

December 03, 2018

NOTICE OF DECISION

- In Order No. 159/18 dated December 03, 2018, the Manitoba Public Utilities Board (PUB) approved a 1.8% over-all general rate increase for Basic compulsory motor vehicle premiums to be effective March 1, 2019.

A 1.8% over-all general rate increase 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** **1.8% change**

The Board has also approved final rates, consistent with PUB Order 11/18, on Vehicles for Hire (VFH).

The Board supports the Corporations efforts to contain costs and focus on IT project management and strategic delivery initiatives.

The Board has established an appropriate range for MPI's Rate Stabilization Reserve (RSR). The RSR is intended to protect ratepayers from increases that would otherwise have been necessary due to unexpected variances from forecasted results and due to events and losses arising from non-recurring events or factors. The lower threshold is set at \$140 million while the upper threshold is set at \$315 million. The Board intends to examine this issue further, following receipt of an independent consulting actuary's expert evidence report in the 2020 GRA.

The Board ordered that a wide-ranging road safety technical conference take place in early 2019 that encompasses all aspects of road safety and that the information gained from the technical conference will be shared in the 2020 GRA

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 website www.pub.gov.mb.ca, or be obtained through the Board's Office.