

December 18, 2023

NOTICE OF DECISION

In Order No. 145/23 dated December 18, 2023, the Manitoba Public Utilities Board (PUB) has rejected MPI's Application for no overall change in rates, and has ordered an overall 5.0% rate decrease. This applies to universal compulsory automobile insurance premiums for the 2024/25 insurance year, effective April 1, 2024 for all Major classes combined, and no changes in permit and certificate rates, service and transaction fees, or fleet rebates or surcharges. Additionally, the Board has dismissed MPI's request for approval of the Capital Management Plan and the Vehicles for Hire (VFH) policy framework.

- The Board's order for a decrease of 5.0% does not mean that rates for all motorists in each Major vehicle class will decrease by that amount. Rates paid by individual ratepayers within each Major class are determined by their driving record and actual claims experience, the kind of vehicle (make and model and year) registered, the purpose for which the vehicle is driven, and the territory in which the ratepayer resides. As a result, some individuals will experience increases in insurance premiums, and others will experience decreases.

MPI's spending on its information technology modernization project (Project Nova) was again a central focus in this GRA. The overall project budget, including the high end of the contingency is \$290 million, double the amount budgeted in its original business case. This amount does not include the costs of projects upon which Project Nova is fully or partially dependent for implementation. The Board is concerned that the final expenditure on Project Nova may exceed \$290 million. Given the history and challenges of Project Nova, the Board finds that ongoing and thorough review is required for Project Nova and all MPI IT initiatives in several areas.

- The Board dismissed MPI's application to approve the Capital Management Plan (CMP), finding that, until there is a plan to address the funding deficit in Driver and Vehicle Administration (DVA), there is risk that Extension excess reserves will not be used as intended by the CMP. After the Board approved MPI's initial CMP in 2019, Extension excess reserves were transferred to DVA to address funding deficits, rather than being transferred to Basic, as contemplated in the CMP.

- MPI requested that the Board approve a Blanket Policy insurance framework for VFH but deferred a request for approval of the rates to be applied. Analysis of the rates was not possible, as Uber was not prepared to share its kilometre data with the Board or Interveners. Until the Board has evidence of all aspects of the proposed Blanket Policy, which would include the rates and the methodology for calculating the rates, the Board is not prepared to approve the Blanket Policy framework.
- The Board wishes to recognize MPI for its efforts in preparing and presenting a GRA before the PUB during the period of labour interruption.

The PUB is an independent quasi-judicial tribunal that derives its jurisdiction to set just and reasonable rates for universal compulsory automobile insurance (Basic) premiums from the *Crown Corporations Governance and Accountability Act*, *The Manitoba Public Insurance Act* and *the Public Utilities Board Act*.

A copy of the Order, which contains additional information, may be reviewed on the Board's website [Province of Manitoba | v1 - Manitoba Public Insurance - 2023 Board Orders \(pubmanitoba.ca\)](#), or be obtained through the Board's Office.

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