

**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) in the Board's Hearing Room, 4th Floor, 330 Portage Avenue, Winnipeg, MB, commencing at 9:00 a.m. on September 22, 2008. 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, 2008.

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 driver and vehicle insurance as of March 1, 2009.

RATE IMPACT: The Corporation is requesting approval for basic Autopac effective March 1, 2009, which would decrease its overall premium revenue by 1.0 per cent. However, the changes proposed for 2009/10 affect average base premiums for each major vehicle class as follows:

MAJOR CLASS	NUMBER OF VEHICLES	INCREASE/ DECREASE
Private Passenger	677,447	-1.5%
Commercial	40,910	3.9%
Public	10,635	2.3 %
Motorcycles	11,232	7.2%
Trailers	127,603	3.4%
Off-Road	<u>44,927</u>	<u>-14.3%</u>
OVERALL	<u>912,754</u>	<u>-1.0%</u>

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

- 597,685 or 65.48% of vehicles to receive a rate decrease; most decreases are \$50 or less;
- 21,397 or 2.34% of vehicles to receive no change in rate;
- 271,610 or 29.8% of vehicles to receive an increase of up to \$50;
- 13,644 or 1.5% of vehicles to receive an increase between \$50 and \$100; and
- 8,418 or 0.9% 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, driver's licence premiums and accident surcharges, and other existing time payment, service and transaction fees.

APPLICATION PARTICULARS:

The Corporation proposes the following rate adjustments for policies issued between March 1, 2009 and February 28, 2010.

- Annual experience-based rate adjustments (+15% to -15%) for individual classes, with the exception of mopeds, motor scooters, trailers (\$2,500 or less), and off-road vehicles.
- Annual experience based adjustment up to 25% for mopeds and motorcycles with bodystyle of motorscooter.
- Combined classification offsets for all vehicles except off-road vehicles, to achieve revenue neutrality.
- Capping rate changes at 20% per year, except rate changes for mopeds and motor scooters, which are capped at 25% per year.

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, 2008.

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 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 12, 2008.

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. Rates for services means in the case of MPI, 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.

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 August 22, 2008 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: Gail Granger
8th Floor, 234 Donald Street
Winnipeg, Manitoba R3C 4A4
Telephone: 985-7335 (collect calls accepted)

DATED this 30th day of May, 2008.

G. Gaudreau, CMA
Secretary
The Public Utilities Board

Wheelchair access is available



Five days notice required

