

**Order No. 67/20**

**MANITOBA PUBLIC INSURANCE CORPORATION (MPI OR THE CORPORATION):  
2021 SPECIAL REBATE APPLICATION**

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**May 1, 2020**

BEFORE: Irene A. Hamilton, Q.C., Panel Chair  
Robert Gabor, Q.C., Chair  
Carol Hainsworth, Member  
Robert Vandewater, Member

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## 1. BACKGROUND

On March 20, 2020, the Government of Manitoba declared a province-wide state of emergency pursuant to *The Emergency Measures Act*, C.C.S.M. c. E80 as a result of the COVID-19 pandemic.

On April 27, 2020, Manitoba Public Insurance (MPI or the Corporation) filed the 2021 Special Rebate Application (the Application), pursuant to section 44 of *The Public Utilities Board Act*, C.C.S.M. c. P280 and Rule 36 of the Board's Rules of Practice and Procedure, for:

- a. An Order dispensing with the requirement under Rule 36(3) that an application for review and variance be made within 30 days of the order or decision;
- b. A review and variation of the directives contained in Orders No. 159/18 and No. 176/19, to the extent that they do not require the issuance of rebates; and
- c. A directive that MPI issue to ratepayers a percentage of their annualized premiums in respect of universal compulsory automobile insurance policies in force and earning premium on March 15, 2020, through a special rebate in an amount equal to the approximate sum of \$58 million, by May 31, 2020 or as soon thereafter as is reasonably practicable.

MPI argued that the COVID-19 pandemic presents a pressing and unique situation that it could not have reasonably anticipated within 30 days of Orders No. 159/18 and No. 176/19, and that as a result, its financial position significantly improved at a time when the financial position of many of its ratepayers may have substantially deteriorated.

The Board issued a directive to MPI and Interveners of Record on April 27, 2020, for the hearing procedure for the Application.

The Board held a public hearing of the Application on April 30 and May 1, 2020. Due to the COVID-19 public health emergency, in-person appearance in the Board's hearing room was limited to ten people, with the remainder of participants attending remotely via teleconference and videoconference technology.

## 2. BOARD FINDINGS

The Board finds that, given the provincial state of emergency resulting from the COVID-19 pandemic, it is just and reasonable to dispense with the requirement that an application for review and variance be made within 30 days of an order. The Board also finds that MPI has demonstrated a substantial change in its circumstances contemplated by s. 26(3) of *The Crown Corporations Governance and Accountability Act*, C.C.S.M. c. C336 justifying a review and variation of Order 159/18 and 176/19 to allow rebates to be issued.

The Board finds that MPI's Capital Management Plan provides for rate decreases over a three-year period applicable to all classes in circumstances where the Minimum Capital Test ratio exceeds 100% for Basic insurance. The Application and the evidence at the hearing was that the proposed rebate would accelerate the return of excess capital to policyholders in the form of a one-time payment instead of assessing lower rates in the future. Therefore, the Board finds that the exclusion of the Motorcycle class from the applied-for rebate is not just and reasonable.

The Board issues this Order on an expedited basis given the current state of emergency, as requested by MPI and supported by Interveners of Record. The Board will provide detailed reasons in due course.

**3. IT IS THEREFORE ORDERED THAT:**

1. Board Orders No. 159/18 and No. 176/19 are hereby varied to the extent that they do not require the issuance of rebates.
2. MPI shall issue to ratepayers a uniform percentage of their annualized premiums in respect of universal compulsory automobile insurance policies in force on March 15, 2020, for the Private Passenger, Public, Commercial and Motorcycle classes, through a special rebate in an amount equal to the approximate sum of \$58 million, by May 31, 2020, or as soon thereafter as is reasonably practicable.
3. MPI shall file with the Board, as soon as reasonably practicable following such information being available to MPI, a comparison of monthly claims costs versus budget for universal compulsory automobile insurance for the period commencing March 1, 2020, and continuing thereafter until September 30, 2020.

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

"Irene A. Hamilton, Q.C."

Panel Chair

"Darren Christle, PhD, CCLP, P.Log., MCIT"

Secretary

Certified a true copy of Order No. 67/20  
issued by The Public Utilities Board



Secretary