount of each individual. There are over 500,000 cheques that we have to produce, and the end of March, we have to take a snapshot of the file as of that date to figure out what everyone is entitled to receive, based on their last year of premiums paid.

Quite frankly, it takes us the next two months to produce them, to print them, to put them in envelopes, to get them ready to meet Canada Post standards and to give Canada Post notice that they're coming. So the entire process was virtually identical to the process that we used for the last two years, and that was as fast as we could get them out, absolutely. So, yes, it was our decision as to when we take them out of the computer system; therefore, dated them like that, and then started to actually produce them on paper and envelopes and get them ready to mail, yes.

\* (20:10)

**Mr. David Faurshou (Portage la Prairie):** I would like to begin, first off, on a very positive note. I want to compliment the staff of MPI. I've had numerous occasions to work with both your Fair Practices Office, as well your customer relations department, both extraordinary in their response and in their dealing with the public.

I will say, though, that there is definitely some concern in the public as to who is really interested in their best interests. When persons come with a claim from an accident and they're being dealt with by MPI staff, they are given a lot of the impression that the individuals that they're dealing with, they're representing MPI's best interests rather than the interests of the motorist that has an insurance claim.

I know that there was discussion at one time of breaking out a portion of MPI to effectively be a representative of the clients, the insured persons. Has that ever been further discussed so that when you have a claim and you come forward, the individual is there acting on your behalf and is not effectively directly managed by MPI personnel?

**Ms. McLaren:** We have a legislated responsibility to serve people's interests.

In terms of any discussion about spinning out the actual handling of claims to be managed, like the adjusters and case managers would work for someone other than Manitoba Public Insurance, I haven't been part of any discussions like that, no.

Thank you for your comments about our staff. I think the vast majority of our staff would be worthy of those kinds of positive comments that you've made.

There always will be times when someone doesn't handle a situation well. There are people that will always need a little bit of remedial training, but in terms of the mindset of our staff, if it is a collision claim and you come in to see your adjuster, that's your adjuster. It's your adjuster's job to deal with the other party's adjuster. So, yes, that person is your adjuster, looking out to make sure that you have the benefits that you're entitled to by virtue of the policy that you have.

On the injury side of things as well, as your case manager, we go to the degree that we possibly can to have a collaborative case-management approach to helping people recover from injury claims that involves where the claimant approves such an approach, engaging other family members, engaging all the different kinds of health-care providers that would be part of it. Clearly, that individual is the claimant's case manager. That's the mindset that we have. That's the way our staff are trained. That's what we expect most people to feel like once they have dealt with Manitoba Public Insurance.

There will be exceptions. We're not going to get it perfect every time.

**Mr. Faurshou:** Well, it comes from an observation, and I will speak from personal experience. You come to a point where the case manager or the adjuster is being paid by MPI and managed by MPI. Their first chain of command is MPI, and yet they're supposed to be there trying to get the last nickel out of MPI on behalf of the individual that they're supposed to be representing.

There is a conflict in interest there, and I will get into a little bit more specifics of it, but it's just the chain of command and the impression upon whose master do you really serve here. I think the minister clearly understands where I'm going with this.

*Mr. Chairperson in the Chair*

**Mr. Chomiak:** That is a fundamental issue that we face in government in general across a number of spheres.

If we take the Justice Department, for example, under the ambit of the Justice Department, would be the judicial side, the investigation side and the prosecutorial side. Each of those are supposed to be independent functions operating under the auspices of a justice system. One takes incredible steps in order to preserve the autonomy and the independence of each of those and one hopes that that's achieved.

Within the corporate sector, within the Crown corporations, within a monopoly setting, a monopoly-based insurance corporation, I think, to the extent that they can strive to achieve the goals, both of the shareholders in general and of the public at large, is something that we've managed very well, but we have to do that in a number of areas to achieve that. I think the management and the board of directors of the corporation, in particular, are quite aware of that role and function and it goes to the essence of what it means to be both a public corporation and to be a shareholder and to be a consumer.

**Mr. Faurchou:** Yes, well, I just raised that concern. But I know the government and MPI have been very responsive on some of the issues since I was first MPI critic in bringing forward the idea of having a Fair Practices Office and was very quick to respond, although I will still state my original consideration, and I do believe that the fair practice office should report to the board or to the minister. I know that currently the fair practice officer reports to the president just insofar as that's my own personal observation and trying to, you know, bring it around to working in the best interest.

Also, too, the advocate's office, I was also very supportive of that, and I understand it's working quite well. Having made that statement, where is the caseload to the Ombudsman's office? Have there been more or less cases referred in the last year to the Ombudsman's office resolution than in years past or not?

**Ms. McLaren:** The Ombudsman annual reports show that the number of MPI cases has been very stable through time.

**Mr. Faurchou:** Yes, short snappers here. DVL costs. First year of operations, you know, clearly, I know the government has stated that they will provide \$21 million annually in perpetuity. Yet I can't see in the reports actually how much it costs MPI to operate the DVL component within their operations. Is \$21 million covering it or not?

**Ms. McLaren:** No, at this point. We did discuss some of this a little bit earlier this evening, but it's not covering it at this point. I think maybe last year it was about \$26 million total all in, but I think some of that, as I said, some of that is just because there's different reporting requirements of a Crown corporation versus a government department. Some costs were centralized as a part of, you know, centralized elsewhere out of DVL when it was part of the government.

So some of it is just reporting differences, but some of it is an annual increase in costs that we're facing before we're able to obtain any of the real benefits and cost-saving strategies that we've introduced. The driver licence system that we implemented a year ago, when it's fully paid for will save us about \$2.5 million a year.

Closing down separate DVL offices and having full MPI service centres will save us about \$2 million a year. Those are the only two that we have, one complete and one fully underway at this point. We're not done.

There are many other opportunities for Manitobans available to us because of the amalgamation. Some of those are improvements in service and offerings. Some of those will be cost reductions. So, to this point in time, it's costing more than the \$21 million and we don't expect that to continue.

\* (20:20)

**Mr. Faurchou:** Before I turn things over to the honourable Member for Inkster (Mr. Lamoureux), the level of dollar-value damage has been unchanged for many years in respect to reporting to the police services, RCMP, Winnipeg Police Service, Brandon Police Services at \$1,000. If you incur \$1,000, you're supposed to report to the police an incident, an accident. That has been unchanged for years and years and years. Is there consideration to moving it up?

I will speak on behalf of many police services personnel; the idea is that they would like to see the threshold move considerably higher from \$1,000?

**Mr. Chomiak:** Insofar as that's a policy issue related to government, I will indicate that that representation has been made on behalf of some individuals in the police and the corporation to the government with respect to the reporting issues.

**Mr. Faurschou:** I thought there was going to be a little bit more to the answer, but under consideration.

**Mr. Chomiak:** You could put it that way.

**Mr. Faurschou:** The other is the safety issues. I just want to pick up on my honourable colleague for Lac du Bonnet who talked about investment in the best interests of the insurance industry, MPI, whereby wildlife is incurring significant damage. Other monopoly insurers do actually recognize significant insurance risk areas and have invested in an attempt to minimize their own exposure and the amount of claims, not only going with wildlife but very bad intersections. They will say: If we improve that intersection which costs us—I'll just pull a figure out of the air—\$5-million worth of damages last year, we increase that intersection by investing \$2 million, we're money ahead.

Has this been discussed with government in this consideration at all?

**Ms. McLaren:** I can speak maybe more, inform from a better position in terms of the conversations within MPI and the decisions that the corporation itself is able to make and does make. With respect to investing and loss prevention programs, no one is as proactive on the auto theft front as Manitoba Public Insurance. We certainly understand the concept of understanding a good, solid business case for investments in non-traditional areas to save lives and save insurance dollars.

The more you look into what else might be doable out there, the more challenging that becomes, because it is very easy to make any number—you know, if MPI decided to start sanding the streets of Winnipeg in the wintertime, and to do it more frequently than is currently done, maybe we would save some money. There are any number of ways that someone could propose that, if we took on someone else's legitimate, legislated responsibility, ratepayers might save some money. So it's difficult to come to broader-based determinations in terms of what makes sense here, what makes sense there.

Clearly, we understand from a loss-prevention perspective, from a business perspective the money that we're spending on the auto-theft front is sound from a business perspective. We think it's exactly the right thing to do. It may not be the last time that the corporation would come to that sort of determination about a loss prevention program, but it really needs to be something that is entirely appropriate, not treading on other legitimate responsibilities of other organizations, and something that ratepayers would also support.

**Mr. Chairperson:** I have a speakers' list, and next on it is Mr. Derkach.

**Mr. Derkach:** Thank you. I'll try not to prolong this, but something just occurred to me. If I go into a broker's office and I wait to renew my driver's licence, and I have a cup of coffee on him, and I might even have a refill, I walk out of there with a driver's licence and it has cost him money, because he only gets a dollar for the renewal of the licence, right. Anyway, just a comment.

More seriously though, a question on the commercial licence side: At the present time, we are told that we cannot fax our information in for the application to MPI in Winnipeg to get a commercial licence. We have to drive it in and hand it in and then get our plates. Is there an explanation for why one can't use technology today, whether it's e-mail or fax, to be able to either pull that form off the Web site, fill it out, fire it back in with the signature, and then go into the local broker's office and pay your licence costs and get your plates?

**Ms. McLaren:** Given the barriers and restrictions that you've talked about, I'm concluding that it's not a standard, regular, commercial vehicle transaction, but it's really the public service vehicles, perhaps interjurisdictional trucking, trucking that crosses provincial and maybe U.S.-Canada boundaries. And you're part of an international reciprocity program, therefore, that Manitoba is bound by very strict requirements of both its national partners and international. It is part of an international program. Many of these vehicles actually pay part of their registration fees to Manitoba and North Dakota and maybe Mississippi. Who knows?

The trucking industry has become a very international cross-border, cross-jurisdictional boundary business that Manitoba has to live by the rules of all those other jurisdictions that it's participating with. Put that together with the fact that DVL, with its public service vehicle system and

infrastructure, has some significant constraints on it in terms of its infrastructure. It's simply not part of Autopac on-line. It's not part of the computer system that brokers have access to. So that, coupled with the agreements and requirements on Manitoba from these other jurisdictions, really puts some boundaries on what those staff can and can't do.

Should there be ways to address this and improve service to people who are really trying to do business in Manitoba in an important way? Absolutely. It's something we need to improve. It's something we're working on. Faced with any business-making decisions in terms of priorities, when we had to have a new driver licensing system for 800,000 people, that took precedence over trying to make improvements for the smaller number of people who have this international registration, public service vehicle thing going on. But it's certainly on our hit list. We certainly plan to improve it.

**Mr. Derkach:** Thank you, and I certainly appreciate your answer, but in having filled out these forms numerous times, it isn't that complicated a process. Even if you're not going across to the United States or you have to stay within 25 or 30 miles or whatever it is in another jurisdiction, those are pretty straightforward forms. I would just encourage for the—I guess for the better service to those customers that it would go a long way to be able to provide those at local brokerages.

A question with regard to the service centres. Now these are MPI service centres that you are looking at and the first one is in Winkler, outside of the city. Will these be amalgamated with brokerages across the province, or will they be separate service centres that will provide perhaps duplicate services in communities of what's being offered now at a broker's office?

**Ms. McLaren:** The MPI service centres currently are MPI claim centres, so the 19 claim centres we have across the province will become full-service MPI service centres. So they will duplicate some of the services that brokers provide but not in an aggressive, competitive kind of way. We simply do not want to turn people away who choose to come to our office and renew their Autopac.

Mostly, what we mean by creating these full-service service centres out of claim centres is driver testing services will be available in more locations. Interviews with respect to medical records, driver improvement and control—all of those other functions

that DVL-MPI employees have to do themselves cannot be done by brokers. You know, testing services, those are the things that we're talking about introducing to parts of the province who have never had them on a regular basis. Winkler now has a full-time driver examiner working out of the Winkler Claim Centre. There will be one in Steinbach. There will be one in Beausejour; there will—where we have claim centres. Where we have claim centres, those are the service centres.

\* (20:30)

**Mr. Derkach:** With regard to safety issues, I know that MPI involves itself in areas where there are safety matters that affect, of course, the claims that come into MPI and so forth.

Does MPI ever consult with the Department of highways and Transportation on safety issues as they relate to construction of highways? Specifically, stop lights and, perhaps, meridians and merging lanes?

**Ms. McLaren:** No, Manitoba Public Insurance's role with respect to road safety is really to promote education and awareness amongst Manitobans. That's why we're promoting seatbelts. We discourage drinking and driving, things like that. We do not have the skills in-house to be having those kinds of conversations with Infrastructure and Transportation. We are not, we don't have engineers on the payroll in any sort of road construction or road safety kind of way.

**Mr. Derkach:** I understand that and respect that answer.

The last question I have is with regard to seniors. Many, many seniors, who have never had an accident in their lives, never had a speeding ticket in their lives, are getting letters from MPI requesting that they take a driver's test or their licence will be lifted. Upon examination of why, either someone has reported something, some incident, thinking this was the individual, written down a driver's licence, or licence of a vehicle and, based upon that, whether it's a fictitious, a malicious report, or whatever it might be, the individuals get a letter requesting them to take a driver's test.

A lot of these people are seniors. They're in their, perhaps, mid-, late 70s, early 80s, still quite capable of functioning, but it just puts the fear of God into these people when, all of a sudden, MPI sends them a registered letter that says: You will have to have a driver's test by a certain date or your licence will be lifted. When they're asked why, or

when they ask why, nobody can provide a really valid answer. There hasn't been an accident; there hasn't been an incident of any kind that they know of; they've never been stopped by a police officer. It's just come out of the blue. This has certainly happened on several occasions. Yet, when I personally asked the question of MPI, why is this happening to seniors, the response I got was: We do not do that on an age-specific basis. However, I can't find any evidence of people who are in their mid-life years, or early years, unless they're teenagers, who obviously sometimes get into problems—and any one of us can get into problems, but we're not picking on teenagers—but it seems to be a propensity to go after the seniors and those who are in their later years of life.

**Mr. Chomiak:** If one looks at health stats and rates of service and population demographics, one finds that more health services are provided to more senior Manitobans than are provided, say, in middle years, just by nature of age. I'm being careful in my choice of words here. So I think that correlation exists as well, with respect to driver's licences and prohibitions or retesting as a result of medical conditions.

**An Honourable Member:** That's for the Human Rights Commission.

**Mr. Derkach:** I know, and I'm a little concerned about what the minister just said because I'm thinking about these circumstances that come to me—*[interjection]*—and they are not medically related.

**An Honourable Member:** Okay, they're not medically related?

**Mr. Derkach:** No. Now, I can understand it if I go to a doctor and I can't read the letters on the wall. He may think that there should be some concern. But in the circumstances I'm aware of, where we've looked at their medical records, there isn't a problem. It's been a report by somebody who's not identified, and whether they're malicious or whatever they are, there doesn't seem to be any substantiation of fact. Nevertheless, the request is made.

**Mr. Chomiak:** I think that that observation is correct in that there may be occasion when a third party, say, a parent of a reckless child observes a reckless driving behaviour—that's just using an example—and reports to MPI that the child is driving recklessly. As a consequence, maybe this is supported by other information, and as a result, a retest or more information may be required. I use that as an

example to the member that on occasion information can be provided. One must recognize that a licence to drive, in our society, is a privilege, not an outright right, even though most males my age assume it's something that we're born with and only death can remove from the right to have a licence. In fact, that's not the case.

**Mr. Derkach:** I guess I come back to a policy issue here, again. When there is a question like that and the individual has not had any altercations in terms of his or her driving record, instead of automatically sending a registered letter that says, you must be retested, would it not be more practical in those circumstances to at least offer that individual some latitude in terms of perhaps having a MPI official have an interview with that individual to examine whether or not the circumstances that surround the initiation of the request for a test were warranted or whether, in fact, they were malicious or insignificant? It seems like there's no middle of the road. It appears that, whatever has caused that underlining of that individual's driving record, the step is to automatically retest. Would it not be more prudent to at least afford that individual the courtesy of an interview and then make the determination following that interview whether or not a test should occur?

**Ms. McLaren:** The policy and the procedures that our staff use in these situations is to never call someone in for a gratuitous, often—sorry—

**An Honourable Member:** Unsubstantiated.

**Ms. McLaren:** Possibly unsubstantiated, but anonymous is the word I was looking for, complaint. They will not call someone at any age in because someone says I saw this bad driver turn right, so on and so forth, when—*[interjection]* Yes, the policy is that they will not do that.

Where there may not have been medical circumstances like, no, this person has not begun to suffer blackouts; no, they still can see across the room—doctors are obligated by The Highway Traffic Act to report any concerns that they have. The practice is that once a credible report comes in, the process is to call them in to be retested. The credible reports are often from concerned family members. Not everyone, whether it's the doctors, as I understand it, or the concerned family members, they are not always all that willing to say Dad, it was me.

\* (20:40)

It's very contentious. We understand that. The staff is sensitive to the fact that what often happens when people get that letter, they don't come in for the test. They stop driving, and maybe they would have passed with flying colours. It's very stressful. Many people, not many, but there are still some people driving today who simply filled out an application for a driver's licence and didn't have to take a road test ever. That long ago they didn't even have road tests. We're all pointing at each other.

So we understand that it's difficult for people, but we don't call them in gratuitously. It has to be a credible report from someone who is fully prepared to identify themselves to us. We will then respect that privacy, but we don't do it based on a gratuitous or a flippant complaint about someone or sometimes even out of spite or something else like that.

I did hear about something very interesting from another jurisdiction recently that I think is something that, I think, we need to, maybe, think about. There are some jurisdictions in Canada, a limited number, where they have mandatory retesting after—I believe it's after age 80. So they need to call in a number of people to go through this process by statute. I'm not suggesting that Manitoba do that. I'm not suggesting that, but—and this is the interesting part—what they do is they, because they know it's stressful for people—almost like the interview you suggested—they bring them in; they have tea and cookies; they talk about what the test will be like; they give them a comfort level with them; they sort of walk them through it in a discussion kind of way. Before they take them out to the car, they try to build their confidence and ease their stress level before they actually go through the process. I thought that was a very interesting approach to a difficult situation that we need to look at. But, in terms of gratuitously calling people in, the staff won't do that.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chair, I have a series of questions. I trust that, for a number of them, if Ms. McLaren could, in essence, take as notice and get back to me, it would be very much appreciated. The first one's in regard to rate comparisons. I suspect that MPI must have rate comparisons dealing with different categories. For example, a 16-year-old male wanting to drive a Mustang, and what that would cost in Manitoba via other jurisdictions. Equally, the 45-year-old married housewife that's going to drive a Chrysler Caravan type of thing, if I could be provided that or if she can cite a page where that would be available, and I'd be more than happy to take it from there.

**Ms. McLaren:** We can give you some of that information. We do a lot of rate comparisons that we include in the public information package that we issue every June as part of our rate application to the Public Utilities Board. The example that we have in the annual report, the '06 annual report on page 30, when we do those kinds of comparisons, now, it says in here, in terms of rates based on a Chev Impala and things like that, but it's also for someone with the maximum discount, which means you have at least, you know, 10 years of clean driving. So we try to look at—generally speaking, this is a rate that would apply for the typical 43-year-old thing. Those are the best drivers. We tend to have those lowest rates. Certainly, we have the lowest rates, without a doubt, for the 16-year-old, until such time as that 16-year-old proves himself to be a very high-risk driver by his own behaviour; then we charge him more. But, as long as they're clean, our rates would compare hands down anywhere else.

We can give you some of that detail, but, generally speaking, when we publish rate comparisons, we're doing it from the position of what is the norm, typical Manitoba driver, and that is like a 43-year-old male or female with a good driving record. We are generally the lowest in that spectrum. Certainly, by far lower when you start talking what tends to be higher-risk groups like young drivers, and, often, sometimes much older drivers.

**Mr. Lamoureux:** Again, whatever information you can provide would be great. I'm just going to go through a series of questions, and only because of time if we could keep it as—

Ms. McLaren, you'd mentioned in regard to the rebate cheques, I believe, it was March that they were dated. In May they were actually circulated. It was during the provincial election. Two questions that come to mind off your responses: One was, are you saying that MPI does not have the capability of being able to circulate cheques within a four-week period of time? That it's just not possible?

The second is, would you have followed instruction from the board as to when those cheques would have been circulated?

**Ms. McLaren:** No. It was management's job to tell the board what it could and couldn't do with respect to issuing those cheques. It was also subject to the PUB process that they specified in their order. They said that, you know, you couldn't even calculate the amount of the rebates until after March. So you have to get through your year-end, which is the end of

February. You have to get far enough through your year-end to believe that you've got everything processed and fully reflected as of February 28, and then you start to do the work.

Could we have done it faster? If we had chosen another way to do it, potentially it could have been faster if we had decided to outsource that work. Potentially, maybe even it would have had to be outsourced outside of Manitoba. We did this work with our own employees on our own premises, securing those cheques because understanding we're talking over 500,000 cheques here. No, we do not have the ability corporately to produce, print, sign, stuff into envelopes 560,000 cheques in a four-week period. No, we don't.

So, by the time we go through that process, ensuring the integrity of the process, ensuring the security of the cheques we've already produced and printed and stored, that's the time it took us a year and a half ago, and that's the time it took us this spring.

**Mr. Lamoureux:** I appreciate the answer. With hindsight from a corporation's point of view, do they see it being somewhat problematic or why people would be concerned that a Crown corporation would issue a cheque during an election? Who would have made that decision to go ahead and issue the cheques during an election?

**Ms. McLaren:** The corporation made that decision. I think the consensus amongst the management of the corporation was that Manitobans would have been an awful lot more concerned if we'd held on to them until later. It may have been perceived somewhat differently if it was the very first time we did it, and if it had been something that was solely within the corporation's discretion. This is something that was ordered by the Public Utilities Board. We got that order from the PUB in November of '06, and at that time we issued a news release and told people the cheques would be out in late spring, early summer. We told them that in November. We told them that again when the new rating year started in March. So election campaigns are called and finished in a fixed period of time. We had clearly communicated the time frames and the intentions and the dates that those cheques would be mailed well before any election was called. So there's really no basis for people to be suspicious of what we did, given that open and fully communicated context.

**Mr. Lamoureux:** Has there been any correspondence from you or your office or the

corporation to the government or any ministry during the election prior to the release of the cheques?

**Mr. Chomiak:** The member is asking about cheques during the election, prior to the election, for distribution during the election, prior to the election. No.

**Mr. Lamoureux:** Can you indicate in terms of the worst 100 youth, what percentage—or maybe you can get that back to me—of the stolen cars would have been stolen by those 100 youth in the year that I would take, let's say, would be 2006? Obviously, you might have those stats, and if you don't have those stats, if I could get the 2005. Again, I don't anticipate you won't have it here. If you do, great. If not, if you could get back to me on that.

**Ms. McLaren:** I'm not sure we would have that level of detail. No. I can tell you that this year, the worst 100 kids are stealing fewer and fewer, the better the suppression strategy has been working. But, in terms of that level of detail of finding out exactly which thefts were committed by which individual kids and track those back in terms of category—you know, in terms of what we call the worst of the worst auto thieves, there are probably about a hundred, but there are probably 400 that are actively engaged out there at any point in time.

\* (20:50)

So, in terms of our effort to track the percentage of theft claims that we have against a particular group of kids, we just don't take it to that level of detail. The important thing is the suppression strategy mechanisms for identifying these kids themselves and monitoring their activity, the way this program is monitoring it, that stops them from having the ongoing opportunity to steal cars. So linking it back that way is not something I would be able to do no matter which year you asked me to do it.

**Mr. Lamoureux:** Again, if you find that there are some resources that can help me with that, I would much appreciate if that could get back to me.

In the selection of doctors, I understand MPI selects—you know, here are the doctors that we're using to be able to review cases. How do they go about setting the criteria for that, or are there certain criteria? Does a doctor say, look, I would like to be one of MPI's doctors? How does that work?

**Ms. McLaren:** As I said earlier, we leave the treatment of claimants completely up to their chosen

health-care provider, until such time as we start to become concerned that this is just not proceeding the way we would normally expect it to. At that point, what our case managers do is ask for the advice of our specialists that we have on contract working for MPI. Based on their knowledge, these are very well-regarded specialists in the rehabilitation medicine field, who have a good understanding of their peers and the doctors available in the Manitoba community. Based on their assessment of the particular circumstances of that claimant, they will decide who would be best to have the claimant referred to for a second opinion.

**Mr. Lamoureux:** Is there very much of a turnover of those specialists? How do they go about getting on the list? Is it just something arbitrarily taken from the claims officer?

**Ms. McLaren:** The specialists that we have on contract to MPI have been with us for a very long time, some of them since the beginning of 1995. It's those in-house doctors who review the claimant's file and determine which specialists in the community that claimant should go to see. We leave it to their professional expertise to understand who is doing what kind of medical practice and who are the experts in particular fields. They don't really work from a list, as much as, it's a small enough, a specialized enough community that the doctors that we have on our contract know who, amongst their peers, is the best for a claimant to see.

**Mr. Lamoureux:** Mr. Chairperson, I appreciate the committee's patience. I do have one other question followed then by a comment. Then I'll leave it at that.

The question is dealing in regard to advertising the corporation enters into. Ms. McLaren, can you provide, again, for me, for the last five years, let's say, what the corporation would spend on advertising in a fiscal year? If it's possible, it would be greatly appreciated.

The last comment that I want to make, and I'm not too sure if it was one of the, maybe, the Member for Turtle Mountain (Mr. Cullen) or someone made reference to the amount of commissions that the outlets receive in regard to driver's licences. I do, myself, believe that it's not enough. I can tell you that I have had discussions with a number of different Autopac agents. They're in a position in which they cannot afford to say no to it. I think that there's an argument to be made that we are, to a certain degree, I don't want to say exploiting, but I

think that we could be doing better in ensuring that they're getting more value for the service that they're actually providing.

So, if she can respond to the question on the advertising, again, you can get back to me and I'd be interested in a comment on the—

**Mr. Chomiak:** I'll take that member's question as notice. I'll also take as information the member's comments with respect to the commission to agents concerning driver's licences. I take it the member recommends—he's not saying—he's saying the corporation could, not should, but could pay agents more. Is that—

**An Honourable Member:** Yes, for the driver's licences.

**Mr. Chomiak:** Okay.

**Mr. Graydon:** Mr. Chairman, I have a question for the minister. Mr. Minister, I understand that there's an executive assistant that works in your office, but works for MPIC. Is that true?

**Mr. Chomiak:** Yes, Mr. Chairperson. Yes. As had been the practice since 1998, there is an individual who's employed exclusively on working—oh, 1995; I thank the Member for Russell (Mr. Derkach) for those comments. He's been employed exclusively in a non-political capacity dealing with MPI-related issues; formerly was Pauline Riley, is now Patrick Sarginson, and is paid the range rate that was specified, I think, last time between 50—I'll get that information for the member. With respect to all of the questions that follow from that, we'll provide the usual information.

**Mr. Graydon:** Mr. Minister, one should never assume what the next question will be. Actually, it was going to be a comment that would be praising your executive for his exemplary work that he has performed there at any time that I have called him. That was going to be the next comment.

**An Honourable Member:** I think that's very kind of you.

**Mr. Graydon:** Well, and I appreciate your thought. At this point, Mr. Chairman, I would like to thank Marilyn and her staff for being so kind as to be here today and for the information that she has provided for us. She handled herself in a very professional way, and I think we're pleased with the information that we gleaned tonight.



What we propose is that we would pass the '03 report tonight—

**Mr. Chairperson:** I believe '03 has already been passed.

**An Honourable Member:** This one here. It ends in '04, but it's '03.

**Mr. Chairperson:** Annual Report of the Manitoba Public Insurance Corporation for the year ended February 29, 2004—pass.

Shall the Annual Report of the Manitoba Public Insurance Corporation for the year ended February 28, 2005 pass?

**An Honourable Member:** No.

**Mr. Chomiak:** Yes, thank you, Mr. Chairperson. Just before committee closes, I want to thank the management and the chair of MPI, the president for an excellent presentation. I kept sitting here thinking, what a competent person, competent people we have running that corporation. I think all members felt that. I hear I agree from all members, so I think that's a testament to the way the corporation's run. I also think that this committee has worked precisely the way that we have talked for some time about how committees should function. We tried our best to squeeze the political edges out of it and tried to only deal with information. I think, as an experience for this group in this House, it's been for me a very positive experience. I want to thank all the members because we were able to demonstrate that we can, actually, without rancour, sort of, go through the information process, and I think some trust has been built up here today that I think can carry over into other forms of activities in the House.

So I want to thank MPI for all the excellent work and thank all of the members of this committee for their excellent work as well, and the critic for being so gentlemanly, if I can use that word, in terms of approach here today.

**Mr. Chairperson:** I saw Mr. Derkach first.

**An Honourable Member:** You don't see Mr. Derkach, Mr. Chairman.

(21:00)

**Mr. Chairperson:** Mr. Graydon.

**Mr. Graydon:** Mr. Chairman, and to Mr. Minister, I appreciated the respect that I got tonight. However, there is one concern that I would like to raise. I don't think that we need to wait two years to do another one of these. I think that we need to, at least, address this twice a year until we get up to speed and get caught up on all the reports. If we could kind of have a gentlemen's agreement to that, I would greatly appreciate it and top off a wonderful evening.

**Mr. Maguire:** Did the minister want to reply?

**Mr. Chomiak:** You know, this is such a positive experience, I don't know why we wouldn't want to do it more often.

**Mr. Maguire:** Just in speaking of positive experiences, I believe—correct me if I'm wrong—that Mr. Zacharias, this is his last report that he officially did as president and chief executive officer. So, in the spirit of co-operation, I'd like to congratulate him on the work that he did in his years as president and CEO of the party.

It's a very historic evening as well, just for historic fact, that the NDP are the last NDP party left in Canada. I congratulate you in regard to being able to move forward in that regard now that the Saskatchewan Party has won in Saskatchewan.

**Mr. Chairperson:** The hour being 9 o'clock, what is the will—Mr. Derkach has the floor.

**Mr. Derkach:** Just very quickly, in fact we still have outstanding reports, Mr. Minister, and I'm wondering whether it wouldn't be prudent for us to set a date for another meeting so that we can take some of the old reports off the agenda, if you like, and then become more current in this committee. We shouldn't wait six months or three months, but we know the session is coming back on the 20th, and I'm wondering whether we can at least agree that we would meet one more time before Christmas.

**Mr. Chomiak:** I think that's a very positive sentiment. I'm not sure because of the schedule, because I know that we have three other Crown Corporations Committee meetings set. So, while the sentiment and the hope is there, in terms of the commitment, I can't make that tonight. But I think we should endeavour to try to meet and clean up all of the reports. I agree with the sentiment and we should strive to do that.

**Mr. Derkach:** Thank you.

**Mr. Chairperson:** The hour being past 9 o'clock, what is the will of the committee?

**Some Honourable Members:** Committee rise.

**Mr. Chairperson:** Committee rise.

**COMMITTEE ROSE AT:** 9:02 p.m.

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