

# News Release

December 3, 2019

## NOTICE OF DECISION

- In Order No. 176/19 dated December 03, 2019, the Manitoba Public Utilities Board (PUB) approved a 0.6% over-all general rate DECREASE for Basic compulsory motor vehicle premiums to be effective March 1, 2020 for a 13-month period.

A 0.6% over-all general rate decrease does not mean that rates for all motorists within each major class will experience a rate adjustment. Adjustments to specific classifications of vehicles will be determined based on MPI's rate design. Rates paid by individual policyholders within each class will be determined based on their driving record, the registered vehicle (make and model and year), the purpose for which the vehicle is driven and the territory in which the policyholder resides. Policyholders' premiums will also be impacted by actual claims experience.

Major vehicles classes include:

- Private passenger
  - Commercial
  - Public (taxi)
  - Motorcycle
  - Trailers
  - Off-road vehicles
  - **Total over-all - 0.6% change**
- The Board has also addressed the validity issue of Reserves Regulation M.R. 76/2019. Prior to the filing of this Application, the Government of Manitoba enacted the *Reserves Regulation*, M.R. 76/2019, which set out the manner of determining the amount to be maintained by the Corporation in its reserves supporting the Basic, Extension and Special Risk Extension lines of business. Based upon Supreme Court of Canada authority, unless the statutory framework grants the Board the authority to decline to hear an issue, the Board is required to hear all issues properly before it, including the validity of legislation or regulations. After careful consideration, the PUB found that the Regulation has, without statutory authority, circumscribed the rate-setting jurisdiction of the Board. If the Board's powers are to be circumscribed or limited, the authority to do so must be set out in statute, thus the Regulation is found to be invalid.

- The Board received significant evidence regarding MPI's Service Delivery Model, primarily with respect to its agreement with the Insurance Brokers Association of Manitoba (IBAM) for commissions. The Board's jurisdiction is to set just and reasonable rates. The Board evaluates MPI's expenditures, but it does not have the jurisdiction to direct the Corporation as to the terms and conditions of any agreements it enters into with service providers, including IBAM. Accordingly, the Board is not in a position to issue directives to MPI as to how to offer online services to the public.

The PUB is an entity, at-arm's-length from Government, which is primarily responsible for serving the public by setting just and reasonable rates.

A copy of the Order, which contains additional information, may be reviewed on the Board's Board's website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca), or through the Board's Office.

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