

**Order No. 7/18**

**MANITOBA PUBLIC INSURANCE CORPORATION (MPI OR THE CORPORATION):  
COMPULSORY 2018/2019 DRIVER AND VEHICLE INSURANCE PREMIUMS  
AND OTHER MATTERS**

**VARIATION OF ORDER 130/17**

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**January 10, 2018**

**BEFORE: Robert Gabor, Q.C., Chair  
Michael Watson, Member  
Robert Vandewater, B.A., FCSI, CPA (Hon), CA (Hon), KStJ., C.D., Member  
Carol Hainsworth, Member**

## 1.0 Background

On December 4, 2017, the Public Utilities Board (Board) issued Order No. 130/17 with respect to the General Rate Application of Manitoba Public Insurance (MPI or the Corporation) for rates and premiums for compulsory vehicle insurance and driver insurance premiums effective March 1, 2018.

In the Order, the Board approved the Corporation's application with respect to proposed changes to driver premiums on the demerit side of the Driver Safety Rating (DSR) scale, which would increase driver premium revenues by an estimated \$17.5 million, resulting in an average overall premium revenue increase of 1.8%.

Directive 11.3 in Order 130/17 stated that:

*There shall be an overall rate increase of 1.8% in driver premiums through the demerit side of the Driver Safety Rating program, which rate increase BE AND HEREBY IS APPROVED.*

## 2.0 MPI Position

By letter dated December 21, 2017, to the Board, MPI applied for a review and variance of Directive 11.3 pursuant to Rule 36 of the Board's Rules of Practice and Procedure.

MPI indicated that Directive 11.3, as written, appeared to state that the driver premiums on the demerit side of the DSR scale would increase by 1.8% overall, when what was asked for and what was approved by the Board was specific changes to the demerit side of the DSR scale, the cumulative effect of which would be an increase in revenues of \$17.5 million. The increase of revenues of \$17.5 million would be equivalent to a rate increase of 1.8% in overall vehicle premiums. Accordingly, MPI requested that 11.3 be varied to read as follows:

*The requested changes to the driver premiums through the demerit side of the Driver Safety Rating program, which will produce a forecasted revenue increase of \$17.5 million in fiscal year 2018/19 (an amount equivalent to an overall 1.8% increase in compulsory Motor Vehicle Premiums) BE AND HEREBY IS APPROVED.*

### **3.0 Board Findings**

Pursuant to the Board's Rules of Practice and Procedure, and in particular, Rules 36(1) and 40(2) thereof, the Board may on its own initiative review, rescind, change, alter or vary any decision or Order it has made. The Board's jurisdiction in that regard flows from section 44(3) of *The Public Utilities Board Act* (the *Act*).

The Board finds that the variation requested by MPI to Directive 11.3 is not substantive in nature, it merely serves to clarify the Board's intent to approve the requested changes to the demerit side of the DSR as set out at page 31 of Order 130/17. The Board accepts MPI's position that the current wording of Directive 11.3 in Order 130/17 may not be an accurate reflection of the applied-for changes to the DSR scale and as such is prepared to vary Directive 11.3 as requested.

### **4.0 IT IS THEREFORE ORDERED THAT:**

1. Directive 11.3 of Order 130/17 be varied to read as follows:

The requested changes to the driver premiums through the demerit side of the Driver Safety Rating program, which will produce a forecasted revenue increase of \$17.5 million in fiscal year 2018/19 (an amount equivalent to an overall 1.8% increase in compulsory Motor Vehicle Premiums) BE AND HEREBY ARE APPROVED.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca).

THE PUBLIC UTILITIES BOARD

"Robert Gabor, Q.C."  
Chair

"Darren Christle"  
Secretary

Certified a true copy of Order No. 7/18  
issued by The Public Utilities Board



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Secretary