

Autopac rebate cheques to average \$100

By Aldo Santin

The Good News

- \$60 Million: Total rebates
- Individual rebate equals 10 per cent of 2005-06 premium
- \$100: The amount of the average rebate
- 2.6%: premium decrease this year for 644,050 policy holders
- \$805: Average family passenger vehicle premium for 2007-08, \$25 less than last year.
- 40% (257,620) will pay \$20 less
- 31% (199,655) will pay \$30 less
- 21% (135,250) will pay \$40 less.
- 864,086: Total number of policy holders



The Bad News

Some premiums are going up

- 5%: Motorcycles
- 25%: Mopeds
- 14.1%: Trailers
- 5.4%: All commercial vehicles

IT didn't want to do it but that's not stopping Manitoba Public Insurance from boasting about \$60 million worth of rebate cheques that are being mailed out over the next two months.

MPI announced Thursday that it will start sending rebate cheques as it was ordered to do by the Public Utilities Board in late November.

The rebate cheques will be worth an average of \$100 for each registered vehicle owner who paid a premium in 2005-06.

"This is the third time in seven years that customers have received rebates," Marilyn McLaren, CEO and president of MPI, said in a prepared statement. "Together, nearly \$200 million will have been returned to customers over the last six years. No private auto insurer can make such a statement."

At hearings before the PUB last fall, MPI argued it shouldn't issue rebate cheques for the second year in a row, claiming it needed to increase the size of its reserve fund. Last year, MPI sent out a total of \$58 million in rebate cheques. Consumer groups argued that MPI should issue rebates totalling \$70 million but the PUB settled on \$60 million.

The value of individual rebates is 10 per cent of the 2005-06 premium.

MPI also announced Thursday that premiums will be 2.6 per cent lower for the coming year, compared to the previous year. MPI said 75 per cent of vehicle owners will see their premiums drop this year; with about 40 per cent of them paying \$20 less; 31 per cent paying \$30 less; and 21 per cent paying \$40 less.

Rates for the coming year will be going up five per cent for motorcycle owners and 25 per cent for moped owners. Insurance for trailers will increase

14.1 per cent.

Rates will also be going up an average of 5.4 per cent for all commercial vehicles.

MPI had asked the PUB for the rate changes.

The premium reductions will take effect as vehicle owners' policies come up for renewal over the next 12 months.

MPI said this is the eighth year out of the last nine in which the agency has frozen or reduced basic Autopac rates.

McLaren said the new rates and rebate show that public auto insurance works in the best interests of Manitobans.

"Clearly, the public auto insurance model is keeping the promise it was designed to deliver more than three decades ago — to provide Manitobans with complete coverage at an affordable price," McLaren said.

aldosantin@freepress.mb.ca