



225 avenue b north, saskatoon, sk s7l 1e7 | toll free 1-833-skriide (757-4433) | info@riide.ca

Saskatchewan Rate Review Panel
PO Box 1301
Saskatoon, Saskatchewan
S7K 3N1

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Distinguished Board Members:

We are writing to you regarding the proposed rate increase application by Saskatchewan Government Insurance.

The proposed rate adjustment for Taxis is extremely unfair and detrimental to taxi owners and the industry overall. Taxis are highly regulated by both provincial and municipal laws and regulations; this comes with significant associated costs. It feels like our industry has been under attack for the last several years. With the changes in legislation, to allow a new class of For Hire vehicles (Uber) with very little regulation, add to that the Covid 19 Pandemic, it has made it very difficult to survive in the taxi business.

The timing of this rate adjustment is unfair as well, our Taxi Brokerage was faced with closing our doors after 60 years in business and if we had not been well established with some resources external to the taxi business we would not be here today. We are a privately run business that is considered an essential public service. We are nowhere near recovered from the pandemic and continue to struggle each day. The rate review only considers data pre-pandemic, and we would wonder why. We are sure that 2020 data would have a large impact on numbers and loss ratios. Our question is given the recent welcome rebate of premiums to SGI customers, why now for a rate review. Why not wait to see how great an effect the pandemic has and may still have?

According to SGI figures the average taxi in Saskatchewan drives approximately 64,000 kilometers a year while the average motor vehicle drives only 15,800 kilometers this means that the average taxi has over four times the likelihood of being involved in a collision. Add to that taxis are on the road 24/7 in all kinds of conditions including adverse weather and traffic situations. **Taxis keep rates lower for other classes of insured.** When someone does not want to drive their vehicle due to things like road conditions and weather or when someone should not drive their vehicle due to intoxication or other reasons, Taxis are there to provide transportation and reduces the chance of an accident for other vehicle classes.

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Saskatchewan taxis are also operating predominately in large urban centers. According to SGI figures, 74% of all taxis in Saskatchewan are in Prince Albert, Regina, Saskatoon, Swift Current, the Battlefords and other cities while the remaining work in smaller, rural centers. Operating in these centers adds to the chances that a taxi will be involved in a collision.

Even with our increased exposure to the possibility of a collision we are only "at-fault" in 1 out of every three collisions. We are told that we have one of the best percentages for not at fault accidents, but it still does seem to factor into taxi still facing substantial in premiums. We believe the primary reason for the proposed large increase is that we are a very small group, and we cannot generate enough monies in insurance premiums to offset the increasing costs of repairs for our vehicles. Our group of 517 taxis represents less than .004 percent of the total number of registered vehicles in Saskatchewan. Over the course of the last ten years, we have not seen any significant rise in the number of taxis. Speaking specifically to the Saskatoon market, we have not licensed a new permanent taxi franchise (plate) since the 1990's. This model of ever-increasing costs versus a virtually never increasing pool of vehicles to pay those costs is not sustainable.

The Taxi industry has worked to reduce accidents and loss. We lobbied to keep the requirement for Class 4 driver licenses when it was proposed to reduce this requirement to accommodate Ride Share. Now in order to compete for drivers with Uber we are forced to relax our Class 4 requirement. Our Company continues to require Safety Inspections for our vehicles every 6 months rather than the annual requirement from SGI, as we believe this also reduces the potential for accidents.

During the last rate review, and in subsequent meetings, we have proposed several things to SGI to help mitigate our costs. We have asked SGI to consider moving our PT class in with a larger group such as LV or PB to help spread our premium costs. We do not believe this would be detrimental to whichever group we are moved to because, as previously mentioned, our group is a very small.

We have also asked SGI to consider having the premiums paid by Ride Share (Uber) vehicles moved over to the PT class because when these LV classed vehicles are working as Ride Share, they are doing the same job as our vehicles. Through this rate review process the add on premium for Ride Share vehicles was not considered for review as we were told there is not enough data to consider. The initial rating calculations took into account taxi rates so it would seem unfair to leave Ride Share stagnant while proposing to increase Taxi when Uber is doing the same work as Taxi.

SGI, through the Business Recognition Program collects additional monies for business owners with poor loss records. Are those monies applied to the PT Class or do they go into a general fund?

In March of 2020 we had parked three quarters of our fleet of taxis and we still have many taxi plates not operating in the City of Saskatoon because of the scarcity of drivers and business. Additional insurance premium costs will only further exacerbate the situation.

The Pandemic, as for many businesses has had severe detrimental effects on the Taxi industry. Taxis within our brokerage did not qualify for any government programs related to the Pandemic. Some drivers were able to take advantage of the CERB program. However, taxi owners have and continue to suffer not only from the Pandemic but from the addition of lower cost competition with Ride Share.

In closing we would ask the Board to consider our requests for no premium increases for our industry at this time, having SGI work with the industry to examine ways to increase the class/pool size and to encourage SGI to meet with the industry to evaluate other premium options and to look at other ways to help mitigate costs.

Regards



Scott Suppes
Riide Taxi
Saskatchewan Taxi Cab Association