



Standing Committee on Crown Corporations

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**STANDING COMMITTEE ON CROWN CORPORATIONS
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Regina Elphinstone

Kevin Yates, Vice-Chair
Regina Dewdney

Graham Addley
Saskatoon Sutherland

Greg Brkich
Arm River

Yogi Huyghebaert
Wood River

Carolyn Jones
Saskatoon Meewasin

Don McMorris
Indian Head-Milestone

Peter Prebble
Saskatoon Greystone

Hon. Andrew Thomson
Regina South

Brad Wall
Swift Current

The committee met at 09:32.

Saskatchewan Government Insurance

The Chair: — Good morning, Crown Corporations Committee members, officials from SGI (Saskatchewan Government Insurance), officials from the auditor's office. Good morning all.

This morning, we've got two substitutions on the government side: David Forbes for Peter Prebble and Pat Atkinson for Andrew Thomson.

Just say hello. And just for the . . . Mr. Forbes has been formally subbed in on the list so you're here in an observational capacity.

A Member: — Is Peter formally taking his seat then?

The Chair: — He is not. Okay. Mr. Prebble, are you formally taking your seat or is Mr. Forbes here for you for the morning?

Mr. Prebble: — I guess I'm formally taking my seat.

The Chair: — Okay. Well there goes that theory. So Mr. Forbes is here in an observational capacity. This reminds me of a saying of my mother's where ". . . the Brahman's in the cage and the tiger came walking by."

Anyway, where we left off on the speakers list yesterday, Mr. Prebble had asked a question, and you may have a supplementary entailed along with that.

Mr. Prebble: — I'll pass for a moment.

The Chair: — In which case the speakers list goes to Ms. Atkinson, followed by Mr. Wall. And of course, I'll entertain additions to that list and Mr. Brkich is up and at them already.

As well, there were a number of questions that the officials for Sask Government Insurance had undertaken to get further information and report back to the committee. So perhaps if the . . . Are you prepared to answer those questions at this time and then we could go into the speakers list?

Mr. Fogg: — Yes, Mr. Chairman, we have some answers to some of the questions.

The Chair: — Okay. Well perhaps we'll do it like that then. Take it away, Mr. Fogg.

Mr. Fogg: — One of the questions that was asked was regarding dividends from SCISL (SGI CANADA Insurance Services Ltd.). I have to make a bit of an explanation here. Our policy at SGI is to pay 90 per cent of the consolidated profit as dividends to Crown Investments Corporation.

So if you look at the annual financial statements of the consolidated basis, it will include a dividend approximating 90 per cent. Included in that dividend are the profits from the subsidiaries. And having . . . but having . . . so we're paying the money to CIC (Crown Investments Corporation of

Saskatchewan), whether or not the subsidiary has actually paid a dividend to SGI CANADA.

So that's the first part. I think the question really asked was, when will the taxpayers of Saskatchewan benefit from these out-of-province investments? And they are at the present time. However, just to follow up on that, the point at which time a dividend actually will flow from SCISL to SGI CANADA we estimate will be 2003.

The next one I have is on vehicle impoundment. There was some questions on vehicle impoundment, specifically around Swift Current. What happens under vehicle impoundment is that the . . . when a vehicle . . . when an individual is stopped who is suspended and driving a vehicle, the police then decide where that vehicle should be taken. It's not really SGI who decides that. The police decide that on a list. They are given a list by SGI and they decide where to take it based on that.

If the vehicle is impounded for 30 days, after 30 days the owner could come down, pay the necessary fee, and get the vehicle out. If they do not pay the fee 15 days later, the garage keeper can sell the vehicle.

And one of the problems initially was that there was a feeling that the garage keepers were perhaps not getting the best price for it or buying it themselves or selling it to some company they owned. Many of these vehicles, the reason they're not picked up by the owner is they're not very valuable.

So we changed our policy. We insist now that the garage dealer take them to auction and sell them at auction. The Ombudsman looked at this process and that was her concern. I think she's satisfied now. We have met with the president and vice-president of Saskatchewan Towing Association. I think we've now established the rules and I believe, for the most part, that problem has been solved.

There was a question on traffic safety grants over \$10,000 and I just got some figures here. I have them for 2000 and '99. I haven't got them completely for '98, but Saskatchewan Safety Council in year 2000 got \$177,500; in 1999, they got \$175,600.

Students Against Drinking and Driving, in 2000, got \$88,100; \$85,600 in 1999. And they got something in '98, but I just haven't got the figure yet.

Hotel Association of Saskatchewan, the designated driver program, got \$15,000 in each year.

Saskatchewan Wildlife Federation Save a Buck campaign, \$25,000 in the year 2000; 22,404 in 1999.

The Cree Lodge Cultural Youth Camp got \$10,000 in the year 2000 and \$10,000 in 1998.

Saskatoon Transit The Ride's On Us got \$23,624 in 2000; \$20,290 in 1999. And I haven't got the '98 figure, but it would be close.

Regina Transit Ride's On Us got \$16,447 in 2000; 13,810 in 1999. And I'm sorry, I haven't got '98, but I'll get that.

Think First school presentations on brain injury prevention got \$20,000 in 1998.

Saskatoon Police Service, we got them some equipment, cost shared some equipment — got \$14,500 in the year 2000.

The Wicahitowin Foundation, the community cadet program, got \$10,000 in the year 2000. The Regina Police Service, we got some vehicles for them in the antitheft programs — \$12,000 in 2000; \$12,000 in 1999. And the Saskatchewan Snowmobile Association got a trail funding grant of \$276,000 in 1998.

The Chair: — I guess the way that we'll handle these is you'll exhaust the questions that . . . is that the . . . Have you completed the questions that were to be reported back on?

Mr. Fogg: — No.

The Chair: — You've got a couple more. Well I'm really interrupting, as it is. We'll let him get through the questions and then if there are any supplementaries flowing from the information provided, we'll provide an opportunity at that time. Then we'll revert to the speakers list. Sorry, Mr. Fogg.

Mr. Fogg: — Okay. Salvage vehicle sales. In 1998 there were 14,023 total lost vehicles; ultimately 2,385 were sold to Saskatchewan auto recyclers. The rest were either . . . About 2,000 were dismantled and the rest were either retained by the owner or sold to backyard mechanics or body shops. And the figure for 1999 would be 14,991 total losses; 2,597 to Sask auto recyclers. And in the year 2000 it was 15,089 total losses; 2,778 to recyclers.

The net parts sales on the locator system: 1998 and 1999 we didn't do any, and in the year 2000 it was \$207,000. And of that \$207,000 about 7 per cent of it was from inside Saskatchewan and the other portion would be outside the province. So it's not a lot on that.

The question now on to PIPP: how many people are still on claim? In 1998 there's still 396 on claim.

A Member: — That's today?

Mr. Fogg: — As of today. And 1999 there's still 650 on claim. And in the year 2000, people injured in the year 2000, there's 1,250 still on claim.

Number of appeals in reporting years and success rate. In 1998 there was 252 internal appeals, of which 33 were decided in favour of the injured person; 62 went to mediation, of which 14 were decided in favour of the customer; 22 went to Court of Queen's Bench; 2 were settled in the customer's favour prior to going to court; 1 was settled in their favour at court; 4 were settled in the favour of SGI; 15 are pending.

In 1999, there's 222 internal appeals, 42 in favour of the customer; 41 went to mediation, 7 in favour of the customer; 18 went to Court of Queen's Bench — 17 are pending, 1 was abandoned.

In the year 2000, 133 internal appeals, 15 in favour of the customer; 15 went to mediation, 4 in favour of the customer; 4

went to Court of Queen's Bench, and all are pending.

The number of customers we have re-educated. This is . . . we don't really have good data on this. I can tell you about spouses whose . . . individuals whose spouse was killed in a motor vehicle accident, we have some data on that. In 1998 we retrained 1; in '99 we retrained 8; in the year 2000, 9. Now we don't separate out, unfortunately, customers we have re-educated. What we can say is there are 26 presently that we are re-educating at this time or have re-educated.

Mr. Chairman, I think . . . some other data we have, some of the reports and things, we'll get copies made and get them tabled.

The Chair: — I guess to the membership of the committee, are there any supplementaries flowing from the information that has been provided?

Mr. Wall: — Thank you, Mr. Chairman. I'd be interested in an explanation from officials as to what they think the reason behind the increase in the parts sales on the salvage operation from zero in '98-99, I think the official said, to over 200,000 in 2000.

Mr. Fogg: — The first year we were on the system was in the year 2000. And just, Mr. Chairman, I might add, although it's not under the year under review, it wasn't a gigantic growth in the year 2001 even though that's not the year under review; we did 305 in 2001. So it was 207 in 2000, 305 in 2001. Less than 4 per cent of our parts sales come on this, on the parts locator.

Mr. Wall: — And so in all likelihood, Mr. Chairman, prior to SGI getting on to this locator service, the business there, the 200,000 and then the subsequently \$300,000, that business would have likely been the business of private auto salvage operators in the province?

Mr. Fogg: — It may have been and may not have been. Because if we didn't have the parts, we would first search . . . If they came to us . . . a customer came to us and we did not have the part, we would first search in Saskatchewan. If Saskatchewan didn't have it, we would then go to Alberta. So it's hard to say whether or not they would have been able to get that part in the province at all.

Mr. Wall: — Mr. Chairman, is it true then, though, that the people that were seeking the part, the customer, likely would have started with some local dealer who may in turn have to have gone to Alberta or some other place as SGI wound up doing, but they would have very likely been dealing with a local business?

Mr. Fogg: — I think, to be fair, they would have maybe gone to a local business; they wouldn't have the part. But very few of the salvors in this province are on the parts locator. So they wouldn't have it. I think they would just simply say, we don't have one available.

The Chair: — Okay, Mr. Yates, as well. Mr. Wall, any further on this particular point? Mr. Yates.

Mr. Yates: — Thank you, Mr. Chair. My question has to do with these sales as well. Is this a two-way . . . are parts from

salvaged vehicles in Saskatchewan from SGI also on the parts locator, so people from other provinces have the opportunity to buy parts from us as well? So some of those profits are from selling parts we may not have sold otherwise?

Mr. Fogg: — That would be correct.

Mr. Yates: — So that \$207,000, it doesn't necessarily represent money being taken away from Saskatchewan wreckers; it represents perhaps parts being sold in other parts of Canada.

Mr. Fogg: — Mr. Chairman, the \$207,000, that was the parts that we purchased from out of province and then sold to customers within the province. We would also have sold parts throughout Canada and the US (United States), I suppose, on the parts locator. That's the purpose of it — to increase sales.

The Chair: — Anything further, Mr. Yates?

Mr. Yates: — No, thank you.

The Chair: — Okay. Seeing . . . (inaudible interjection) . . . On this same topic? Okay. So one on that, and then I've got Ms. Jones.

Mr. Wall: — I guess just a request for a comment from officials. Because yesterday I certainly took at face value the concerns that were expressed about this ongoing difficulty, or rather issue, I should say, where maybe some private small-business people believe they're competing unduly with their own Crown corporation. I think the officials indicated this has been a long-standing issue and one that has . . . you can trace back to the origins of the corporation in fact. And I heard that officials were sensitive to that and were concerned about that.

But obviously, you know, I guess I'd just ask for a comment as to then why they would go ahead and pursue this venture as a Crown. What other opportunities would there have been back in its first year in '98 say for the Crown to maybe work with or joint venture or partner with some of the smaller auto wreckers? Would there have been an opportunity for the Crown to pursue this business but in partnership with or coordinated with our local businesses?

Mr. Fogg: — Mr. Chairman, I think it's fair to say that we are very interested in keeping a viable independent salvage operation in this province. Obviously when we sell a fair number of vehicles to independent salvors, it's in our best interests and in the best interests of the public to keep them viable.

Some of these salvors are big enough to be on the part locator system, and if they are, they probably are not hurt in any way by what we're doing because they don't have the part either. Where, I think, is to be fair, is some of the very small salvage operations are not . . . do not . . . are not able to make use of this system, and I would agree, and I think we will do so, we will try to sit down with the salvors and see if there's anything we can do to make it easier for them.

Because the \$207,000 worth of sales we made, I mean, that really, what we're trying to do there is just help the customers

in front of us; it's not . . . If you look at the overall sales of salvage and the profit of salvage, this isn't having a big impact; it's more of a customer service initiative.

But I agree that we . . . it's in our best interest, and we will do exactly that, is to try and sit down and see if we can come up with anything that will work for both of us, because it's more important that we're able to sell these 2,500 vehicles to the private salvors. If we didn't, we would . . . I don't know what we'd be doing with them. So, yes.

Mr. Wall: — Thank you.

Ms. Jones: — Thank you, Mr. Chairman, I was just trying to follow this line and the concern that the private salvagers have. And I'm assuming that if SGI doesn't have it in their parts bin, that they would go on the locator service, search first within Saskatchewan and then outside of Saskatchewan. And therefore, if a local salvage operator has the part, SGI would purchase it from them and then provide it or resell it to a customer.

I wanted to clarify that I was right in what I was thinking.

Mr. Fogg: — That's right. I think that the problem becomes is not all Saskatchewan salvors are on the part locators service. So when we first go out to try buy the part, we look in Saskatchewan first but we can only look within Saskatchewan at salvors on the part locators service. After that, it would go to other salvors until eventually we found the part, wherever it may be. But first we would look in Saskatchewan.

Ms. Jones: — So in following that, Mr. Chairman, then whether a customer goes to a salvor and looks for the part himself or whether SGI locates it for them and then purchases it and resells it, I mean the salvor still has the business, it just has a different way of getting to the customer.

Mr. Fogg: — Yes, that's correct.

Ms. Jones: — Thank you.

The Chair: — Well I'll ask this for my own interest actually. What percentage of the salvors are involved in the locator? And certainly you've made the undertaking to work with the salvors of this province to insure mutual satisfaction for the customer, for the company, and for the salvors. So I'm sure that you'll be working to expand that percentage. But what is the percentage and what would be the reasoning for . . .

Mr. Dobie: — Mr. Chairman, there's five; five in the province that are on the locator and they are the bigger ones. And there are close to a hundred private wreckers in the province.

The Chair: — Okay. Is there any particular criteria by which a given salvor would be put onto the . . .

Mr. Dobie: — No. But it requires some work and some automation for the private wreckers.

The Chair: — Okay, thank you. Any further questions on the supplementary basis?

Mr. McMorris: — I just have — thank you, Mr. Chair — one request. Will the numbers that Mr. Fogg gave regarding the grants; can I have that in a written form? I am not that quick on the . . . with the penmanship.

Mr. Fogg: — Mr. Chairman, we'll provide all of that to the committee.

Mr. McMorris: — Great. Thank you.

The Chair: — Plus we've got the excellent people at *Hansard* to provide us with documentation so . . .

Anyway, any further supplementary questions? Seeing none, we'll resume the speakers list, which starts with Ms. Atkinson, and going to Mr. Wall, and Mr. Brkich.

Ms. Atkinson: — It's a question to the CEO (chief executive officer) of SGI. Under the old tort system, if I had a Saskatchewan driver's licence, and I was a pedestrian in a car-pedestrian accident in another provincial jurisdiction, what would SGI have done for me in that circumstance?

Mr. Cameron: — Mr. Chairman, I'll try and answer that. In another jurisdiction you were able to sue the responsible driver for any benefits that you didn't receive. To the best of my knowledge — I'm just going back a ways — you were entitled to some part 2, some schedule benefits because you were a Saskatchewan resident, not necessarily insured in a Saskatchewan vehicle but you were a Saskatchewan resident and you were entitled to part 2 benefits.

Ms. Atkinson: — And can you describe what those part 2 benefits might have been?

Mr. Cameron: — The benefits that were prior to 1994 were benefits such as income replacement up to I think back then \$150 a week, some medical rehab up to 10,000 — those sorts of benefits — death benefits of a maximum of 10,000 if you were an adult.

Ms. Atkinson: — Can you describe the circumstances for a person post-1994? They are in another jurisdiction. They're not driving a Saskatchewan registered car but they do have a Saskatchewan driver's licence. They're in a pedestrian car walk, and they are hit by a motor vehicle licensed in another provincial jurisdiction. What benefits does that person now receive?

Mr. Cameron: — Okay. Under the personal injury protection program all Saskatchewan residents whether they have a driver's licence or are in a Saskatchewan vehicle are covered under the personal injury protection program in North America. So it doesn't matter which jurisdiction they're in or whether they have . . . As long as they're a Saskatchewan resident, they're entitled to the personal injury protection program: income replacement up to \$57,000 and change, indexed; medical and rehabilitation up to 530 and some thousand, indexed; death benefits equalling to 50 per cent of your income replacement to the family; and a variety of other personal injury benefits.

Ms. Atkinson: — Plus you have the right to sue if you are at a

tort system in the other jurisdiction.

Mr. Cameron: — Mr. Chairman, I should have clarified that. That's right. And you enjoy whatever the benefits are in that jurisdiction as far as lawsuits.

Ms. Atkinson: — So is a person better off under the old tort system . . . or the tort system or are they better off under the PIPP (personal injury protection plan) system? And I'm not talking about a Saskatchewan plated vehicle; I'm talking about a Saskatchewan person with a Saskatchewan driver's licence.

Mr. Cameron: — A Saskatchewan resident if they're injured now is much better off in any jurisdiction because you take that injury coverage with you and then you enjoy whatever rights there are to sue in that jurisdiction.

And a good example would be in cases of California where the liability limits are very low, you can't rely on someone else's insurance there. So you're taking all your personal protection benefits there with you if you're injured in an accident. Where under the old system, you were taking just your very small part 2 benefits, very low income replacement, very limited medical and rehab and hope that you perhaps could sue and get a judgment in those jurisdictions and receive some monies that way.

Ms. Atkinson: — Thanks.

The Chair: — Moving along on the speakers list, Mr. Wall.

Mr. Wall: — Thank you, Mr. Chairman.

I have a question regarding the financing fee on licence plates. With people who choose to choose from the many options. And by the way I think it's fair to say that the new options, well, they're not maybe perhaps not new options anymore, but options that people enjoy from SGI are welcomed things and positive developments that the corporation has offered people. So I think I'd want to preface my questions with that.

But, Mr. Chairman, I'd like to ask a little bit about the short-term purchase that people have a choice of making. Again, the choice itself is good, but I notice that — and I mean and everyone notices that I think — if you're wanting to pay for your plates over a monthly period of time, in other words have SGI absorb the carrying costs of not making an upfront payment, like I do, for example, there shouldn't be any objection to paying interest.

Clearly, SGI has got carrying costs and they ought to be able to pass that on, and I don't think the rates are usury in any way, and so that seem reasonable. What is cause for question though, I think, is if I were to purchase a six-month licence, and therefore the product that I'm purchasing is six months, and I were to pay for it entirely in advance at the prescribed rate that SGI has for a six month plate, I'm looking by the way, just so you know, I'm looking at the example of an '89 S-10, but I mean it's the schedule that everybody gets.

So if I were to do that in this case, it would be \$294 insurance and registration, that's the fee, that's the cost. If I were to pay that upfront, would I then — for the six months — would I then

have to pay SGI the financing fee of \$16?

Mr. Dobie: — Mr. Chairman, yes, you would have to pay that. It's an admin fee. It really doubles a lot of the transactions and work that we have to do. We have to pay the issuer, for instance, for issuing the plate twice. So there is an admin fee with that.

Mr. Wall: — Thank you, Mr. Chairman. And thank you for that answer, and I'm not even sure that I disagree that that's unreasonable, that's not reasonable to have an administration fee if a person is purchasing short-term plates.

And so then it's just a question of semantics, but yet I've had several constituents raise it with me as a, kind of a bone of contention, because as it appears on the sheet that SGI sends out, it looks like they're paying interest for something they've paid completely for in advance.

So I don't know, a suggestion for what its worth, but a surprising number of people object to the fact that they seem to be paying interest on something they purchased and paid in total. And that's the only questions in that regard I have.

Mr. Brkich: — Thank you, Mr. Chairman, and good morning to the officials. I have just a couple of questions on the employee end of it. Can you provide me with an SGI directory of the in-scope and out-of-scope employees for the year 2001?

The Chair: — Could you restate that question?

Mr. Brkich: — Sorry about that. I guess . . . can you do it for '98, '99, 2000. We're not dealing with 2001, I guess.

The Chair: — And again, you can ask questions outside of the reporting years in a general way, but specifics, such as that are, you know, it's good to have the audited documents in front of us to, you know . . . good solid information. Mr. Fogg.

Mr. Fogg: — Just to clarify, would you like a list of all of the permanent employees, or all of the temporary employees, or . . .

Mr. Brkich: — Well, with the other Crowns — I think they're called globals — we've received them, but I've never come across any from SGI. Just your in-scope, what I call in-scope and out-of-scope employees.

The Chair: — It's a fairly clear question and, of course, clear questions make for clear answers. So the in-scope and out-of-scope employees for SGI for the reporting years.

Mr. Fogg: — At the end of each reporting year? We can get that, Mr. Chairman.

Mr. Brkich: — Thank you. For them, one other question. Just an employee . . . and for the three years there have . . . there's been talk of, naturally, job loss. Saskatchewan through the three years in other industries, how was SGI on your . . . has there been a job loss or a job increase or have your employees fairly stayed about the same?

Mr. Fogg: — I'll get it for you, Mr. Chairman.

Mr. Brkich: — It's all right, Mr. Chairman.

Mr. Fogg: — The person, the person . . . I've got them here, Mr. Chairman. The person-years will stay virtually the same over that three-year period.

Mr. Brkich: — Just, Mr. Chairman, you don't have to give them to me right now, just as long as you provide them for me next, you know, in a timely fashion. I don't expect them right today, if it's . . . if you don't have them right on hand.

The Chair: — I'll give you a second to check through your documents and if, at the end of your search over a couple of minutes, then we'll resume the speakers list. It would be good to get the information on points so that . . . we've already got a fair number of things coming back to the committee members via the Clerk, so it would be good to have these things.

Mr. Fogg: — Mr. Chairman, I've found it now I think.

The Chair: — Before you start your answer, Mr. Forbes has now subbed in for Mr. Prebble.

Mr. Fogg: — In 1998 we had — this is for total SGI — 1,581 person years, in 1999 it was 1,584 person years, and for 2000 it was 1,557 person years.

The Chair: — Okay. Anything further, Mr. Brkich?

Mr. Brkich: — No, just the globals will be fine with me.

The Chair: — Okay, moving along in the speakers list.

Mr. Wall: — Thank you. Mr. Chairman. We started a discussion, I think yesterday, of no-fault insurance and I'd like to return to that if I can, or of the personal injury protection plan. And I'd like to talk a little bit if we can about the review process that would have been ongoing in the reporting years that we're considering here, Mr. Chairman.

Specifically, I think some discussion is warranted of the studies that were conducted by IHOR (Institute for Health and Outcomes Research) at the University of Saskatchewan. And I'm sure that SGI . . . well actually that's probably the first question is to the SGI officials about some of the controversy around those studies at our own university and outside the university.

And certainly I will not be asking questions for which the university and others would be the right respondents. But I think SGI's role in this is obviously quite clear and I'd like some comments if I could, Mr. Chairman, from them on some of these issues.

I guess the first one has to do with a letter that was sent to the vice-president of research at the U of S (University of Saskatchewan) by the Coalition Against No-Fault Insurance regarding the independence of the studies that were conducted and the informed consent process that . . . concerning the accident victims in the second of the two study. And you'll maybe bear with me here, Mr. Chairman. I think it's . . . the short form of the second study is . . . people refer to it as PICSTIS (population-based, inception cohort study of traffic

injuries in Saskatchewan) study — that's basically the whiplash study.

Mr. Cameron: — That was the first study.

Mr. Wall: — It was the first study, PICSTIS study. Okay. The outcomes study would be the . . .

Mr. Cameron: — That's the second. Let's refer to that as the second study.

Mr. Wall: — Correct. Right. And it was a concern that the coalition had with the independence, I think, of the research and as I said also with the informed consent process. So they corresponded and the U of S indicated in a letter — and if you will just bear with me, I just have a brief quote — that:

The contract with the University did not allow SGI any direction over the conduct of the research, analysis of the data, or the conclusions reached. In a general sense then, the University has had no reason to question the way that the studies were conducted. Furthermore, the REB (Research Ethics Board) asked for and received assurances that any information collected by the researchers about individuals would be kept confidential from SGI.

Mr. Chairman, to the officials, is that their understanding of the arrangement for those studies?

Mr. Cameron: — Yes, that is our understanding.

Mr. Wall: — Subsequent to that there's been some comment, Mr. Chairman, that there is in the application for ethics approval for the outcomes study, under the heading of confidentiality, there's an indication there that . . . it says:

Because of SGI's role in funding and directing treatment (SGI personnel serve as case managers for injured claimants), information gathered in the course of telephone and paper and pencil interviews will not be kept confidential from SGI.

So the question then, Mr. Chairman, to officials, is: is there something that the . . . is there something that observers are missing about this? Or is it as you have said that there is just simply no access at all on the part of SGI and that all of the information was absolutely kept confidential in every single case from SGI by the researchers?

Mr. Cameron: — My understanding is there was no problem with that. The university kept that information confidential. Much of it was de-identified information. It was . . . would be unable to be identified if someone did see it. And certainly our SGI adjusters and our personal injury reps had no access to that information.

Mr. Wall: — When did SGI have access to the studies, to the completed studies?

Mr. Cameron: — The first study is the one that's completed. The second one is not. I don't have the exact date, but it was about the time that it was being published in the *New England Journal of Medicine*.

Mr. Wall: — Right. That Dr. Cassidy's study was the . . .

Mr. Cameron: — That's the PICSTIS study.

Mr. Wall: — Right, and I apologize, when . . . the proper question should have been: when will the second study be available, in the estimation of officials?

Mr. Cameron: — We're hoping, we're hoping, Mr. Chairman, that we would receive that study this year. Research tends to be slow and not very timely.

Mr. Wall: — Mr. Chairman, the officials have assured that there was . . . that the information on claimants was kept confidential from SGI, and we certainly accept that at face value. And so then though there are some questions about the — excluding that, I guess — there's some questions about the amount of work or coordination or co-operation that would have occurred between officials at SGI and the people conducting the study, either at the outset of it or throughout the process.

And I would ask officials if they can . . . I do have specific questions because the general one's perhaps unfair, and I understand that. But just generally speaking, if officials could highlight the relationship or the role that SGI had throughout this process, throughout the research on the PICSTIS study and then, obviously since then on the outcomes study.

Mr. Cameron: — SGI's role originally on the PICSTIS study was asking the university to do some research and setting up the terms of reference, and saying these are the sorts of things we'd like to find out. And after that there was very little involvement as far as day-to-day or any information. It was a matter of just asking them when will the information come; we'd like to get that completed.

The outcomes study, to the best of my knowledge, there's been very little involvement after, again, these terms of reference were set up other than us contact them and ask them, when will we receive it; we'd like to see that; there's some valuable information that should be in there that should help the medical community treat patients who are injured in a motor vehicle accident.

Mr. Wall: — The University of Saskatchewan and various research bodies certainly have a code of conduct, and, for lack of a better term, rules governing informed consent on the part of people to participate in these sorts of studies, and the need to ensure that they understand that there's nobody forcing them to participate in this. And so to that extent, Mr. Chairman, I wonder if officials could tell the committee as to whether or not SGI — because these are SGI customers we're talking about, claimants — did SGI . . . What steps did SGI take to make sure that would be the case?

Mr. Cameron: — I'm not sure exactly, because I didn't work on that part of it back then, exactly what steps were taken. But I do know that from my experience that there has been no concerns voiced by customers directly to myself or some of my officials that they weren't informed and that that wasn't an issue about consenting to this information.

And I'm sure there were some individuals that said, no they weren't consenting . . . or some customers, pardon me. I didn't know that that was an issue at all with any of our customers. And if there was, it certainly . . . it wasn't brought up to our attention.

I think it was pretty clear when you signed the form what you were giving to the university. People understood that they were gathering information, and gathering it on a, really, a de-identified basis.

Mr. Wall: — Mr. Chairman, what steps did . . . Obviously your customers . . . I beg your pardon, SGI's customers were being contacted by people conducting the research and their agents and representatives and telephone solicitors. And I'm hearing that there's . . . officials aren't sure what, if any, steps were taken.

And I guess I would ask through you, Mr. Chair, that that . . . that we get a report on that. Because I think it's pretty important. I'm not sure . . . I don't have a list of people complaining, by the way, that they weren't asked or assured that this was a voluntary process. We do have some concerns.

And more to the point, Mr. Chairman, people simply felt it somewhat disingenuous that, for example, in the letters that were sent out and in the phone solicitation, and we'll go through some of that, there is no effort at all, no proactive effort made by the researchers to — who by all accounts had a reasonably close working relationship with SGI — to let people know that this was voluntary and they had no obligation to do this.

And I would . . . That's the specific question, Mr. Chairman, to be fair to officials. Did SGI approve Dr. Cassidy's letter to complain . . . to claimants, I beg your pardon, talking to those claimants about the study?

Mr. Cameron: — Yes, I believe we did and I believe that we saw any of the questionnaires or forms that were going to be asked of these customers. And certainly we could provide — like I say, I'm not sure exactly what those details are — we could provide that information.

Mr. Wall: — Thank you, Mr. Chairman. I have excerpts from some of the letters here, and there's a couple of other comments that I would make that the University of Saskatchewan has indicated since, after the fact, that they were concerned about. And if I can, Mr. Chair, I'd like to read them into the record very briefly.

This was from Dr. Corcoran at the University of Saskatchewan, wading in generally on the subject of the ethics of protocol and also specifically on this SGI situation:

The University of Saskatchewan views as very serious, a violation of any research ethics protocol. Participation in University of Saskatchewan research is only done on a voluntary basis and a subject is entitled to refuse participation or withdraw at any time.

In a pre-interview letter to claimants, the researchers gave assurances that nonparticipation would not affect their

claims, and that information about individual claimants that they obtained in the research would not be communicated back to SGI.

The research protocol required that all claimants also be asked in a scripted telephone interview whether they wished to participate, that participation would not affect settlement of their claims, and there was no obligation to participate if they chose not to.

And then it goes on to outline what the research ethics board, that they requested and received additional clarification that participation in the project would be voluntary and that there would be no punitive measures for any claimant who did not wish to complete the telephone interview.

And furthermore the REB asked for and received assurances of any additional information collected by researchers would be kept confidential from SGI.

So having said that, I mean that's the University of Saskatchewan saying what they ought to be saying, and we've heard SGI officials say that they were kept out of the loop in terms of claimants' information and wanted to participate. Also that they proofread, or I beg your pardon, at least worked on . . .

The Chair: — Please refrain from putting words into the mouths of the officials.

Mr. Wall: — Well I think what the official just responded to is an indication that they worked on the letter to the claimants.

The Chair: — But always it's your interpretation of his remarks.

Mr. Wall: — So having said all of that, why didn't SGI officials ensure that there was proactive affirmation or at least assurance to claimants that this was a completely voluntary study and that there would be no impact on their eligibility for benefits should they choose not to participate?

Mr. Cameron: — Well to the best of my knowledge I don't know that that was ever an issue with a customer that came back to us and said that they felt that they were . . . it was not purely voluntary; that it was a non-issue.

Mr. Wall: — Well fair enough. And maybe we were just getting letters and calls from different people, myself and SGI officials and other MLAs (Member of the Legislative Assembly). Or perhaps the meetings that I was attending that the coalition was hosting not long ago, and hearing the stories from victims and the concerns they had throughout all this process are available and a matter of the public record. But I understand if they did . . . certainly if they didn't contact SGI to express those concerns, then how would you, how would you know?

The Chair: — Mr. Wall, I've got another person on the speakers list on this question. Let's just let him on at this point.

Mr. Yates: — Thank you, Mr. Chair. My questions are along the same line having to do with these research papers.

I have a number of questions for officials that can be summed up in a couple of questions. When the university undertook the contract to do the research for the . . . for SGI or this study, did it not follow the same protocols that would be followed for all scientific studies they do in regards to determining outcomes?

Mr. Cameron: — I'm sure they did.

Mr. Yates: — And would it be normal in a study like that for the person who's funding the study or the organization funding the study to tell the university what their parameters should be or would that be the — once you've signed the contract — the total purview of the university?

Mr. Cameron: — Those things are in those contracts, saying how they'll do the study, what rules and regulations they follow, by what ethics, you know. Those sorts of things are in there.

I mean that's their assurance to whoever's funding them that they will do that and that you're getting very good research. I mean the university would have to have that in there or no one would just hand them money and say, well do some research and not based on scientific evidence.

Mr. Yates: — Right. But then normally would an organization, unless there were complaints in fact the study wasn't being done in an appropriate manner, would . . . Why would the organization send out letters that would really be the responsibility of the researcher?

I guess I'm getting to the question of why SGI was asked why they didn't send a letter out to claimants when they aren't doing the study, the university is.

Mr. Cameron: — I think in that case it was to keep it hands . . . you know, hands-off, that we were not involved with the study. Certainly our personal injury reps when asked, told them yes, the university is providing or doing the study for us, it's funded by us — excuse me — and that they are gathering this information and assured our customers that they could participate or not participate.

But again I'll say SGI — especially the injury adjusters — would have no way of knowing who was in, who was out, who had not responded, who hadn't answered the phone.

They wouldn't know that information and they wouldn't need to know that information.

Mr. Yates: — My final question has to do . . . Has the university provided any information to SGI or any evidence that they believe that there was any form of punitive action or inappropriate sharing of information during the study at all?

Mr. Cameron: — No, they haven't.

Mr. Yates: — Thank you.

Mr. Wall: — Thank you, Mr. Chairman. I just want to indicate again, and I think this is a very important point that SGI officials may wish to comment on and it follows on the question from Mr. Yates. But again I would refer members to the fact

that the application for ethics approval for the outcomes study, the second study that was done, clearly stated . . . and I would assume that the application was filled out by Dr. Cassidy or any of his agents or staff or colleagues working with him on the study. And it says, and I quote:

Because of SGI's role in funding and directing treatment (SGI personnel serve as case managers for injured claimants), information gathered in the course of telephone and paper and pencil interviews will not be kept confidential from SGI.

That's what was in the application for ethics approval for the study and I think therein lies the concern. You've already commented . . . or, I beg your pardon, officials have already commented on that.

The other question I have, Mr. Chairman, flows from some concerns that were expressed in the . . . well certainly in the years under review and actually were commented on in 2000 by the assistant vice-president of injury, claims, and rehabilitation on the application for benefits, the application for benefits themselves.

There had been concern about reference to medical research and I think the quote from her interview on CBC (Canadian Broadcasting Corporation) on July 5 was:

The contentious line about medical research may soon disappear from the form.

And I'm wondering if there have been any changes in the reporting years to the application for benefits.

Mr. Cameron: — The application for benefits was revised in 2001 and actually shortened up to make it easier for the customer. I'm sure it was 2001, not in 2000.

The Chair: — Mr. Wall, we have somebody that wants to get on the speakers list pertaining to the previous area of questioning.

Ms. Atkinson: — As I understand it, Dr. Cassidy is a chiropractor. Do you know whether he is still at the University of Saskatchewan College of Medicine?

Mr. Cameron: — No, he is not. He is in the university in Edmonton, I believe.

Ms. Atkinson: — So he's now a faculty member at the University of Alberta?

Mr. Cameron: — That's correct.

Ms. Atkinson: — And when was the last time that Dr. Cassidy did research work for Saskatchewan Government Insurance?

Mr. Cameron: — He's still doing work for us on the second study — the outcomes study, Mr. Chairman, through the University of Alberta in . . . I don't know what the correct term would be — with I guess the blessing and the co-operation of the university of Saskatoon, Saskatchewan.

Ms. Atkinson: — And when do you expect that study, the results of that study to be given to Saskatchewan Government Insurance?

Mr. Cameron: — We are hoping for it for this year. But as I said earlier, Mr. Chairman, studies usually come later than earlier.

Ms. Atkinson: — And my final question. Have any of the . . . has any individual information that has been received by Dr. Cassidy from individual claimants been shared with SGI?

Mr. Cameron: — No.

Ms. Atkinson: — And will you make an undertaking that SGI will not ask for any individual information about individual claimants that Dr. Cassidy may have become aware of?

Mr. Cameron: — Yes, we would not ask for that information and that was our assurance to our customers.

Ms. Atkinson: — And that's your undertaking to the committee today?

Mr. Cameron: — That was our undertaking to the committee that we would not . . . we do not need that information. For a lot of reasons why we have that information on our own file is from the customer. There's no reason for us to ask for that information.

Ms. Atkinson: — So your undertaking to the committee, this legislative committee, is that SGI has never asked for nor received any personal information about any claimant that Dr. Cassidy and his research team may have become aware of?

Mr. Cameron: — Yes, that's correct.

Ms. Atkinson: — Thank you.

The Chair: — Thank you, Ms. Atkinson. Mr. Wall resuming.

Mr. Wall: — Thank you, Mr. Chairman. I think we would like to further discuss the concept of free and informed consent. And again, I think SGI's — this is my own personal view — but I think SGI's interest in this is that granted the research was being done by a third party and still is, but the research was being done on or at least . . . well on customers, on SGI customers and on claimants and so there would be an interest in this. And I think also a lesson perhaps for future studies that SGI may wish to be involved with either as a corporation contracting those services.

But there are those that have pointed out the guidelines that have been established for studies — many in academia have pointed them out since the discussion of all of this — that are contained in the Declaration of Helsinki, in fact, where it is pretty clear that studies should be very upfront with and proactive in terms of informing people of potential subjects of surveys and studies that they have . . . that it's voluntary and they have the right not to participate.

So just I would ask for officials to comment on that and on whether or not . . . I know it's not in the years under review but

generally speaking, whether or not future studies are contemplated and whether this will be a concern of the corporation.

Mr. Cameron: — No, it certainly isn't a concern that our customers would always be fully informed. That they're providing the information on a purely voluntary basis for any study, for any use of that information that we have.

Mr. Wall: — Thank you, Mr. Chairman.

I'd like to move on, if I can. We still wish to discuss the studies that were being conducted, including some discussion of the one that has yet to be handed over to . . . that has yet to be completed, and SGI's role in some of the concerns that we have.

For example, for the . . . with respect to Dr. Ken Yong-Hing and his involvement in the initial — I think it was in . . . it would have been in the first study, in the PICSTIS work.

Mr. Cameron: — That's correct, Mr. Chairman.

Mr. Wall: — I think that the term that has been used to describe him is that he was initially the principal investigator, and then due to some disagreement with Dr. Cassidy — and again I understand that this isn't SGI's . . . I mean SGI's certainly not involved in that dispute — but due to that there is a change and he no longer is involved.

And I wonder then if and when SGI became aware of that, if that was a concern to them and did they in fact inquire as to what had happened with the doctor, with this particular researcher and the PICSTIS study.

Mr. Cameron: — Yes, it was a concern. At the time, the official who dealt with it was concerned with whether the study would go ahead. The university, I think, really fully informed us very early in the stages when they said they were switching and wanted to make sure that we were comfortable with the research going ahead. And it really wasn't in our realm or . . . it was theirs to look after as to who was to do the study. All we were concerned about is, what information would be gathered, how it would be gathered, and when would we get the results.

Mr. Wall: — Thank you, Mr. Chairman.

Subsequent and since then, and in the last year under review now, at least during that very year, university officials have apologized to Dr. Yong-Hing. In fact, initially — I'll back up a little bit — initially after the dispute as a reason for his termination, I'm sure it was provided to SGI, one of the colleagues of Mr. Yong-Hing said that:

Yong-Hing was reprimanded (sanctioned) by the dean of the college of medicine for his behavior toward Cassidy, his staff, and graduate students.

And of course what eventually came out is that that wasn't the case. So much so that the president of the university felt compelled to offer an apology, requested the apology appear in both dailies in the province. And I don't think either printed them for whatever reason. But he also sent one to Dr.

Yong-Hing.

I wonder, did SGI feel there was any reason at all for them because of their role to — again, this isn't a rhetorical question; it's an earnest question — did officials feel was any need at all for them in recent months. Well first of all, were they aware that the apology had been offered to this researcher?

Mr. Cameron: — I wasn't aware.

Mr. Wall: — You weren't aware?

The Chair: — I guess I would refer to something that Mr. Wall had stated at the outset of this particular line of questioning. There are questions that are more properly the realm of the University of Saskatchewan and questions that are in the realm of SGI.

The official has already stated the primary concern was with the quality of the report being provided and that it's . . . the ball is in the court of the University of Saskatchewan to make assurances as to that quality. So if you could please keep that in mind in your line of questioning, Mr. Wall.

Mr. Wall: — Right. Well I certainly accept that ruling, Mr. Chairman. And I would just make this case then that the whole situation surrounding Dr. Yong-Hing is very germane to SGI because of course his reason for leaving the study is, and this is a quote from his letter:

As a result of (a) major philosophical difference(s) between SGI and myself, SGI has rescinded its commitment to support me (they had committed support from 1993 to 1998) and in June 1996 SGI discontinued funding for this research by me.

Our differences arose over SGI personnel's interference in the research work, pressure from SGI that money SGI contributed for research would also pay travel expenses to Sweden by SGI personnel, and pressure from SGI to allow it to transfer money to Swedish researchers through a University of Saskatchewan research account.

So you know, clearly, SGI . . . I mean unless it's Dr. Yong-Hing imagining all of this, he has specific concerns with SGI. The expression of those concerns is the reason for the blowout and now the subsequent apology, relative current apology that was given to him.

So I'd ask SGI officials to comment on that — on Dr. Yong-Hing's contention that it was their interference that caused this difficulty in the first place, which has now eventually led to an apology having to be made him.

The Chair: — One second. I'm just going to ask some questions. Is this matter presently before any court of law with regards to Mr. Yong-Hing?

Mr. Fogg: — No, not that we're aware of.

The Chair: — Okay. And if it's not prejudicial to proceedings that . . .

Mr. Fogg: — Mr. Chairman, I've answered this question a number of times and we've looked into it ourselves within the organization, and we have never nor ever did nor ever will put pressure on the University of Saskatchewan to do anything untoward. We wanted the study and we wanted the study to be as accurate as possible. We did not . . . (inaudible) . . . did not put any pressure on the University of Saskatchewan to do anything other than give us the study.

Mr. Wall: — Thank you, Mr. Chairman. And thank you to Mr. Fogg. So he's again, in a subsequent letter from the researcher, he indicates that he was:

. . . replaced by Dr. David Cassidy on the SGI-funded project because I made clear my strong view that any SGI interference in the research would expose the results to criticism of being tainted by bias.

That's what the official is categorically rejecting ever occurred in this case.

Mr. Fogg: — Yes, Mr. Chairman. That's what I'm saying.

Mr. Wall: — Okay. Thank you.

There was another researcher involved as well. And the difficulty with . . . her difficulties with this whole process with the Cassidy study occurred . . . came to a head in 1999. And her name was Dr. Emma Bartfay.

Were officials aware of any dispute or any problem between Dr. Bartfay and Dr. Cassidy while they were waiting for the study from the university?

Mr. Fogg: — We're aware of that, Mr. Chairman. That, I think that one is still before the courts, that particular case. But we're aware of what we read in the newspapers, but I don't . . .

Mr. Wall: — I guess I'm in the chairman's hands on this, because there is a dispute currently before the courts. It was last I think in the courts in November 2000 in fact, and it's a dispute between Dr. Bartfay and Dr. Cassidy. Right. Thank you. So it certainly doesn't involve any of the participants here.

Mr. Cameron: — Mr. Chairman, could I ask a question?

The Chair: — One moment, please.

As Mr. Wall is in my hands on this matter, I'm in the hands of the able and wise Clerk of this committee, and I am advised by the Clerk that matters . . . there's a *sub judice* — you'll have to forgive my lack of familiarity with legal jargon — anyway, there's a convention whereby matters before a court of law cannot be brought up or discussed by . . . (inaudible interjection) . . . Yes. They cannot be put before a legislature or a legislative committee for fear of prejudicing the proceedings involved in that legal matter. So while it's before the courts, it is not before this committee.

Mr. Wall: — Thank you, Mr. Chairman. Important in this whole analysis, I think, of the effectiveness of PIPP or no-fault in general versus the tort system, as regards, you know, the sort of health outcome studies that have been done and that have

now been done here in the province and we're awaiting for, is this whole question of when is a person . . . when is an accident victim recovered.

You know, are they recovered in a tort system when they win their lawsuit and roll out of the courtroom in a wheelchair? And also are they recovered in a no-fault system as soon as the case is settled and the adjuster is satisfied that he can close the file, even though there may be some ongoing dispute?

The whole debate about no-fault and tort turns on it and both of them have weaknesses that are kind of similar, frankly, on that front. And this is where a lot of the controversy seems to come from in the research that was done in the years under review here.

What does SGI's opinion as to . . . Or what is your position? What is a good proxy for recovery as regards an accident victim then?

Mr. Fogg: — Under the PIPP system, technically the file is never closed. They can always come back. Under tort, the file is closed once we settle with the claimant and pay.

As far as when they recover . . .

Mr. Cameron: — Maybe I could. My understanding of when they recover in the Cassidy research was that he asked questions based on pain levels and recovery of function back to normal function. And he compared that in these groups with the time the file was closed, either under the tort system or the file was closed under the PIPP system, and said at a certain pain level, certain recovery level of function, these files quit. Meaning there's either no payments going through or in the tort system, you've actually settled for your pain and suffering award.

And he measured them based on those and that's where it gets a little confusing. And everyone was concerned about, well it's just when you close the file because you're right, you could just close the file, you know, under either system. Some files close sooner than others.

But as a large group, it was based on more factors than just the file closing. It was their recovery levels and their pain charts that they . . . the information the customers provided back to them. And the *New England Journal of Medicine* said yes, that is one way of measuring to compare one group to another group.

Mr. Wall: — Yes, that's true. Mr. Chairman, thank you for that answer. And I think it's true too that the *New England Journal of Medicine's* had, as is often the case when there's a position taken or thesis published, that other academics have disagreed with that. Obviously you're going to have this sort of debate, and that's what I was trying to indicate in the preamble.

Again with this particular study and again in the reporting years, was SGI aware of a disagreement or again another conflict, an academic disagreement, between Drs. Cassidy and Lepnurm at the university?

Mr. Cameron: — I'm not aware of any disagreement there, no.

Mr. Wall: — You're not aware of any disagreement there?

Mr. Cameron: — I'm not aware what role Dr. Lepnurm . . . Lepnurm, did you say?

Mr. Wall: — Lepnurm, yes.

Mr. Cameron: — . . . played in that.

Mr. Wall: — Then to be fair, there's no sense of pursuing that with SGI officials. Perhaps as SGI awaits the final report, they may want to know then that the economics component of the outcomes study that you'll be getting was originally to be done by this U of S professor and grad student.

And without getting into all the details — and again, without asking you to unfairly comment — there is a significant disagreement again between Dr. Cassidy and these academics about proceeding in the way that Dr. Cassidy wanted to on the economic analysis of the outcomes study, which I would assume SGI would be really interested in in terms of the ongoing viability and economic efficiency of no-fault. So I won't, Mr. Chairman, I won't pursue those questions, although we had a few of those.

What information exactly, Mr. Chairman, did SGI provide to Dr. Cassidy and any of his agents so that he could execute both PICSTIS and now so that he could complete the outcomes study?

Mr. Cameron: — I don't know exactly what information, but it would have been statistical data, numbers, certainly closing dates, those sorts of information, so that they could match it up — not medical information based off of our file.

Mr. Wall: — And, Mr. Chairman, that sort of information, would it be available to members of the committee?

Mr. Cameron: — I don't think so as long as it's de-identifiable, that it was just . . . it was dates and numbers.

Mr. Wall: — It would be then . . .

Mr. Cameron: — Like as a, Mr. Chairman, as a pool of information, that there was X number of files in a certain loss year and they were closed within X number of days or they were opened on a . . . If that's the question, then yes, that information could be made available.

Mr. Wall: — Well I wonder if I could make that request then through you, Mr. Chairman. I'd be interested in that information if it's . . .

Mr. Cameron: — Mr. Chairman, that information is in the PICSTIS study. It's actually there.

The Chair: — So that's part of the public domain already.

Mr. Cameron: — Part of the published . . . Yes, the numbers are there.

The Chair: — Okay. Is that sufficient for the member because I'm reluctant to turning this legislative body into a research

body. And we've already got a number of undertakings from the officials to communicate certain information back to the members of this committee.

Mr. Wall: — Yes, fair enough. Yes, Mr. Chairman, so just, if I could then just clarify what I'm hearing from officials. All of the information that was provided to Dr. Cassidy and his agents and colleagues for the study is reflected in the PICSTIS study and will also be in the outcomes study? Is that what I'm hearing?

Mr. Cameron: — That would be my understanding, that those two pools in the PICSTIS study, we would have provided, like I say, accident date, closing date, that sort of information. And then he would have took that mashed up with the research he did and put them into those scientific pools.

Mr. Wall: — Thank you, Mr. Chairman. I'd like to ask a few questions if I can about some of the presentation that was made by a retired SGI employee to the PIPP review process.

The Chair: — Actually, Mr. Wall, at this point there's unrest amongst the committee members which may indicate the need for a break. Given that we've been at this for some time since 9:30, we'll recess for 15 minutes but please be back at 11 sharp so that we can reconvene and carry on in the very important considerations of this committee.

Anyway, that said, we stand recessed until 11.

The committee recessed for a period of time.

The Chair: — Okay, we will call the committee back to order — Viktor and I, not the royal "we." Anyway it means back to order and we will resume the speakers list which was headed by Mr. Wall, and as always, I'm open to additions.

Mr. Wall: — Well thank you, Mr. Chairman. Before the break we were discussing — and I appreciated the responses on questions regarding these studies, one currently completed and then the other one underway by Dr. Cassidy — and concerns that had surfaced in the academic community and SGI's knowledge of and their concerns with any of those disputes.

One dispute between . . . on the economics side of the study you are yet to receive between Dr. Lepnum and his graduate student and Dr. Cassidy. Officials, I think, indicated that they were unaware of that particular dispute. Were you aware of — I beg your pardon — were officials aware of the fact that Dr. Lepnum and a grad student was involved, going to be involved on the economic side of the outcomes study, which would be . . .

Mr. Cameron: — I was aware that Dr. Lepnum was somewhat involved but I don't know anything about the dispute or where that's at or, in fact, that there was one on that.

Mr. Wall: — Right. Well the dispute ended up with Dr. Cassidy basically firing Dr. Lepnum and Mr. Dobson, his grad student and kicking them out of their office, and then there was a dispute over the information that had been the propriety of the information . . . the proprietorship of the information, I should say.

And such that in January 30 . . . on January 31, 2000 Dr. Lepnum wrote a letter to Dr. Kachanoski — and I apologize to him for the pronunciation, which is probably wrong — who was the then Dean of Graduate Studies at U of S.

And it had to do with the fact that Mr. Dobson had been working with the senior financial analyst at SGI named Dean Schmiedge, and here's a quote from the letter that I would ask officials to comment on, Mr. Chairman:

Under my supervision, Mr. Dobson has worked very effectively in the field with the treatment centres, claim centres, and administrative offices of SGI. He has worked with a Senior Financial Analyst at SGI, Dean Schmiedge, (and I again apologize to him for mispronouncing his name, if I have; continuing with the quote) developing an algorithm, which would capture the costs of health care services provided to claimants that are documented by SGI. Furthermore, in his conversations with Dean Schmiedge it became evident that SGI can request data regarding health services provided to SGI claimants as documented in the Saskatchewan Health databases, and that such requests by SGI are not unusual.

I would just ask officials for their comment on that quote from Dr. Lepnum's letter to the Dean of Graduate Studies.

Mr. Cameron: — I know we can get health financial information, especially when we're doing subrogation recovery. I'm not aware that we're gathering health information for one of these studies directly from Health on a global basis.

Mr. Wall: — Mr. Chairman, would officials undertake to find that out, whether or not any officials may be doing this? Or is the official indicating that no, it's not occurring?

Mr. Cameron: — I would say no, but I will confirm to make sure that that is correct.

Mr. Wall: — Okay, thank you. Did officials in January 2000 especially, and I would say late in '99, did the senior team at SGI ever hear from the senior financial analyst of any concerns he had with the loss of Dr. Lepnum and his graduate student from the economics . . . doing the economics portion of the outcomes study?

Mr. Cameron: — No, I didn't hear.

Mr. Wall: — Okay. Thank you, Mr. Chairman. Have you heard any concerns at all from any officials about the upcoming . . . the outcomes study when it's completed, about the economics portion of that study?

Mr. Cameron: — No, I have not heard any concerns other than the timeliness of getting the study completed.

Mr. Wall: — Okay. Thank you, Mr. Chairman, and thank you to the officials for those answers.

The access that Dr. Cassidy had gained or may have gained to health information then would have been limited to, for either the PICSTIS or the current study, would have been limited to what?

Mr. Cameron: — I'm not sure I understand your question, Mr. Chairman.

Mr. Wall: — Mr. Chairman, I'll rephrase it and, hopefully, clarify it a little bit.

Maybe this is repeating the question but just bear with me if it is from before. There was no personal health information accessed by Dr. Cassidy other than that for which he had . . . for which the appropriate waivers had been signed by clients — by claimants?

Mr. Cameron: — That's my understanding, yes.

Mr. Wall: — Okay, thank you. Mr. Chairman, I have some more questions about a presentation that was made to the PIPP review by a former staff member of SGI named Kathy Kivol. I'm not sure if I'm pronouncing her name correctly or not. But I think officials may wish to comment on that. I think they probably have, but I think it would be interesting . . . or it would be useful for the committee to hear the explanations.

Ms. Kivol produced some memos and some information at the PIPP review meeting . . . at some of the PIPP review meetings or . . . I'm not sure, I don't know if I have the date exactly of which meetings that she attended but certainly to the PIPP review and then she's made her feelings public.

And she has provided a memo that dates back to '96, provided them in the years under review though, Mr. Chairman, that quotes the assistant vice-president of claims in 1996 as saying in a memo:

By now, you will have received your month end reports. Saskatoon has 287 claims and Regina 123 that have no activity on them for two months. These are to be closed. I will be checking again next month and will personally close them if you do not.

Would Mr. Schubert be just using the vernacular of the corporation? Because we heard Mr. Fogg assure committee members that really with no-fault, no file was ever closed. So I'm not reading too much into that; that could be just semantics. That's the first question.

And secondly, just the request for some sort of general comment and assurance by officials that in the reporting years and certainly even today this sort of attitude is not prevalent among those who manage adjusters.

Mr. Fogg: — Mr. Chairman, as I have said, no file is ever closed. And while we may on the books close the file, if there's some other additional medical evidence or medical bills come in, we would reopen the file.

The open file count or pending files is used by the corporation to determine in large part staff levels. The more open files one has, the more staff you need. And I think what Mr. Schubert was saying back then was that . . . and there was a bit of a discussion about how much staff was required in the various branches. And I think he was trying to point out that Saskatoon's files were staying open a lot longer than the files in Regina, even though there was no activity on them. And he

might not have said it in so many words but I think he was implying that that was because they wanted to get additional staff.

It was nothing really particularly to do with Dr. Cassidy's study. It was to do more with the staffing issue.

Mr. Wall: — Well, and fair enough. I certainly accept that, Mr. Chairman. For those who are perhaps more jaded about this process, it may also mean for them that SGI truly is more about closing files than they are about providing benefit — be that fair or not, and it likely isn't in its entirety. But that is . . . this sort of comment would add fuel to that fire.

Because he goes on in a memo to say, that he presented in 2000:

Some of you have closed the files from your March list and some have not. I received the April list today and it is in the mail for those of you in Saskatoon, soon to be on your desk. I would appreciate each of you following up on Jon's request to close as many of the files on the April list as possible and report to me the number closed. Thanks.

So you know, that sounds to me — and I certainly would invite you to clarify it or would invite officials to clarify it — it sounds to me like there is an imperative to close files, notwithstanding what's in the files, the people, the actual accident victims that are being . . . that are subject to those files.

Mr. Fogg: — Mr. Chairman, whether or not internally in our own records we have said we've closed the file, does not necessarily mean that the file is closed. There's still a file there. If three months down the road, after we've closed the file, somebody has additional medical bills, or they've found that they can't go back to work; they're now off work again due to the accident, we on our books reopen the file.

But as far as the insured or the customer is concerned, it wouldn't particularly matter. We use the closed file count, pending count, as one of the measures of staffing.

Mr. Wall: — Mr. Chairman, is it true that for the purposes of Dr. Cassidy's study, however, that a closed file, especially considering what his definition of recovery is, a closed file would be reflected, especially in 1996 and in the years that follow, which is this . . . this memo . . . that those closures would appear in Dr. Cassidy's study as recoveries?

Mr. Cameron: — Yes, that's true. They would show that it is closed. However, you have to remember too that Dr. Cassidy's study is only on soft tissue injury, not on other types of injuries. So files are closed, show up in that pending record for what our purposes are, for staffing, are all injury claims, not just the ones that were in the Cassidy study.

Mr. Wall: — Thank you, Mr. Chairman. I think that's a . . . that's a concern, and not just about the Cassidy study, but just that that memo exists. And I invite officials again to clarify that that is a . . . there is no imperative at SGI for adjusters to close files for the sake of closing files.

Mr. Fogg: — Mr. Chairman, there's a point in time in which to

keep the file open costs money. And if there's no medical bills, or no . . . if the person is back at work and no medical bills are coming in, and everything seems to be okay, to keep that file open and pending is a somewhat costly procedure.

It is simpler to close the file. If there is additional medical information come forward, additional bills, the file is reopened. It is not as if once we close the file, we will not attend to our customers any more. It's just the record keeping for us.

The Chair: — . . . another person from the speakers list now, and let them speak at this time. Mr. Yates.

Mr. Yates: — Thank you, Mr. Chair. My questions have to do with files and that as well. Would it not be true that there are certain standards or criteria you use in which to open or close a file so that you try, as much as possible, to have universally used rules in the opening of a file, when you would open a file and when you would close a file?

Mr. Cameron: — Mr. Chairman, that's correct. With all files there's guidelines as to when you should close it, when you should do something on it, send a letter on it, and procedures that we follow.

Certainly I think we've said that if there's no activity on a file and the person is back to work, there is no sense keeping a file open and active on an adjuster's desk. But that is invisible to the customer. The customer isn't told you're file is closed, and it doesn't have any negative or positive effect on whether that customer brings in another medical bill today, tomorrow or next week.

Mr. Yates: — My second question is, were there any changes in the rules, procedures or standards as a result of the study under question, on closing files?

Mr. Cameron: — No. No, we have not changed any procedures as a result of the study.

Mr. Yates: — And my final question is, is it not often a technique used by employees or their bargaining agents if you are looking to increase the number of employees or change workloads to leave files . . . the number of files reflect the number of employees and to show the amount or level of work that employees have, to leave files open?

Mr. Cameron: — Some individuals may use that method to try and increase staffing levels. I'm not certain that's a widespread practice though.

Mr. Yates: — Thank you, Mr. Chair.

Mr. Wall: — I'd like to finish this up, unless some other members want to wade in and certainly that's welcomed. You know, as someone and as an office that's dealt with a number of the difficult no-fault cases — obviously not the ones that are going well but the difficult ones — it's very hard sometimes to get action.

And this has no reflection on the staff, as I said yesterday because we have found the staff to be very co-operative. But I think just simple workload and the nature of this work, it's

difficult to get to make a lot of progress on files that remain open and so I have no doubt that they can be reopened after they're closed. But on the practical side of things, of trying to assist people who may have a problem, the . . . any imperative to close files I think makes it even more difficult to try to help people who may have a reason to be helped.

If you don't want to comment I can move on.

Mr. Fogg: — No, Mr. Chairman, I don't necessarily agree with that. I think that's an administrative procedure to deal with staffing levels. It does not in any way, shape or form affect the customer whether or not we internally call it an open or closed file.

Mr. Wall: — Well that's fair enough, Mr. Chairman. I just have another question regarding the sophistication of SGI's information system, because I think that Dr. Cassidy in his report to the PIPP Review Committee in June of 2000 was discussing it in terms of I think a concern — not a concern he had — but he was just highlighting some difficulties his study might have in light of the lack of sophistication of the SGI information system. In his quote to the PIPP at the time was . . . to the review, I beg your pardon, at the time was:

Unfortunately Saskatchewan Government Insurance doesn't keep the first closure date in their data base, so in linking to their data base we (don't) . . . know the first closure date . . .

I'm assuming that's the closure we've been talking about.

. . . so we had to exclude those, so this analysis is based on 5,398 now.

And then subsequent to that, Kathy Kivol seemed to have a different opinion — and the question will be basically who the officials believe is right — where she said in a letter that was published in the Canadian Pain Society *Pain Research and Management*, she said, quote:

SGI should be able to provide a history of every file, which would show the date and the reason the file was closed, and when any reopening occurred, and the reason for the reopening. This information was in fact becoming easier to obtain because you could bring a lot of it up on your computer screen without having to physically obtain . . . files from storage.

For any files where the information was . . . (available) in the computer's memory bank, it was always possible to obtain the actual file from storage.

So who is correct in this regard?

Mr. Cameron: — I'm not certain who's quite correct.

But certainly our current computer system is much better than some of the data that Dr. Cassidy had to work with when he was comparing tort files to PIPP files. There was much more information on the PIPP files than there was back on the tort files because of the nature of the type of business and how the settlements were lumped together. So there is more detailed

information going forward.

The fact that there is a closing date and a reopen date, yes that is . . . can be found either on the system or manually on the file depending on which year that file was opened.

Mr. Wall: — So in June of 2000 on that count then, Dr. Cassidy was incorrect in his presentation to PIPP.

Mr. Cameron: — No, I think he was concerned about that there was information back when he was comparing . . . trying to compare these two pool of files that he didn't readily have access to and they didn't — if memory serves me correct — in either case, whether it was a tort file or a PIPP file they didn't count files that had been reopened because there was more activity on them. And it may be just for a late payment of a bill or it may have been that there was some other matter that it was being reopened for, such as the customer had a second injury.

Mr. Wall: — I think his quote to PIPP referred specifically to the first closure date, Mr. Chairman.

Mr. Cameron: — I don't quite follow why that would have been an issue.

Mr. Wall: — So he may not have been correct to the PIPP review committee in his presentation in June 2000.

I'd like to move on, if I can, to the situation involving Mr. Dale Collis, who was an accident victim who had some dispute with the no-fault system, and specifically with SGI. And, Mr. Chairman, just generally speaking for members of the committee who aren't familiar with Mr. Collis's case, suffice it to say that his dispute with SGI wound up in SGI being cited with contempt for how they were dealing with Mr. Collis.

Now this particular case is being appealed, is that correct?

Mr. Fogg: — Yes.

The Chair: — That leads us to the matter we discussed earlier where, if the matter is before the court, it will not be before this committee.

Mr. Wall: — Well until it has been concluded in that court. Okay, Mr. Chairman, we can talk about it when the officials are here and it's been concluded.

Generally speaking, is it true that SGI is advocating to move away from the final access being to the courts in favour of an arbitration board? Is there any interest on the part of officials in pursuing that?

Mr. Fogg: — Mr. Chairman, that has not been decided. What we're looking at is giving customers the choice between going to the Court of Queen's Bench, or alternatively, to some sort of tribunal — that they would have choice. That's what we're . . .

Mr. Wall: — There's no contemplation then, Mr. Chairman, on the part of officials of limiting that very tiny access that people have to the courts now, that it would only be in terms of this choice that the . . .

Mr. Fogg: — Mr. Chairman, that's still to be decided but we would not recommend that we take away the access to the courts. However, that is an expensive process for people and we would like to give them an alternative to that so that they could have a choice.

Mr. Wall: — Mr. Chairman, the most recent news on no-fault of course was the announcement that was made this fall about the new system, the new choice system. I understand from the announcement that the details of that aren't going to be available or at least the details are being worked out and the rollout of it isn't expected until . . . the date . . . wasn't it a 2003 date that had been . . .

Mr. Fogg: — I think the date that was mentioned was that people would be given a choice effective January 1, 2003. Yes.

Mr. Wall: — Yes. What other jurisdictions in North America have a similar choice system?

Mr. Fogg: — There are no jurisdictions in North America that would have a choice between a tort system and a no-fault system. There are jurisdictions, states in the US, that give you a choice between tort and, I suppose, modified tort. And there's Kentucky, Pennsylvania, New Jersey. Maybe one out of . . .

Mr. Wall: — Modified tort being similar to the premier option. Would that be fair to say?

Mr. Fogg: — It would have less access to the courts for pain and suffering, but there may be a threshold. Probably a threshold system for the most part.

Mr. Wall: — Right. It's been though the position, I think . . . Throughout the years under review and then in the last two days, I think the officials have been clear. The minister has actually been clear as well. That, the preference here, that the belief amongst officials and the government is that the current PIPP program is the way to go. It's by far and away the preferred system for both the drivers and the insurer. Is that the case?

Mr. Fogg: — Well, Mr. Chairman, for five or six years, I've argued that no fault or personal injury protection plan was a better system than tort and a fairer system than tort, and I still personally believe that, yes.

Mr. Wall: — Well, Mr. Chairman, who recommended to the government then that they would do a dual system?

Mr. Fogg: — I think what any . . . I can't talk about this specific case, but I will speak about it in generalities.

SGI and the people at SGI, we administer the Auto Fund on behalf of the government. I think that's how the legislation reads. And like anything else, we bring forward on any situation whether it's this or any, alternatives for the government to look at.

Mr. Wall: — So, SGI presented the alternatives, Mr. Chairman, of a dual system to the Government of Saskatchewan.

Mr. Fogg: — That would be one of the alternatives that would

be presented. Yes.

Mr. Wall: — And did your officials, did you recommend to the government that dual system?

The Chair: — Again, you know, Mr. Fogg has stated that they prepared a number of alternatives to present to the government for political choice on selection.

So in terms of, you know, what is properly a question for the official and what is properly a question for the minister, I would think that that particular question may fall in the realm of the minister's purview.

Mr. Wall: — Well, Mr. Chairman, I don't understand it. And maybe it's me, but I'm not asking for what the minister likes. I'm not asking for the minister's frame of mind or the minister's preference. I'm asking for the official's recommendation to the Government of Saskatchewan about a program that literally affects everybody.

He has been, to his credit, forthcoming throughout the last two days about his and the corporation's position on, not just this issue, but on other activities of the corporation. This is an extension question of his own testimony and it's simply asking him what his . . . if he recommended the choice system that we now currently have.

The Chair: — Well in as much as you've already indicated answers to that already, I'll allow you to proceed. But again, we're here to examine the administrative policies and the options . . . or the operations of the corporation, so I'd urge members to keep that foremost in their minds.

Mr. Fogg: — Do you want me to answer that question?

Ms. Atkinson: — Can I ask a question for clarification? I understand that we're dealing with the budget for the year 2000. That decision, the government's decision to proceed with the choice option was made in 2001. I understand that you can ask general questions, but this is fairly specific, and so I'd just ask for a ruling on that, Mr. Chair.

Governments make political decisions; officials provide governments with all kinds of options. Governments ask for further clarification of the options, and then governments make their decision. So I think we're getting into something that is too specific, given that this is not the year . . . fiscal year 2001.

The Chair: — Okay. But further to that, there's, in the division between the civil service and the political side of things, something which I'm sure you're very familiar with. It doesn't matter what Mr. Fogg likes. It doesn't matter what he recommends or what his preferred option would be. There's . . . his job as a good civil servant is to prepare the best range of options as he sees them as an expert in this particular area for a decision by his political master.

And I hate to use the master/servant analogy, but again it's his, Mr. Fogg's preferences in this matter. He's indicated that they prepared recommendations. And he's welcome to add comment to that. But that would be what I'd urge the committee to keep in mind, that there is a division between the civil service and the

political side.

Mr. Wall: — Mr. Chairman, did officials of SGI begin to investigate the potential of a dual system in 2000?

Mr. Fogg: — No, we didn't.

Mr. Wall: — Well I'm not sure what the wishes of the Chair is in this regard then, because we've had a request for a ruling by Ms. Atkinson on the question of year under review, I think. And I'm not sure . . . we also have the Chair inviting officials to comment further so, you know, my question is a matter of record and . . .

The Chair: — Okay. I guess I would, you know, if the officials care to make further comment and the matter of, you know, what is general and what is specific is obviously something that is fairly dicey. And in this regard I think it's fair enough for Mr. Fogg to comment as he sees fit. But in terms of what the political decisions or decisions that are made outside of the year under review . . . And perhaps I would be advised to discuss this further with the wise and able Clerk of this committee, but the other proviso, of course, is that it should not be prejudicial to the operations of the committee . . . or of the corporation. But as to what is general and what is specific, it is a very amorphous realm. But if you care to comment further . . .

Ms. Atkinson: — If I could just comment. Right. As I understand Mr. Wall's question to the chief executive officer of SGI, he was asking specifically whether or not SGI recommended this specific option. I call that specific in the year 2001 and not a general question, and that's why I was asking for your ruling, Mr. Chair.

The Chair: — Well and the other thing too is that I don't want to judge this like Solomon, but . . . Mr. Yates.

Mr. Yates: — I'd also like to ask a question. It's my understanding that recommendations that come to the government are made by the minister, and that is how it'd done. The minister makes a recommendation to the government. So I don't know if it's appropriate to be asking an individual what recommendation was made to an individual. Because that is . . . the minister makes a recommendation to the government, not the officials.

The Chair: — Well I guess . . . further comment from Ms. Jones.

Ms. Jones: — I just wondered if it would be helpful if you took a few minutes to confirm.

The Chair: — Yes, with the committee's indulgence, I would like to take a couple of minutes on this.

Mr. McMorris: — It's just been interesting because we've, Mr. Chair, talked about PIPP and tort prior to the implementation, prior to the budget years that were under review. And so it's been pretty general conversation. And I would think asking a witness, an expert witness, what his opinions are on the dual option — would he recommend it, would he not — is just a fair question. It's just an extension of what we've been doing.

The Chair: — But he didn't . . . Okay, there's a difference between asking opinion and asking, you know, okay, did you go to the minister and say this is the way and the truth and the light, and you should only do this.

There's a very . . . If Mr. Wall would care to rephrase the question then . . .

Ms. Jones: — Maybe we could take the time.

The Chair: — Let's take the time then and maybe we can consider rephrasing the question. Two minute recess.

The committee recessed for a period of time.

The Chair: — We'll reconvene. In discussion with the Clerk of the committee, we went to the report that was tabled . . . or that was adopted by the legislature on May 5, 1994 and to the terms of reference that this committee presently operates under.

And I would refer you to rule 100(1):

The Standing Committee on Crown Corporations is empowered to review the annual reports and financial statements of the various Crown corporations and related agencies, as received; and the said Committee is authorized to question the operations of the Crown corporations and related agencies for periods outside of the year under review.

So the distinction here to be made is whether or not the question posed by Mr. Wall to Mr. Fogg is a question concerning operations or concerning that of policy formulation, which is more properly the realm of questioning the minister. And certainly Mr. Wall is familiar with questioning the minister.

And in consultation with the Clerk of the committee, it seems to me that Mr. Wall's question is in fact more over in the realm of policy formulation as opposed to pertaining strictly to the operations of the corporation. Now the member may not like that but that is my ruling.

So if you wish to address the same topic in a different way with a different question that bears more strictly to the operations of the committee . . . of the corporation, then you're certainly welcome to do so. And I would . . .

Mr. Wall: — Thank you, Mr. Chairman. Just to clarify then, the question at our next meeting will then be in order. Is that correct?

The Chair: — Pardon me?

Mr. Wall: — At our next meeting when we're considering 2001, the question will then be in order.

The Chair: — No. That's a question for the minister.

Mr. Yates: — You could ask.

Mr. Wall: — Mr. Chairman, we don't have any further questions for SGI at this time. We look forward to discussion of their 2001 annual report. And on behalf of the opposition we do

want to thank them for their answers. They were very forthcoming. And they were also quite brief — refreshingly so — so we were able to cover a whole lot of material, more than I actually had anticipated frankly. And so on behalf of our members in the committee, thank you for your attendance and for your candour.

The Chair: — Okay. I guess at this time I'd ask the SGI officials and the auditor's officials if they have any concluding comments, and then after which if anyone else has anything they'd like to add.

Mr. Fogg: — No, nothing else, Mr. Chairman.

Mr. Martens: — Nothing.

The Chair: — So thanks for coming out.

Mr. Yates: — Thank you, Mr. Chair. At this time I'd like to move a motion:

That the Standing Committee on Crown Corporations conclude its review of the annual reports and financial statements of Saskatchewan Government Insurance and its subsidiaries for the years ending December 31, 1998, December 31, 1999, and December 31, 2000.

The Chair: — So moved. Any discussion on the resolution . . . or on the motion? Those in favour? Those opposed? The motion is carried.

This committee will now entertain a motion to adjourn.

Ms. Jones: — So moved.

The Chair: — So moved. See you next week.

The committee adjourned at 11:44.