

January 31, 2022

**VIA E-MAIL**

The Manitoba Public Utilities Board  
400 – 330 Portage Avenue  
Winnipeg, MB R3C 0C4

**Attention: Dr. Darren Christle, Board Secretary and Executive Director**

Dear Dr. Christle:

**RE: Response by Manitoba Public Insurance (“MPI”) to Insurance Brokers Association of Manitoba (“IBAM”) Review and Variance Application (the “IBAM Application”)**

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Please accept this correspondence as the response of MPI to the IBAM Application.

By way of review, the IBAM Application requests a review by the Manitoba Public Utilities Board (the “Board”) of its Order 134/21 (the “Order”) and the following relief:

*“3. The following statements be struck from page 101 of the Order:*

*a. “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”; and*

*b. “...and even though the broker has played no role in the transactions, that broker will receive a commission”;*

*4. Should IBAM’s application be granted, it also requests that the Board retract certain statements made in the News Release respecting the Order;*

*5. The News Release be retracted and a correction issued. The corrected version of the News Release would not contain the following statements:*

*a. “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 ” ; and*

*b. “... and even though the broker may have played no role in the transaction, that broker will receive a commission;*

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*The corrected version of the News Release would also contain reference to the corresponding decrease in negotiated Extension commissions as set out at page 33 of the Order so as to ensure that the News Release is balanced;*

*6. Costs, to be dealt with in a similar manner to standard intervener costs.”*

In this response, MPI will outline its position in respect of the above-referenced relief sought in the IBAM Application.

### **3 - Striking Certain Statements from Page 101 of the Order**

*“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”*

Although the Order correctly recites the various commission rates to be paid for services over specified timeframes as set out on page 8 of the Future Services Agreement,<sup>1</sup> MPI respectfully submits that it ignores or discounts the evidence received from MPI<sup>2</sup> that online transactions will not be available in 2021/22 or 2022/23. The evidence in the 2022 General Rate Application (the “2022 GRA”) was that brokers will receive no commissions for online transactions in either of those fiscal years.

It would appear that the Board arrived at the impugned conclusion by means of an erroneous finding of fact not supported by the evidence before it. MPI therefore agrees with IBAM that the Order should be varied and this statement be removed.

*“...and even though the broker has played no role in the transactions, that broker will receive a commission”*

In respect of this statement, MPI also agrees with the submission by IBAM that “...the Board heard little to no evidence in this regard.” Based on its review of the evidence presented in the course of the 2022 GRA, MPI could not locate any evidence to support this statement. As such, MPI respectfully submits that there is no basis upon which the Board could arrive at such a conclusion.

MPI agrees with IBAM that the Order should be varied and this statement removed.

### **4-5 – Retracting and Correcting Certain Statements Contained in the News Release**

If the Board varies the Order as requested by IBAM, it follows that a retraction of the statements contained in the related News Release (and a correction thereof) would be warranted. MPI notes that for many, the News Release may be the sole source of information they consume regarding the results of the 2022 GRA.

MPI agrees with IBAM that the News Release should be retracted and corrected as requested.

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<sup>1</sup> CAC(MPI) 1-27, Attachment A; and

<sup>2</sup> See for example: PUB(MPI) 1-69, PUB(MPI) 2-9, PUB(MPI) 2-34, CAC(MPI) 1-27, CAC(MPI) 1-34 and 2022 GRA Hearing Transcript, October 13, 2021, pg. 506-507, lines 8-25 and 1-8.

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## **6 – Costs as an Intervener**

MPI notes that IBAM did not apply to participate in the 2022 GRA as an intervener (or in any capacity). While MPI appreciates the concerns of IBAM and supports the other relief requested in the IBAM Application, MPI does not agree that IBAM should be awarded costs, if successful, or at all.

As this Board is aware, in the event that it was inclined to order costs, the party responsible for satisfying such an order is MPI. And ratepayers are ultimately the ones who bear responsibility for these costs. While MPI supports the relief sought by IBAM, it respectfully submits that the costs of the IBAM Application should not be the responsibility of ratepayers. MPI therefore submits that in this instance, the Board should exercise its discretion and decline to grant an award of costs.

All of which is respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Triggs", written in a cursive style.

Michael Triggs

General Counsel and Corporate Secretary

MT/sk

cc: K. McCandless, Pitblado  
2022 GRA Registered Interveners via email