

**Second Session – Forty-Second Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Crown Corporations**

*Chairperson*  
*Mr. Dennis Smook*  
*Constituency of La Vérendrye*

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Forty-Second Legislature**

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

**Thursday, June 4, 2020**

**TIME – 1 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Dennis Smook  
(La Vèrendrye)**

**VICE-CHAIRPERSON – Ms. Janice Morley-Lecomte  
(Seine River)**

**ATTENDANCE – 6 QUORUM – 4**

*Members of the Committee present:*

*Hon. Mrs. Guillemard, Hon. Mr. Wharton*

*Mr. Kinew, Ms. Morley-Lecomte,  
Messrs. Sandhu, Smook*

**APPEARING:**

*Mr. Adrien Sala, MLA for St. James  
Mr. Dougald Lamont, MLA for St. Boniface*

*Mr. Ben Graham, President and Chief Executive  
Officer, Manitoba Public Insurance*

*Mr. Michael Sullivan, Chairperson, Board of  
Directors, Manitoba Public Insurance*

**MATTERS UNDER CONSIDERATION:**

*Annual Report of the Manitoba Public Insurance  
Corporation for the fiscal year ending  
February 28, 2018*

*Annual Financial Statement of the Manitoba  
Public Insurance Corporation for the fiscal year  
ending February 28, 2018*

*Annual Report of the Manitoba Public Insurance  
Corporation for the fiscal year ending  
February 28, 2019*

*Annual Financial Statement of the Manitoba  
Public Insurance Corporation for the fiscal year  
ending February 28, 2019*

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

Our first item of business is the election of a new Vice-Chairperson.

Are there any nominations?

**Hon. Sarah Guillemard (Minister of Conservation and Climate):** I nominate Ms. Morley-Lecomte.

**Mr. Chairperson:** Ms. Morley-Lecomte has been nominated.

Are there any other nominations? Hearing no other nominations, Ms. Morley-Lecomte is elected Vice-Chairperson.

For the information of all members, due to the necessary closure of the public galleries for standing committee meetings, we have arranged for today's meeting and subsequent meetings to be video-broadcasted on our website.

This meeting has been called to consider the following reports: annual report of the Manitoba Public Insurance Corporation for the fiscal years ending February 28th, 2018 and 2019; annual fiscal statement of the Manitoba Public Insurance Corporation for the fiscal years ending February 28th, 2018 and 2019.

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

**Mr. Mintu Sandhu (The Maples):** Three hours.

**Mr. Chairperson:** Mr. Sandhu has suggested three hours.

Are there any other suggestions?

**Mrs. Guillemard:** I would suggest that we maybe sit for two hours and reassess at the two-hour level.

**Mr. Sandhu:** I should—we should go for two and a half hours and then we'll reassess.

**Mr. Chairperson:** Is there agreement for the committee to sit for—'til 3:30 and then reassess?

**Mrs. Guillemard:** I suggest that we sit 'til three and then we can reassess as a committee.

**Mr. Wab Kinew (Leader of the Official Opposition):** I believe two and a half hours was the starting point before reassessment for the committee last week, so seems like a reasonable practice to repeat. I believe it was the government who proposed it last time. *[interjection]* Sorry—*[interjection]*—yes. No. I just—was correct.

**Mr. Chairperson:** Okay, there is, I guess, a suggestion on the floor to sit for two and a half hours and then revisit. Is that the will of the committee, or what—*[interjection]*

The Honourable Mr. Wharton.

**Hon. Jeff Wharton (Minister of Crown Services):** With respect to Mr. Kinew's comparison to last week, we are here to deal with two fiscals. Last week we were here to deal with four. So I anticipate that, certainly, we would be willing to look at the clock at 3, and so sit for two hours.

**Mr. Chairperson:** Is it the will of the committee to sit 'til three o'clock and then revisit?

**Mr. Adrien Sala (St. James):** The last time this committee sat was in September of 2017. Clearly, a lot has happened in that period of time, and asking for 2.5 hours as a starting point seems very reasonable.

**Mr. Chairperson:** Mr. Sala has suggested that we sit for two and a half hours 'til 3:30 and then revisit.

Is that agreeable? *[Agreed]*

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

**Mr. Kinew:** Let's proceed in a global fashion.

**Mr. Chairperson:** It has been suggested that we proceed in a global fashion.

Is that agreed by the committee? *[Agreed]*

Then we will do the reports in a global fashion—consider the reports in a global fashion.

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

**Mr. Wharton:** Good afternoon, everyone. It's great to be here today, joined again by members and my colleagues and members opposite and also some of our members on the phone as well and in person today.

Certainly, we're looking forward to our discussions, and I know there are a number of matters that we're all dealing with with respect to COVID, but it's also important to continue on with the business of the day and ensure that government and in particular Manitobans continue to work towards—as we come out of COVID—to ensure that we continue to move forward.

So great to be here again, and this is a great opportunity for democracy to play out, and again, we're here to look at fiscals '18 and '19.

\* (13:10)

And before I begin, I just also would like to recognize Mr. Ben Graham, President and CEO of Manitoba Public Insurance, along with our MPI Board Chair, Mr. Michael Sullivan, joining us here today. So thank you, gentlemen. Certainly appreciate your presence here today.

With, again, with a focus on working with Manitobans to—MPI's working to reduce risk on road and making our roadways safe by establishing and enforcing standards for our drivers' vehicles, Manitobans, again, have come to expect and indeed deserve, Mr. Chair, a high standard of quality and service delivered by Manitoba Public Insurance, which we believe they are currently experiencing.

Again, also, Mr. Chair, our government is committed to reducing red tape, as we know, providing quality service, strengthening accountability and delivering value for money for services that all Manitobans invest in on a regular basis, and, again, Manitoba Public Insurance also continues to take steps to improve their service it provides to customers and evolve its service delivery model to meet customer needs and expectations.

With those few opening comments, Mr. Chair, looking forward to our discussions today, and thank you.

**Mr. Chairperson:** We thank the honourable minister for his statement.

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

**Mr. Kinew:** I would like to thank everyone in attendance for your participation today. Certainly, Manitoba Public Insurance is a very important Crown corporation that does a lot for the people of Manitoba.

I want to begin my statement by acknowledging the murder of George Floyd and to state unequivocally that our caucus stands against anti-black racism across North America and is committed to working towards social justice and the elimination of terrible incidents like this. So, of course, I know many of our colleagues plan to attend the protest on Friday, tomorrow, and we certainly stand in solidarity with the organizers of the Justice 4 Black Lives event here in Winnipeg.

We would very much have liked to make these sorts of statements in the Legislative Chamber. However, the House is not sitting at this time due to the government's choice for us not to sit, so I did want to make these remarks into Hansard so that posterity does have some record of this important time in our continent's history and, of course, in the progress towards justice that I hope we are able to make out of this period.

Also, I just want to note in passing, for posterity, that a great, well-respected elder by the name of Percy Houle, passed away, from the Ebb and Flow First Nation, and so my thoughts are certainly with his family as well.

As far as the matter at hand today, you know, we're actually joined, in the form of oil paintings, by two figures who are very important to the history of Manitoba Public Insurance. It was Premier Schreyer, I think, who really spearheaded the creation of it, but it was former-Premier Howard Pawley, who was a Cabinet minister in charge of the file, who oversaw the creation of Autopac back in the day. And many people that I've spoken to say that it's one of the most courageous things that a Manitoba government has done, because, back when Howard Pawley was a Cabinet minister, he was sent out on the steps of the building to greet 1,000 angry insurance brokers and to try and persuade to them why creating a public insurer in Manitoba would lead to a good outcome for all people and how they could, perhaps, also still be made whole by the government of the day

And so we know that Autopac's history in the province has been very interesting, to say the least, and certainly at this very unique time in our province's history, where we are dealing with a pandemic and we're dealing with a unprecedented recession and, of course, the impact on the financial markets that have first cratered and then shot back up, I think it is important to pause for a moment and to just reflect on that history, to note that MPI's history has not always been an easy one, but, certainly, when we look at the lower rates that we have in this province and we look at the protection that is afforded to Manitobans, that those moves, difficult as they may have been, ultimately led to a greater standard of well-being and a greater quality of life for people in the province of Manitoba.

So, as my colleague from St. James mentioned, this is the first time the committee has sat since September 2017, and certainly quite a lot has happened since that time. I'm sure, you know, the

CEO and board chair could educate us at great length as to all the changes that have happened during that period, but a few things stand out to my mind. We know that the vehicle-for-hire industry was launched in that period and certainly represented a very big emerging business sector that interacts with MPI quite a bit. Certainly that meant a lot of changes for the taxi industry who also have a lot in interaction with MPI.

And, of course, there's been a number of moves in terms of not necessarily Autopac's insuring of those businesses, but in the regulation of that sector, and it having been handed over to the City of Winnipeg from the Province, which is at least a tangential issue of interest towards the public insurer, I'm sure.

I'd also note the mandatory entry level training for truck drivers. Certainly, the issue of safety has been brought to mind. There's been a lot of good public interest journalism on the topic. Particularly last year there was a number of series of investigative reports that helped to underline the importance of that topic, and I think we're all very mindful of that.

And throughout this period, I think most recently we are all probably thinking about the pandemic, and I'd note that MPI has been very active, seemingly, through this period, both in terms of redeploying human resources. I received a cheque in the mail this week, which was also, I guess, a very public display of MPI's activities. And, of course, I think there's many other aspects of the business that have certainly been disrupted, changed or otherwise interrupted by the COVID-19 experience.

Yet, throughout it all, I suspect that achieving better value for the ratepayers in Manitoba is an overarching concern, as is the safety and, of course, the observance of good governance practices with respect to this very important Crown corporation.

We know that, you know, the government of the day here in Manitoba has interfered with Manitoba Public Insurance on numerous occasions. And the media has pointed out that with the Premier (Mr. Pallister) being an insurance broker, that certainly he has some very close ties and perhaps some conflicts that ought to be addressed when it comes to the questions around the governance and oversight of this very important Crown corporation.

In fact, we know that last year the board of MPI sought legal advice to clarify the board's role and responsibilities. I believe this is somewhat of a rhetorical move, or perhaps we could find a better, more accurate adjective to describe it later on in this

process because I think any layperson, any common sense person with experience serving on boards would understand what the roles and responsibilities are. However, it was likely the extenuating circumstances of this government's interference that led them down such a path to seek that external counsel.

I'd also note that the Public Utilities Board has clarified that the Pallister government has no right to interfere in the process of setting automotive rates in the province here. So, again, I think that whether you're on the left-wing or the right-wing perspective, an open-minded economic analysis would suggest that it's very important that there be, when a Crown corporation has monopoly power in a market such as MPI does here in Manitoba, it's very important that there should be a free and open process to determine the process by which rates are set so that the monopoly power is not abused and that consumers actually are getting good value for their services that are being rendered to them, but also that, you know, they have some fair say and fair input into that process as well.

One subject of great interest to me is the provision of online services in Manitoba. I know this is also one that has been very-bit of a hot topic, I would say, perhaps, and insurance brokers in Manitoba have certainly raised concerns, and I'm very, you know, live to those concerns. You know, there's many business owners and employees across the province who probably have concerns about their lives, their work being disrupted.

At the same time, it seems to me that if you just simply watch a television commercial and see what sort of insurance products are offered in neighbouring jurisdictions, whether that's other provinces or America, that there are much more advanced online services offered in those jurisdictions, and so it seems that MPI's a bit behind the eight ball, perhaps not due to any sort of lack of cunning or innovation within the organization, but just the requirement to work through those public processes here in Manitoba and to build a consensus.

\* (13:20)

So it is my hope that we can expedite that process in consensus building and, you know, bring brokers along as they were brought along in the 1970s and ensure that, at the end of the day, Manitobans do have access to online services that are comparable or perhaps even better than that available to consumers in other provinces or in the United States.

So these are some of the issues that I think my colleagues and I are very aware of, very live to, and we would like to see addressed today. Certainly, there's, I think, a lot of details that we in the public would like to get to in terms of, you know, just the nature of how this COVID pandemic has impacted the business. But I thought I'd touch on a few of those key areas, just at a high level, to begin just to sort of telegraph, if you will, what some of our intentions are to cover in this committee. And so, again, hopefully, that does help—maybe help formulate some of the thoughts and some of the discussion that we're going to have here.

And, if I might, beyond that I would just say that I am also very interested, you know, in this setting to get to know some of our guests a little bit better. You know, I haven't had the opportunity to engage directly very often, though I do understand, having looked at the CVs, that we're joined by two very intelligent people. You know, somebody's very distinguished here in the province and somebody who's certainly got a global track record and a lot of good ideas.

So, inasmuch as we have the opportunity to engage with the issues that I just kind of spelled out there, very much looking forward to that. But then also just, you know, the very good, you know, open-minded way, hopefully, get a little bit of a sense for the approach of both the chair and the CEO through this project—

**Mr. Chairperson:** Mr. Kinew, your time has expired.

Before I continue on, I'd just like to bring it to the attention of the committee: all questions or answers are 10 minutes. When you have a minute left, I'll bring this sign up just to remind you that you have a minute left to go.

We thank the member for his statement.

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

**Mr. Ben Graham (President and Chief Executive Officer, Manitoba Public Insurance):** Yes, I do.

Good afternoon to everyone in attendance. This is my first appearance at a standing committee meeting, so I thought I would introduce myself a little bit before we start in earnest.

My name is Ben Graham. I've been the President and CEO of MPI since February of 2018. With the support of the board that hired me, I've been brought into this province to focus on the fundamentals of core

insurance. And you'll start to see, as a result of that, very shortly.

I do look forward to overviewing the annual reports and annual financial statements for the years ending in 2018 and 2019. However, I would like to first quickly highlight some of the notable achievements which are included in a slide deck. I believe you each have a copy. I only want to focus on a few of those slides. I thought it was interesting just to provide you with a little bit of context of the corporation, with a real clear overview on the level of fiscal prudence that we have been applying over the last two to two and a half years.

At this time, I would like to thank all of the staff at MPI, be it from our driver examiners to our adjusters to our estimators, CPU, service centre operations, all the head office staff and, lastly, the board, for their support in getting the results that we are now starting to see at MPI.

When I first came on, we looked at our vision as a corporation and we moved it to be the trusted auto insurance and driver services provider for every Manitoban. To realize this vision, we have undertaken a lot of changes over the last couple of years, focused on three major areas: transparency, fiscal prudence and customer service.

Firstly, I want to touch on transparency, both with our internal and external stakeholders. I'm sure you will note that we now have a very strong and trustworthy relationship with the Public Utilities Board, and you'll have that noted in the last two orders that have been made by them in relation to our general rate application.

Transparency has also been expressed through a clear accountability to our customers—those that must purchase insurance from MPI. Starting this year, all of our renewal notices include a very detailed breakdown of where your premium dollars go. There's no secret coffers. Every dollar, we will show you where it goes within the corporation. It's a clear demonstration to every Manitoban that their dollars are being put to good use.

Finally, I believe our transparency with both our staff and the MGEU have been fantastic throughout our ongoing pandemic planning. As you will know, I'm sure there'll be some questions on our response to COVID-19 and our strong relationship with them will be brought to the fore when it comes to discussing those.

Last but not least, in relation to transparency, at the back of the presentation deck—unfortunately for those in attendance, insurance and some of the topics that we discuss can be quite boring, so to confuse people we talk in acronyms. There's a full listing of some of the acronyms we might discuss in there so that we don't have to stop every three minutes and explain the acronym for everyone in this room.

Touching on the key topic for today and specifically in relation to the annual reports, if you can turn to slide 15 of the slide deck, I just want to run through a few of the fiscal prudence components that we've been working on at the corporation for the last two years.

Slide 15 is a clear demonstration of some of the key metrics of any insurance company. You will notice that since February 2018 our loss ratio is down, technical income is significantly up, operating expenses continue to be managed prudently, and all of this equates to a very simple answer, and that is lower rates for Manitobans.

If you go to the next slide, again, minimum capital test is an industry standard that is used in previous years. If you look at, you know, 2015, '16, '17, the corporation was almost technically insolvent. We had the lowest MCT ratio of any insurance company in North America.

Through work of the board and the executive and support by government, we have been moving to increase that MCT ratio towards 100 per cent. That was recently enshrined in regulation.

The purpose of MCT is to avoid any rate shock in the future if we have a bad year. Because of the things we have done at MPI in recent years, as the percentage goes up, the actual amount of capital needed to hold reduces because of the steps that we have taken in relation to reinsurance and asset liability management, as well as ERM.

I'll also talk a little bit, although I'm sure there'll be some questions later in relation to the PUB and the capital management plan, and we'd obviously like to discuss that with you. Again, a one-in-three year reduction in MCT to give money back to Manitobans, but if we do have some bad years and we need to build back up to 100 per cent, we will do it prudently over a five-year period as to avoid rate increases of shock to the paying public.

On the next slide, one of the larger components of the volatility equation is reinsurance. You will note, on the left-hand side, the reinsurance program that I

inherited back in 2018. Of note, in 2015-16, we had a year of \$53 million of hail losses of which we only recovered \$900,000. Reinsurance is a program in place to avoid such volatility, but the way that the program was placed did not provide that level of protection to Manitobans.

Subsequently, we went and met with our reinsurance broker and placed the first-in-Canada, single-aggregate, tower-based program, which effectively eliminates volatility from our earning cycle. How does that happen is that we retain the first \$35 million. We budget that amount. If we have a good year, we're under budget and that excess capital will then go back into the pockets of Manitobans through the rate hearing the following year.

If we have a year of, say, \$80 million worth of hail, we have a stop-loss of \$35 million. We will not pay a single cent more. So as you can see, it significantly reduces volatility in our earnings and any increases in premiums for Manitobans. Of note, after being the first to be placed in Canada, the following year six similar structures were placed in the market by other insurers.

The following slide, slide 18—I know you have probably heard the term flatten the curve, over and over, over the last three months. For insurance companies, that's probably the opposite of what we want to do when it comes to modelled outcomes. So we want to make sure that we narrow the amount of volatility in our earnings.

\* (13:30)

An example of that, and through the work of the board and some of the great minds that we have on there, especially when it comes to investment strategy, if you look at our asset-liability management program, through a 47 per cent reduction in value-at-risk, for a trade-off of an 8 per cent reduction in technical investment income, we have obviously a lot less volatility in our earnings or modelled outcomes, as is seen through these models that we run at MPI on a very regular basis.

And, last but not least, I'm sure a topic in the public realm is around operating expenses as a percentage of net premium earned. We have continued to manage the operations of the business prudently and that operating expense ratio continues to fall year on year on year.

What matters—what has happened now because of the work that we have done, even with the building of capital we have asked last year for a rate decrease, the

first in eight years, of 0.6 per cent, and without letting the cat out of the bag for this year's rate indication, let it be known that Manitobans should be extremely happy in about two weeks from now.

The last point that I wanted to raise was around customer service. The board of directors, as well as the team at MPI adopted a new corporate mission statement with exceptional coverage in service, affordable rates, and safer roads through public auto insurance. Part of that was a product review trying to provide customers with greater choice, and that is commonly known as the CERP project and was approved by Cabinet recently.

Project NOVA, which is looking at providing customers with an amount of choice on how they transact with MPI in an online or self-service environment, and no longer do we tell our customers what they want, but we do a lot of work to ask them and try to meet their needs.

So, in closing, I just want to thank you for allowing me to address the committee today. I'll now turn it back over to the Chair and I look forward to answering any questions that you may have.

**Mr. Chairperson:** Thank you, Mr. Graham.

The floor is now open for questions.

**Mr. Kinew:** I just want to ask a quick clarification question, because you did mention the acronyms.

The CERP, would that be the same thing that may have previously been referred to as legacy modernization project, or is it a separate program? *[interjection]*

**Mr. Chairperson:** Mr. Graham, you have to let me recognize you before you can answer.

**Mr. Graham:** No worries. It's been a while since I've been in the principal's office.

**Mr. Chairperson:** Mr. Graham, you may proceed.

**Mr. Graham:** No worries. CERP is in relation to the changes to the basic product that we've made recently, so it's Compulsory and Extension Revision Project. Legacy systems modernization is now called Project NOVA.

**Mr. Kinew:** All right, thanks for that quick clarification. I always take the bait when it comes to acronyms and such.

So I'm wondering if, maybe to begin the line of inquiry this afternoon, could you kind of, like, compare and contrast where MPI was at in terms of



maybe building off what you've just laid out in your opening statement there? How was the business of MPI heading into the start of the pandemic and now how has that been upended, changed, interrupted as a result of all the changes that our society and province have implemented as a result of COVID-19?

**Mr. Graham:** Yes, I've got it. Okay. I think the most significant change is around the claims volumes that we are seeing. There was a drastic reduction in traffic on our roads, especially once the state of emergency was declared and people were staying at home a lot more. We are starting to see that volume increase again; so is our claims volumes, so we'll continue to monitor that. And, obviously, an impact on our staff and the work that they do, so I don't think we're alone in the pressures that we felt. I think everybody's feeling it, but it's mainly around the claims that we have to pay and a significant portion of the rebate, and the application to the PUB was to address the excess premium that we were collecting in relation to those claims being paid.

**Mr. Kinew:** Could you maybe expand a bit and talk about issues like workforce, you know, the fiscal health; how have the assets been performing; maybe touch on other aspects of MPI's purview in terms of how things have changed in the last three months or so?

**Mr. Graham:** I must ask that, considering the broad range of that topic and that question, can we be maybe a little bit more specific, if that's okay?

**Mr. Kinew:** Yes, sure. Well, we can proceed maybe sequentially, maybe just starting with workforce.

We've certainly heard public reports about changes in the workforce—layoffs, redirections. Perhaps you could summarize some of those changes for us.

**Mr. Graham:** Yes, we continue to monitor our workload and work volume across all of our staff.

Again, we have a very strong relationship with our union, who represents about 85 per cent of our employees. We were successfully able to implement the workshare—federal workshare program for a number of our staff, which was a great result for MPI. And, in particular, the staff that have been impacted by this.

We have, obviously, other areas of consideration for them around VRW and things like that, so we are starting to see some of those things come back into play. So you'll start to note that driver examining will

be starting off again. We're one of the first provinces to do that. We've done that with class 1 and we've worked very closely with the industry to get that up and running as soon as possible, as well as class 5.

So a number of those staff that could have potentially been severely impacted by this pandemic will be back at work full time very soon.

**Mr. Kinew:** And could you provide the number of employees that would be affected? Like, if you could walk through the FTEs in terms of this group was work-shared, this group was looking at reduced work weeks, this number was laid off.

Did—perhaps this is the amount of employees who were continuing to work at full volume, too, if you want to walk through that as well.

**Mr. Chairperson:** Mr. Graham.

**Mr. Graham:** Just give me two seconds, yes.

Thank you for your patience. I wanted to provide updated numbers. As I'm sure you're very well aware, this is a fluid situation.

So at this point in time, we have laid off zero employees at MPI. Currently, under the workshare agreement process, we have 250 staff. We have redeployed 60 staff to Shared Health. Work from home was around 82 per cent of MPI staff. And between 18 and 19 per cent of our staff continue to go into the office or our facilities as we continue to meet customer needs.

**Mr. Kinew:** And could you walk through the workshare piece to me? Like, what is the impact on those employees who've been affected by that change?

**Mr. Graham:** In simple terms, I can use the example of our adjusting team.

As claims volumes have reduced, the number of vehicles that need their attention has also reduced, so if they are at 60 per cent capacity of normal workload, instead of us laying off 40 per cent of our staff, we remain responsible for 60 per cent of their salary, and everyone will continue to work 60 per cent of the time and then accessing the federal workshare program to top up their salary to the remaining 100.

**Mr. Kinew:** And I'm just assuming, like, without holding you to that specific number, that that's within the ballpark of how that group of employees would have been affected there, yes?

\* (13:40)

So, moving on, maybe you could talk a bit about, you know, how the swings in the markets have affected, I guess, some of the assets and the financial health of the corporation.

**Mr. Graham:** I can get some more specific numbers from our chief actuary, who also looks after the investments piece. You would've noted I mentioned the asset liability management program. We have not been significantly impacted by the shift in markets because of the asset liability management program that we put in place. So, simply put, we sold a number of high-risk equities and put them into fixed income and then aligned them to our basic program, which means that any financial losses that we have had on our investment income has been drastically reduced.

**Mr. Kinew:** Then maybe we could—because you're saying essentially there's not an issue there, I guess. Is that fair to say?

**Mr. Graham:** I think it's fair to say that the corporation has never been financially stronger.

**Mr. Kinew:** All right, and then so maybe we could just walk through—if we were to think about it in terms of the different, like, business, you know, business activities that MPI carried—carries out, would you be able to walk us through, like, here's been the impact on basic insurance; here's the impact on driver licensing; here's how other aspects of the corporation have changed over the past three months.

**Mr. Graham:** Are they changes to the financial outcomes of the corporation or operational issues, I guess is my question.

**Mr. Kinew:** Yes, no, I'm interested in both. Like, again, proceeding globally, so it's a pretty wide-ranging discussion at this point, but, you know, if there's anything that stands out to you in terms of this was a market change over the past three months—whether that's financially speaking, whether it's operationally—I'd be curious to hear.

**Mr. Graham:** I think I've run through a number of the operational challenges that we've had.

When it comes to things like driver examinations, we do have a backlog now; I'm sure you're aware that a number of new drivers would like to take their test in the summer; I know that I would, coming from where I do.

When it comes to the finances of the corporation, the capital management plan that we have implemented ensures that we do not drop below 100 per cent MCT. You will note that, even with the

rebate that we have provided to customers, we will be looking at a very positive right indication in a couple of weeks from now. So we believe that the reduction in claims volume actually led to greater income for MPI, income that we did not budget for; hence, we were able to return that to taxpayers in the form of a rebate cheque.

**Mr. Kinew:** So, fair to say that the remarks to date have covered sort of like anything that's been new and notable and novel in the past three months and there's no, like, other big issues that you want to flag at a high level in terms of the pandemic response, if you will?

**Mr. Graham:** I think, yes, I think we've probably given 110 million reasons that our response has been fairly prudent to—[interjection]—fairly prudent when it comes to dealing with the response.

Again, it's been a challenge for everyone in the province. We've been managing our staff through this, our customers through this, who have also been very understanding. We've looked at some of the operational issues and are looking at doing some transactions through our contact centre, which we haven't done in recent times, to try and meet that need. But we haven't seen any significant impact on the financials of the corporation. So, nothing new and exciting.

**Mr. Kinew:** So perhaps we could talk a bit about online services, and I guess I'm going to try and keep up with your nomenclature here in your slide deck and all that. But I was wondering maybe, just to begin, if you could kind of walk us through what the current offer is by MPI, in terms of online services that face the consumer.

**Mr. Graham:** Unfortunately, MPI does not offer very many online services for customers. The major reason for that is a very antiquated legacy system that we currently have at MPI. It was built in-house many, many years ago. If anyone has read the PUB transcripts, I often use the analogy that we're running a \$4-billion corporation on an Atari.

It is a simple fact that any changes or implementation of online functionality—the cost equation or the value provided to customers through that and the cost to do it doesn't make any sense. So, very limited online—you can pay your renewal online and you can book a driving test online.

**Mr. Kinew:** See, you touched on it a bit there, but what sort of investments has MPI made towards moving to offer more online services over the past few years?

**Mr. Graham:** I can give an example of the ability for someone to book a driving test was in the range of approximately \$3 million in development costs to enable that functionality. It was something that our customers have been begging for, so we made sure that we were able to provide that at, unfortunately, what I think is a significant cost, but there had to come a time when doing that work in such an antiquated system needed to stop.

So, at this point in time, I don't believe that we will be offering any more online functionality to customers until Project NOVA is complete and running.

**Mr. Kinew:** Okay, so can you walk us through Project NOVA and the interplay between executing this and how we would then be able to see an expanded online offer? And maybe along the way you can spell out what would some of these additional services that Manitobans could come to expect be once you've, kind of, maybe not even got all the way to the finish line but have at least proceeded far enough down the road that it's operational.

**Mr. Chairperson:** Mr. Graham—oh, sorry.

The honourable Mr. Wharton.

**Mr. Wharton:** Certainly, with all do respect to the member's question, Project NOVA—and I—first of all, I'd like to thank the CEO and the board chair for providing us with this deck. It's very helpful. And in the deck on page 22, there's—through other pages, there's a really good explanation, high-level, of Project NOVA.

So, certainly, in the light of the time, certainly, I know the member's probably got a whole list of questions, but Project NOVA is pretty well spelled out at a high level here and certainly I think that we can talk about some of the issues as well were in—under consideration today like the financial reports.

**Mr. Kinew:** Certainly, Project NOVA does seem worthy of inquiry at this committee, and, again, part of what I set out to do in the opening statement was to say that I want to gain some insight into the approach of the CEO and the board chair. And so I would like to very much hear them expound and extrapolate and expand upon their views with respect to this.

Certainly, it does sound like something the CEO is interested in. I don't know if I'm reading too much in to say passionate about, but it does seem like there's some desire to move down this road. So I very much would like to hear the CEO flesh out a bit about his

vision—not just Project NOVA specifically, but what is the overall direction that MPI is taking towards moving to greater offer of online services; how does this interact with that; but then again, at the end of the day, what should the consumer expect to see a few years down the road once we've made some progress here?

**Mr. Graham:** Thank you for noting my level of excitement.

Not only is it a want but it's a need. Our systems are so old, unfortunately, when we need to make coding changes in our system, we literally need to pull people out of retirement to do it for us. That's how old our systems are.

\* (13:50)

So Project NOVA, when it comes to the provision of online services—I've been through a couple of winters here in Manitoba. The thought of going outside and getting in my car to go do some level of insurance transaction is frightening to me, and being able to provide customers with a choice of how they trans us is critical in the delivery of Project NOVA.

So, besides driver licensing transactions that would be required to be in person, nearly every other transaction that MPI will provide will be able to be done online by customers self-serving that through our—through a portal—customer portal.

But it's not only about online. So online customer self-service is only a very small part of the equation. You know, maintaining those older the systems costs a lot of money, so we'll find a number of efficiencies. When the government decides to give us an insertion of work, it'll be a lot cheaper to complete those projects.

And I'm sure everyone in the province is very well aware of the focus on technology risk and information security, and they will also be addressed through the implementation of up-to-date insurance software.

**Mr. Kinew:** So, certainly, a lot of interesting things to follow up on there, and hopefully I do a serviceable job of following up on each point in kind.

I guess, just for those of us who grew up with the winters and maybe that's not the most frightening aspect of venturing out to the local insurance broker, would it be fair to say that the recent experience with the pandemic has perhaps also served to underline the importance of being able to access services online in Manitoba?

**Mr. Graham:** It definitely would have been an advantage if customers could have done self-service from home. Absolutely.

**Mr. Kinew:** And in what ways would that have been an advantage? Perhaps through some examples, if you could share with the committee?

**Mr. Graham:** Could be the very simple transaction of changing an address or something like that. Instead of needing to go to a service centre, to a broker, you could have done it in the safety of your own home. Obviously, with the social distancing guidelines, the amount of people in a particular building, it would have just been much easier for members of the public to comply with public health guidelines if they were able to access online functionality.

**Mr. Kinew:** You also used a phrase in your previous answer; I believe you said: It's not a want, it's a need. And, you know, forgive me if I'm reading too much into this, but it seems as though, like, maybe there's something of your business philosophy reflected in that statement, that you see the industry in which you are steering this corporation moving in a certain direction. And in order to be able to keep pace and to be able to execute your task safeguarding the financial security but also the, you know, health and safety of Manitobans, that you do need to keep with the times, as it were.

If I'm, you know, on to something there, I'm wondering if you can maybe just spell that out a bit more for us. Like, how important is it, as the head of an insurance corporation in North America today, to have an online offer?

**Mr. Graham:** I think everyone in this committee meeting is very well aware that the number of transactions that customers do online is ever increasing. We live in an online world.

Unfortunately, our customers are telling us that they want to do things online—a significant number of them. It would be remiss of us, whilst we are updating our systems to eliminate any of that technological debt that we have in the past with the ageing of our systems, to not offer online functionality to our customers that have been asking for it for many, many years.

**Mr. Kinew:** I guess what I'm curious is, is there a point at which not having this technological capability gets in the way of the basic tasks that MPI has to carry out as a public insurer?

**Mr. Graham:** When it comes to getting in the way of things, only if we're unable to maintain or update our antiquated systems. At this time, it's more of a choice for our customers.

So the cost of maintaining that old infrastructure is just increasing, so it's just—it's a long time coming that such an upgrade has been on the cards and now we're—we've been empowered to make those changes.

**Mr. Kinew:** So that's sort of the bare minimum, but you strike me as a person who would like to innovate and maybe be more on the leading edge there, so maybe you could talk a bit about that side of it: where could the public insurer be headed if we were more aggressive on this?

**Mr. Graham:** What I have come to learn, in my first public insurance role, is that when you're spending everybody else's money, you need to be very prudent with it. So I think the right approach for MPI, and the approach that we will be taking, is we'll be taking a very incremental step—not going to go from zero to 100 kilometres an hour straightaway—and we'll make sure that we are less innovative. Let's be clear, what we are doing is not groundbreaking. We're playing catch-up a little bit here—so incremental releases to the public on functionality and those types of things. So again, it's not breaking edge.

When you're using Manitobans' money, you need to make sure that you are being prudent with that because sometimes going to the other edge and being innovative or being the first in the market, as a public corporation, Crown, being first to market with new products isn't really an advantage; when basic makes 81 per cent of our premium, they want to make sure that this system provides them with access to the transactions they want to do online, but also making sure that the money being spent is being spent appropriately, because it's taxpayers' money.

**Mr. Wharton:** Certainly would want to also draw the attention to the members, on page 8 where—I know the CEO has spoken about in the past, and certainly this is important to get on the record, the corporate values of MPI, Mr. Chair, are four very important corporate values that I would like to get into the record. And I know the chair of the board and the CEO have gone and put a lot of work into these corporate values so I want to read them into the record, if I may.

Doing what's right: we act in the integrity of an accountability; we strive to be open and transparent. We've heard that this afternoon, certainly, as we go forward.

Investing in people: we empower our employees and work together with business communities and road safety partners to fulfill our mission.

Number 3, striving for excellence: we adapt to meet evolving customer and industry needs, focusing on continuous improvement. Again, areas that I know the member opposite are looking for answers on, they're here, absolutely, in their corporate values.

And lastly, and not finally, but, providing value to Manitobans: we maintain affordable rates and ensure accessible coverage. Very, very, very comprehensive, the corporate values on page 8, and certainly honoured to read them on the—in the—into the record on behalf of CEO.

**Mr. Kinew:** Perhaps the CEO is noting the challenge of innovating with an air-conditioning system in the Manitoba Legislative Building—not the easiest thing to get done, though. Perhaps you can join us in the Chamber someday, and there's a/c in that room at least.

So, just again returning to some of the points that were raised in the previous answer a few turns ago. You also touched on cybersecurity and, I guess, you know, privacy and related issues like that.

Are there any concerns around security with the current system? You kind of describe it like an Atari. I have an image of, like, something duct-taped together and, you know, flashing lights in a janitor's closet, or something like that, in my head. But is—are there any concerns with the current system? And then what are you hoping to do in that respect as you transition towards this new model?

**Mr. Graham:** I think everyone at this committee, and I know that the board and the team at MPI, are very well aware of privacy issues and information security.

We have a very high level of information security at MPI. As we continue to develop our conformance with international standards, when it comes to information security, all that will happen through the implementation of these new systems will make that incremental move up that scale a lot easier.

\* (14:00)

**Mr. Kinew:** So it's easier to keep pace with developments in the field of cybersecurity, is that fair to say? Yes?

**Mr. Chairperson:** Mr. Graham?

Mr. Kinew.

**Mr. Kinew:** So I'm curious about the nature of this. So you talked about having to bring people out of retirement when you need to update the current code base; suggests, like, it's something that was pieced together here in Manitoba. Where you're headed, is that something that's an off-the-shelf product? Like, you just go to one of the big tech firms out there and, you know, you just order up your insurance back end 2.0, as it were, or is—some kind of hybrid where you're looking to tailor something? Could you talk a bit about the nature of the product?

**Mr. Graham:** The advice that we gave and the board has endorsed was that wherever possible we would definitely buy a COTS solution, so an off-the-shelf solution to meet our needs. The complexity of the transactions that we conduct at MPI have been done the world over in other jurisdictions, so it would be remiss of us to think that we could not learn a thing or two from an off-the-shelf system that already has that functionality built into it.

**Mr. Kinew:** So what is it that stands in the way of just doing that today?

**Mr. Graham:** I don't believe anything stands in the way. Implementing such a change is not something that happens in two weeks. We are in the process of finalizing a number of RFPs for such solutions, and we are hoping to kick off this project, with those providers in our office, working on this development, in the coming months.

**Mr. Kinew:** So, coming months in terms of finalizing the RFP process, and then what would the timeline be in terms of implementation?

**Mr. Graham:** Please don't hold me to these dates. I believe that we should be starting to get some level of online functionality in relation to the DVA part of our business, so the licensing part and all of those components, within two years.

**Mr. Kinew:** It's not quite the move-fast-and-break-things approach that you hear about in Silicon Valley, I guess, but you've already kind of explained the need to move judiciously and prudently.

When it comes to some of the other, you know, areas of activity of MPI, can you walk through, like, okay, so it's DVA first, and then we move to this area next, and then that area sequentially. Can you give us a bit of a work plan, almost?

**Mr. Graham:** So what we've done is, customers have really been telling us that some of those simple things in relation to the DVA part of our business is what

they want to see more streamlined and online ASAP. So we're listening to our customers and doing those first.

The issue that MPI has is that there are not too many insurance companies in the world that also provide driver licensing services; so when you're purchasing something like a P&C insurance system, that do the insurance transactions part of the business, how that integrates with a driver-licensing component—and laying on top of that a customer portal platform—obviously adds a layer of complexity to the system.

So, yes, I get the move-fast analogy used here, but, unfortunately, with the services that we need to provide, that is the most quick and prudent approach that we can come up with.

**Mr. Kinew:** So the RFP for the software was put out about a year ago, I believe. Can the CEO talk to us about the timeline? Was there any sort of, you know, unforeseen challenges during that process, or was it expected that it would take about 15 months all told to go through the RFP when it was initially launched?

**Mr. Graham:** I would like to note that it's not just a single RFP, there were a large number of RFPs. As I was explaining, there's a DVA component; there is a P&C component; there's application platforms, integrators. So has COVID impacted the RFP timeline? I believe it has by about four to five weeks, which is unfortunate, because you don't have vendors flying in to meet with us. But, yes, we're on track besides the COVID component.

**Mr. Kinew:** And so I don't have the whole list in front of me right here, but could you just walk through again—I didn't quite keep up with my note-taking there—in terms of the different software solutions that need to be applied to these different areas. Can you spell that out for me one more time? You had DVA and—yes.

**Mr. Graham:** For someone who's not very strong at IT, as my IT staff at MPI would tell you as well, the major component is the property and casualty system that we will—that will deliver insurance products. You also have the driver licensing component, which is an interesting—there's not too many providers out there, so that adds a layer of complexity to the RFP process. You also have a system integrator who needs to do that work for us. And then there's an application platform—productivity platform, which will be the front-end portal in which Manitobans will be able to access those services in a one-stop shop.

**Mr. Kinew:** I thank you; that's perfect. That's exactly what I was looking for there.

So I could probably hazard a guess as to the answer to this question, but I would like to just put it to the CEO just so I could hear his words on the topic. Is there some sort of missed opportunity in efficiency terms for having to go seek out these different vendors for each of these different areas rather than sort of having like a one-stop shop, as it were, for all these different aspects?

Again, you know, previously we heard that other insurers have done this around the world, and so I'm wondering if there's a specific reason as to why Manitoba's public insurer is looking at, you know, these four areas and perhaps some other smaller, you know, software solutions in various areas.

And then, again, the reason why I'm asking for the purposes of the CEO perhaps offering some comment is, are we missing out a bit on having to go shopping around here and there?

**Mr. Wharton:** Certainly, I appreciate the question from the member. I just—a little concerned about an active—several active RFPs currently in process and having a global discussion when they have not been—nor the outcomes been derived. I believe that we're going down a path that probably would not be favourable to the process, so I would recommend that we move back to the matters at hand.

**Mr. Kinew:** I would point out for the minister that I think I've been quite careful not to ask about vendors or, you know, proprietary information. I think that could reasonably be expected to, perhaps, touch on some of those concerns that he's flagged there. I do think that I have been quite careful to ask it in a general way so that we can just serve the public interest of Manitobans and have some insight into the process here. And, of course, I do want to very much respect that we not, you know, spike a ball into the middle of what might be an ongoing process.

**Mr. Graham:** I appreciate that sensitivity. The reason why there is that level of complexity and that loss of efficiency that you're talking about is there are very few jurisdictions across the world, as I mentioned earlier, that do both driver licensing and insurance, and the software solutions for them, whilst they can be integrated and can talk to each other, are fundamentally different and provided by different organizations.

\* (14:10)

So, through the search of a COTS solution for all of these things, you have to make sure that you go through it incrementally and appropriately. The last thing we want to do is pick something that isn't fully 'integratable' or any of those types of issues that ultimately means a loss of money or overspend on the project.

So, unfortunately, just the nature of the businesses that we have been asked to administer on behalf of Manitobans means that it's a much lengthier process.

**Mr. Kinew:** So I'm clearly a layperson on these matters, but I'll put my very explicit layperson hat on in terms of asking this next question.

You know, I watch ads, you know, come on during a football game or—well, not right now, but, you know, during normal times it'd be on during a football game, and you'd see an ad from an American insurance company. Pick up your phone, take a photo of a fender bender and then, you know, you send it off and then you're on your way to get your vehicle repaired.

Just like for the consumer-facing experience, when could a Manitoban expect that of MPI?

**Mr. Graham:** Again, it's an incremental process. So, the first sort of that functionality being in a couple of years from now. Again, unfortunately, we wish it could be quicker than that.

Some of the initial functionality that we are looking at, I'll give an example of rental car insurance. Manitobans enjoy extremely cheap rental car insurance. I'm sure everyone in this room has probably flown to Toronto, gone to pick up their rental car, and forgot that they have to buy insurance for that. They are charged an exorbitant amount of money to do so at the rental car site. It would be great for a Manitoban to be able to log into their account on their phone, put their credentials in, pay for it on their phone and show the person behind the desk that they have a current rental car policy from Manitoba that covers any exposure that they have, for example, in Ontario or Quebec or wherever it is.

So they're the types of more simplistic functionality that we want to implement ASAP.

**Mr. Kinew:** Okay, well, business travellers, if they are to return at some point, I'm sure will be pleased to hear about that.

Just to pause for a second on, like, some of the online services there's—that have been offered for date, because there is a bit of an ongoing process here, I'm

wondering if there's anything in the work that's been done to date on, like, the, you know, the bookings you can do around driver licensing today.

Like, has there been any sort of learning that MPI has taken out of that transition that would apply to this new phase, or what lessons, I guess, have been picked up as you've been going on so far?

**Mr. Graham:** When it comes to specific learnings, I don't think there has been any new ones in recent times or through the COVID pandemic. It has just simply reinforced the need—or, the want of customers to be able to do online functionality themselves; be it at midnight, be it in the comfort of their own home—whenever they feel like they need to transact with us.

**Mr. Kinew:** And so, just for the purposes of clarity, you know, there was a time last summer where we spent a lot of time looking through documents from MPI. And so I just wanted to touch on some of the services that were contemplated in terms of being part of MPI's future online offer and just make sure that this is all still part of what's under current consideration from MPI.

So we're talking about services like e-cash payment, obtaining a driver's abstract, obtaining a claims experience letter, driver ed registration, secure messaging for claim status updates, electronic document distribution and notifications, driver-instructor related road tests and the issuance of replacement driver's licences and ID cards.

Is it fair to say that those are all still part of the transition here?

**Mr. Graham:** Absolutely.

**Mr. Kinew:** Can we add my, like, take a photo of the fender bender and you submit a claim that way to the functionality as well?

**Mr. Graham:** That's definitely something that is on the horizon. And as we continue to access direct repair across the market, that's obviously a level of functionality that we want to provide to customers, yes.

Now, that type of—that is a separate software that we currently have through an organization called Mitchell that is integrated across all of our repair facilities in the province. So it would be a very easy process for someone to take, like you said, a quick shot of a fender bender and then it could go through the direct repair process and be repaired ASAP.

**Mr. Kinew:** Earlier, you had mentioned possible efficiencies—I don't know if that was the exact term you used, but I took it to mean some sort of financial efficiencies that may come out of this process.

What's the expectation on that side? Does this make Manitoba Public Insurance a leaner organization? Does it save money in some way? How does going through this process impact MPI, financially speaking?

**Mr. Graham:** Yes, as part of the business case that we presented to the Public Utilities Board, there are a number of efficiencies and that was the word that I used.

A simple example would be an insertion of work that could come in and they've been coming in for decades, I guess. Currently, to do those types of simple changes in our system, because of the antiquated nature of it, it costs a lot of money.

We have to redeploy a number of our—unfortunately, there's normally a smaller timeline to get these things implemented, so we sometimes need to redeploy our best staff to do those projects, to make sure that we can deliver on time and they're often augmented through external resources that are obviously not cheap.

So, if we can do all of that in-house much quicker through internal staff and a reduced number of them, obviously any of those savings will save us money and then that will float back to Manitobans through the GRA process.

**Mr. Kinew:** And how about in terms of brokers and the fees paid by brokers? What's going to be the impact there?

**Mr. Graham:** This is—I'm sure everyone in this committee room is aware of the directive in relation to the conciliation process. That conciliation process is still ongoing, so I don't think I'm at liberties to go any further into compensation structures or anything like that in relation to the broker network that we use.

**Mr. Kinew:** There was previously three scenarios presented to the board, which would be, I guess, one where MPI has control, the brokers have control and then a hybrid option where there's still some, I guess, interplay between the two but there's space for both, if you will.

So I know that there were dollar values attached to that presentation at the time. I want to see if I have that in front of me. I think that where all future online sales go through brokers, that was estimated to cost

about \$23 million to MPI, the hybrid system was projected to perhaps save MPI \$91 million and then the third was estimated to save—

**An Honourable Member:** Point of order.

#### Point of Order

**Mr. Chairperson:** The Honourable Mr. Wharton, on a point of order.

**Mr. Wharton:** The member knows quite well that MPI and IBAM are currently in negotiations and with a facilitator, Mr. Chair, and certainly he would—and I think he knows better to talk about this particular area, especially when the corporation and IBAM are currently at the table. And I would suspect that he would move on to a different line of questioning.

**Mr. Chairperson:** Mr. Kinew, on that point of order.

**Mr. Kinew:** Yes, again, points of order are a procedure by which a member of the Legislative Assembly can raise a rule that has been broken. In this instance, there is clearly no rule that has been broken. The demonstration of that fact is that the member has not cited any rule as having been violated in his point of order.

I would hazard a guess though that perhaps I have touched a nerve in this line of inquiry, and I would suggest to the minister that he not use procedural mechanisms to try and obstruct the work of this committee. I am free, as a member of the committee, to ask a question about information that is on the public record, and the other members of the committee are free to answer them as they see fit.

\* (14:20)

I would suspect, however, that were members of the committee trying to obstruct and prevent other members of the committee from asking questions, that they might in fact be violating the privileges of members of a committee, which could perhaps at a future time be raised as a different point.

But all that to say, Mr. Chair, that there is no rule that's being touched on here, and I would suggest, for your consideration, that this is merely a dispute over the facts, and, as we all know, a dispute over the facts is not a point of order.

**Mr. Chairperson:** Mrs. Guillemard, on the same point of order.

**Mrs. Guillemard:** Yes, on the same point of order. I will just point out that we have clearly discussed that this particular issue is in conciliation efforts at this



point, which would also be equivalent to when we are dealing with court issues. It is a tradition that this committee and all committees have traditionally recognized that we don't speak to issues that are in conciliation efforts or before the courts.

So I would consider this is out of scope for discussion for today as we are looking at financials for this corporation.

**Mr. Chairperson:** Mr. Lamont, on the same point of order.

**Mr. Dougald Lamont (St. Boniface):** Yes, if I may, Mr. Chair, I don't believe there is any point of order here. It's clear to me that these are issues that have been discussed publicly. I don't think that the comparison to a court process is relevant. The fact is that these are all important issues that will have an impact on the finances of MPI. and they relate to directly to other questions of government interference with the—with MPI, so it's—I just would like to note for the record that every time we bring up government interference with a Crown corporation the government interferes and prevents any answers from being delivered.

**Mr. Chairperson:** The honourable Mr. Wharton, on the same point of order.

**Mr. Wharton:** Same point of order, Mr. Chair. Just, again, it sounds like the member from St. Boniface has already concluded his conciliation on the matter, bringing it to a close at his end. But, quite frankly, and members know around the table—that as my colleague alluded to, I mean, this is an area that's in—has been in progress for quite some time. These are negotiations that are ongoing between two parties that are obviously looking out for the betterment of Manitobans, and, certainly, if we had a decision today, we would be discussing it, as we plan on doing so, once we receive the report, hopefully soon, Mr. Chair, in a transparent way as our government has done, and will continue to do, in the past.

**Mr. Chairperson:** I think we've heard enough on this. It's not a point of order. It is government—like it's open to the public, the information, but it's entirely up to the minister or the officials from MPI if they choose to answer the question or not. It's—the answer is entirely up to the members.

\* \* \*

**Mr. Chairperson:** So we will continue on.

**Mr. Kinew:** I'm sure the members knew that that was not a point of order, but are explicitly trying to disrupt

the proceedings because they do not want Manitobans to have full knowledge of their interference with their public insurer. So I would just put that on the record and remind the members that heckling is, in fact, a violation of the rules of order in the Chamber or in a committee.

So, as I was saying in the lead-up to what was going to be a really, you know, brain buster of a question, if I could just, you know, back up a bit just to ensure that we're all on the same page here, there were dollar figures attached to these previously. In one case, it was a loss, \$23 million; in other cases, it would be a net benefit to the private insurer, \$91 million for the hybrid option; \$237 million for the option in which MPI assumes full control. Again, I don't presume to be in any way weighing in on the conciliation process. But I would like to know whether those figures are still accurate. Like, when we look at the various scenarios that MPI is actively considering, is it still the state where we're considering 1, 2, 3: full MPI, hybrid, full broker? And, if so, are we still in the ballpark in terms of the financial impact on the corporation?

**Mr. Graham:** The numbers in these scenarios were at a specific point in time with a large number of assumptions made, as all models do. I'm sure we're all aware that all models are wrong. So these scenarios have obviously been updated over time, and as the conciliation report will be released, hopefully sooner rather than later, that will be made public at that point in time.

**Mr. Kinew:** How many models are contemplated?

**Mr. Graham:** In this analysis, there were six scenarios and the number of scenarios contemplated in the conciliation, I'm not privy to discuss.

**Mr. Kinew:** Is it fair to say that if you were to make a reasonable adjustment to these figures accounting for things like inflation, that they would still be in the ballpark of, you know, where the numbers would be at today?

**Mr. Wharton:** Mr. Chair, I mean, the CEO has just answered the question. I mean, we understand, again, that this is in conciliation and I think it's clear to the members around the table and, quite frankly, you know, again, we've been at this for an hour and a half and we're certainly going to stay here as long as it takes, but, you know, we have reports to go through—'18-19, and '17-18, so I think we should get on with this.

**Mr. Sala:** Mr. Chair, the minister is interrupting a line of questioning, and I think most Manitobans are very interested and we're talking about just using these numbers, even though they haven't, perhaps, been adjusted, something to the tune of a \$200-million delta here between option A and option C. That's a lot of money on the table. I think my colleague's line of questioning is perfectly reasonable and I think the minister should stop interrupting a line of questioning.

**Mr. Wharton:** And I certainly thank the member for that comment—*[interjection]*—and heckling is, again, not allowed at this table, so I guess it's still continuing on.

But, Mr. Chair, again, if the report was here, we'd gladly be talking about it, and I know that MPI and IBAM would probably be talking about it, too. It's not here. The CEO, as mentioned in his earlier response that, you know, models change and the members opposite I know have some business background as well, and I know, especially the member from St. James, who we've had several discussions on, and as you evolve, as your business or corporation evolves, models evolve and that's exactly what I anticipate would happen in this case as it does and has done in my business alone.

**Mr. Kinew:** I'd like to thank the minister for confirming that the models have evolved and, like any reasonable person, would assume that the dollars values are greater at this point.

But, again, I would just like to put the question to the CEO, and we all know that he's at liberty to answer as he sees fit, but, again, would it be reasonable to say that those dollar values are still within the ballpark plus some accounting for those having been prepared a few years in the past?

**Mr. Chairperson:** The Honourable Mr. Wharton, you had—

**Mr. Wharton:** Yes, just for the record I certainly want to clear up the comment the member had just made about the particular model in reference to MPI or IBAM, Mr. Chair. My comments were global.

**Mr. Kinew:** So I did pose a question to the CEO, and I'll just give him the opportunity to respond.

**Mr. Graham:** Unfortunately, I've been sitting here for 10 minutes. Can you ask the question again?

**Mr. Kinew:** Sorry. I seem to be recognized by the Chair, and thank you, Mr. Chair, for that recognition.

There's a few options there. We were just, I guess, discussing them back and forth and getting into the theoretical land of models not reflecting reality.

But, again, just—and I'm not going to hold you to a specific, you know, number of delta, as my colleague from St. James just reminded me of my pre-calc class there, but, again, when we look at those dollar values that have been in—on the public record since at least last year, if a reasonable person were just to look at those and account, again, for the fact that they were prepared a few years back, is it reasonable to say that we're still in the ballpark of what's on the table in terms of the impact on the public insurer's bottom line?

\* (14:30)

**Mr. Graham:** I don't think it—the assumptions or the variables, as in the presentation that you are referring to, would change. But if you think about the assumptions, when it comes to something like online uptake, nobody knows the answer to that.

*Madam Vice-Chairperson in the Chair*

So that could significantly change the amount of savings and that's—they're the types of things that Manitobans will influence on the amount of business they want to do online. So, you know, we're assuming base scenarios here of 50 per cent online uptake. Other scenarios we ran of 20 and 35.

Again, breaking it down by 15 per cent, obviously, shows that this was a rudimentary model that was presented to the board of directors for their consideration. So these numbers could significantly change no matter what, even if the variables don't.

**Mr. Kinew:** So the variables are the same, the assumptions are the same, and perhaps some of the noise has changed a bit in the environment, but, by and large, the signal is likely the same coming out of these similar models.

Is that a fair apprehension?

**Mr. Graham:** The models are the same, but the major influence on this will be the use of online functionality by Manitobans. That will be the biggest variable on the amount of savings made by MPI.

**Mr. Kinew:** So I do just want to follow up on conciliation because it was raised as a, I guess, tangential topic of discussion, at least.

So, when we look back to the directive to enter into conciliation with IBAM, was that an ask of MPI? Did MPI ask for conciliation?

**Mr. Michael Sullivan (Chairperson, Board of Directors, Manitoba Public Insurance):** No, that was not. MPI did not go to government and say we would like conciliation.

**Mr. Kinew:** Yes, thank you for that.

And, in terms of the process there, did MPI and IBAM agree on who the conciliator would be?

**Mr. Graham:** Yes, we did.

**Mr. Kinew:** And there's been some—we were just talking about variables—there's been some variability in terms of this whole appointment of a conciliator, that whole process.

Could you tell us when the conciliator actually was appointed?

**Madam Vice-Chairperson:** Mr. Graham.

**Mr. Graham:** Can you just give me one second, please?

I think for a specific date, we'll probably have to take that under advisement.

**Mr. Kinew:** Thanks for indulging me, Madam Chair.

I appreciate that matter being taken under advisement. I'm curious to know what meetings the conciliator has organized since their appointment.

**Mr. Graham:** Obviously, again, I'm not privy to go into too many details about this, but there's been a number of meetings where the conciliator has facilitated a number of discussions between the Insurance Brokers Association of Manitoba and representatives of MPI.

**Mr. Kinew:** And does MPI believe that it's bound to adopt the position of the conciliator at the end of this process even if it does not believe that the conciliator's position is in the best interests of the corporation?

*Mr. Chairperson in the Chair*

**Mr. Graham:** I believe it is the role of the board of directors to consider the report of the conciliator as part of the process, and I believe that is what will also happen with the Insurance Brokers Association of Manitoba.

Can I also come back to the previous question? The conciliator was appointed on November 18, 2019.

**Mr. Kinew:** Okay, well, I thank the CEO and the board chair for indulging me in that kind of, you know, issue of conciliation, as it did come up

organically in terms of the discussion as we were talking about online services.

So I would like to return to the question of online services, and maybe this is a bit of a departure from the previous discussions that have taken place. And I think, rightfully so, a lot of the attention has been focused on the interplay between the corporation and the brokers because that's where a lot of the public attention has been focused. But there is another area of efficiency that I could see happening with the move towards online services, and that could potentially be a reduction of workforces internally at MPI in the future.

It's my understanding—again, a very layperson's understanding—of the insurance industry, that when you look at the American operators, that part of what happens with automation and techs—you know, the adoption of tech, is that at some point they may not need as many people to do things like insurance adjusting and, you know, claims adjudication and all that work too. Has MPI considered those scenarios' impact on MPI's own internal workforce as we proceed further down the adoption of technology?

**Mr. Graham:** I think it would be—I think you're right in saying that is a strong consideration the world over through the provision of online self-service models in the insurance industry. It's also a fair assumption to say that we've also looked at a number of models for our—for MPI staff in the New World. Again, the last thing that we wanted to do was to flick a switch on a new system and walk people out the door; that doesn't make any sense.

So we will continue to monitor staffing numbers as the increase in functionality provided directly, you know, through customer portals to customers to self-serve and make sure that every staff member at MPI is providing meaningful input to the corporation, and we'll make those changes as necessary over time.

**Mr. Kinew:** Well, I do appreciate the concern for Manitoba jobs. You know, we struggle at the current moment to keep people employed, given the recession that's been caused by the pandemic, and so I think it is very important that we fight, you know, for the average working person and for their jobs out there.

And so I do just want to note that I've heard the CEO's answer there and his comment; perhaps we could push it a little further though. In terms of having laid out, you know, within the next two years and then a longer time horizon after that, when we're looking at this initial period of, say, moving things online to

DVA, will there be any sort of job impact during that period? *[interjection]*

**Mr. Chairperson:** Mr. Graham.

**Mr. Graham:** Sorry. I—yes, when it comes to that incremental approach of turning things on—and, again, it'll be informed by the amount of work that Manitobans want to do online, and, again, making sure that everyone is aware that the online functionality really is only a small piece of the upgrade of our systems—but, again, obviously, where possible we will work very closely with our staff to manage though areas that could find less work through mechanisms like attrition. And that will obviously be the key focus for us as we manage that workload for our staff and monitor the amount of business that's done making their days a little less busier than they normally would've been.

**Mr. Kinew:** Yes, I do appreciate that answer. And just to be clear, like—and I hope that I have been, that I am more concerned with the overall project of upgrading MPI's systems and the impact on the workforce, not just necessarily the public-facing piece. So if we're thinking about that idea of, like, you know, an Atari, just, you know, smoking and heating with duct tape on there, I do wonder whether, you know, the person who puts the duct tape on it, as it were, is that job in jeopardy, or are there jobs like that within the corporation right now?

So, again, if, you know, I could ask the CEO just to weigh in, just now that I've clarified that it's not explicitly about the consumer-facing piece but about the overall, you know, modernization of MPI's system, whether there will be job impacts there.

\* (14:40)

**Mr. Graham:** I think I was clear at the start that a lot of the savings will come through things that are additional pieces of work, as well. We've been very prudent when it comes to the amount of consulting spend that we make, especially over the last couple of years so we've drastically reduced that. Obviously, someone who is fully employed to put sticky tape on a flashing red light, we'd probably need to look at that anyway as compared to after Project Nova. But, again, we'll manage that.

There'll probably be parallel runs for a while of various systems to make sure that there's no issues with the new system. There could be retraining or repurposing of staff—internal staff. But I can be very clear that the major focus will be on reducing those accelerated work efforts, where we need to spend

Manitobans' money on more expensive consulting services.

**Mr. Sala:** Just building on my colleague's question, in terms of back office operations, are there any initiatives under way to look at automating back office operations? We've got a—obviously, a corporation like MPI has a lot of folks sitting at desktops, working on spreadsheets, moving numbers around. A lot of those tasks can be automated now with off-the-shelf software like RPA software—robotic process automation. A lot of businesses that have a lot of highly administrative work are moving in that direction.

Can you tell me about any of the initiatives that MPI has been pursuing in that regard and any insight into what you guys are doing on the back end to improve those administrative processes, of which I'm sure there are many?

**Mr. Graham:** I don't have the specifics of those types of things in front of me.

We're always monitoring those types of efficiencies and upgrades to make sure we are as efficient as possible, so the thought that we have a heap of people just sitting on desks running spreadsheets I wouldn't say is completely accurate. We've started to really try and change that within MPI.

So we continue to upgrade our systems as required. When it comes to that type of fully automated AI component that you're maybe thinking about, again, as the implementation of Project Nova, we need to make sure that we can walk before we run. There's a number of things that we want—need to focus on our real core of that insurance piece that customers are demanding and then 'flull' on spending on any other of those types of initiatives will obviously go through the Public Utilities Board and those types of mechanisms for their approval.

**Mr. Kinew:** Well, I'll just pick it up where my colleague left off. We're still talking to CEO here about Project Nova.

Previously, before we had the fancy new name, I think the project was ballparked at \$23 million. I'm wondering if that's still the case—legacy modernization project. I'm looking at the confused looks at the end of the table here, which is why I'm asking for clarification.

**Mr. Graham:** If the gentleman asking the question can get this delivered for \$23 million, I'm sure I can offer him a very good job.

So no, that number is not correct.

**Mr. Kinew:** So what is the number that we're looking at?

**Mr. Graham:** The approved business case, as approved by the board of directors and the Public Utilities Board, is \$86 million plus contingency.

**Mr. Kinew:** And I think you kind of teased at this in your opening statement, but is this going to have an impact on rates for drivers?

**Mr. Graham:** It is a cost. Let's be very clear. And all projects need to be amortized over a specific amount of time. So there is a cost in delivering this project, absolutely.

I'd like to think that with our build in capital and our financial performance, especially when it comes to technical income and managing claims appropriately, we'll more than meet those costs so there'll be no significant increase in rates in relation to Project Nova for Manitobans.

**Mr. Kinew:** And just while we're on the topic, like, how—over what period is it going to be amortized?

**Mr. Graham:** Haven't spoke about this topic for a little while now, but I believe it is a five-year amortization project.

**Mr. Kinew:** And I believe that reflects what was previously in the public record, too. So just asking for purposes of clarification.

So I'm trying to recall what was said earlier in the committee hearing this afternoon, but there was Cabinet approval of this project? Is that right? Did I hear that correctly? *[interjection]* No.

Okay, so maybe I could ask the minister to—

**An Honourable Member:** No, you didn't hear that.

**Mr. Chairperson:** The honourable Mr. Wharton? *[interjection]*

Mr. Graham.

**Mr. Graham:** It was the board of the public—the board of directors of MPI, and then the business case was scrutinized and endorsed by the Public Utilities Board.

**Mr. Kinew:** And that seems like the right governance process, so perhaps I had it wrong there in what I'd heard earlier on.

So, when we look at the impact of technology services, is there a, you know, like, is there, like, a

vision that you have for the corporation going forward? Like, I read the vision statement in the slide deck, but where do you see technology at a high level fulfilling—or where do you see it fitting into your vision for managing the corporation?

**Mr. Graham:** Again, when we spoke about the vision, we spoke about—there's two very specific words there around trust and every. Technology should mean that every Manitoban has the ability to transact with us in any way they deem appropriate. If they want to walk down to their broker's office, if they want to phone MPI, if they want to go online and do it themselves, they should be able to make that choice. So we want to make sure that we enable the public to do that.

I forget the gentleman's name—Mr. Johnson *[phonetic]* is—he wrote the paper for the Ontario auto insurance market and the drastic increases that they're seeing there and any other particular models that they could use to make sure that they keep rates as low as possible.

I'm sure everyone's aware that, you know, New Brunswick is having 50 per cent rate increases. Alberta's lifted their tariff cap at over 5 per cent, so they're looking at, sort of, 10 to 15 per cent rate increases. And he clearly described the best model for auto insurance across Canada at a provincial level would be a public insurance model whilst providing a level of choice comparable to the private market.

By doing this and allowing customers to access our products and services online, we feel like we're taking a very strong step in giving Manitobans that ideal insurance model when it comes to the provision of auto insurance.

**Mr. Sala:** Thanks, Mr. Graham.

I just want to return to a question tied to workforce here. Just to clarify: earlier we stated that there were 250 employees that had been moved to workshare and 60 that had been redeployed.

I just want to confirm that there were—whether or not there were any layoffs of any kind?

**Mr. Graham:** As of 2:58, I believe it's the 4th of June, we have not had any layoff at MPI.

**Mr. Sala:** Thanks so much for that.

Like to move to a different area of questioning here, and we're going to touch a bit on broker compensation. The current compensation agreement,

which was extended to November 2018 to last until February 2021—why was that agreement extended?

**Mr. Wharton:** Well, I'm afraid that we're going down that same path, Mr. Chair, that we've already gone through.

\* (14:50)

Again, there's active conciliation going on between two parties—*[interjection]*—and certainly if the member wants to speak, I'm sure you'll recognize him when it's his turn. But, you know, again, I know the member respects the process, and I expect that he would.

**Mr. Sala:** I'd just like to redirect the question, again, to the CEO and see if he's willing to answer that. I didn't hear a point of order there, so I'll re-extend the question again to you, Mr. Graham.

The compensation agreement was extended in November 2018 to last until February 2021. Why was the agreement extended?

I say this appreciating that there are some—there's conciliation which is taking place at this point in time. However, this is in reference to a decision that took place some time ago.

So I—again, this question is for Mr. Graham.

**Mr. Graham:** I believe as MPI and the brokers in this province deal with what is a changing work environment through the provision of things like online services, I believe everyone at the table felt it was prudent to continue with the existing agreement as those discussions continued.

**Mr. Sala:** Can you maybe describe a bit about what it was that led to this thought that it was what was in the best interests of Manitobans? Maybe just flesh that out a bit.

**Mr. Graham:** I might just need an explanation on what you mean by that, sorry.

**Mr. Sala:** So the—we know that the agreement was extended to February 2021 and you'd mentioned that it was deemed that it was in the best interest to allow that to continue until that date.

So I'm just helping—hoping that you can describe a bit about what were the reasons why we felt that that was what was in the best interests of Manitobans when that decision to extend that agreement was made.

**Mr. Graham:** I believe that the current network—distribution network that we provide Manitobans provides them with accessibility. And while all of

these other things were ongoing, we felt that the current distribution network meets the needs of Manitobans whilst we develop that other piece in relation to online.

So we felt that putting a halt to it could provide a delay in service or whatever it was just to make sure that there's no break in service provided. So let's continue that level of service that has been meeting their needs up until now while we try to fix this other thing.

**Mr. Sala:** Thanks very much for that.

In a briefing note dated August 31st, 2018, the VP of MPI, Ward Keith, stated, quote: In negotiating a new broker accord, the corporation will not entertain a new minimum compensation guarantee. Doing so would equate to paying brokers compensation for work not performed and cannot be reasonable—reasonably justified from (a) ratepayer perspective, except as it may relate to maintaining the financial viability of MPI's rural broker distribution network in communities where the corporation does not otherwise have a physical presence, and for which alternative strategies will be developed. End quote.

Is that the current position of MPI in negotiating a new broker accord?

**Mr. Wharton:** Well, Mr. Chair, again, he's asking a question that's related directly to—and he's just admitted on record—to the negotiations that are going on right now.

It's an inappropriate form of questioning. And, quite frankly, he knows better than that. And I—it's not a good opportunity, obviously, for him—not—to deal with the financials. He's wanting to know more about a function that's going on—*[interjection]*

**Mr. Chairperson:** Order.

**Mr. Wharton:** —currently—a function that's going on currently in conciliation.

So, in classic NDP fashion, they want to control everything, Mr. Chair. And, certainly, we should allow the process to follow through. It's been—as far as I understand, it's been a 'positive' process. And, again, they're working for the betterment of all Manitobans.

**Mr. Sala:** I appreciate the minister—his response there. I would add, though, that this is clearly something that is of real interest to Manitobans. These questions are pertinent because they relate to, ultimately, the cost that ratepayers are paying here in Manitoba.

And I do agree that there's a balance here. We need to ask questions that do respect the process that is taking place. However, these are critical questions that relate ultimately to the amount—the cost that Manitobans are paying for their insurance, and some of the reasons for that.

So I'll just again redirect that question to the CEO. I didn't hear a point of order or any suggestion that we were breaking a rule of the committee, so again I'll direct that question to the CEO.

**Mr. Graham:** Can I just confirm that the question is whether the corporation will not entertain a minimum compensation guarantee?

**Mr. Sala:** That's correct.

**Mr. Graham:** MPI will not entertain minimum compensation guarantees for any service provider that we enter into new agreements with.

**Mr. Sala:** Thank you for that.

Is it MPI's position that the current broker compensation agreement is in the best interests of the corporation and its ratepayers?

**Mr. Graham:** At this point in time, absolutely.

**Mr. Sala:** Thank you so much for that.

MPI proposed a reduction in broker compensation in the last round of negotiations that have been publicly aired; it's been revealed publicly.

Is it still MPI's position that overall reduction in the amount of the broker compensation agreement is appropriate?

**Mr. Wharton:** Again, Mr. Chair, I think the member knows better. He's asking a question that's directly related to the ongoing negotiations.

**Mr. Sala:** And I do appreciate the minister's concern. It's up to the CEO if he'd like to answer it, and I'm going to ask him again. Do—would you like me to repeat the question, or do you feel like you—you're in a position to answer it?

**Mr. Graham:** I don't think I'm privy to answer that question because of the ongoing conciliation.

**Mr. Sala:** Thank you for that.

Acting on what it termed as the government's advice, MPI extended its broker compensation agreement for two years.

Did MPI believe there was the possibility of not following the government's advice on the matter?

**Mr. Graham:** At that point in time, again, we felt that it was best to continue that current agreement to meet the needs of Manitobans.

**Mr. Sala:** That for that answer.

Dominic Grestoni—and apologies if I'm getting that—not saying that correctly—nailed it—excellent—a board member of MPI, wrote to the CEO and board chair on March 28th, 2019: With all the controversy, if not outright misrepresentations, at least by some parties, are being aired about in the press. It reminded me that the legal opinion obtained was after the government suddenly and inexplicably directed or instructed management to proceed with a two-year extension for IBAM. As we discussed, materiality is often important, if not critical, in evaluating financial impact. Also, materiality would be an important aspect to support the action of the board in terms of acting in the best interests of the corporation. Closed quote, and I apologize I didn't open that quote.

First question: Can the CEO explain the material analysis that was conducted on the impact of the renewal of the broker compensation agreement and the delay of the provision of online services?

**Mr. Graham:** When it comes to the materiality of the agreement there are obviously a number of different discussions at a board level, at an executive level, again, all with different numbers. I don't want to speak on behalf of Mr. Grestoni so, yes, that's the response.

**Mr. Sala:** Thanks for that.

Did the renewal of the IBAM broker compensation agreement have a material impact on MPI?

**Mr. Graham:** I assume material means higher levels of commissions?

**Mr. Sala:** Confirmed.

**Mr. Graham:** Yes, it did, and the reasons for that are organic. More policies, rate increases, as ordered by the Public Utilities Board, organically mean that brokers across the province would receive more commissions.

Now, on the flip side of that, as per the 0.6 rate decrease at the last GRA, that organically means that brokers would receive less commission. So it's just an order of the PUB and the number of vehicles and the number of insurance policies that we have in the province.

\* (15:00)

**Mr. Sala:** Thanks so much for that.

Was this of benefit to the corporation? Was the impact of benefit to the corporation?

**Mr. Graham:** I don't really understand the question. The brokers provide a valuable service to MPI, and we pay a percentage of our premiums as a commission for them to do those services on our behalf. So whether or not—ultimately, if premiums go up, we are still financially reaping more premium of which they would receive a percentage of that and therefore their commissions would incrementally increase as well.

**Mr. Sala:** Thank you for that.

I'd like to direct a question to the board chair. Do you believe the renewal of the IBAM broker compensation agreement did have a material impact on MPI?

**Mr. Chairperson:** Dr. Sullivan.

**Mr. Sullivan:** I have to get used to the—this format.

I would say no. I think he was just a—carried forward, quite honestly.

**Mr. Sala:** I'm just going to actually pass that to my colleague, Mr. Kinew.

**Mr. Kinew:** You know, somewhat on the same topic, maybe a little bit of a different area of consideration, there has been some talk of the impact on jobs in the community for those who work at brokerages, of the impact on small businesses and such. In particular, you know, my conversations around the province, a lot of people in rural Manitoba in small towns: an insurance broker, that's a good business. It could be a pillar of Main Street, if you will.

Curious to know, you know, did MPI—as you went through this process, you contemplated these models of the impact on Manitoba Public Insurance's business, what sort of modelling did you do in terms of the impact of those various scenarios on the brokerages? What would be the impact were you to pursue some of those other business models?

**Mr. Graham:** I might've had a number of different roles in the insurance market. I'm yet to fall on crystal ball, and the impact that it would have on rural Manitoba. We are very sensitive to the fact that there are a number of brokers in rural Manitoba.

I also want to be very clear that MPI only makes up about 84 to 86 million dollars in commission of a \$240-million P&C base for commissions, and that's excluding life insurance. So, across this province, I

believe brokers across both life and general insurance make about \$400 million in commissions a year. So, whilst we are a significant contributor to the amount of commissions paid to brokers, we're not the only one. So it's 84 out of 240 when it comes to general insurance.

**Mr. Kinew:** And just for the purposes of clarity, then, was there modelling done in terms of had we moved in the MPI-only model, here's what would happen to the brokerages; if we did the hybrid, here's what the impact would be in that scenario?

**Mr. Graham:** There's been a very broad look at the amount of commissions that are paid broadly at a urban level versus a rural level. But, again, going into every single brokerage office and understanding how dependent they are on MPI commissions, we've not done that and I've don't believe that is our role. I believe that's the role of IBAM and their individual members.

**Mr. Kinew:** Point taken and, again, you know, I use the example of rural Manitoba because that's certainly been one point that I've heard, but I'm interested in this province-wide. You know, I live down the street from an insurance broker, as an example, and so I'm sure, even though he lives in the city, he's very interested in the issue as well.

But, again, you're saying it's \$84 million out of 240, and then you're saying there's other lines of business for these operations as well. So, in your opinion, though we may have heard from some sources that this would be a tremendous, tremendous, you know, like almost cataclysmic scenario were things to move entirely online, is it your opinion that it wouldn't actually be that bad for brokers, that brokers would still be able to continue their operations?

**Mr. Wharton:** Certainly, again, that would probably be an area that the two, IBAM and the corporation, would be discussing on an ongoing basis with the direction of the conciliator, Mr. Finkbeiner. And I can't wait, and I know the member can't wait, for the outcome of that conciliation so we can have a nice open, global, public, transparent discussion on the outcomes.

**Mr. Kinew:** I look forward to the government calling this committee back in very short order once that conciliator's report is released. However, in advance of that, I would just like to know, you know, the CEO's view on the matter.



Again, we've seen the public campaign, if you will, that brokerages have put on display making their case. Curious to know the CEO's view on the matter. Is this really a life-and-death decision, as it were, or would brokerages be able to still continue on offering other services?

**Mr. Wharton:** I honestly don't know, Mr. Chair, how—again, the crystal ball issue's a good scenario. I mean, this—these are questions that are directly related to the potential outcomes of a conciliation.

You know, I don't think—I think the member is asking or looking for an answer that, quite frankly, isn't there. And, quite frankly, we don't have it. I don't think the chair has it. I don't think the CEO has it. I know that we're looking forward to getting it. And, as I mentioned earlier, I'm sure the members opposite will be looking forward to it as well.

You know, if the member feels it appropriate to call back committee to review it, I mean, we're the most transparent government the province has had, other than the 17 years these folks were in business—power. We know how that went, Mr. Chair. But I can tell you that certainly, you know, I'm looking forward to the outcome of the conciliation. And I know the member is, too.

**Mr. Kinew:** You know, I have no interest in making inflammatory comments. I'm merely seeking to ascertain the opinion of our guest here today at committee who is an expert in the field, you know, perhaps not having had the experience of running a mom-and-pop shop in Manitoba, but he is an expert in the field of insurance.

And so, you know, I am curious what his reaction is to some of the claims made about the impact that a move towards online service would have on brokerages here in Manitoba.

**Mr. Graham:** I believe that brokers, as I've moved into this province, I believe that the brokers and their industry are a fabric of this province.

There will be an impact, absolutely. But, again, that's based on the amount of online functionality that Manitobans choose to do. I just want it to be very clear that we make up a portion of the insurance market. We're not the only—we're not the one-stop shop of all commissions paid to brokers. So I don't know how individual brokers manage their business or what percentage they are reliant on MPI commissions, but the role of the broker will stay in this province.

**Mr. Kinew:** Again, I do take careful note of what the CEO has said, that, you know, he values the role of brokers. And I think I've shared also at committee, you know, some of the conversations that I've had in that respect as well. And I also take seriously that he says that there will be an impact.

Fair to say, though, that given the numbers that were shared and, you know, the careful contrast that the CEO made in pointing out that the amount of business generated through MPI commissions is a minority of the commissions paid to brokers in the province, that he does believe that there's room for both—is that fair to say?—in terms of the online activity for both MPI and brokers to occupy the space?

**Mr. Graham:** Hopefully, we'll find out in a few weeks.

**An Honourable Member:** Good answer.

**Mr. Kinew:** I just want to remind the minister to stop heckling our guest here today. He's certainly put up with a lot of our shenanigans and doesn't need to be called down by a minister of the Crown no less.

\* (15:10)

So again, what I would like the CEO to comment on is what is that impact going to look like. There will be an impact. Is this going to be something on the order of when 'public' insurance was launched in the '70s and brokers were compensated by the government of the day, or is this going to be, listen, travel agencies adjusted to online services and, you know, these brokerages will, too.

Can you share with us your expert opinion on what that will look like?

**Mr. Wharton:** And, potentially, I guess, the offer—*[interjection]*—well, I'm a short guy—the offer from the CEO—*[interjection]*

**Mr. Chairperson:** Order. I did see the minister's hand go up. He's got the floor right now. I would appreciate everybody to just take it cool. Thank you.

**Mr. Wharton:** I suggest maybe the member think very seriously and hard on taking up the offer to work at Manitoba Public Insurance. Sounds like he has all the answers today, Mr. Chair, and even the answers that haven't been predetermined, but he wants to predetermine the outcome of a very important conciliation process between two parties that are looking for the betterment of Manitobans at large.

So, certainly, you know, if this doesn't work out for the member he'll probably have an opportunity for further employment down the road.

**Mr. Kinew:** Yes. Thanks for that, and, of course, as is my habit, I do not take the bait even when members opposite try to make inflammatory comments.

I would just point out, though, that, you know, we are starved to be able to have the opportunity to ask questions in this great majestic building. And should the government see fit to recall us for a question period, I will be there with bells on gladly holding the government to account on behalf of the people of Manitoba.

So, again, I did just want to give the CEO the opportunity to just weigh in on the point. If he could maybe just, you know, provide us some insight. What is the impact going to look like for the brokerages. Is this going to be a mild blip in terms of their businesses, or is this going to be, perhaps, a—something more severe?

**Mr. Graham:** I honestly believe that a lot more of this will come to light in a few weeks and, again, Manitobans will determine that outcome by the amount of online functionality that they wish to use and they want to use and services that we are providing them. And that will have an impact—positively, negatively—we'll wait and see the outcome of the conciliation process.

**Mr. Kinew:** Is it fair to say, then, that the market will speak? The market will determine?

**Mr. Graham:** I believe the focus for MPI and the brokers is making sure that we meet our customers' needs.

So, as customers start to use an online portal to access our services, that will impact the businesses of both MPI and the brokers accordingly.

**Mr. Kinew:** So, a lot of these questions sort of were answered as a matter of course during previous interjections by the minister and answers by the CEO, but I do just want to pose them explicitly for the record just to make sure that they're answered correctly and with great clarity.

So I was just wondering if you could tell us the name of the conciliator.

**Mr. Graham:** The name of the conciliator is Doug Finkbeiner, QC.

**Mr. Kinew:** And again we heard swirling around there a few weeks, two weeks, something like that. What is the timeline of the conciliation process?

**Mr. Graham:** That's probably a question for Mr. Finkbeiner and not myself.

**Mr. Kinew:** Fair enough.

In terms of costs borne by MPI with respect to participating in this process, what have the legal costs been for the public insurer to participate in the conciliation process?

**Mr. Wharton:** Well, again we're right back to where we were.

I know the member's got his crystal ball out again and hopefully, you know, we'll—I'm sure we'll know that when the report comes out, Mr. Chair. And again it's in—*[interjection]* You done? It's in the hands of IBAM and the conciliator and MPI, and we're looking forward to the outcome.

**Mr. Kinew:** At this point it's—I think it's very clear that the minister has been sent here to try and run interference on certain lines of question, but I think any reasonable person watching this would know that the cost of any legal opinions sought by MPI, if any, don't have an impact on the conciliation process and are a legitimate line of questions to be posed here. So I would just ask whether there's been costs that MPI has borne for legal opinions, for legal advice in participating in the—in this process, and if so, what were those costs?

**Mr. Graham:** The directive—*[interjection]*

**Mr. Chairperson:** Mr. Graham—

**Mr. Graham:** Thank you.

**Mr. Chairperson:** —has the floor. I would appreciate everybody not interfering with him. Thank you.

**Mr. Graham:** I am learning.

I'm sure we've all seen the directive. We will be paying the cost of the conciliator to engage in this process. I don't have that number in front of me; no, I don't.

**Mr. Kinew:** Would the CEO agree to—or perhaps he does—I think I'll just yield the floor.

**Mr. Graham:** At this point in time, we believe, again, a preliminary number is at about \$100,000.

**Mr. Kinew:** Thanks to the CEO and his staff for furnishing that answer. So, just for the purposes of clarity, that was the cost of the conciliation proper?

Everything else is—like, internal legal counsel provided all the advice; there was no, you know, seeking out an expert opinion from this person or that person?

**Mr. Graham:** All other costs have been internal.

**Mr. Kinew:** And, again, as we look ahead to the conclusion of the conciliation process, Mr. Finkbeinder [*phonetic*], is that the guy—

**Floor Comment:** Yes.

**Mr. Kinew:** Finkbeiner, yes, sorry. I'm still getting used to the pronunciation. So he'll be the one who determines when we see—or, rather, when MPI and the brokers see the outcome of that conciliation process. Can the CEO or the board chair walk me through what happens then? What's the process from there? How do the deliberations look internally and when do Manitobans find out the answer to that process?

**Mr. Graham:** I believe the conciliator will present a report. It will then be considered by both the board of IBAM as well as the board of MPI. Anything beyond that, I'm not procedurally aware.

**Mr. Sala:** I just quickly just want to go back—just tied to online services. You wrote, on March 11th, 2019, to the board of MPI and to its general counsel that government has made the decision that, (1)—this is open quote—(1) MPI will continue to develop its legacy modernization project, including online functionality; and, (2) once completed, brokers will own 100 per cent of all online MPI transactions, insurance and DVA; (3) MPI will not have any direct online functionality with customers. End quote.

Why did you write this, and is this an accurate account of the direction given to you by government after your meeting with the former minister of Crown Services that day?

**Mr. Graham:** For good or bad, I'm often involved in a number of discussions with government. There were a number of discussions had with government in relation to the brokers, in relation to the agreement, online functionality. The only written directive that I have received from government is to enter into an independent conciliation process.

**Mr. Sala:** Relation to the opinion that was expressed in that letter you wrote, is it still your opinion that it's in the best interests of corporation and ratepayers for brokers to own 100 per cent of all online MPI transactions, insurance and DVA?

**Mr. Graham:** I missed the first bit, sorry. Been a while since I wrote any emails.

**Mr. Sala:** Do you want me to reread your letter? Would you like that? [*interjection*]

\* (15:20)

**Mr. Chairperson:** Mr. Graham. Mr. Sala.

**Mr. Sala:** Thank you. I'll reread.

So you'd written, open quote: (1) MPI will continue to develop its legacy modernization project, including online functionality, (2) once completed, brokers will own 100 per cent of all online MPI transactions, insurance and DVA, and (3) MPI will not have any direct online functionality with customers. Close quote. That was a letter written on March 11th, 2019 to the board of MPI and its general counsel.

Was this MPI's view and, in your opinion, is it in the best interests of the corporation and ratepayers for brokers to own 100 per cent of all online MPI transactions, insurance and DVA?

**Mr. Graham:** I believe the outcome of the conciliation process will be a good result for everyone involved.

**Mr. Sala:** I apologize, I didn't get a chance to hear your response.

Can I ask the—can I ask Mr. Graham to please repeat the response? I apologize for not catching it.

**Mr. Graham:** I believe the response was that the outcome of the conciliation will inform what is best for Manitobans.

**Mr. Sala:** And I just have one last question.

I think you referenced that you've only received direction to date in a written form. Can you just absolutely confirm that the only form of direction you've received from government has been in a written format and clarify whether or not you've ever received any direction relating to these questions in a verbal form from government in any way whatsoever?

**Mr. Graham:** Directions versus conversations versus debate are many different things. The board of directors acts on written directives. Again, I speak to the government about a number of issues a number of times, and the only directive as per the accountability act—I forget the name of the lengthy act—has to come in written form, and that is the only directive that we have received.

**Mr. Chairperson:** Are you seceding the floor to Mr. Lamont?

**An Honourable Member:** I am.

**Mr. Lamont:** Thank you very much, both of you, for coming here. I think this is a process—it can only really be compared to being a rather intrusive medical procedure, and it's in public, to boot. So I just do want to thank you for this as well as for your work. I do know some people who work at MPI who speak extremely highly of you.

I have a couple of quick questions. One is around—I know that MPI helped Shared Health, so—with distribution of PPE. I was just wondering where we are at. Is that—who's going to—is that money that Shared Health is going to reimburse to MPI? I thought it was a little—I thought it was interesting. It just—some—oh, if you're ready to answer, go ahead.

**Mr. Graham:** Our first concern was to make sure that we were providing our staff with meaningful employment during the pandemic crisis. The cost of those staff will be decided later on.

**Mr. Lamont:** I had a question, it related to licensing for some First Nations individuals. Sometimes I understand that there's been a major backlog on the federal government side for people being able to produce the ID that's required. But there's also an issue, sometimes, that a band will provide a letter and—but that isn't always being recognized.

So—and I'm not sure if it's a problem with MPI or if it's a problem that needs to be recognized at the government level, but I know that this is an issue that people basically unable to buy or register vehicles who are First Nations because of this.

And I was wondering what you know about it and if there's anything we can be doing to fix that, either at the MPI level or if it needs—it's a correction that needs to be made by government.

**Mr. Graham:** I'm sure there's always more work to do.

We have a fantastic board member, Edna Nabess, who worked with our chief operating officer to start a number of licensing initiatives in First Nations areas. So it is something that we're very aware of, and we're doing everything we can to make sure that we're providing services in these communities.

**Mr. Lamont:** I was just—and I—this might—this, again, might not be a question that you can answer, but some of it, you know, relates to—I know we've talked about

brokers—the brokers who might be affected, but without talking about conciliation, I understand one of the changes that's happened in the industry generally is that there actually has been a fair bit of consolidation and sometimes buying up—insurance brokerages that were once locally owned are now owned by multinational.

Do you have any idea what the break down might be in terms of, you know, local ownership versus, you know, if you're dealing with HUB insurance or if you're dealing with that?

**Mr. Graham:** I don't have the specific numbers, but you are correct in your assertion that there has been a shift away from single business owners to more acquisition by larger agencies such as HUB insurance. You are correct.

**Mr. Lamont:** Yes, I find that is a concern partly because I know that one of the—and this is just really to put the—to put it on the record, but is that—one of the issues is that when these acquisitions took place, that there was—I think there was an expectation that certain—that MPI's dealings with insurance brokers and so on would continue, with the result—which, of course, would have had an impact—those expectations would have had an impact on the original purchase price so that its people will suddenly have found that an international, you know, that an international insurance agent that might have bought a locally owned company might all of a sudden find itself—that it overpaid rather steeply if all of a sudden it's facing future changes.

The one other thing I did want to ask about though was—it was actually relating to rural brokerages, but not in terms of the conciliation. It's actually more relating to the fact that if we're talking about—and it's, like, may just be something you want to consider for the conciliation, is that Internet and cell service is so poor in large parts of northern and rural Manitoba that to go fully online would actually mean that people would not be able to buy insurance so—but I'm sure that's part of the conciliation you're considering.

So—and that there's an interesting—I know you made—oh, go ahead.

**Mr. Graham:** Yes, it's a good point, and I just want to be very clear to this committee that the provision of online services is simply augmenting the existing distribution network that we have.

So we're not forcing anything online. We're just providing that option for customers.

**Mr. Lamont:** And I would—I'll joke, aside from government inference, what do you see as the biggest risk—this is one of these terrible job interview questions—what do you see is the biggest risk facing MPI? I mean that there—I mean there are lot—I mean, it seems to me that you've done a very—a really great job of building up equity and so on, but are there—I mean, that's—you don't necessarily know.

Are there risks that you're particularly concerned about in terms of—whether it's the market, whether it's other things that are—that you're concerned about for the operations of MPI?

**Mr. Graham:** From a financial perspective, no. I feel we have those mechanisms in place. We're not going to be insolvent. We're not going to be knocking on the door of this building asking for a capital injection anytime soon.

I would say our biggest concern is just making sure that—there's a little bit about setting expectation. We don't want to be a corporation that overpromises and underdelivers, so it's about making sure that all of the things that we do is prudent and we don't go out—and again, I'm only keeping this seat warm for whoever comes in next, so it would be really remiss of me to make promises that we can't deliver, especially when customers are telling us what they want. We're trying to meet them, but we're trying to do it in a prudent way.

**Mr. Chairperson:** Mr. Lamont, are you—you're done with your questions?

**Mr. Lamont:** I yield the—well, I think we're at time, unless you would like to have a quick—

**Mr. Sandhu:** Well, I have a—thank you very much. I have a couple questions. It's for—related to vehicle for hire. There's—vehicle-for-hire service began in 2018 under a new insurance model.

How effective has this model been for this industry?

**Mr. Graham:** Sorry, for who?

**Mr. Sandhu:** Vehicle for hire.

\* (15:30)

**Mr. Graham:** I think the vehicle-for-hire model was something, again, that the community wanted. Our price for people to enter as a vehicle-for-hire driver is, again, prudent. So I think we had a large number of people registered to be vehicle-for-hire drivers and, again, augmenting the existing taxi network that we provide across the province.

**Mr. Chairperson:** As previously agreed to by the committee, the hour being 3:30, what is the will of the committee?

**Mr. Sala:** We ask that we stay for another 15 minutes. I think there's some important questions to be asked about ride-sharing and mandatory entry-level training for truckers and a gigantic asset in Cityplace that I think are very important questions that members of the public should have a right to know about.

**Mr. Chairperson:** Is there agreement to sit for another 15 minutes?

**Some Honourable Members:** Yes.

**An Honourable Member:** No.

**Mr. Chairperson:** I hear a no. Are there any other proposals?

Mr. Sala—oh, sorry. Mr. Graham.

**Mr. Graham:** Do we talk about the annual reports? I'm sorry; this is my first time here. I'm just curious.

**Mr. Wharton:** As per my first comment, committee rise.

**Mr. Sala:** I'm not sure why the government doesn't want to discuss these really important questions we have relating to ride-sharing, Cityplace and mandatory entry-level training, but as my colleague mentioned earlier, we no longer have the opportunity to ask questions in the House. In fact, they've decided to go on vacation early and will be back in October. I think adding another 15 minutes to the length of this committee is quite a reasonable request.

**Mr. Chairperson:** Does anybody have any other ideas, because we do have to come to a unanimous decision here as to what we are doing?

**Mr. Lamont:** Could we extend sitting for 10 minutes?

**Mr. Chairperson:** Is there agreement to sit for another 10 minutes?

**Mr. Wharton:** I think we definitely have had two and a half hours to discuss the reports that we were supposed to be discussing today. It's unfortunate that we were sidetracked by the members opposite.

And certainly, as the member knows, vehicle-for-hire is a very important issue and our government takes it very seriously and we had lots of consultation.

I know that the new processes are in place and municipalities are—have the ability to continue to make bylaws, write bylaws that benefit their constituents and their ratepayers for vehicle-for-hire.

And certainly we've had lots of dialogue and discussion and we're pleased that Uber is coming to town; I think the members around the table are, and everybody in the room, that we have more vehicle-for-hire coming to Winnipeg, and then I think there's been a strike—a good balance between vehicle-for-hire and our current industry.

So I would move that the committee rise.

**Mr. Sala:** I appreciate the minister's perspective. Again, we understand that this government is looking to do things behind closed doors. We need to ask some simple questions about ride-sharing. This is a major economic impact on the province, and we ask this—it's—10 more minutes seems quite reasonable at this point. That's certainly what we'd like to see happen here.

**Mr. Chairperson:** Are there any other comments? We do have to come to an agreement.

**Mr. Wharton:** Out of respect for the member, I would provide five minutes for Mr. Sandhu to ask questions on vehicles-for-hire.

**Mr. Chairperson:** Is there agreement for another 10 minutes?

**Mr. Wharton:** As I mentioned, Mr. Chair, five minutes, and I certainly look forward to having questions from Mr. Sandhu with respect to vehicles-for-hire.

**Mr. Chairperson:** Is there agreement that we sit for another five minutes?

**Mr. Kinew:** Why not have ten? I mean, we showed some flexibility. The minister's clearly now willing to sit longer. Let's just have 10 minutes. That way we're sure that no line of questioning's being cut off.

**Mr. Chairperson:** The Honourable Mr. Wharton has suggested five minutes.

Is there agreement to sit for an additional five minutes?

**Mr. Kinew:** Yes, I'd go back to 10 minutes.

And just to be clear: 10 minutes from, you know, whenever this elucidating and enlightening conversation concludes.

**Mrs. Guillemard:** Yes, just to point out that, although I agree that this is a very important topic to talk about, ride-sharing and that provision, had it been top priority for that party, they had two and a half hours to bring it up. So five minutes is a reasonable amount to ask the questions and, at some point in the future

when we meet again, continue on with that line of questioning.

Thank you.

**Mr. Chairperson:** Sorry, it's been brought forward that we sit for an additional five minutes. What is the will of the committee?

**An Honourable Member:** Agreed.

**An Honourable Member:** Sit for 10.

**Mr. Sala:** I just—I'm glad it's being put on the record here that the government doesn't want to sit for an additional five minutes beyond their offer, given that we've been unable to ask questions in this committee environment for almost three years. Ten minutes is an incredibly reasonable ask, given the importance of ride-sharing and other areas. We're willing to limit it to questions related to ride-sharing, but, again, it's been almost three years and it is, frankly, a very reasonable ask, given the amount of time that we've been outside of this committee.

And so continued resistance to this—I understand that, you know, the minister doesn't want us probing too deeply on a number of—in a number of questions or in a number of areas here. But, given the three-year absence and our inability to ask questions for that length of time, given we will not be back in the House until next October likely, this is a very reasonable ask.

**Mr. Wharton:** Well, certainly appreciate the member's comments. And, you know, the member alludes to not having enough time. Well, he's clearly wrong. We've had over two and a half hours, Mr. Chair. And, quite frankly, this is just a prime example of—actually, it's almost like a—I'll say it's a flip flop. Like a pickerel on the dock, like the member would say.

So, you know, the bottom line is we understand vehicle for hire is an important area. We understand that it's benefiting all Manitobans. We also understand that it's stimulating economic growth throughout the province and throughout the city of Winnipeg. So, certainly, we're pleased to spend the next five minutes talking about it and look forward to having some questions from Mr. Sandhu.

To the Chair.

**Mr. Kinew:** I'd just like to move a motion that we sit 10 more minutes.

So I move, seconded by the member for St. James (Mr. Sala), that the committee sit for an additional 10 minutes. And I will draft this in—on paper for your consideration.

**Mr. Chairperson:** As soon as Mr. Kinew has this motion in writing, we will look at it.

It has been moved by Mr. Kinew that:

I move, seconded by the member for St. James, Mr. Sala, the committee sit for an additional 10 minutes.

The motion is in order. The floor is open for questions.

Is the committee ready for the question?

\* (15:40)

**An Honourable Member:** Question.

**Mr. Chairperson:** The question before the committee is as follows: I move, seconded by the member for St. James (Mr. Sala), the committee sit for an additional 10 minutes.

Shall the motion pass?

**Some Honourable Members:** Yes.

**An Honourable Member:** No.

**Mr. Chairperson:** I hear a no.

**Voice Vote**

**Mr. Chairperson:** All those in favour, say aye.

**Some Honourable Members:** Aye.

**Mr. Chairperson:** All those opposed, say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Nays have it.

**Mr. Wharton:** Mr. Chair, I move committee rise.

**Mr. Chairperson:** The motion is accordingly defeated.

**Recorded Vote**

**Mr. Kinew:** Could we have a recorded vote in this setting? Yes. I would like to ask for a recorded vote.

**Mr. Chairperson:** Mr. Kinew has requested a recorded vote.

I'd just like to clarify that we are dealing with Mr. Kinew's motion right now. Then we can move to Mr. Wharton's motion after this one has been voted upon.

A recorded vote has been requested.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 2, Nays 3.*

**Mr. Chairperson:** The motion is accordingly defeated.

\* \* \*

**Mr. Wharton:** I move committee rise.

**Mr. Chairperson:** It has been moved that committee rise by Mr. Wharton—the Honourable Mr. Wharton. The motion is in order.

**An Honourable Member:** Point of order.

**Mr. Chairperson:** There's no point of order on this. During a vote there's no point of order.

Shall the motion pass?

**Some Honourable Members:** Pass.

**An Honourable Member:** No.

**Voice Vote**

**Mr. Chairperson:** All those in favour, please say yea.

**Some Honourable Members:** Yea.

**Mr. Chairperson:** All those opposed, please say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Yeas have it.

\* \* \*

**Mr. Chairperson:** Committee rise. The motion is accordingly passed, but we will—the—we will end questions, but we will put the questions on—no.

The motion is passed. Committee rise.

**COMMITTEE ROSE AT: 3:44 p.m.**

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