

Saskatchewan Rate Review Panel (SRRP)

**2026 Saskatchewan Auto Fund (SAF) Rate Review
Round 2 Information Requests
March 20, 2026**

The following questions may require a response that will be deemed confidential by SAF. The Corporation is to identify those questions and file responses in confidence.

SRRP (SAF) 2-1

Application Part and Chapter:	SRRP (SAF) 1-5 SRRP(SAF) 1-39	Page No.:	
Issue:	Rates and Revenues		
Topic:	Rate Increases		
MFR:	5. Indicated and Requested Rates		

Preamble to IR (If Any):

SRRP (SAF) 1-5 SAF indicates:

“

SGI is evaluating and investigating all avenues such as administrative fees, product changes for damage and injury, claim processing, administrative expenses, full-time equivalent position (FTE) savings, etc. SGI is committed to addressing immediate financial challenges while also exploring long-term approaches to prevent similar challenges in the future. As part of the review there is specific focus on administrative expense management. The goal of expense management for the Auto Fund is to ensure that administrative costs are carefully reviewed and controlled.

In April 2026, additional resources will be assigned exclusively to assess non-rate options to further advance this important work. .”

Question:

- a) Please provide a list of each non rate measure being considered and the impact on revenue and or cost savings, indicating potential rate impact on rates, resulting from implementation of the measure and whether the measure has one-time or ongoing forecast implications.
- b) Considering the announced measures, what additional measures are expected to be implemented in the next two years. Provide a range estimate and the potential impact on the RSR and MCT.
- c) Please provide a table, supplementing that provided in SRRP(SAF) 1-39 e of the estimated actual and forecast dollar amount of lower wages and benefits represented by

the vacancy allowance, and confirm to what extent that allowance has been included in the actual and forecast result for SAF Wages and Benefits.

- d) Provide details of SAF gross wages and benefits, less SAF vacancy allowance that agree with the total SAF wages and benefits actual and forecast in this application for the years 2020/21 to 2027/28. Provide the information for SAF only and on a non-confidential basis.
- e) Please provide a schedule detailing total SAF employee expenses by year from 2020/21 to 2027/28, including benefits and related employee expenses, the number of SAF FTEs per MFR 18, and the employee cost per FTE for each year on that basis. Please comment on the trend.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-2

Application Part and Chapter:	SRRP (SAF) 1-6	Page No.:	
Issue:	Rate and Revenue		
Topic:	Rate Increases		
MFR:	5. Indicated and Requested Rates		

Preamble to IR (If Any):

Question:

- a) Please update the table, excluding the confidential columns. Provide the information in PDF and Excel.
- b) Provide a line graph that tracks the increase in CPI and the increase in rate.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-3

Application Part and Chapter:	SRRP (SAF) 1-7	Page No.:	
Issue:	Rates and Revenues		
Topic:	Ratepayer Stakeholder Consultation		
MFR:	5. Indicated and Requested Rates		

Preamble to IR (If Any):

SAF states in response to (SRRP) SAF 1- 7

“SAF did not want to implement seasonal rating without proper consultation with the stakeholder groups so instead the discussion revolved around the capabilities SAF wanted the system to have that could help form a solution for various options around the registration term of a vehicle.”

Question:

- a) Please provide any analysis or further description of seasonal rating schemes that SAF has reviewed and confirm that each of the schemes is achievable given system changes made.
- b) Please explain when SAF intends on making changes to Motorcycle rates and what would be the range of intended impacts on revenues and claims costs based on the modelling in (a).

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-4

Application Part and Chapter:	SRRP (SAF) 1-8 (a) Autofund Income Statement with Announcements Impact	Page No.:	
Issue:	Indicated and Requested Rates		
Topic:	IFRS – 17 Accounting Policies		
MFR:	17. Detailed Financial Information, 26. Scenario Testing		

Preamble to IR (If Any):

SAF provided the impact of announced non-rate impacts on the income statement

Question:

- a) Please file an update to SRRP(SAF) 1-8 including balance sheet and the determination of capital required. Provide the answer in excel for the full forecast period.
- b) Please file an update to (a) in non-confidential format by the end of 2027/28 test year.
- c) Provide detail schedule other expenses for the years 2019/20 to 2024/25 and forecast for 2025/26 to 2027/28. Provide the compound annual growth for the years 2019/20 to 2024/25 and forecast for 2024/25 to 2027/28. Provide on non-confidential basis. Provide in PDF and Excel with formulas intact.
- d) Please provide details of SAF Administrative expenses by cost element on consistent basis as part (c) and explain any material changes in cost elements.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-5

Application Part and Chapter:	SRRP (SAF) 1-8 March 13, 2026 Saskatchewan Government Announcement	Page No.:	
Issue:	Rates and Revenue		
Topic:	Indicated and Requested Rates		
MFR:	17. Detailed Financial Information, 26. Scenario Testing		

Preamble to IR (If Any):

The Government of Saskatchewan announced on March 13, 2026:

Increased deductibles on basic plate insurance and new administrative fees

Effective January 1, 2027, deductibles on SGI’s basic plate insurance are increasing. The typical \$700 deductible will increase to \$950. Most other vehicle deductibles will increase by about 20 per cent.

Also effective January 1, 2027, new administrative fees will apply to new vehicle registrations and new or renewed driver’s licences (\$15); vehicle registration renewals (\$5); and driver’s licence payment transactions (\$2).

These changes will offset costs to support the long-term sustainability of the Auto Fund, which is facing challenges due to inflation and rising vehicle repair costs.

The changes result in higher other revenues for the forecast period.

Question:

- a) Provide a detailed schedule of other income for each of the years 2019/20 to 2025/26 and forecast for 2026/27 through 2027/28 on a non-confidential basis based on the application before the announced changes. Provide in PDF and Excel

- b) Provide (a) reflecting the announced changes.
- c) Provide the summary detail of each component of other revenue in both (a) and (b). Please indicate to what extent any of the announced changes result in revenue not retained by SAF.
- d) Please file an updated version of (b) through the full outlook period. Provide in PDF and Excel.
- e) Please provide a schedule for the determination of the reduction in Gross Claims Incurred as a result of the change in deductible. Provide the information for both the full outlook period and on a non-confidential basis for the period subject to the requested rate changes.
- f) Please provide a schedule detailing the change in the loss component resulting from the change in the deductible.
- g) Please provide the determination of the increase in investment income.
- h) Please indicate how SAF plans to implement the change in deductible for ratepayers renewing their coverage and explain why the change is not resulting in a change in issuers' fees when driver opt for lower deductible limits.
- i) Please provide the assumptions around the number of drivers who are expected to opt to retain the current deductible level coverage through non-regulated product offerings and the impact of this shift on issuers' fees, if any.
- j) Please explain how the change in deductible will impact current drivers who's renewals are before the effective date of the change. For instance, how is the change expected to affect drivers who renew in the next six months? Please model how the change is to impact revenues and costs. Provide all assumptions and modeling on this matter.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-6

Application Part and Chapter:	SRRP (SAF) 1-8 (a), I-29g	Page No.:	
Issue:	18. Detailed Financial Information		
Topic:	Financial Forecast RSR		
MFR:	17. Detailed Financial Information, 26. Scenario Testing		

Preamble to IR (If Any):

Question:

- a) Please provide a table in the format of Appendix A (update to SRRP(SAF) 1-8 that illustrates the project evolution of the RSR and MCT for the years 2022/23 to 2027/28, continuing with the addition of the indicated required capital build amount in rates on a non-confidential basis. Provide commentary on the results and the financial condition under this scenario. Provide both PDF and Excel.
- b) Please provide an update to SRRP(SAF) 1-29(g) up to the end of 2027/28 on a non-confidential basis. Provided both PDF and Excel.
- c) Please extend the tables requested in (a) and (b), including the outlook period through 2030/31.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-7

Application Part and Chapter:	SRRP (SAF) 1-8(a) 1-29(a)	Page No.:	
Issue:	MCT Ratios and Capital Management Policy		
Topic:	RSR Balance and MCT Forecast		
MFR:	17. Financial Information		

Preamble to IR (If Any):

Question:

Please indicate the RSR, and MCT ratio at the end of Q4, 2025/26 and comment relative to the forecast for the year.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-8

Application Part and Chapter:	SRRP (SAF) 1-10	Page No.:	
Issue:	Rates and Revenues		
Topic:	Indicated and Requested Rates – Alternative Rates		
MFR:	17. Detailed Financial Information, 26. Scenario Testing		

Preamble to IR (If Any):

The Government of Saskatchewan announced on March 13, 2026:

Increased deductibles on basic plate insurance and new administrative fees

Effective January 1, 2027, deductibles on SGI’s basic plate insurance are increasing. The typical \$700 deductible will increase to \$950. Most other vehicle deductibles will increase by about 20 per cent.

Also effective January 1, 2027, new administrative fees will apply to new vehicle registrations and new or renewed driver’s licences (\$15); vehicle registration renewals (\$5); and driver’s licence payment transactions (\$2).

These changes will offset costs to support the long-term sustainability of the Auto Fund, which is facing challenges due to inflation and rising vehicle repair costs.

It’s not clear how the change in deductible will impact customers buydown actions to retain the current deductible level.

The changes result in Lower claims costs and higher investment income for the forecast period. We would like to understand the relationship to the proposed changes in deductible on the claims costs, investment income and issuers fees.

Question:

- a) Please file a copy of the current FCT and any accompanying actuarial opinion.
- b) Please indicate whether SAF has engaged a third-party Actuary for its FCT and DCAT
- c) Please file any Dynamic Capital Adequacy Testing Results.
- d) Please provide an update to SRRP(SAF) 1-10 (b), (d), (e) (over 7 years), (g), (h) reflecting the above changes.
- e) Please provide an update to SRRP(SAF) 1-10 on a non-confidential basis to the end of the test years addressed in this rate application, and comment on the financial condition of SAF related to the FCT.
- f) Provide line graphs of the MCT of each of the scenario including the base case based on the original application for the test years (non, confidential) and for the outlook period.
- g) Provide line graphs of the MCT on each of the scenarios including the based case in (a)
- h) Provide a graph of the MCT on each of the scenarios including the base case in (b)
- i) Provide graphs of the RSR from 2014/15 through the Test years including all scenarios based on original application
- j) Provide line graphs of the RSR from 2014/15 through the test years including all scenarios based on the updated application reflecting announced changes.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-9

Application Part and Chapter:	SRRP (SAF) 1-19, I-50 MFR 13	Page No.:	
Issue:	Traffic Safety		
Topic:	Traffic Safety Programs		
MFR:	14		

Preamble to IR (If Any):

SGI established a committee to develop a new Traffic Safety Strategy to replace the one ending in 2025.

Question:

- a) Please provide any preliminary results on changes in strategy for traffic safety strategy and spending and comment on how the changes will impact the current forecast for 2026/27 and 2027/28.
- b) Provide a schedule detailing at a summary level traffic safety expenditures for the years reflected in MFR 13 on a non-confidential basis through the test years included in this application. Please include a line for administrative expenses related to SAF allocated program expenses.
- c) Provide a confidential version of (b) through the outlook period.
- d) Please provide a reconciliation of the forecast traffic safety spending per SRNFR 13 with the actual traffic safety spending for 2022/23, 2023/24, 2024/25 and forecast for 2025/26, 2026/27 and 2027/28 included in SRRP(SAF) 1-19 and SRRP(SAF) 1-8 and indicate what percentage of spending in MFR 13 is allocated to SAF, versus SGI and on what basis. Please provide in Excel.

- e) Please explain how SAF is forecasting to change its Traffic Safety expenditures in the test years.

- f) Please provide a description of the funding arrangements for police enforcement targeting traffic safety included in (a) and how it has changed over the last five years and is expected to be over the forecast period

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-10

Application Part and Chapter:	SRRP (SAF) 1-28 (a)	Page No.:	
Issue:	Rates and Revenue		
Topic:	Other Income- Salvage Operations		
MFR:	17. Financial Information		

Preamble to IR (If Any):

Question:

Please provide an update of SRRP(SAF) 1-28 schedule including an update to 2025/26 (to reflect actual experience) and 2026/27 (if changed)

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-11

Application Part and Chapter:	SRRP (SAF) 1-31 (a)	Page No.:	
Issue:	Claims Incurred		
Topic:	Loss Adjustment Expenses		
MFR:	17. Financial Information		

Preamble to IR (If Any):

Question:

Please provide a schedule detailing loss adjustment expense by cost element for both internal and external expenses and total expenses for the years 2018/19 through 2027/28, and explain the reasons for the variances.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-12

Application Part and Chapter:	SRRP (SAF) 1-47	Page No.:	
Issue:	Investment Strategy and Income		
Topic:	Investment Income		
MFR:	17. Financial Information		

Preamble to IR (If Any):

Question:

- a) Please provide the gross annual returns on the SAF investment portfolio and provide a comparison with the returns of ICBC and SGI. Provide the annualized returns over the last five years and comment on the relative performance to peers.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-13

Application Part and Chapter:	SRRP (SAF) 1-13	Page No.:	
Issue:	Rates and Revenues		
Topic:	SDR & BR Incentive Programs		
MFR:	12,17		

Preamble to IR (If Any):

The following information was provided in the 2022 Rate Review related to the SDR system:

Zone	Drivers	Points	Discount
Neutral Zone	182,671	0	Base Insurance Premium
Good Driver	50,083	1	2%
	44,176	2	4%
	40,497	3	6%
	39,579	4	8%
	33,944	5	10%
	33,053	6	12%
	30,806	7	14%
	29,028	8	16%
	28,781	9	18%
	26,770	10	20%
Great Driver	273,856	11-20	20%
Safest Driver	110,286	21	21%
	19,111	22	22%
	14,708	23	23%
	5,881	24	24%
	105,684	25	25%
Total Merit	886,243		

Question:

- a) Please file an updated to this table based on the current Driver Compliment. Provide in PDF and Excel
- b) Provide a similar Table including a column for the actuarial indicated discount at each merit level.
- c) Provide the table provided in response to SRRP(SAF) 1-13 (b) in Excel.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-14

Application Part and Chapter:	SRRP (SAF) 1-19	Page No.:	
Issue:	Historical Expenses		
Topic:	Expenses		
MFR:	5.2		

Preamble to IR (If Any):

SAF states:

The main reason for the increase in Loss Adjusting Expenses is due to a change in cost allocation methodology, in which costs are moved from Non-insurance Admin to Overhead on Loss Adjusting.

Question:

- a) Please explain the change in the cost allocation methodology in which Non-Insurance Admin was moved to Overhead on Loss Adjusting. Provide detailed calculations on the change
- b) Please provide an updated schedule in SRRP(SAF) 1- 19, including the forecast expense detail for 2025/26, 2026/27 and 2027/28.
- c) Please provide the administrative expense in (b) broken down by cost element and comment on the changes.
- d) Please provide an analysis of the growth in administrative expenses excluding one-time initiative expenditures and comment on the trend relative to inflation on this basis.

- e) Please provide a linear graph of the growth in administrative expenses, administrative expenses excluding initiative expenditures and CPI and comment on the trends since 2014/15.

- f) *Provide a trend analysis for the last five years through the outlook period, including growth in Loss Adjustment Expenses, Administrative Expenses relative to CPI and comment on the trend relative to inflation to 2027/28 on a non-confidential basis.*

- g) Include the years 2019/20 to 2024/25, for administrative expense and the compounded growth for the five-year historical and three-year outlook through 2027/28.

- h) Please provide a columnar table of Administrative Expenses including the amounts included in insurance, non-insurance and re-insurance expense for each of the years

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-15

Application Part and Chapter:	SRRP (SAF) 1-20, 1-48e,g	Page No.:	
Issue:	Cost Allocation		
Topic:	Cost Allocation Results		
MFR:	20. Shared Services Costs		

Preamble to IR (If Any):

Question:

- a) Please explain how much of traffic safety expense is allocated to SAF in (a) for 2021/22, 2022/23, 2023/24 , 2024/25 and 2025/26. Provide the response to SRRP(SAF) 1-20 in Excel.
- b) Please aggregate the level of spending of each of the insurance expense of SGI competitive lines with SAF. Provide a table of each of total insurance, Total reinsurance, traffic safety and non-insurance expenses on this basis. This is for non-confidential basis.
- c) Please file any accounting external consultant memos or analysis that supports the changes made to the allocation of costs in accordance with IFRS 17.
- d) Please file any analysis prepared by the external consultant or internally on the impact of transition to IFRS 17, including the transitional adjustments to retained earning. Provide the accounting entries.
- e) Please provide an updated SRRP(SAF) 1-48e including all spending on transformation prior to IFRS 17 by year. Add a column for total Transformation Capital Spending and % of total Transformation Capital Spending. Provide in PDF and Excel.

- f) Provide an update table SRRP(SAF) 1-48e including total SAF spending on Transformation by year and in total, the amount allocated to operations and Capital. For public disclosure, please exclude SGI information or percentages.
- g) Please provide the supporting information that supports the allocation account percentages in SRRP(SAF) 1-48g in the 2026/27 summary.
- h) Please review SRRP(SAF) 1-48 g Specific Allocation accounts and correct if REF# error as required. Provide a narrative description of this sheet.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-16

Application Part and Chapter:	SRRP (SAF) 1-29 (f)	Page No.:	
Issue:	Capital Management		
Topic:	RSR Balance and MCT Forecast		
MFR:	15. RSR Balance		

Preamble to IR (If Any):

Question:

- a) Please file an updated graph with a new plot including the impact of announced non-rate actions through 2030. Provide in PDF and Excel.
- b) Provide a similar non-confidential version of the graph until the end of 2028 based on the original application. Include a linear trend line. Provide in PDF and Excel.
- c) Provide a similar non-confidential version of the graph with the additional plot in (a) till the end of 2028. Include a linear trend line. Provide in PDF and Excel.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-17

Application Part and Chapter:	SRRP (SAF) 1-29,	Page No.:	
Issue:	Capital Management		
Topic:	RSR Balance and MCT Forecast		
MFR:	15. RSR Balance		

Preamble to IR (If Any):

SAF States:

As described in the response to this question from the 2021 Rate Application Review, the Auto Fund’s capital management policy does not require that the MCT be forecast to be at the operating target MCT level at the end of the five-year forecast. To be clear, the capital management policy **does not** state a fixed timeline to recover the MCT to either its internal or operating target levels.

Question:

- a) Please provide a financial forecast scenario that includes a capital build provision in 2026/27 and the 3.75% rate increase in 2027/28. Please provide the financial forecast on that basis until the end of 2027/28, including MCT.
- b) Provide a financial forecast similar to (a) but extend it through the outlook period.
- c) Please provide a financial forecast scenario that includes a capital build provision in 2026/27 and the 3.75% rate increase in 2026/27 and 2027/28. Please provide the financial forecast on that basis until the end of 2027/28 including MCT. Please provide PDF and Excel.
- d) Provide the line graph on SRRP(SAF) 1-29 (f) MCT reflecting the scenario in a) and b) to the end of 2027/28 on a non-confidential basis. Provide a linear trend line. Please provide PDF and Excel.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-18

Application Part and Chapter:	SRRP (SAF) (a) MFR-17	Page No.:	
Issue:	Claims Incurred		
Topic:	Claims Incurred Trend		
MFR:	17. Financial Information		

Preamble to IR (If Any):

The following information was provided in the 2022 Rate Review

Claims Costs 2016/17 to 2021/22

Fiscal Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22F	2022 – 2021	
<i>(C\$000s)</i>							\$	%
Damage Claims & Liability	501,240	554,860	534,092	536,983	447,904	600,414	152,510	34%
Bodily Injury & Liability	225,969	157,416	231,312	202,813	160,904	166,591	5,687	3%
Total Claims Incurred	727,209	712,276	765,404	739,796	608,807	767,005	158,198	25%
Loss Adjusting Expenses	70,795	75,591	129,478	149,505	176,647	163,057	(13,590)	(7%)
Total Claims Costs	798,005	787,866	894,882	889,301	785,454	930,062	144,608	18%

Question:

- a) Please provide an update to SRRP(SAF) 1-30 (a) based on a financial reporting and forecasting basis. Please provide in PDF and Excel.
- b) Provide a stacked bar graph of claims incurred consistent with fiscal year reported claims in (a) for each of the years 2014/15 through 2024/25, actual and forecast for 2025/26, 2026/27 and 2027/28, consistent with what is reported in the financial forecast in MFR 17. Provide a table of accompanying data. Please also provide in Excel.
- c) Please populate the following table for the years 2019/20 through 2025/26 and provide the results in PDF and Excel.

d) Provide a narrative description of the trend in claims incurred over the period.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-19

Application Part and Chapter:	SRRP (SAF) 1-30 b 2022 Rate Review	Page No.:	
Issue:	Claims Incurred		
Topic:	Wildlife Claims		
MFR:	17. Financial Information		

Preamble to IR (If Any):

The following information was provided in 2022 Rate Review related to wildlife claims.

Vehicle Class	PPV Four Door	PPV Two Door	PPV All Body Styles	Taxis All Body Styles	Motorcycles Cruiser/Touring	Motorcycles Dual Purpose	Motorcycles Sport	Total
Claims Incurred (C\$000s)	\$68,796	9,437	359,062	722	688	32	55	\$438,791
Claim Count	17,451	2,848	75,241	178	96	7	15	95,866
5 Year Average Severity	\$3,942	\$3,314	\$4,772	\$4,053	\$7,163	\$4,601	\$3,670	

Wildlife Claims Average Severity 2016/17 to 2020/21

Fiscal Year (C\$)	PPV Four Door	PPV Two Door	PPV All Body Styles	Taxis All Body Styles	Motorcycles Cruiser/Touring	Motorcycles Dual Purpose	Motorcycles Sport
2016/17	3,639	3,129	4,412	3,680	7,078	-	2,794
2017/18	3,863	3,290	4,606	4,408	6,617	-	2,100
2018/19	4,145	3,236	4,943	5,210	7,024	4,962	5,828
2019/20	4,123	3,492	5,157	3,651	9,082	3,895	4,090
2020/21	3,923	3,268	4,691	3,200	6,190	4,571	200

Question:

- a) Please supplement the information provided in SRRP(SAF) 1-30 b by determining the severity of wildlife claims by vehicle type and comment on the differences in severity relative to overall claims severity.

- b) Please provide the following above information in tabular format

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-20

Application Part and Chapter:	SRRP (SAF) 1-35	Page No.:	
Issue:	General		
Topic:	Ratepayer Stakeholder Consultations – Taxicab		
MFR:	5		

Preamble to IR (If Any):

Question:

- a) Please update the table in response to (b) including the Collision Damage for Urban Taxi and the average damage per claim and compare that with PPV average damage per claim in eaf of the years.
- b) Please provide graphs and tables of supporting data for Collision, Damage and Medical, costs incurred each year for Urban Taxis for 2017 to 2025
- c) Please provide graphs and tables of supporting data for Collision, Damage and Medical, costs incurred each year for Motorcycles for 2017 to 2025

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-21

Application Part and Chapter:	SRRP (SAF) 1-40 a,b	Page No.:	
Issue:	Operating and Administrative Expenses		
Topic:	SAF staff level changes		
MFR:	18.		

Preamble to IR (If Any):

Question:

- a) Please confirm that there has been no change in how FTE is determined from the 2022 Rate Review. If possible, please disclose the methodology on a non-confidential basis.
- b) Please explain why SAF FTE staffing levels are considered confidential information.
- c) Please provide a line graph and table of data points for SAF FTE in-scope and out of scope for each of the years 2014/15 through 2025/26 and explain the changes. Provide the compound growth rate from 2014/15 to 2025/26 (ten years) and the compound growth from 2024/25 to 2027/28 (forecast)

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-22

Application Part and Chapter:	SRRP (SAF) 1-41c	Page No.:	
Issue:	Capital, Operating and Administrative Expenses		
Topic:	Issuer Fees		
MFR:	17. Financial Information		

Preamble to IR (If Any):

Question:

- a) Provide an updated Issuers fee schedule at an aggregate level for non-confidential disclosure through the test years addressed in this rate review.
- b) Please indicate the actual and assumed number of online versus in-office transactions in each year of the table provided in SRRP (SAF) 1-41c and the relative mix of transactions and explain the trend and how it may be factored into the forecast for 2025/26 and 2026/27 and 2027/28.
- c) Please discuss how SAF’s digital transformation is expected to influence the mix in the number of online versus in-office transactions. Please indicate whether the forecast in (b) reflects the post-CT project environment trend.
- d) Please confirm that all fees collected or paid to Brokers related to SAF services remain in SAF.

RESPONSE:

SAF to insert response here

SRRP (SAF) 2-23

Application Part and Chapter:	SRRP (SAF) 1-45,	Page No.:	
Issue:	Investment Strategy and Income		
Topic:	Investment Income		
MFR:	16. Statement of Investment Polices and Goals & Asset Return Summary		

Preamble to IR (If Any):

Question:

- a) If available, please provide the comparison of 2025/26 actual vs forecast detail of overall net investment income by component including the detail of investment expenses.
- b) Please provide a breakdown of the net investment earnings for Q4 2026 by component and compare with that budgeted for the Quarter and comment on the variance.
- c) Please comment if there has been any change in investment outlook for 2026/27 as a result of current events and result set out in (b).

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-24

Application Part and Chapter:	SRRP (SAF) 1-46	Page No.:	
Issue:	Investment Strategy and Income		
Topic:	Investment Management		
MFR:	16. Statement of Investment Polices and Goals & Asset Return Summary		

Preamble to IR (If Any):

SAF indicate changes to its portfolio composition for its return seeking portfolio.

Asset Class	Nov 2021	Dec 2024	June 2025
Canadian equities	5	5	5
Global equities	30	30	35
Global low volatility equities	15	15	
Global SC equities	15	12.5	12.5
Return Seeking Bonds		5	10
Private Credit			
Real estate	15	12.5	12.5
Infrastructure	20	20	25
Opportunistic Private Equity			
	<u>100</u>	<u>100</u>	<u>100</u>

Question:

- a) Please describe the optimization process followed by SAF behind the changing asset mix to get its portfolio on the efficient frontier.

- b) Please discuss how the target percentage of investments would have to change to achieve the efficient frontier.

- c) Please explain what asset classes provide inflation protection and provide any analysis on inflation risk that is prepared by SAF or on its behalf.
- d) Please discuss the merits of investing in Real Return Bonds to provide investment protection.
- e) Please provide a table that demonstrates the change in fair value of its investment portfolio relative to changes in claims liabilities and indicate the impact on net income in each of the last five fiscal years, and forecast for 2025/26 based on actual changes for the year and forecast for 2026/27 and 2027/28.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-25

Application Part and Chapter:	SRRP (SAF) 1-52 SRRP (SAF) 2-38 (2022 Review)	Page No.:	
Issue:	Traffic Safety		
Topic:	Traffic Safety Programs		
MFR:	14		

Preamble to IR (If Any):

Question:

- a) Please provide an update to tables in SRRP(SAF) 2-38 from the 2022 Rate Review , adding data for years 2021 to 2025. File the information on a non confidential basis.

- b) File an update to table Impact of SGI outcomes including an additional column for 2020 to 2025. File the information on a non confidential basis.

RESPONSE:

SAF to insert response here.

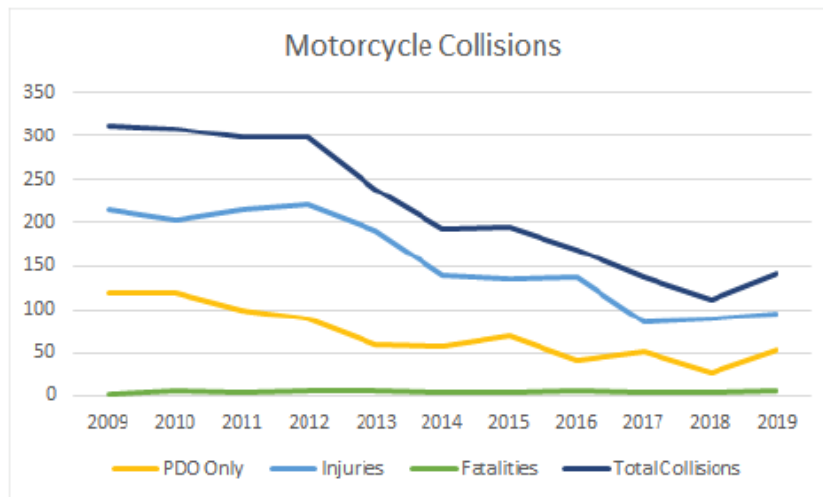
SRRP (SAF) 2-26

Application Part and Chapter:	SRRP (SAF) 1-54 (c) (d) (e)	Page No.:	
Issue:	Claims Incurred		
Topic:	Motorcycle Claims & Taxi Claims		
MFR:			

Preamble to IR (If Any):

At the 2022 Review motorcycle collision information was provided.

Motorcycle Collisions 2009 to 2019



Question:

- a) Provide a separate table in (b) for total taxi claims.
- b) Please provide separate tables in (c) for claims under \$1 million and for all claims.

- c) Please recreate the graph provided in the preamble adding years 2021 to 2026 and comment on the trend. Provide in PDF and Excel

- d) Please provide a table of motorcycle collisions multi-vehicle and single vehicle for the years 2020 to 2025 include the number of claims, relative percentage collision responsibility of Rider not at fault, rider 50% or more at fault, rider less than 50% at fault and total.

- e) Provide a similar table for urban taxis.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-27

Application Part and Chapter:	SRRP (SAF) 1-54	Page No.:	
Issue:	Claims Incurred		
Topic:	Motorcycle Claims/ Capping of large losses		
MFR:			

Preamble to IR (If Any):

Manitoba Public Insurance Corporation (MPI) has implemented the following rules in the allocation of claims incurred.

“a) In any accident involving only MPI-insured vehicles (one or more) and no other injured party, total PIPP costs are to be allocated equally (per vehicle) across the rating categories to which those vehicles belong;

and

(b) In any accident involving one or more MPI-insured vehicles and (i) one or more unidentified hit-and-run offenders, or (ii) another injured party or parties (including cyclists, pedestrians, and occupant (of out-of-province vehicles), 50% of total PIPP costs are to be allocated equally (per MPI-insured vehicle) across the rating categories to which the MPI- insured vehicles belong, and the remaining 50% of total PIPP costs are to be effectively allocated across all vehicle rating categories. “

[Order 97/05 pg. 56]

In the Manitoba Public Utilities Board (PUB) Order 122/10, the PUB approved a modification of the above rule.

“The loss attribution rules provided in Board Order 97/05 for single vehicle accidents involving pedestrians and cyclists are hereby amended to include wildlife/livestock related Accidents”.

Question:

Please indicate whether SAF has considered such an approach for its upcoming consultation.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-28

Application Part and Chapter:	SRRP (SAF) 1-58	Page No.:	
Issue:	Productivity, Benchmarking and Efficiencies		
Topic:	Key Performance Metrics		
MFR:	4. Corporate Strategy 22. Productivity and Efficiencies 24. External Studies		

Preamble to IR (If Any):

This information was presented in comparison with MPI and ICBC. They represent internal measures or KPIs typically tracked by Insurance companies.

Line No.	Performance Measurement	SGI Auto Fund
1	Headcount Analysis	
2	1. FTEs per \$100 Million of Gross Premiums Written	
3	2. Mgmt FTEs per \$100 Million of Gross Premiums Written	
4	3. Staff FTEs per \$100 Million of Gross Premiums Written	
5	Span of Control Analysis	
6	4. Ratio of Staff to Management	
7	Premium Metrics	
8	5. Total Gross Expenses as a % of Gross Premiums Written	%
9	6. Average Gross Premiums Written (000's)	
10	7. Gross Premiums Written per FTE	
11	8. Gross Premiums Written Growth	
12	9. Net Premiums Written as a % of Gross Premiums Written	
13	10. Total Net Expenses as a % of Net Premiums Written	
14	Policy Metrics	
15	11. Adjusted Policies In Force per FTE	
16	12. Total Gross Expenses per Adjusted Policy In Force	
17	Traffic Safety Measurements	
18	13. Total Traffic Safety Expenses (000's)	
19	14. Total Traffic Safety Expenses as a % of Gross Premiums Written	
20	Other Performance Measurements	
21	15. Pure Loss Ratio	
22	16. Loss Adjustment Expense Ratio	

23 17. Total Gross Expenses per FTE

Question:

- a) Please provide a five-year history of the above SAF specific operating metrics as set out above and comment on any trends. Please also include the Claims Cost per claims employee.
- b) Please provide a dashboard of operating statistics used by SAF, for the last five years and forecast for 2025/26 to 2027/28; key metrics on operations, including the compound annual growth for the historical period and for the 2025/26 to 2027/28 period.
- c) For each of the measures please comment on the measure , what It represents and how to interpret the trend.
- d) Please provide a detailed discussion of other operational KPI's under development or used currently to track performance.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-29

Application Part and Chapter:	SRRP (SAF) 1-59,1-60,	Page No.:	
Issue:	Capital Improvement Spending Plans		
Topic:	2025/26 to 2029/30 Capital Plans		
MFR:	4. Corporate Strategy ,23. Capital Improvement Spending Plans		

Preamble to IR (If Any):

Question:

- a) Please indicate what the policy is for SAF related to the preparation and approval of business cases for capital projects.
- b) Please explain why Capital Projects are considered confidential.
- c) Please explain the status of each project, including reasons for the change in status if any.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-30

Application Part and Chapter:	SRRP (SAF) 1-61, 1-63 (c) SRRP (SAF) 1-83(c) & (d) 2021 Rate Review SRRP (SAF) I-63	Page No.:	
Issue:	Capital Expenditures and Major Projects		
Topic:	SGI Transformation Business Case		
MFR:	25. SGI Transformation Business Case		

Preamble to IR (If Any):**Question:**

- a) Please update SRRP(SAF) 1-83(c) from the 2021 Rate Review
- b) Provide a comparison of SRRP(SAF) 1-83(c) from the 2022 Rate review with actual and updated forecast in (a) and comment on changes.
- c) Provide a comparison on non-confidential basis of the SAF allocated transformation spending forecast at the 2021 review and that currently forecast.
- d) Provide a breakdown of the totals in (c) of the SAF allocated expenditures capitalized versus expenses, in each of the years.
- e) Please update SRRP(SAF) 1-83 (d), including the number of FTE working on integration efforts since the inception of the project.
- f) Please provide the total post implementation SAF expenses for the years 2025/26 to 2027/28 on a non-confidential basis and indicate to what extent they are included in LAE, Insurance expense and other expense.
- g) Provide the details of the post implementation expense by cost element for the outlook period.

- h) Provide the detail of post implementation expense at an aggregate detail level consistent with (f)
- i) Please provide a comparison of the net present value of the business transformation project currently from what was presented in response to SRRP(SAF) 1-63(c).
- j) Please file copies of any third-party reports on post implementation of Guidewire?
- k) Please explain whether SAF will be undertaking a post implementation report of MySGI deployment.
- l) Please indicate whether SAF has identified additional systems requiring replacement. If so , please provide details of what is being planned and a high-level estimate, if available for the timing and cost of replacement.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-31

Application Part and Chapter:	Loss Adjustments	Page No.:	8
Issue:	Inflation Adjustment		
Topic:	Loss Adjustments		
MFR:	5.6		

Preamble to IR (If Any):

SGI presents inflation adjustment factors applied to losses to reduce the impact of inflation when selecting trends. In Tables 8 and 9, SGI presents an inflation surge percentage based on the year-over-year increase on average paid loss.

Question:

- a) Explain whether the average paid losses presented include trend, or any other adjustments like the paint material adjustment. If so, provide the derivation of the average paid losses that includes all adjustments made.

- b) Explain whether SGI is concerned that the inflation adjustment may be double-counting trend, the tariff adjustment, or any other adjustment SGI selects.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-32

Application Part and Chapter:	Base Rates and Relativities	Page No.:	19
Issue:	Capping		
Topic:	Capping		
MFR:	5.4.4		

Preamble to IR (If Any):

SGI proposes dollar-based capping for annual premiums of \$1,000 or less and a percentage-based cap for annual premiums above \$1,000.

Question:

- a) Given the proposed overall 3.75% increase in each of the next 2 years, why does SGI propose a 3.6% cap for premiums greater than \$1,000, which is lower than the proposed overall 3.75% increase?
- b) Does the cap vary by class similar to the proposed rate change by class? If so please provide the proposed rate cap by class.
- c) Provide the exposure count for each of the premium bands proposed for capping.
- d) For only those risks subject to the percent cap, please provide dollar and percentage-based dislocation charts for both the capped and uncapped premiums of the proposed overall 3.75% increase and no other changes in assumptions for each class.
- e) Please provide the proposed rate if the rate cap were removed.
- f) Please file a rate impact by class of applying a 10% cap.

- g) Explain how the rate cap would have to change if a rate greater than 3.75% was granted. I.E. , 5%, or 6% rate change.

RESPONSE:

SAF to insert response here.

SRRP (SAF) 2-33

Application Part and Chapter:	Loss Adjustments	Page No.:	6
Issue:	Paint Materials		
Topic:	Loss Adjustments		
MFR:	5.2		

Preamble to IR (If Any):

In response to SRRP(SAF) 1 – 16, SGI provides the analysis underlying the paint material adjustment factors.

Question:

- a) Please confirm whether the source of the paint costs in the analysis has been adjusted or represents the actual unadjusted paint cost experience of SGI.

- b) Given paint costs are likely tied to inflation, how does SGI ensure this adjustment is only capturing the necessary adjustment excess of the underlying long-term inflation trend.

RESPONSE:

SAF to insert response here.