

News Release

December 15, 2021

NOTICE OF DECISION

In Board Order No. 134/21 dated December 15, 2021, the Manitoba Public Utilities Board (PUB) approved a 1.57% overall general rate DECREASE for Basic compulsory motor vehicle premiums to be effective April 1, 2022. Additionally, the Board has ordered a rebate of approximately \$312 million, which is primarily due to a reduction in the number of claims during the current pandemic period.

A 1.57% overall 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, 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.

There shall be a rate increase of 20% from current rates for the Passenger Vehicle For Hire (VFH) category, along with a rate increase of 20% for the Passenger VFH Major class in the 2023 GRA, subject to the Board's ability to vary such increase based upon a VFH Framework review, which is to be filed by MPI.

The Board found that MPI's financial statements lacked transparency regarding the transfer of \$63 million from Extension to Driver and Vehicle Administration (DVA), and MPI ratepayers are effectively subsidizing what was once a Government responsibility. Given what has transpired, the Board has concerns about the reliability of MPI's assurances about future transfers from Extension to Basic. If the Government of Manitoba intends to use monies held by MPI for Government purposes, *The Manitoba Public Insurance Corporation Act* dictates the process that must be followed, which ensures transparency. Although the Board is able to review Extension financial results, it does not have the jurisdiction to direct MPI on the transfer of Extension excess capital and therefore cannot order MPI to reverse the transfer from Extension to DVA.

MPI advised the Board that a new agreement with the Insurance Brokers Association of Manitoba (IBAM) has been concluded. The Broker Agreement has increased the

commission rate on Basic in-person transactions from 2021 to 2026. The agreement also requires that a commission be paid for Basic online transactions where brokers provide no service in the transaction, at the same rate as in-person transactions for 2021/22 and 2022/23. The Basic online transaction rate then decreases to 2.25% for the period from 2023/24 through to 2025/26. Under the Broker Agreement, once the information technology modernization project, called Project Nova, is completed, any person renewing online will be required to select an agent before the transaction can be completed, and even though the broker may have played no role in the transaction, that broker will receive a commission.

The Public Utilities Board 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 at [Province of Manitoba | v1 - Manitoba Public Insurance - 2021 Board Orders \(pubmanitoba.ca\)](#), or be obtained through the Board's office.

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