

MANITOBA ) Order No. 192/01  
 )  
THE PUBLIC UTILITIES BOARD ACT )  
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THE MANITOBA PUBLIC INSURANCE ACT )  
 )  
THE CROWN CORPORATIONS PUBLIC )  
REVIEW AND ACCOUNTABILITY ACT ) December 19, 2001

BEFORE: G. D. Forrest, Chairman  
D. Côté, Member  
E. Jorgensen, Member

**AN APPLICATION BY MANITOBA PUBLIC INSURANCE  
FOR AN INTERIM *EX PARTE* ORDER APPROVING  
COMPULSORY INSURANCE RATES FOR CITY OF  
WINNIPEG TRANSIT BUSES TO BE INCLUDED IN THE  
BASIC AUTOMOBILE INSURANCE PLAN EFFECTIVE  
JANUARY 1, 2002**

Pursuant to The Crown Corporations Public Review and Accountability Act, Section 45 of The Public Utilities Board Act and The Manitoba Public Insurance Corporation Act, Manitoba Public Insurance (“MPI”) applied to the Public Utilities Board (the “Board”), in a letter dated December 14, 2001, for an Interim *Ex Parte* Order approving premiums to be charged for City of Winnipeg Transit buses to be included in the Corporation’s compulsory driver and vehicle insurance plan (“Basic Insurance plan”) effective January 1, 2002.

The Board was advised of the intention of the Government of Manitoba to rescind, effective January 1, 2002, Section 88 of Manitoba Regulation 289/88R of The Manitoba Public Insurance Corporation Act providing for premiums payable to MPI by the City of Winnipeg.

Transit buses owned and operated by the City of Winnipeg will then become part of the Basic Insurance plan with coverage for \$200,000.00 third party liability and Personal Injury Protection Plan ("PIPP") benefits but excluding all-perils coverage.

In respect of the aforesaid coverage MPI has applied to the Board for approval of an annual premium of \$1,245.00 to be charged for each of 535 buses comprising the City of Winnipeg Transit bus fleet. The Board was advised that the premium recovers MPI's current estimate of the cost of the risk transfer as developed through MPI's standard rate making methodology. The premium would be in effect from March 1, 2002 until February 28, 2003 and for the time period from January 1, 2002 to February 28, 2002, one-sixth (1/6) of the \$1,245.00 annual premium rate would be charged. MPI further informed the Board that the proposed rate for transit buses was calculated using their historic self-insured losses and that it would not result in any unwarranted negative impact on other risk classes or vehicle owners.

The supporting information and data submitted to the Board by MPI was limited to the rates charged for transit buses owned and operated by the City of Winnipeg. Given the urgency of the application, the Board is satisfied that the application meets the requirement for an Interim *Ex Parte* Order. Further, the Board is satisfied that MPI, on a prima facie basis has filed sufficient documentary evidence to substantiate its application.

Accordingly, the Board will approve the application on an interim *ex parte* basis. In so doing, however, the Board would emphasize that it expects MPI in its next General Rate Application to deal in more detail with the inclusion of the City of Winnipeg transit buses in the Basic Insurance Plan and, in particular to address, the impact thereof on the remainder of the Public Service Vehicle Class in addition to all vehicles in general. In that respect the Board also expects that MPI will file evidence that the premiums charged for the City of Winnipeg transit buses are fair, equitable, actuarially sound and statistically driven.

At the time of the next General Rate Application, the Board will consider all aspects pertaining to this application and will confirm or otherwise the rates approved for the City of Winnipeg transit buses for the period January 1, 2002 to February 28, 2003.

**IT IS THEREFORE ORDERED THAT:**

1. The Application by Manitoba Public Insurance for compulsory insurance rates for City of Winnipeg Transit buses to be included in the Basic Insurance plan effective January 1, 2002 BE AND THE SAME IS HEREBY APPROVED on an interim basis.
2. This interim *ex parte* Order shall continue to be in effect until confirmed or otherwise dealt with by the Board.

THE PUBLIC UTILITIES BOARD

"G. D. FORREST" \_\_\_\_\_  
Chairman

"G. O. BARRON" \_\_\_\_\_  
Secretary

Certified a true copy of Order No. 192/01 issued  
by The Public Utilities Board

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Secretary