



First Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

Standing Committee

on

Public Utilities

and

Natural Resources

Chairperson
Ms. Linda Asper
Constituency of Riel



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

| Member | Constituency | Political Affiliation |
|-------------------------|---------------------|------------------------------|
| AGLUGUB, Cris | The Maples | N.D.P. |
| ALLAN, Nancy | St. Vital | N.D.P. |
| ASHTON, Steve, Hon. | Thompson | N.D.P. |
| ASPER, Linda | Riel | N.D.P. |
| BARRETT, Becky, Hon. | Inkster | N.D.P. |
| CALDWELL, Drew, Hon. | Brandon East | N.D.P. |
| CERILLI, Marianne | Radisson | N.D.P. |
| CHOMIAK, Dave, Hon. | Kildonan | N.D.P. |
| CUMMINGS, Glen | Ste. Rose | P.C. |
| DACQUAY, Louise | Seine River | P.C. |
| DERKACH, Leonard | Russell | P.C. |
| DEWAR, Gregory | Selkirk | N.D.P. |
| DOER, Gary, Hon. | Concordia | N.D.P. |
| DRIEDGER, Myrna | Charleswood | P.C. |
| DYCK, Peter | Pembina | P.C. |
| ENNS, Harry | Lakeside | P.C. |
| FAURSCHOU, David | Portage la Prairie | P.C. |
| FILMON, Gary | Tuxedo | P.C. |
| FRIESEN, Jean, Hon. | Wolseley | N.D.P. |
| GERRARD, Jon, Hon. | River Heights | Lib. |
| GILLESHAMMER, Harold | Minnedosa | P.C. |
| HELWER, Edward | Gimli | P.C. |
| HICKES, George | Point Douglas | N.D.P. |
| JENNISSEN, Gerard | Flin Flon | N.D.P. |
| KORZENIOWSKI, Bonnie | St. James | N.D.P. |
| LATHLIN, Oscar, Hon. | The Pas | N.D.P. |
| LAURENDEAU, Marcel | St. Norbert | P.C. |
| LEMIEUX, Ron, Hon. | La Verendrye | N.D.P. |
| LOEWEN, John | Fort Whyte | P.C. |
| MACKINTOSH, Gord, Hon. | St. Johns | N.D.P. |
| MAGUIRE, Larry | Arthur-Virden | P.C. |
| MALOWAY, Jim | Elmwood | N.D.P. |
| MARTINDALE, Doug | Burrows | N.D.P. |
| McGIFFORD, Diane, Hon. | Lord Roberts | N.D.P. |
| MIHYCHUK, MaryAnn, Hon. | Minto | N.D.P. |
| MITCHELSON, Bonnie | River East | P.C. |
| NEVAKSHONOFF, Tom | Interlake | N.D.P. |
| PENNER, Jack | Emerson | P.C. |
| PENNER, Jim | Steinbach | P.C. |
| PITURA, Frank | Morris | P.C. |
| PRAZNIK, Darren | Lac du Bonnet | P.C. |
| REID, Daryl | Transcona | N.D.P. |
| REIMER, Jack | Southdale | P.C. |
| ROBINSON, Eric, Hon. | Rupertsland | N.D.P. |
| ROCAN, Denis | Carman | P.C. |
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| SALE, Tim, Hon. | Fort Rouge | N.D.P. |
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| SMITH, Scott | Brandon West | N.D.P. |
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| STRUTHERS, Stan | Dauphin-Roblin | N.D.P. |
| TWEED, Mervin | Turtle Mountain | P.C. |
| WOWCHUK, Rosann, Hon. | Swan River | N.D.P. |

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PUBLIC UTILITIES

Thursday, April 20, 2000

TIME – 10 a.m.

Corporation for the year ended February 28, 1999.

LOCATION – Winnipeg, Manitoba

Committee Substitutions

CHAIRPERSON – Ms. Linda Asper (Riel)

Madam Chairperson: Before consideration of the report, we have a number of Committee substitutions to deal with. I have before me the resignation of Mr. Jennissen effective immediately. Are there any nominations to replace Mr. Jennissen? Yes, Mr. Maloway.

VICE-CHAIRPERSON – Mr. Doug Martindale (Burrows)

Mr. Jim Maloway (Elmwood): Madam Chairperson, I would like to nominate Mr. Martindale.

ATTENDANCE - 11 – QUORUM - 6

Members of the Committee present:

Hon. Ms. Barrett, Hon. Ms. McGifford,
Hon. Mr. Selinger

Ms. Asper, Messrs. Dewar, Faurshou,
Gilleshammer, Jennissen, Maloway, Penner
(Emerson), Praznik

Madam Chairperson: Mr. Martindale has been nominated. Is that the will of the Committee that Mr. Martindale replace Mr. Jennissen? *[Agreed]*

Substitutions:

Hon. Mr. Mackintosh for Hon. Ms.
McGifford
Mr. Loewen for Mr. Gilleshammer
Mr. Martindale for Mr. Jennissen
Mr. Helwer for Mr. Penner (Emerson)
Mr. Schellenberg for Hon. Mr. Mackintosh
at 10:40 a.m.

I have before me the resignation of the Hon. Ms. McGifford effective immediately. Are there any nominations to replace Hon. Ms. McGifford?

Mr. Maloway: Madam Chairperson, I would like to nominate Mr. Mackintosh.

APPEARING:

Jack Zacharias, Chief Executive Officer and
President
Shari Decter Hirst, Chairperson of the Board

Madam Chairperson: Mr. Mackintosh has been nominated. Is it the will of the Committee that Mr. Mackintosh replace the Hon. Ms. McGifford? *[Agreed]*

MATTERS UNDER DISCUSSION:

The February 28, 1999, Annual Report of
the Manitoba Public Insurance Corporation.

* * *

Madam Chairperson: Good morning. Will the Standing Committee on Public Utilities and Natural Resources please come to order. This morning the Committee will be considering the Annual Report of the Manitoba Insurance

I have before me the resignation of Mr. Penner, Emerson, effective immediately. Are there any nominations to replace Mr. Penner, Emerson?

Mr. Darren Praznik (Lac du Bonnet): Yes. I would like to nominate the Member for Gimli, Mr. Helwer, to replace the Member for Emerson, Mr. Penner.

Madam Chairperson: Thank you. Mr. Helwer has been nominated. Is it the will of the

Committee then that Mr. Helwer replace Mr. Penner, Emerson? *[Agreed]*

I have before me the resignation of Mr. Gilleshammer effective immediately. Are there any nominations to replace Mr. Gilleshammer?

Mr. Praznik: Yes. I would like to nominate Mr. Loewen, the Member for Fort Whyte, to replace Mr. Gilleshammer, the Member for Minnedosa.

Madam Chairperson: Mr. Loewen has been nominated. Is it the will of the Committee that Mr. Loewen replace Mr. Gilleshammer? *[Agreed]*

The position of Vice-Chairperson is now vacant. We must proceed then to elect a Vice-Chairperson. Are there any nominations?

Mr. Gregory Dewar (Selkirk): I nominate Mr. Martindale.

Madam Chairperson: Mr. Martindale has been nominated.

Mr. Praznik: I—*[interjection]*

An Honourable Member: He is seconding it.

Mr. Praznik: Since the Government is so slow in bringing down a budget, they are slow in making nominations, I thought I would take advantage of it.

Madam Chairperson: Are there any further nominations? Seeing none then, Mr. Martindale has been elected Vice-Chairperson.

Did the Committee wish to indicate then how late it wishes to sit this morning? May I suggest 12 noon?

Mr. David Faurshou (Portage la Prairie): I was just going to make the same suggestion, Madam Chairperson, is that—

Madam Chairperson: Good. We are on the same wavelength.

Mr. Faurshou: —twelve o'clock the hour to rise.

Madam Chairperson: Okay, is that agreed? *[Agreed]* Thank you.

We will now then proceed with the consideration of the Annual Report of the Manitoba Public Insurance Corporation for the year ended February 28, 1999. Does the Minister responsible have an opening statement, and did she wish to introduce the officials in attendance from the Manitoba Public Insurance Corporation?

Hon. Becky Barrett (Minister charged with the administration of The Manitoba Public Insurance Corporation Act): Madam Chair, good morning and welcome to the members of the Committee. I am pleased to be before you today to present for your approval the Annual Report of Manitoba Public Insurance for the 12 months ended February 28, 1999. The report before you is entitled the Annual Report for 1998.

With me today are members of the Corporation's board of directors and executive. I would first like to introduce Shari Decter Hirst, Chairperson of the Manitoba Public Insurance Corporation Board of Directors; and Jack Zacharias, President and CEO of the Corporation.

A number of other members of the executive are also here today, including Barry Galenzoski, Vice-President, Corporate Finance, and Chief Financial Officer; Marilyn McLaren, Vice-President, Corporate Insurance Operations; John Douglas, Vice-President, Public and Corporate Affairs; Kevin McCulloch, Corporate General Counsel; and Wilf Bedard, Vice-President, Corporate Claims.

I thank you for the opportunity to make a few opening remarks before we discuss MPI's enviable record of corporate, social and financial responsibility during the 1998-99 fiscal year.

This report details a year of success in achieving financial stability to benefit Manitobans. It also shows the Corporation made strong progress in achieving MPI's objectives of maintaining premium rate stability, keeping premiums stable and in some cases reducing them and improving customer service.

MPI's corporate strength is also echoed in the many achievements of its staff. This group of proud Manitobans very ably faced the challenge of change during the fiscal year under review. The corporation took on no less than seven major corporate-wide projects and implemented several other significant new programs, all designed to improve customer service, operational efficiency and cost control. I wish today to publicly acknowledge their many efforts.

I would also like to highlight some of the major financial milestones in the 1998-1999 fiscal year. Before I do, I would like to remind members of the Committee that the Corporation's report for the fiscal year just ended, 1999-2000, will be tabled later this year.

During the year under review, 1998-99, MPI achieved a total net income of \$38.3 million. Retained earnings rose to \$76 million. Corporate revenue rose by \$35.4 million to \$509.2 million thanks to strong sales of MPI insurance products. Investment income increased by \$2.5 million to \$70.2 million.

I would like to draw special attention to how these investments benefit all Manitobans. The interest earned on premiums helps reduce the amount of revenue MPI needs from motorists. As well, many of these investments benefit Manitobans, drivers and nondrivers alike, because they are used to purchase Manitoba securities that help build municipal, school and health care infrastructure. Cash and investments increased to \$958.9 million compared with \$872.8 million for the previous year.

The basic Rate Stabilization Reserve increased to \$64.4 million. The RSR protects customers from sudden and dramatic premium increases resulting from unforeseen events such as periods of severe weather. By the end of 1998-1999, the RSR was well on the way to reaching a level recommended by the Public Utilities Board to maintain long-term stability.

Of course, what matters most to Manitobans is how much they pay in Autopac premiums. I am pleased to say that during the fiscal year under review MPI maintained premiums that were, on average, among the lowest in the

country. Premiums were reduced for more than half of MPI policyholders during the year without any decrease in coverage.

Members are no doubt aware that the Public Utilities Board last fall approved the Corporation's rate application for an overall average premium decrease of 4 percent. The PUB also added a further 1% decrease which effectively meant that seven of 10 passenger vehicle owners will pay less for insurance this year. In all, Manitobans will pay almost \$18 million less in Autopac rates this year.

I thank you for your attention and would be pleased to respond to your questions.

Madam Chairperson: I thank the Minister for those remarks. Did the critic from the Official Opposition party wish to make an opening statement?

Mr. Faurshou: My remarks will be brief insofar as I would just like to echo the Minister's comments insofar as the track record for MPI is outstanding and certainly one to the credit of the senior management and President Zacharias as well. I would like to compliment on some of the initiatives, especially the one regarding the High School Driver Ed Program of which I am on record on numerous occasions extremely supportive thereof. The move from the \$110 to \$50 for the registration fee has, I am certain, given a greater opportunity for all to participate in that very valued program.

I also want to take this opportunity to compliment MPI on their initiatives through the RoadWise advertisement program and to really, truly bring home the effects that road accidents have upon one's life and as well the lives of those others involved.

So, with those brief comments, I would like very much to pass the mike to President Zacharias, if I may, to ask if he has any opening comments.

Madam Chairperson: I thank the Member for those remarks, and I would ask then if representatives present from the Manitoba Public Insurance Corporation wish to make a statement to the Committee.

Mr. Jack Zacharias (Chief Executive Officer and President, The Manitoba Public Insurance Corporation): No, we do not have an opening statement but are prepared to respond to any questions that may arise from the annual report that is on the table.

Madam Chairperson: Thank you. The floor is now open for questions.

Mr. Faurshou: Madam Chairperson, it was a little presumptuous of me to pass the mike without the Chairperson's acknowledgment and my apologies for that.

I would like to begin opening the questioning involving a most recent announcement made by MPI, and that is in regard to their Practices Office which I understand was recently officially opened in the Eaton Place facilities. I would like perhaps, if President Zacharias could add some comments to that effect and explain to the Committee effectively how that is going to affect the operations of MPI and in what fashion.

* (10:10)

Mr. Zacharias: Thank you for that opportunity. There is virtually no decision that MPI makes today that is not readily appealable at some arm's-length level. Sometimes the processes of us handling workflow or handling claims can be cumbersome. Not only do we want to have arm's length decisions, we also want to make sure that what we do internally is providing good customer service without a lot of time delays in between. So, in recognition that we needed to continually examine ourselves and stay in tune with what our customers want, we created the Fair Practices Office that looks not only at individual customer's issues but also systemic issues if we are getting a large number of complaints on a certain particular type of claim or the way we handle it. The Fair Practices Office is available to examine the processes and report directly to myself on any recommendations they can make for improving the way we handle our business, deal with certain types of claims, deal with certain customers, and also assist customers individually that have concerns to make sure they had been treated fairly, that they are aware of all the

options. The idea is not to replace the appeal bodies that are there by legislation, because I do not think we can usurp that authority but to make sure that we are steering customers down the right path so that they can get speedy resolution to their issues.

Mr. Faurshou: Thank you for that response, and I wanted that opportunity for the President to respond because last June 15, 1999, President Zacharias had stated on the official record that this is not in addition to any other appeal of mechanism. I think you referred through your comments that this is in fact in addition to the existing appeal mechanisms and it is not to circumvent the existing process that is already in place.

Mr. Zacharias: That is right. Certainly the thought in my comments at that time was that it is not an additional mechanism that is there to adjudicate claims but to assist people and to assist the organization and to make sure that we are dealing properly with those people.

Mr. Faurshou: Thank you for the comment. I was remiss at the very beginning of my commentary, but I want to take the opportunity to recognize Shari Decter Hirst and her appointment to the Chair position of the Board of Directors for MPIC. I welcome her to that position and wish her every success in that regard.

I wonder, though, on that point, I would like to have a little bit of elaboration as to the change that has been made in your position as far as stipend is concerned from the previous remuneration that was afforded Mr. Thiessen and how effectively that will change the bottom line, shall I speak, to the operation of your office.

Ms. Barrett: I appreciate the question from the Member for Portage, Mr. Faurshou. My understanding, and I am open to correction from the historians available from MPI if I am misrepresenting the past practice, was prior to the appointment of the former Chair, the remuneration for the Chair was a stipend and that when the former Chair was appointed the remuneration process was changed to a per diem. The impact on the bottom line of that

change over the three years that the former Chair was in place was that—and again the figures are available in the public record; my memory is only clear to the general numbers—the three years of the former Chair's chairpersonship the per diem added up to between \$95,000 and \$96,000 or \$98,000 per year. The annual stipend for the current Chair is \$35,000 per year. So I will leave the Member to do the math on that.

Mr. Faurshou: Basically without the assistance of a calculator at the present time I will leave that calculation at present. Basically the bottom line, effectively, will this cost the Corporation more money or less money?

Ms. Barrett: Without benefit of a calculator myself, I might say to the honourable Member that this will cost the Corporation about two-thirds less if you say \$35,000 per annum versus the low figure of low 90s per annum. It went up, I believe, almost to \$98,000 in one year. We think that the reversal to the former process of a stipend rather than a per diem makes good business sense. I will just leave it at that.

Mr. Faurshou: I would like now to get back to just where I had begun, with the Fair Practices Office and some of the announcements that have been made in that regard. It has effectively been touted to be an office that operates at arm's length from the MPI operations and has also been quoted in the news media that this effectively is similar to the operation of the Manitoba Office of the Ombudsman and would effectively like to ask whether that is a clear and definitive comparison.

Mr. Zacharias: To say that we are like the Ombudsman, I guess how you define "like" can vary. Certainly they are arm's length from operations. They report directly into my office and are also accountable to our directors so they are not encumbered by operational departments in their work. They certainly do not have the legislative clout that the Ombudsman has within the province but within our organization performing a role arm's length from operations to provide some independent-from-operations overviews, observations and recommendations directly to myself. In that manner I think they are similar to what an Ombudsman might do, but

certainly they do not carry the legislative clout and authority that the Ombudsman's Office does.

Mr. Faurshou: Yes, I appreciate that. Coming from the perspective that we want to make very certain of our comparisons in that we do not misrepresent the actual mandate of the office because the terminology that we use in this province of ours regarding Ombudsman is one of exclusivity. It is in fact one that is garnered by legislation from the Province of Manitoba and enacted through legislation of this Chamber that provides the terminology of Ombudsman very definitively. It is also accorded that of the City of Winnipeg as well, but effectively those are only the two jurisdictions that are very much responsible to the elected bodies. So I caution you in the use of the term "Ombudsman," because within this province the citizens are very much accepting of that term and understanding of that term and what it means as per the definition and clearly related in legislation.

Having said that, I would like to move on with the question effectively with the opening of the Fair Practices Office. Is that in a sense appealing to and satisfying recommendation 35 of the Sam Uskiw review of MPI? In regard to that I will read into the record recommendation 35: That the Corporation establish an office of internal review to be staffed with individuals not involved in the claims process and to conduct internal reviews and operate as a central complaints registry.

Mr. Zacharias: In dealing with that particular recommendation, that process was always in place, called our internal review process, which is the first step of the appeal process. They are at arm's length from claims and touted as such, officers specifically attached to reviewing PIPP concerns of customers and a central registry I think you referred to there. We do maintain a record of that.

The process that he described was in place. There were also concerns expressed in other areas of the report in a more general nature of who there is to assist claimants and our customers and by establishing the Fair Practices Office. I say it is not there to usurp appeal processes but it is there to make sure that the processes within the organization by which we

handle items are fair and also to look at systemic issues within the organization where there might be a number of concerns, again, tracking the volume of complaints and type of complaints on certain issues. While everybody may be following due process, maybe the process is wrong, and this will identify that.

* (10:20)

Mr. Faurschou: Further to that though, in the recommendation, the arm's length operation of an office such as this I believe in most analyses from various quarters, including that of the Legislature, one would term that reporting would not be back to the agency to which that office is reviewing and making certain that all policies and practices are in fact being carried forward. So, further to Mr. Uskiw's report, he stated that the internal review should report back to the Board rather than yourself as President and that way providing in fact an arm's-length relationship from the activities of the Corporation on a day-to-day basis. I would go further to say that persons of the public would in fact have related that they would like to see not only just reporting to the Board by this office but that of a direct mechanism of communication with the Minister's office, who in fact is responsible for the administration of Manitoba Public Insurance Corporation's Act.

So I would like your comments as to whether or not there is in fact a consideration of that and what your position is on it.

Mr. Zacharias: The initial response was that Fair Practices, I believe, is not in response to the Recommendation 35, that the internal review processes already existed. From there, items flow to the injury appeal compensation board, which is run by Consumer and Corporate Affairs and totally divorced from MPI, so that the arm's length totally from MPI and our Minister is already in place. The internal review process is also in fact covered through legislation. Certainly it has never been the intent of our Board in the past to be involved in the adjudication of operational issues or individual claims. That has never been defined in any good governance as a board role as I understand it. In addition, reporting directly to the Minister, the ultimate appeal mechanism is the independent

compensation which reports to a different minister than the MPI Minister. So, in the current operation of this office, nothing to this point in time has pointed to the fact that the office should be directly accountable to the Board or the Minister.

Mr. Faurschou: I appreciate the comments, but the opening page of the handbook which is distributed to all registered owners of vehicles insured by MPI clearly states: The Manitoba Public Insurance Corporation, a non-profit corporation accountable to you through the Manitoba Government.

What I am attempting to establish here this morning is in fact where that statement comes true insofar as that we all understand that there is an appeal mechanism. We all understand that there is a court system that we can certainly make our case before. However, all of these are very much a demanding effort in regard to those persons that feel unjustly treated, and to say the least, very intimidating to most individuals. So we, as elected representatives, and those that are members of Executive Council that effectively are responsible for the operation, I am looking to hear from you this morning that direct linkage where an individual, without intimidation and encumbrances of bureaucracy, has a very clear and unassuming mechanism in which to air their concerns. So, if you could perhaps elaborate on something that is not in front of the general public at this point in time, I would appreciate it.

Mr. Zacharias: Depending on the nature of an individual's concern, there are several independent reviews and boards to which there is easy access for customers to deal with their individual item, whether it be an injury claim, a total-loss settlement, quality of repairs or how much a surcharge on an accident might be. There is a board that hears those things as well.

Under The Crown Corporation Accountability Act, there is also a requirement that we record and maintain records with respect to the number of complaints and the nature of those complaints that come to MPI. That information has to be reported and is reported to our Board of Directors on a quarterly basis so that both the types of concerns, the nature of complaints are known.

We do administer legislation. All our benefits and how we operate and our regulations are all approved by the Government of Manitoba. If there is anything that is seen as being inappropriate or that needs to be changed or elaborated on, the Legislature has the opportunity to do that, and we then administer the act. So there is direct accountability for what we do coming back through the Legislature. But if you say is there some podium or platform that every individual can run to somewhere? Depending on the nature of their concern, there are several of those, but not one that encompasses all, other than appealing I guess to the government of the day.

Mr. Faurschou: I am looking to have an answer to effectively afford those insured in this province a very defined and open and unassuming and very approachable way of going about with their concerns. I will give you an example, and perhaps you can comment as to how you effectively would regard the actions.

Before I make that true statement, I would like to refer to the corporate values and read into the record effectively that the Corporation values are as follows: All corporate actions will be based on trust, fairness, honesty and integrity, with the commitments to the highest ethical standards and excellence in public service, thereby preserving and enhancing the Corporation's reputation.

* (10:30)

Recently an individual effectively disagreed with the adjuster's assessment of fault. The adjuster stated to the individual that if in fact you disagree with the assessment of fault, I guess we will see you in court. Now, most unquestionably that in fact is an opportunity and then it is in fact step No. 4. What brings a great deal of distress to myself and certainly the individual who directly is affected is that steps 1, 2 and 3 were left out, those being very well spelled out in the driver's handbook, effectively that the adjuster is to clearly state that if you are not satisfied with the assessment of fault which I have determined that you may speak directly to my supervisor. That was not stated. Also, too, the individual has the opportunity to appeal to an adjudicator. That was not stated. Directly, then, she went to the

next step, which is in fact Small Claims Court, which one can decide the degree of fault based upon presentations to Small Claims Court and that MPI will accept that.

I would like to hear your reaction to this adjuster's commentary. How does that fit into the corporate values of the highest ethical standards and excellence in public service?

Mr. Zacharias: Certainly we have the responsibility and authority to make decisions for purposes of administering the Act. The ultimate decision rests with the courts in Manitoba and, in particular in this case, Small Claims Court. I think I, without being insensitive to the individuals, have seen enough of these kinds of cases that to comment without hearing both sides of the story I think is unfair and unjust.

I know that we have spent a lot of time on customer service issues. I know that discussions can get heated at times. We have gone to great lengths and certainly checking the track record and the numbers, how many people go to Small Claims Court? how many people prefer to go to the adjudicator? There is no doubt in my mind that there is a very active offer practised by our staff in letting people know what the options are, because we see a lot of that coming through. Again, it is not a take-it-or-leave-it situation. There are options.

So with respect to the individual discussion that took place between two people, if you would like to provide some details I would love to look into it to make sure that that is not a standard behaviour practised by one individual representing us, because that kind of behaviour is not something that we encourage or tolerate but, again, it is a little difficult to comment without hearing both sides of the issue.

Mr. Faurschou: I certainly appreciate that there is always the rest of the story and understand that personalities in this society in which we live are, on occasion, confrontational. We are all human and have our own emotions. Understandably, though, there is a situation here where in fact MPI has a monopoly situation and has that responsibility because there is no other game in town. Essentially, regardless of how

undesirable the conversation might be found by the adjusters of MPI, I think that it is imperative and must be reinforced and instilled in everyone's mind that there is a procedure to follow regardless of own personal feelings of the individuals involved and that that procedure must be followed. Effectively, though, upon my investigation I was provided with commentary to the effect that ours is very much busy days involved with MPI. If we took all of the time to explain what is already in documentation to each and every individual we would take days out of our schedule to provide for that.

However, I truly believe that one can without too terribly much time consumed make direct reference to documents that are available, pamphlets, handbooks that detail the procedures and at the very least make certain that the persons to which we are all providing service have that opportunity to review that and let the onus be on the individual but, certainly, by all means, the onus is on us to provide that service to make certain that the individuals who have concerns are directed to procedures that are already in place. Do you have any comment to that effect?

Mr. Zacharias: Certainly, as a monopoly insurer, a monopoly organization being an insurer, the obligations as you state them are minimums for us. We do, in fact, survey a large number of customers that go through our claims facilities. We do that at a couple of points in time when they first visit, after they are leaving, after their visit, as well as follow up after claims are settled, and in the areas of courteousness, friendly, did they provide you with the advice and information that you need? Those types of categories we are and have consistently over the last year scored from 95% to 98% satisfaction levels. That means there are 2.5% to 3% that do not agree with that. We do not have an excuse for the balance of it, because I think there is still room for improvement, but it is a strong focus of ours. I do not have numbers from four or five years ago, but I know that they are much better today, and if there are still a few pockets to continue to address, we will continue to do so.

Mr. Faurschou: Mr. Zacharias has led me into the next question. That is, in fact, evaluation of performance. You have mentioned random

surveys. I reflect on the random survey that was the premise of the Uskiw report, conducted through contact of, I believe, 28 000 claimants in a particular period of time. To reflect on the actual responses by mail, obviously persons who have a beef will respond; those who do not, will not. So I am going to not have any comment on, in fact, the mail-out survey, but I would like to draw attention to the telephone survey, which is also a component within the information retrieval and assessment of the Uskiw report.

In a lot of cases, one is running in that 50%-55% disapproval, unsatisfactory situation. That leads me to draw some reflection on the difference which you portrayed here this morning as to the level of satisfaction between now and three years ago, which is a significant improvement, to say the least. However, I would like to ask the question about in fact the independence of that survey and review of performance and ask the question as to has your office or the Board of Directors ever considered the independent, the at-arm's-length review of performance and level of satisfaction through perhaps the engagement of the likes of an Angus Reid agency or some other well-recognized reporting agency? whether or not that is something, if not already in practice, that would be considered by the Board to give not only a clear and unbiased reflection of performance but also give the public of Manitoba in fact the comfort level that all of us would like to have regarding the operations of MPI.

* (10:40)

Committee Substitution

Madam Chairperson: Before you proceed, Mr. Zacharias, with the indulgence of the Committee, I have before me the resignation of the Honourable Mr. Mackintosh, effective immediately. Are there any nominations to replace Mr. Mackintosh?

Mr. Dewar: I nominate Mr. Schellenberg.

Madam Chairperson: Mr. Schellenberg has been nominated. Is it the will of the Committee that Mr. Schellenberg replace the Honourable Mr. Mackintosh? *[Agreed]*

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Madam Chairperson: Mr. Zacharias, then, if we could continue.

Mr. Zacharias: The numbers that I believe are in the Uskiw commission report, the numbers that I was speaking to, are measuring different things that dealt in relation to some of the PIPP issues. The numbers that I talked about were front-end service going through our claim centres. We have been very much aware that we wanted to have solid numbers. For the last four to five years, all our major surveying is done by hired professional consultants in that arena. We have tendered that process. What we have today on the front-end service at claim centres and things of that nature, people are given the opportunity to fill in a questionnaire that is dropped off into a secured facility that is picked up by a professional firm that comes and does the tabulation of that. It is not our own numbers. We do not do our own telephone polling.

We have let several contracts over the last number of years for specific items that we are looking at. The numbers that we are reporting to our Board of Directors are all verified by independent, professional survey people. I think in the Uskiw commission it was a very specific type of surveying that he was doing. When he did not get any response there were some calls that were made. I have not seen all the details behind that as to whether we would look at that as saying these are unbiased numbers. Certainly they are numbers, and I know that we have made sure that we have employed professional people with proper techniques so that we are getting legitimate numbers that we can talk about in public and not have to hide behind and crouch, saying these are our numbers or somebody else's numbers, that we can hold them up and they have been legitimate numbers.

Mr. Faurchou: So effectively, then, if I may elaborate on the engagement of an independent agency for analysis and evaluation of the performance of MPI, the actual letting of a contract, could you give me in a global sense the actual terminology of engagement or the tender process? Essentially what are you looking for? When you go to tender for a particular contract,

what are the parameters that you are detailing in that letting of the tender?

Mr. Zacharias: I guess I can give you an off-the-cuff without drawing out some contracts, but if we have a desire to survey our public satisfaction after they have been through the claims process and everything has been settled—some of those people might be injury claimants; some would be dealing only with their vehicle—we would put out a tender saying this is generally what we want to measure. We would work with the selected firm. What questions do we have to ask? How can we make sure that the questions will give us the information that we want so they would be very much involved in crafting the questions that would get us the answers to the issues that we are desirous of measuring? So, it is not here are the questions, you go hire some phone people, and give us the answer to these questions and call it an independent survey. We utilize their expertise to actually craft what it is we need to do. We are probably going to have a focus group or two to make sure that we are getting the kind of response to those questions that we are looking for, so that at the end of the day I do not want to be paying for some kind of survey that does not give me a good reflection of the question that I want answered by that survey.

Mr. Faurchou: Yes, I appreciate the response. In fact, it gives the latitude to the agency employed then, through contractual arrangements, the ability to craft the questions involved in it. You know as far as Mr. Uskiw's questionnaire, I do not know how one can get any more clear insofar as question No. 8. In fact, if you disagree with the decision made by your adjuster, was the review and appeal process clearly explained to you, which again refers back to the earlier questions I asked. Very, very clearly under the telephone random survey of more than 400 individuals, 50 percent responded no. So with that would you state today then that the telephone survey—with that question being asked—you would like to reflect that those numbers would be different today?

Mr. Zacharias: I think if I was trying to get that kind of answer today, I would do it differently and I would get different answers. First of all, you are phoning people who had claims three

years ago, who probably were totally satisfied with what happened, as the majority are, and you are asking them hypothetically if you disagreed at some point in time with the adjuster. Did they explain the appeal process? Well, you do not recall him explaining an appeal process because there is never any need to because you never disagreed. So, obviously, your response is going to be, no, he did not tell me about any appeal process. I think there has to be some more relevant information brought into the question as to did you disagree; where did you disagree; if you disagreed, what happened? Did you go away angry or was there something explained to you?

* (10:50)

If I was doing something of that nature today, I would be asking somewhat different questions than three years ago if you did happen to disagree or when you did disagree. I think it almost insinuates that there was some disagreement. Did they explain it? I think my response and the response of most people was no. First of all, because they did not have a disagreement, and, secondly, what period of time has elapsed and what do they recall or understand of that conversation?

Mr. Faurichou: Truly, we all appreciate the relevance of a question and the timeliness in which it is posed. As we are all familiar, our memories are selective after a given period of time has elapsed and so certainly timeliness is very important as to the questions being posed. In any event, I appreciate what you are doing. The reporting then is from an independency and my understanding is it is then brought directly to your office. You said it presented to the Board, but is it after your office has a chance to review it and effectively analysed the results? or how was it presented?

Mr. Zacharias: The end results arrive from the polling firm sent to our organization, not sent directly to my attention, but we do not have the opportunity to rewrite the report or change it. It is their report. It is duplicated and it is distributed. Yes, we do analyse as to why we are getting the results and try and do some cause-and-effect and react to those. I say quarterly the nature of any complaints within the organization has to be reported to the Board of Directors. In

addition to that, much of that information is used at the operational level as well to analyse what is happening within MPI.

Mr. Faurichou: Well, thank you for that response. I appreciate it, and I hope that it is communicated through to the Minister as to the results of the survey. I might just ask: How often does this procedure take place?

Mr. Zacharias: Claim service is done on a monthly basis. There is no sense knowing there is a problem six months after it happens, so we do that regularly. There are other surveys that go, some quarterly, and focus groups held periodically again based on topic. So we are, between what we do internally, because again we have about 500 people that have direct contact with our customer on a front-line basis and tracking what they are telling us, what they are saying and what they are hearing, verified and arm's-length information, we do get continuous feedback on what is happening. It is not very long from when a change is made until you get the feedback as to the impact of that change.

Mr. Faurichou: Going one step further on analysis of performance and evaluation of service, many corporations today are employing the services of what I will term this morning as the secret shopper. It effectively employs agencies that provide, if you may, actors that portray various situations and enter into the offices and outlets that are within these corporations. These individuals effectively analyze how they are treated based upon their enacted roles and the scenarios which are effectively telling whether or not the service is being provided in the manner in which we all want it to be provided. Having said that, has consideration been given to that avenue of analysis of operations?

Mr. Zacharias: No, not to any great extent. We do employ some of that with respect to repair shops and things of that nature where we are paying for services and checking the quality of that. We have a situation where we have 500 employees interacting with every Manitoban whether he is at least buying, and sometimes the problems come on the buying side as much as the claim side, but we have 500 of our staff

interacting with the rest of Manitobans, 200 000 of which are going to have claims. So there are a huge number of combinations of individuals.

To say that I am going to change the way I do business because of one silent shopper, a contact with one claims person, one broker, one customer service rep does not give me a very valid reason to make changes unless I start sending flocks of shoppers in to do that. We have concentrated our efforts on the people that have been through the process and actually process claims and contacted them allowing them the opportunity to provide feedback after the initial contact. You have been there for the first time, you have spent your 15 or 20 minutes in the claim centre. As you are leaving, we try to get feedback. How did that first impression go? We do a lot of, after the claim is settled, some further surveying. I guess the closest thing we have to that silent shoppers group is focus groups where we would invite different segments of customers who have had different dealings with us in to talk about their experience.

We are also in the final throes of implementing throughout our whole organization customer service standards so that not only will we be able to tell customers what they can expect when they visit our facilities or contact us, but our staff will know what the customer is expecting of them. Hopefully we can get a match between what the customer expects and what we can deliver, because our published standards and written standards, we are not totally there yet, but we are well down that road and we will have a very solid set of customer service expectations, both internal, that we can tell our people how we expect them to behave and deliver and tell the customer what they can expect when they visit us.

Mr. Faursehou: I really appreciate what you have just stated. Our wants, our needs, our perceived level of service are something that the citizens of Manitoba definitely want, a high level of quality. I did not mean to imply at all that the policies, practices, procedures were ones in question.

In fact I was wanting to focus on the fact the front-line troops of which you speak, the 500 that have contact on a daily basis with the

motoring public of Manitoba, my concerns go effectively to what do you do with individuals amongst that 500 that are not displaying the quality of service, the personal level of the highest standard of fairness and honesty.

I speak specifically of a situation, and I am just going to give an example of it and ask as to how you would want this dealt with. An appointment was set for an individual with the Claims Office to have the vehicle inspected for damage incurred by a hit-and-run, attended the office shortly after ten o'clock in the morning. The appointment was for 10:30. The individual was received at the reception and asked to take a seat. He sat there and made an observation, the individual that he had the appointment with in open direct visual contact reading a document, and that individual continued to read that document and had been previously notified by the receptionist that the client was waiting and maintained that posture until 10:29. I am wondering if you have concern in this particular scenario and as to what you would say to the individual that experienced this situation.

Mr. Zacharias: While on the surface I do not think that is appropriate behaviour, if that individual had made a commitment to another customer that by eleven o'clock that morning they were going to get back to them with an offer on their total loss settlement, they were going to be able to tell them whether they were going to be able to pay them disability benefits, and he has scheduled his work and he has commitments coming up, does he then drop everything and deal with the customer in front of him and risk not meeting his next deadline? There is a balance of work that has to take place, and simply the fact that somebody does not have somebody sitting at their desk does not mean that it is any less valuable.

* (11:00)

We always have the issue of when you have a customer sitting in front of you and one of your other customers calls, do you somewhat ignore the customer in front of you and take the phone call, or do you ignore the customer who is trying to reach you on the phone because he also has a pressing issue? There is a balance that has to be maintained. Certainly if it was an

individual reading a document that was discretionary, I would have thought that he could have looked after the customer that was there rather than have them wait but, again, dealing with individual circumstances like that, unless you have specifics that we can ask the questions and get the right answers, it is tough to deal with them. That is not a behaviour that is typical of our staff, to sit and ignore, if that was what the perception was, because we get many letters and have certainly many instances and great stories to tell of our staff who have gone above and beyond to satisfy individuals.

Mr. Faurshou: Yes, I appreciate that, and coming from a business that involves customer contact, certainly appreciate the balance and the prioritization of our responsibilities and work that needs to be attended to. But I think that is something that must be instilled in all persons, that effectively that analysis has to take place. I know that there are individuals that once they have set upon a task want to concentrate on it and not be distracted in any fashion and want to complete that task at hand. However, I still believe that if one is in the monopoly situation in which you are that you are extremely diligent in making absolutely certain that the customer, which in fact is the insured motoring public of Manitoba, comes first. In fact, in numerous documentation that is in fact what the Corporation wants to in fact accomplish. I do not have the actual quotation or the page on it, but I know that is in fact the situation for MPI.

So I would hope that at some time individuals who perhaps display this or if you hear tale of it, I understand that you are suggesting that when persons have experiences like this that they certainly make note of it. I think that there is a lot of concern as to the fact that it is all internal and so-and-so knows so-and-so and so-and-so knows so-and-so. We are not going to be critical of individuals that we work with on a daily basis, and potentially maybe these situations are not resolved, but I am very glad to hear you say earlier this morning that you would like to hear about it. In fact, it is something I very much appreciate. Do you have a comment?

Mr. Zacharias: I ignored a piece of your earlier question. You asked what do we do with respect

to honesty. There is no doubt in my mind that the customers expect the utmost honesty from our organization. We unfortunately have had the task of dismissing people who have shown dishonest tendencies. I think that we certainly have a strong reputation within the organization. That is one thing you cannot be and cannot do.

I would also just say on the individual circumstance that when we are doing a lot of our surveying, we are doing it to individual customer by individual claim number. If the customer has comments such as you have just expressed, there is certainly adequate room to record those. When the information does come back on some of the surveys, some are confidential, some are not, but each individual adjuster's claimant, the feedback that we receive ends up back where the adjuster sees it, positively or negatively. Again, if you have one or two individuals, it is not very long before you can isolate that and say: How come several of your customers feel a certain way when nobody else's customers do? Obviously, you can isolate both the processes, if everybody is in the same boat, or the individual, if there is a particular behaviour characteristic. So, as I say, there may still be a pocket or two, but generally we have made some great strides and we continue to do that.

Mr. Faurshou: I would like to reserve a few more specific—I have been in general comments at this point in time, but I would like to let other members of the Committee have an opportunity. My colleague Mr. Praznik has other questions and I would like to recede this time.

Mr. Praznik: Madam Chair, I have two series of questions that I would like to ask and then my colleague from Fort Whyte, I think, is going to be joining in as well.

First of all, I appreciate very much when you are running an organization like MPIC—and I had the experience of being Minister responsible for the Workers Compensation Board for a number of years, and I fully appreciate the difficulties in a human system where you have thousands of decisions. I must admit I am very sympathetic to the Minister when I now write to her the kinds of letters I used to receive regarding many of these issues.

But I do say I do appreciate it is a human system. There are thousands of decisions that are made with information that is often not always complete or never can potentially be complete. People are making judgment calls on a regular basis and to expect total perfection is an impossibility but certainly we always strive to continue to do our best.

One of the issues that I want to raise is a matter that was before the courts. I understand that that has now been dropped, that the particular lawsuit the Lejins, Mr. John Lejins' file, L-E-J-I-N-S for the purposes of Hansard, is no longer a matter before the courts. But Mr. Lejins has come to see me and he has provided me with some information that just raises some questions—some of which are policy and some of which are experience. He has asked that I raise these here today, and I am certainly delighted to have that opportunity because I think they raise some matters that are certainly in the public interest.

Just by way of background, the particular matters at hand deal with the provisions of the Act related to individuals who are injured and are not, at that particular time, earning income. Now, if I remember the sections correctly, for the purposes of information, I think we are talking about sections 85, 86, if I am correct, of the Act. They deal with the provisions that indicate that if a person is not working they only receive benefits for the first 180 days *[interjection]*—these things are terrible, these cell phones—if they would have been employed as opposed to could, might have been, et cetera. I appreciate that the Legislature in using the word "would" as opposed to "could" or "might have been," creates a different set of results than if we had used the word "could" or "might have been." It raises the bar in essence as to what a claimant might choose. I raise that because if I were to offer some advice to the new administration, the new Minister, the new Chair for legislative amendment, that is certainly one area that should be looked at, because this case and a number of others that were brought to my attention by this individual make the case of people who were not working at the time, were injured in an accident, in this particular case through no fault of their own, and were in the process of looking for work, had not secured a job.

What we do not know is if they had not been injured, would they have? That is a question I believe for a fact is a question of judgment call by an appeal commission or a body to make a choice but, because the legislation says "would have employment," I believe the test through various appeals has gone from being a job offer in hand to having had a job offer that you could not accept because of the injury. We know the reality for most people is if you were not working today, were in the process of applying for jobs and you were severely injured in an accident, walking in to make the application, the chances of someone actually making you an offer that you then can refuse because you are not able to work are virtually zip, to be blunt.

So what I see in here I do not think was what was intended when this section was drafted, but it certainly has been the result. Although one does not know the costs and a lot of the detail, I would ask the Minister to undertake a look at this particular section should she consider amendments to the Act at some point in the future. I do not come here today with a clear-cut offering of advice, but it is certainly worth having a look at, given some of the potential hardship that I believe it creates. So I ask the Minister today if this is an area she has in fact looked at. Has it been brought to her attention or is it one that she is prepared to have a look at as it is a policy matter or, I should, say a legislative matter and really not in the purview of Mr. Zacharias?

* (11:10)

Ms. Barrett: Yes, I am aware of this particular situation and several others that have come to my attention dealing with this part of the legislation. Generally speaking we are going to be looking at all the pieces of legislation. This will definitely, in our normal course of the review of the legislation, take into account all the situations that have been raised by individuals with MLAs or with the Minister past or present.

Also, I think coming out of the Fair Practices Office there may be issues, policy decisions that the Board and the Government will want to take a look at. So we are open to looking at absolutely every part of the

legislation, because we do as a Government, and I know the Corporation and the Board want to ensure, to the best of our ability as fallible human beings and fallible legislators, being as fair to as many people as possible.

Mr. Praznik: As in all pieces of legislation, when we in fact brought in the amendments as a Government that brought in the no-fault system, one always appreciates that there are kinks to be worked at. This is one simply where I think it is a matter of the bar of evidence that a person would have to meet. Again, this may not have in this particular case resulted in a different determination. When I have read the Appeal Commission report, it may not have resulted in a different interpretation, but the bar is one that in I think street sense, for someone who does not have a job offer in their pocket, in reality is almost impossible to meet because, again, in only rare cases would someone offer a job to an individual if they were severely injured, not able to work, and this is what they were applying for. The test should be one I would suggest be looked at to be just a little bit more reasonable in amendments and why I raised that for Mr. Lejins.

The other issue that comes out of this particular file is one of conveying information to the public. Mr. Uskiw, who did the report—who I know quite well and have spent many hours discussing with him—one of his observations was that the Corporation over the years traditionally has not been good at conveying to the public the benefits to which they are entitled and the standards that they must meet. From my caseload as an MLA, I would say that is certainly a non-partisan issue. It has gone back over the years to the very beginning of MPIC. I will tell you this, though, from my own personal experience and from that of many of my constituencies, the level of service that I have experienced and constituents have experienced in the last two years has been dramatically improved. So I do want to offer those congratulations to the Corporation. That does not mean there is not more to do, but there has been a marked improvement of service in terms of people feeling that their adjudicators were actually listening to them, that reasonable arguments would be heard, that if an adjudicator did not have the power to make a decision, the

people would be brought in at the next level who could. I can tell you going back three years ago that was not the case, as you probably well know, and it was a very very frustrating experience for many. But the improvements have been tremendous.

Coming from those days, though—and Mr. Lejins raised with me and I will share these letters with Mr. Zacharias—Mr. McCulloch, your General Counsel and Corporate Secretary, in a letter on February 9, 1995, indicated to Mr. Lejins that the Corporation, and I quote, "is bound by decisions of the Commission." In a letter in 1996 Mr. McCulloch also indicated, and I quote, "the Corporation has advised Mr. Lejins that he is bound by the interpretation placed on the issue by the Appeal Commission."

That is fairly straightforward. However, and I may be corrected on the source, but I have a document I believe is before the Public Utilities Board in September of 1999 where Mr. McCulloch indicated, and I quote, "that the decisions of the automobile injury compensation appeal commission are not considered specifically binding as a general decision of the Court of Queen's Bench or Court of Appeal would be. The Corporation does treat them as very compelling guidelines as to how the legislation should be interpreted but certainly not binding." Now, for an individual who is working on their case to be able to have a letter saying they are binding, they are binding but here before public bodies suggesting, well, they are very suggestive but not binding, that individual certainly I think has a right to take that as being an inconsistency.

There may be different interpretations. It may be the individual decision being binding versus the principle that espouses, but for a citizen reading this material, it certainly leaves the impression that that is not the case, so I think it is very important—I say this to Mr. Zacharias—very important that the Corporation in its material that it provides to the public is very clear as to the bars and test it must meet. This individual also provided me a copy of the personal injury guide, a particular page that pertained to his situation which talked about persons unemployed at the time of the accident,

et cetera, and it really is not clear as to the test that person must meet.

So what I would just ask—and I would share this with Mr. Zacharias—if the Corporation would certainly undertake to ensure that the material and the information that it is providing to the public is clear and precise in layperson's language, and again, this is an ongoing issue and we as legislators who write reams of legislation certainly have the same problem.

Perhaps Mr. Zacharias may want to comment before I move on to my other issue.

Mr. Zacharias: Yes, thank you. Customer education has certainly been a big driver in our organization and one of the reasons we have done a lot of restructuring and brought on a public affairs portfolio, and the whole profile that it has is to try to achieve a standard of public awareness and education that we have not had before.

With respect to the Appeal Commission and rulings and binding and things of that nature, I believe the one letter reference is the fact that the Appeal Commission has ruled in Mr. Lejins' case. We are bound by that ruling, and we are not going to change it. I do not think you would want to have our organization say: Well, that is what the Appeal Commission says, but in his case we are going to move something different.

We also have legislation that we would have to adhere to, and there may be an extenuating circumstance of a particular case, again where the Appeal Commission may move the guidelines with respect to one decision that they have made. That does not mean that the legislation is now changed and that whatever they did in that case based on that individual merits has to apply to everything or should apply to everything. So, yes, when there are rulings in principle and the Appeal Commission comes with a legal interpretation or something of that nature, we have to pay attention to it. On the other hand, if they make a ruling, they have to examine each case on its own merit. When they do so, we cannot tie their hands and say you did something; now it has to be that way forever and a day. Because again it may not fix the next case. So there has to be some flexibility there.

On the issue of educating our public, particularly with their entitlements, the one issue is service standards to try and make sure that we have those in place that we can make everybody aware as to what they would expect. The second item, particularly dealing with PIPP legislation—and the PIPP legislation is very extensive and quite a heavy volume of legalese. Trying to translate that into common English or plain English in a format that is meaningful for customers has been a big challenge.

I am pleased to say that we are in the final throes of having a rather significant publication released in both English and French, which will be given to each customer which in plain English will explain to them what they are and are not entitled to. We do risk in that process, something that you just referred to, where an individual picks up and in plain language reads something and says I believe it means this. When you are trying to condense a lot of legislation into a few words, I think there always has to be the caveat that the legislation is the ultimate authority. But a major move forward in making sure the public is aware of what injury benefits they are entitled to is only days, if not weeks away from being unveiled.

Madam Chairperson: Thank you.

Mr. Praznik: Again to Mr. Zacharias, I have noticed just very significant levels of improvement in this area. I thank you for those answers. I think Mr. Lejins was very important that these questions be asked and now that opportunity has happened, so I thank you.

My next question is for Mr. Zacharias. Last fall in the sitting of the Legislature, we had opportunity in Question Period to ask the Minister of Finance if his administration was contemplating changing legislation to take dividends from Crown corporations like Manitoba Hydro, Manitoba Public Insurance, Workers Compensation Board. So I ask Mr. Zacharias today has he had discussions as CEO or have discussions taken place between the Corporation and the provincial Government with respect to this issue, the transference of MPI ratepayers' funds to general revenue of the Province of Manitoba.

* (11:20)

Mr. Zacharias: Any comments I would have with the Minister are few because under a governance I deal with the chairperson of the Board, and the chairperson in turn deals with the Government. But there has been nothing come to my attention to indicate that there has been any change in our past practices of the funds of the organization being used to the benefit of Manitobans.

Madam Chairperson: Thank you, Mr. Zacharias.

Mr. Praznik: Mr. Zacharias, just to pick up on your comment about "to the benefit of Manitobans." To clarify that, are you saying that is to the benefit of the Manitobans who pay rates or premiums to MPIC, or to the general population? They are two different groups. Although very similar, they are two different groups. Perhaps he would clarify that.

Mr. Zacharias: I guess my reference was to the fact that we do a lot of safety spending, high school Driver Ed and a number of advertising. Those people have not had claims and hopefully we are spending those dollars so they do not have claims. So when I was referring to the benefit of Manitobans that is the kind of context that I was dealing in.

Mr. Praznik: Madam Chair, then I would ask the Minister this question. Is it the intention of her administration to make legislative changes or whatever steps need to be taken in order to take a dividend, as does the Province of Saskatchewan, from Manitoba Public Insurance Corporation and to use monies that were paid to the corporation by its ratepayers for the purposes of insurance and to provide—the first principle again of why MPI was created was to provide insurance at cost. Is it the intention of her administration to make amendments to that legislation to take a dividend, in other words, take an additional tax on rates for the purposes of the general revenue of the Province of Manitoba?

Ms. Barrett: Madam Chair, to the member, we are working with the Board, which is in the process of being reconstituted, and will be

following the guidelines and the principles that have guided Manitoba Public Insurance Corporation, which, as I like to say, the Corporation is for Manitobans, by Manitobans. It is also public, which means not only that it is a public corporation bound by the law as a Crown corporation, but it also has a public component, which community service issues the programs and services as Mr. Zacharias has talked about. It is also an insurance company needing to look at the financial and insurance components, the "bottom-line" issues, but also looking at, as we have mentioned directly and indirectly this morning, the issues of fairness to clients, rates to ratepayers, payouts to people who have been injured through motor vehicle accidents, that kind of thing. So we are working with the new Board and we are working with the Corporation on all of those components to the Manitoba Public Insurance Corporation.

Mr. Praznik: Madam Chair, I am not asking about working with the Board. I am not asking about the Board undertaking public initiatives to improve safety, whether it be Driver's Ed, all of the things that any insurance company, public or private, would feel an interest in doing in order to reduce accidents, which reduce the dollars spent on claims, which reduce ultimately premiums to the users of that service. I am not talking about those. I am not talking about benefit improvements that may want to be made, as the one that I have asked or suggested be looked at today.

What I am talking about is whether or not the Government of Manitoba, not the Board of Directors, this is not their issue, but the Government of Manitoba, of which she is a Minister of the Crown, is contemplating making a policy decision whereby they will then expect Manitoba Public Insurance Corporation, which was created in the 1970s to provide insurance at cost to the citizens of Manitoba, that was never required to pay out of its earnings a premium, a dividend or make any transfer to the general revenue of the Government of Manitoba, I am asking the Minister if her Government is contemplating today to make a major policy change for MPI to require this Corporation to make a transfer of its net revenues or any other such payment to the general revenues of Manitoba for general purposes of the

Government of Manitoba, which would be a major policy change. I am asking her if she is contemplating that type of a change.

Ms. Barrett: Madam Chair, first I would like to comment just briefly on some of the preliminary statements that were made by the Member for Lac du Bonnet (Mr. Praznik), that he is not talking about the potential benefit improvements or fairness to clients of the Public Insurance Corporation, nor is he talking about the costs to the people who pay into the Manitoba Public Insurance.

I would suggest that perhaps that kind of statement, he should perhaps take a look at that because those issues are issues that have great relevance for the whole population of the province of Manitoba. The benefits that are paid to individuals and their families have an impact not only on the ratepayers but their families and in some cases, for example death benefits, to non-dependent individuals. So I think he is missing the boat when he sort of tries to separate out benefits and costs, because those have implications. Those policies and MPI decisions have enormous implications for all Manitobans.

As well, that this is not the issue for the Board of Directors. I do not understand what the Member is saying. These kinds of issues that deal with benefits, that deal with rate structures, that deal with how the public part of MPI is seen and is implemented, the community support that Manitoba Public Insurance throughout its entire history has been part of, that that is not a role, that is not an issue for the Board of Directors?

I wonder what role he thinks the Board of Directors has. I wonder what role the Board of Directors under his Government had. Were they full participants in the process of deciding what the plans and the organization and the running of the Corporation were going to be, or did he just sort of treat the Board as kind of a necessary evil because they had to have a board and dictated to the Corporation what was going to happen?

So I am a bit disturbed by the comments I hear both on the part of the benefits and the costs and also the role of the Board of Directors. My understanding of the role of a board of directors in any organization, but most particularly in an

organization such as the Manitoba Public Insurance Corporation, which is, as the members have stated accurately, a Crown corporation, a monopoly in at least the basic insurance coverage, the role of the Board of Directors to mediate between the Government on the one hand and the employees and the CEO and the operational side on the other is absolutely critical.

So having said that—and I am sure I will get response from the Member after I complete my comments—we will be working—

An Honourable Member: I take it is a yes that they are contemplating the money.

Ms. Barrett: If the Member would like to hear the end of my response, I am more than happy to give it to him. If he feels that he has already heard it, then perhaps we can adjourn the meeting, but I am not finished with my response.

In response to his direct question, the Government of Manitoba is going to be working with the Board of Directors and the employees of MPI as we have in the past to look at how we as a board, as a corporation and as a Government can work in the community, as well as working on rates and as working on benefits, the same as we have always been doing.

* (11:30)

Mr. Praznik: Madam Chair, I did not mean to give the Minister responsible here a lecture on parliamentary democracy, but I feel that I am going to have to because I just tell you what the Minister has totally missed. We expect corporations will make decisions, boards of directors will make decisions within the scope of their authority on benefit improvements perhaps, programs they might run, and they will be judged and they will be in the public debate.

I am asking a more serious question because what the Minister should know when she accepted the responsibility for this office is that Manitoba Public Insurance Corporation is a creation of the Legislative Assembly of Manitoba. Its Board of Directors, its employees did not create it. The Legislature created it and the Legislature, in its wisdom, set out a

framework for this Corporation. That framework, that scope, the power that we gave to that Corporation which the Minister should be aware of, that power and scope established a Corporation which was to provide automobile insurance at the best possible cost to the citizens of Manitoba. Within that scope the kind of issues that she in skating around my question, the kind of issues that she threw up about policy improvements and services and things they could do in the community, that is all within the scope, at least it should be, that the Legislature has given.

The Minister is skating around a much more serious question. This is not an issue for the Board of Directors. They only operate under the authority that this Legislature has given them. That is all they can operate, and I am sure the Minister is not telling us that they now have the authority to be legislators. I am asking her if her Government is contemplating coming back to the Legislature, the representatives of the people, who created MPI and from whose authority or whose authority have given MPI the authority they have to operate, I am asking her if her Government is contemplating coming back to the Legislature to make a very significant change in the principles on which MPI was created and its authority given. That is, to no longer be a corporation that provides automobile insurance, whatever that benefit package is that is designed by legislation, whatever services, but no longer just to provide those services at cost but to be required or have the ability for the Government to require them to take, as they do in Saskatchewan, a dividend each year from the net proceeds or some other like transfer of revenue. If the Minister has not figured out this question yet, what we are really asking is are you going to expect MPI, who is to provide services at cost, subject of course to all the reserves and things that are required but service at cost, are ratepayers of MPI now going to be expected to pay a portion of their annual premium toward a transfer of revenue to the Province of Manitoba?

Now, I would just remind her that her colleague the Minister of Finance (Mr. Selinger), shortly after I asked the same questions of him and the Premier who again skated all over the place, was forced to admit by the media that officials of the Department of Finance had been

sent to Saskatchewan to explore how they did it. So given the fact that your colleague has already admitted that you are exploring it, I am asking the Minister today not to skate, not to talk about public safety questions but just tell the public of Manitoba whether or not they are contemplating changing legislation or whatever is required to expect MPI to make a transfer by way of dividend or some other means of part of either their surplus which is really owned, I believe, by the ratepayers, or to make an annual transfer of net revenues to the Province of Manitoba for the purposes of general revenue.

I remind her that her colleague the Minister of Finance had to admit to the media that he was exploring this option in Saskatchewan. So I am now asking the Minister: Has it gone beyond just exploring it? Is it her intent to bring in necessary legislative changes to make that come about? A very simple question; a yes or no would do.

Ms. Barrett: Madam Chair, again, before I get to the actual question, I am obliged to respond to some of the preamble. *[interjection]*

Well, I am glad the Member expected no less, because I would assume that is why he made the preamble, so he would have an opportunity not only to get his comments on the record but also the comments of the Minister on not only the specific question but also his comments that framed the question.

I am again not privy to Hansard yet, but as I was taking notes it appeared that the Member was saying that MPI's role was to just provide insurance at cost. I would like to suggest to the Member that MPI's role in conjunction under legislation, well, certainly as long as I know and perhaps from the very beginning but certainly now and in the past time that his government was in power, provided support to the community, both specific communities and the general Manitoba community that was beyond the scope of just providing insurance at cost. I would suggest to the Member that the whole concept of "public" in the title Manitoba Public Insurance Corporation does not just refer to the fact that it is a Crown corporation and thence owned directly or indirectly by the people of the province of Manitoba, but it also has a public responsibility that goes beyond or is in junction

with, works with the requirement, yes, that we agree to provide, as I stated in my opening remarks, the best possible coverage for the people of Manitoba at the most reasonable, effective rates.

I believe that MPI, if we were actually going to talk about the Annual Report that we are technically supposed to be addressing here, would show that it has done a very good job in providing good coverage, excellent coverage for Manitobans at very competitive cost, that it provides additional programming, additional insurance coverage, that where it competes with other corporations, other insurance companies that it has managed in a financial manner the money of the people of the Province of Manitoba that they have given to the Corporation through their insurance premiums very admirably.

I believe the Member recognizes that and has acknowledged that. But that is not the single, only responsibility of the Manitoba Public Insurance Corporation, and it has been proven over years to be not the only responsibility. As I stated in my opening remarks, and perhaps I will quote them again, as well, many of these investments that are made on the part of Manitoba Public Insurance are for the benefit of all Manitobans, drivers and non-drivers alike, ratepayers and non-ratepayers alike, because they are used to purchase Manitoba securities that help build municipal, school and health care infrastructure. This has been policy that has been in place for many years under different management, under different boards of directors, under different provincial governments.

Is the Member now saying that what he really wants to see happen is those kinds of security or investment opportunities not to occur because they do not directly affect the people who pay directly into MPI? I would hope that is not what the Member is saying, because if it is then he is going against almost 30 years of precedents for the Corporation, part of what makes MPI as a Crown corporation something that we as Manitobans should all be proud of. So I certainly hope he is not suggesting for a moment that that be the case.

* (11:40)

MPI, in conjunction with the Board of Directors and the Government, has also not just made those investment transfers in the mush area but has also supported non-direct MPI insurance things such as the Pan Am Games. Now, I suppose if we were to carry the Member's comment about providing insurance at cost to its logical conclusion, none of that support would have gone from MPI to the Pan Am Games, because what direct a-to-b, a-to-z line is there from supporting the Pan Am Games?

Let me go even further afield from direct ratepayers and suggest that the support that the Manitoba Public Insurance Corporation has provided to the Winnipeg Symphony Orchestra has no direct bearing on Autopac rates or benefits to people who have been injured through motor vehicle accidents, but it is part of the public and MPI that the Corporation behaves as a good corporate citizen. A large part of that, as is reflected in the comments of the former Board of Directors and specifically by the former Chair of the Board of MPI, who was appointed by the former Government of the Province of Manitoba, make acknowledgement of the fact that MPI has a corporate responsibility and a responsibility as a citizen of the Province of Manitoba to think larger than just providing insurance at cost.

So I am saying to the Member we are going to continue the policy of working together with the Corporation, with the Board of Directors to ensure that Manitobans are covered effectively, as thoroughly as possible, as fairly as possible for their automobile and other insurance needs, vehicle insurance needs, and that the Manitoba Public Insurance Corporation is going to continue to be the good Manitoba corporate citizen that it has been for almost 30 years in providing supports to community endeavours as they have been doing and have been responded positively to by the Member in his comments earlier and by the former Government in their working with the former Board and the Corporation itself.

So I do not understand. I do not think we are disagreeing. I hope we are not disagreeing on the fact that MPI has a role and has always played a role in the broader community.

Madam Chairperson: Thank you. Further, Mr. Praznik? Otherwise, I have Mr. Loewen.

Mr. Praznik: Madam Chair, I am deferring now to my colleague for Fort Whyte.

Mr. John Loewen (Fort Whyte): Madam Chair, given that we are approaching the end of our time for Committee and it is apparent that the Minister does not want to answer the questions that were asked, I will turn my attention, as she requested, to the financial report ending February of 1999.

First of all, I would like to offer my appreciation, congratulations to the Board as it is identified in this report as well as to management for the obvious exemplary financial results which are evident to anybody who takes a look at page 3 in terms of the growth in revenue and the growth in certainly the income of the Corporation over the period identified since 1994.

I would, however, like to draw the attention of the Minister and in particular the newly appointed Chair of the organization to page 42 and note 15 to the Financial Statements, which refers to some funding that was provided to cover a deficit in 1987 of close to \$27 million. As the note identifies, \$19 million of that was repaid in 1994 and a further payment of \$7,867,000 was paid back to the Government presumably sometime after the publication of these financial statements. I think it is of particular note because, particularly with a new Chair and a new Government, part of whose responsibility particularly as Government and as a Board of Directors is to oversee the operation and to set policy for management, it is obvious from this note that when those principles are not applied, as was the case in the 1980s, we certainly see that indeed Manitobans do not benefit from Crown corporations that run deficits of this magnitude.

My question to Mr. Zacharias would be: It is identified that the \$7.8 million has been repaid. Will that be reflected in the 2000 Financial Statements as a reduction in retained earnings?

Mr. Zacharias: Yes, it will, but not in the automobile basic Autopac program. The Special

Risk Extension program, which is run as a separate line of business on a competitive basis, was previously also associated with the general lines program, and the repayment revenue of seven-point-some million will be paid out of the special risk extension program and not by the automobile basic Autopac program.

Mr. Loewen: Just for clarification, it will come out of the retained earnings of the Corporation?

Mr. Zacharias: Yes, the retained earnings of the Corporation, not the Rate Stabilization Reserve, which supports the basic program.

Mr. Loewen: Thank you for that clarification. If we could turn back to the numbers identified in the 1998 Year End Summary on page 3, I have a couple of questions. Obviously when one operates a monopoly it gives a certain amount of freedom within the scope of the regulatory bodies to raise rates. I make note that between the years 1994 and year ending 1999 that the Corporation's premium income increased by just over 30 percent. I would ask whether that was a result primarily of increased premiums or increases in the number of premiums written or increases in the rate per premium.

Mr. Zacharias: During that time there were some levy attached to a premium to rebuild the Rate Stabilization Reserve, which has since been removed. Other than that, the revenue requirements of the organization were very flat. We do have some premium growth each year based on upgrading that occurs. When people upgrade the year or the value of their vehicles, there are more premiums associated with the new vehicles. The rate at which they are buying new vehicles also generates revenue but by way of premium increases such as a 3% across-the-board increase this year or something of that nature. That revenue that was earlier generated to rebuild the Rate Stabilization Reserve, there is maybe four points reflected in there, which has since been dropped, but the other rate requirements are very minimal.

Mr. Loewen: I also note, and I am a little alarmed to take note that the claims incurred have risen by a rather small percentage but the other expense line has risen by an amount of over 40 percent. I am assuming that other

expense includes administrative costs and the other various expenses of running the Corporation.

My question to Mr. Zacharias would be if you could give us some explanation for the 40% rise in administrative costs but, more importantly, whether he believes that has levelled off or whether he expects the Corporation to continue to experience that type of increase in its other expenses.

Mr. Zacharias: Our corporate goal is to operate at 58 percent of the Canadian industry average by way of operating costs and comparisons, and we have achieved that goal each of the last two years.

* (11:50)

In the other line there are some expenditures that fall in there such as our safety spending. At one point we did very little safety spending. We now have probably \$8 billion or so attached to the safety budget, which would flow through there, premium taxes, commissions, which are a percentage of the premium earned. As your premium goes up, the premium tax that you pay and the commission that you pay based on a percentage falls into the other line, so that drives those particular numbers. Regulatory and appeal procedures flow into that line so that when you bring in the PIPP program and establish an appeal process there are costs associated with that. So we are paying very tight attention to that line with respect to ongoing operating costs. I am pleased to say I have been able to achieve our target of 58 percent of the Canadian industry average in each of the last two years.

Mr. Loewen: Yes, thank you for that answer, and congratulations on reaching those goals.

I also note that due to the infusion of over \$41 million this year that the Rate Stabilization Reserve is at over \$64 million. Is there a number that the Corporation has identified as being the optimal amount for the reserve?

Mr. Zacharias: Yes, our Corporation, with the approval of the Board of Directors has adopted a rate stabilization target range between \$80 million to \$100 million. They adopted that range

for a three-year period, after which it will be again reviewed. We are still in the middle of that period, so 80 to 100 is the appropriate range that the Board of Directors has at this point adopted.

Mr. Loewen: I also note that the retained earnings, although there was an income for the Corporation because of some write-offs, has been reduced from over \$79 million to close to \$76 million.

I would ask Mr. Zacharias if he could advise this Committee what the comfort level of his organization is in terms of the amount of retained earnings that needs to be kept within the organization to assure the stability of the organization.

Mr. Zacharias: The retained earnings refer to the competitive lines of business, basically the Special-Risk Extension Division and the Autopac extension, which is the buy-down of deductibles or buy-up of third-party liability and so forth. Those two lines of business operate in a competitive environment, and we have gone with the tests, same as any other insurance company would require, for solvency.

The Office of the Superintendent of Financial Institutions puts out guidelines with respect to solvency. The minimum retained earnings in our competitive lines of business should be the same as a private company, because if you raise your rates your customers can all leave you and you can be left with the liabilities. The level of retained earnings that we have are beyond the minimum at present, but there is no maximum that these companies would hold. The funds have been there for the protection of those lines of business so that at no point do we ever want to be in a position where the basic program or anybody else would have to come to the rescue of the companies that operate on a competitive nature. So those funds, retained earnings, have stayed there to back up those two competitive lines of business.

Mr. Loewen: Just to clarify that question. The total retained earnings of \$75,000,957, Mr. Zacharias, would you comment on the appropriateness of that total amount in terms of the Corporation? Given industry standards,

would the Corporation like to see that number higher?

Mr. Zacharias: If those numbers dropped below roughly \$35 million, if we were a private company we would be in trouble with our licence. So we do have some excess there at present. In the past, income from the other lines of business, SRE in particular, has gone to subsidize other pieces of our organization. For instance, the repayment, the \$7 million that we talked about, came out of that. It has subsidized the basic program to a significant degree. Since we now are in a, my words, comfort zone with respect to those retained earnings, we have been doing some price changing on the competitive products to reduce those so that we can again offer services at more reasonable costs even on a competitive line as a basis. So we are in the comfort zone on those at this point in time.

Madam Chairperson: Thank you, Mr. Zacharias. Do you have a further question, Mr. Loewen?

Point of Order

Mr. Faurshou: Madam Chairperson. It was indicated at the beginning of this Committee that we would rise at the hour of twelve. I would like to ask Committee leave to effectively have a few moments longer to discuss these issues, because we are prepared to pass this report, provided there is a positive response to a question that I have been patiently waiting for.

Madam Chairperson: On the point of order, this is in terms of proceedings. I am advised that it is no point of order, but if someone wishes to put a motion on the floor to extend the twelve o'clock deadline, that would be possible. I am informed by the Minister that she is not available after twelve o'clock. *[interjection]* A few minutes. Okay. So on further, Mr. Faurshou.

Mr. Faurshou: I would like to move the motion that this Committee continue to sit for at least 10 minutes longer so that we may resolve the immediate questions that are pertinent to this Committee sitting at this time.

Madam Chairperson: Okay. So we are recommending then 10 minutes. Is it agreed? *[Agreed]*

Mr. Loewen, were you finished? Do you have a further question?

Mr. Loewen: Madam Chair, I would like to ask one more question. Based on the information that Mr. Zacharias has given us, that information being that there is a need to increase the stabilization fund and that the retained earnings are in a comfort level, my question would be either to the newly appointed Chair of the Board, as it is the Board's prerogative in any organization as to determining what to do with dividends, but if the Minister would like to respond, that would be all right, too.

Given the comments from Mr. Zacharias that in fact there is more income needed for the stabilization fund and that there is not a lot of extra room in the retained earnings from which to draw dividends from, my question is: Will it be the policy of the new Board to continue the existing policy that has been in place for a number of years to ensure that while the organization, the company does retain adequate reserves and adequate retained earnings, in effect, as Mr. Zacharias has stated, rates will be reduced, continue to be reduced, Autopac premiums will continue to be reduced as opposed to dividend rates increasing and dividends being drawn down?

My question to the Chair: Will it be the policy of the new Board to request that the organization continue with and increase its existing rates in order to provide dividends to the Government? *[interjection]* Well, quite simply the question is: Will it be the policy—

Madam Chairperson: Hold on. Order, please. It is Ms. Decter Hirst?

Ms. Shari Decter Hirst (Chairperson of the Board, Manitoba Public Insurance Corporation): Yes.

Madam Chairperson: Yes. Your statement, please.

Ms. Decter Hirst: Could you repeat the question, please?

Mr. Loewen: Yes. Quite simply, will it be the policy of the Board, will the Board request that the organization, as opposed to reducing Autopac rates, continue with existing and in fact possibly increased premiums in order to provide the Government of Manitoba with a dividend which would come out of retained earnings of this organization?

Ms. Decter Hirst: PUB is a process that sets the rates for the premiums in Manitoba, and that discussion will begin in June for the year 2001. The levels for MPI in regard to our Rate Stabilization Reserve were part of a discussion from a previous PUB hearing. That process again continues until 2002. Certainly, again, while our Board is brand new and we have not yet met to discuss it, it is certainly not our intention at this point to apply to the upcoming PUB hearings to have that figure adjusted.

Mr. Loewen: Yes, it is unfortunate I think for the people of Manitoba and the public of Manitoba and the ratepayers of MPIC that neither the Chair of the Board nor the Minister wants or has deemed it necessary to answer a very direct question which has been put a number of times to both of them. Is it the expectation of this Government or of the newly constituted Board of this organization that MPIC at some future point will pay dividends out of retained earnings to the Government of Manitoba? It seems to me a fairly straightforward financial question, one which warrants an answer to the people of Manitoba. I would, on their behalf, ask that question and appreciate a response.

Ms. Barrett: Madam Chair, I would like to not take the Committee's time to reiterate the total answer that I gave to the same question, which was asked several times by the Member for Lac du Bonnet (Mr. Praznik), but also to reiterate again that the new Board has not yet met. So it would be very inappropriate to make any comment at this time unless, of course, the Member for Fort Whyte (Mr. Loewen) sort of is implying, and he will correct me if I am wrong, the same thing that I sort of felt from the Member for Lac du Bonnet, that they do not

really care about the process of involving meaningfully the Board of Directors of a Crown corporation but just want to impose something from the Government. Why would the Member expect either the Chair or myself to give an answer to something that the newly constituted Board, which has not yet met, preclude their discussion with the Corporation?

Again, as the Chair has stated, rates, et cetera, are set by the Public Utilities Board. The application has not even gone forward from the Public Insurance Corporation and will not until early June. So I just do not want it on the record that we agree at all that anything underhanded is happening or that things are going on behind the scenes, et cetera. We are practising good, responsible Government, have put in place a new Board with a new Chair that will be addressing the issues that are raised by the Government, by the Board, by the Corporation as they have been in the past.

Madam Chairperson: Further, Mr. Loewen, and then I have Mr. Faurschou and Mr. Martindale. So, Mr. Loewen.

Mr. Loewen: Well, I would then suggest to the Chair of the Board that given that the Finance Minister has stood up in the House and indicated to the people of Manitoba that he is indeed investigating the possibility of dividends flowing from MPIC to the Province of Manitoba that the first item on the agenda that the Board deals with is the financial implications to MPIC as a corporation and furthermore to the ratepayers who support MPIC as to the Board's position if it is indeed going to be the Board that makes the final decision on whether there is a dividend to be paid or whether a rate reduction is to be given. I am very pleased to hear that the Minister has agreed that that is the purview of the Board and hopefully the Government, Mr. Selinger will maybe rethink his position and the Government will not try to interfere in the operations of this Corporation which, as is obvious from the Financial Statements, is doing very well.

Madam Chairperson: Was there a question in that, Mr. Loewen? I did not hear a question.

Mr. Faurschou: Madam Chairperson, what I would like to ask is in fact the timeliness of the

report for the year-end that has just been concluded, that being for up to, I believe, February of 2000 when the—

Floor Comment: '99. We are dealing with February 20, '99.

Mr. Faurschou: Yes, but I am asking right now the Board chairperson, Ms. Decter: Is it in fact scheduled, a meeting of the Board for which you are to receive the more current 1999 report? When is that scheduled? Subsequently, when can we expect submission of the Annual Report to the Legislative Assembly? because I have many questions yet to ask. Unless I can have some type of assurance that this is forthcoming in the very near future, I am afraid we cannot pass this current.

Madam Chairperson: In response, Ms. Decter Hirst.

Ms. Decter Hirst: Mr. Faurschou, as per the usual practice, the Annual Report will be submitted approximately four months after closing the books, which is at the end of June, which will accompany our PUB application. They tend to be approximately that time line because of course it takes time to close the books and then make the following adjustments.

Madam Chairperson: The time is now 12:10 p.m. As previously agreed, checking with the Committee, do you wish to pass the Annual Report? *[Agreed]*

The report is passed. Committee rise.

COMMITTEE ROSE AT: 12:10 p.m.