

**THE PUBLIC UTILITIES BOARD
NOTICE OF PUBLIC HEARING
AND PRE-HEARING CONFERENCE
Applicant: Manitoba Public Insurance Corporation**

HEARING: The Public Utilities Board (Board) will hold a public hearing of an application from Manitoba Public Insurance Corporation (MPI) at the Board's Hearing Room, 4th Floor, 330 Portage Avenue, Winnipeg, MB, commencing at 9:00 a.m. on October 5, 2009. A Pre-Hearing Conference (PHC), will be convened by the Board in its Hearing Room, 4th Floor, 330 Portage Avenue, Winnipeg, Manitoba at 9:00 a.m. on June 26, 2009.

APPLICANT: Pursuant to *The Crown Corporations Public Review and Accountability Act* and *The Public Utilities Board Act*, MPI has applied to the Board for approval of rates and premiums for compulsory vehicle insurance as of March 1, 2010.

RATE IMPACT: The Corporation is requesting approval for basic Autopac rates effective March 1, 2010, which would result in no overall change in premium revenue. The changes proposed for 2010/11 affect average base premiums for each major vehicle class as follows:

MAJOR CLASS	NUMBER OF VEHICLES	INCREASE/ DECREASE
Private Passenger	694,534	-0.19%
Commercial	41,681	-0.58%
Public	10,444	2.54 %
Motorcycles	12,223	5.67%
Trailers	137,568	3.79%
Off-Road	<u>48,579</u>	<u>-16.67%</u>
OVERALL	<u>945,029</u>	<u>- 0.02%</u>

The impact of proposed rate adjustments on the total vehicle population is distributed as follows:

- 479,210 or 50.71% of vehicles to receive a rate decrease; most decreases are \$50 or less;
- 40,582 or 4.29% of vehicles to receive no change in rate;
- 395,596 or 41.86% of vehicles to receive an increase of up to \$50;
- 21,715 or 2.30% of vehicles to receive an increase between \$50 and \$100; and
- 7,926 or 0.84% of vehicles to receive an increase greater then \$100.

Actual premiums would vary depending on claim experience and driving record, insurance use, territory and vehicle rate group.

No changes are proposed to fleet rebates and surcharges. No changes are proposed to the amounts changed for time payments or service and transaction fees. For 2010/11, the Corporation proposes that late fee payments become customer based rather than policy based.

Note: MPI has applied to have Order 89/09, which ruled on an application for vehicle and

driver premium discounts and surcharges related to the Driver Safety Rating program (DSR), reviewed and varied. There has been no Board decision on this request as at the date of this notice. As a result, DSR related premium discounts and surcharges may be subject to further review at this hearing.

APPLICATION PARTICULARS:

The Corporation proposes the following rate adjustments for policies issued between March 1, 2010 and February 28, 2011.

- Combined classification offsets for all vehicles except off-road vehicles, to achieve revenue neutrality.
- Annual experience-based rate adjustments (+15% to -15%) for individual classes, with the exception of mopeds, motor scooters, trailers (\$2,500 or less), off-road vehicles and Dealer Moped insurance use.
- Annual experience based adjustment up to 25% for mopeds and motor scooters.
- Capping all rate changes at 20% per year, except rate changes for mopeds and motor scooters, which are capped at 25% per year, as well as Dealer Moped use.
- The Corporation proposes that Dealer Moped rates decrease to equal the rate for All Purpose Moped with the full indicated experience adjustment, without capping, for the highest rate group in each territory.

PRE-HEARING CONFERENCE:

A Pre-Hearing Conference (PHC), will be convened by the Board in its Hearing Room, 4th Floor, 330 Portage Avenue, Winnipeg, Manitoba at 9:00 a.m. on June 26, 2009.

Those wishing to intervene in respect of this application and to participate in the proceeding are required to attend, or send a representative to, the Pre-Hearing Conference (PHC). The objectives of the PHC include:

- i) to identify interveners;
- ii) to establish status of certain applicant interveners; and
- iii) to establish a timetable for the orderly exchange of evidence and information.

PARTICIPATION:

Interveners are those wishing to examine witnesses, provide evidence, make submissions, and/or present final argument. Interveners should notify the Board of their intention to do so by applying to the Secretary of the Board immediately – the Board will thereupon notify MPI of the intention.

Interveners may be entitled to financial assistance. The Board's Rules of Practice and Procedure (Rules) provide the procedure to seek an award of costs, and the guidelines for an award of costs. Parties wishing to make an application for an award of costs should review the Rules before applying.

Parties wishing to submit a brief or to express comments to the Board, but not wishing to participate in the entire proceeding, should advise the Secretary of the Board of their intention to appear at the public hearing by no later than September 18, 2009.

GENERAL INFORMATION:

MPI rates shall be reviewed by the Board, and neither a change in rates for services shall be made nor new rates for services shall be introduced without the approval of the Board. In the case of MPI, rates for services means rate bases and premiums charged for compulsory driver and vehicle insurance. Upon any application to it, the Board may make an Order granting the whole or part of the application, or may grant other relief in addition to or in substitution for that applied for.

Interested parties should take note that the Board does not have jurisdiction over the MPI lines of business denoted as Extension or SRE, nor over MPI's Driver and Vehicle Licensing operation.

The Board's Rules will apply to the conduct of the Hearing. The Rules may be viewed on the Board's website <http://www.pub.gov.mb.ca/> or be obtained on request to the Board, by either emailing (publicutilities@gov.mb.ca), writing or calling the Board Secretary (945-2638 or 1-866-854-3698, toll free).

Persons wishing to address the public hearing in French are required to notify the Board's Secretary prior to September 4, 2009 and if possible at the PHC. The Board is also prepared to convene meetings in Brandon or such other locations as may be warranted.

For full particulars, interested parties may examine MPI's application and supporting materials, either at the Corporation's or the Board's office. Interested parties may contact either the Board Secretary, or:

Manitoba Public Insurance
Attention: MaryAnn Kempe
8th Floor, 234 Donald Street
Winnipeg, Manitoba R3C 4A4
Telephone: 985-7335 (collect calls accepted)

DATED this 10th day of June, 2009.

G. Gaudreau, CMA
Secretary
The Public Utilities Board

Wheelchair access is available



Five days notice required

