

THE SASKATCHEWAN RATE REVIEW PANEL
SGI 2014 AUTO FUND RATE APPLICATION

Transcript of Proceedings
of
A PUBLIC MEETING
held by the
Saskatchewan Rate Review Panel
at the Delta Regina
Regina, Saskatchewan
on Monday, April 7, 2014

Panel Members (in attendance):

Kathy Weber	- Chairperson
Steve Kemp	- Member
Delaine Barber	- Member
Lyle Walsh	- Member

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1 (Commenced at 7:30 p.m.)

2 MS. WEBER: Good evening, everyone.

3 Thank you very much for joining us this
4 evening. My name is Kathy Weber, and I'm the
5 Chair of the Saskatchewan Rate Review Panel.
6 I'm also pleased to introduce the other
7 members of the Rate Review Panel that are with
8 us this evening. Steve Kemp is from Regina.
9 And at the back, the people that were
10 welcoming you and signing you in, Delaine
11 Barber from Weyburn, and Lyle Walsh from
12 Yorkton.

13 The purpose of tonight's
14 meeting is to review the application and hear
15 presentations regarding SGI's Auto Fund rate
16 application. But most important, the members
17 of the Rate Review Panel are here to listen to
18 you and to receive your input.

19 The panel's mandate is to
20 review the application before us and to
21 provide a report to the government with our
22 recommendations that balance the interests of
23 SGI, the customers, and the public. During
24 the review process, the Panel engages external
25 expert consultants to provide a technical

1 overview of each application as well as an
2 independent report. To preserve our
3 impartiality, we endeavour to use industry
4 experts from outside Saskatchewan and, for the
5 purposes of this review, we hired three
6 consultants. They are Gerald Forrest from
7 Winnipeg, Brian Pelly from Toronto, and Myron
8 Kostelnyk also from Winnipeg.

9 I would also like to
10 introduce Ruth Ledgerwood to my right. She's
11 with Royal Reporting Services and she's taking
12 a verbatim transcript of tonight's meeting.
13 This transcript will be available on the
14 panel's Web site.

15 I'd like to speak briefly
16 about the public consultation portion of our
17 review. One of the highest priorities the
18 Panel has during a review is to provide a
19 voice for the public, and we do that in a
20 number of ways. In addition to meetings like
21 tonight and the one we're holding in Saskatoon
22 on Wednesday, we also hear directly from the
23 public through email, Facebook, Twitter,
24 through regular mail, and by phone. Your
25 participation and feedback at meetings such as

1 this is integral to our review process.

2 We're attempting to be as
3 open as possible during our reviews, and you
4 can check our progress as we move through the
5 review on our Web site, which is
6 *saskratereview.ca*. On our Web site you will
7 find a copy of SGI's application, plus
8 additional information that we glean during
9 the review process.

10 You will also find input
11 from people such as yourselves that have
12 communicated with the Panel during the review
13 process. We'll continue to receive and
14 evaluate communications as part of the review
15 process until April 28th.

16 I'd like to speak just a
17 little bit about the process that we'll follow
18 this evening. First I would really appreciate
19 your assistance in ensuring that the tone of
20 tonight's meeting is respectful to everyone
21 who is participating.

22 The presentation portion of
23 our meeting will start with a presentation
24 from SGI on their application. We'll then
25 call on anyone who has indicated they'd like

1 to make a presentation. First we'll call on
2 people that are representing organizations and
3 then we'll call on individuals. Once we
4 finish with the formal presentations, we'll
5 then open the floor to anyone who wishes to
6 either make a comment or ask a question.

7 If you are making a
8 presentation or asking a question, we would
9 ask that you come to the podium in the centre
10 of the room. The reason that we do that is
11 because we are taking a verbatim transcript,
12 it really does help our reporter in ensuring
13 that we get your message down exactly as you
14 stated it. We would also ask that you state
15 your name and also if you could spell your
16 name, that would also help our reporter.

17 We're very pleased that SGI
18 agreed to make a presentation on their
19 application this evening. And in addition to
20 the President of SGI, Andrew Cartmell, and
21 Vice-President of Product Management, Don
22 Thompson, there are a number of other managers
23 and senior people at SGI that are here to
24 assist in the communication process this
25 evening. So if there is questions that you

1 need a response to, hopefully we can provide
2 that tonight and, if not, we'll do our best to
3 get back to you. And so now, Andrew, I would
4 call on you to begin your presentation.

5 MR. CARTMELL: Thank you, I appreciate
6 that, and thank you for attending this
7 evening. As this slide shows, I'll cover off
8 an overview of the Auto Fund and some of the
9 financial results. Beside me I have Don
10 Thompson, our Vice-President of Product
11 Management. He'll cover the actual rate
12 program that we are proposing. Beside Don we
13 have Chris McCulloch; he's our Auto Fund
14 actuary. And beside Chris is Jeff Stepan, our
15 Chief Financial Officer. And beside Jeff is
16 Dr. Kwei Quaye, who is Assistant
17 Vice-President in the Auto Fund and a traffic
18 safety expert.

19 So this first slide just
20 outlines what SGI's corporate structure is
21 just so that everyone can remember what we're
22 responsible for. So we actually run two
23 separate entities. First of all, we run SGI
24 Canada, which is a competitive property,
25 casualty insurance company that sells

1 insurance in Saskatchewan, Alberta, Manitoba,
2 Ontario, and the Maritimes. And in addition
3 to that, we administer the Saskatchewan Auto
4 Fund, which is the public insurance fund for
5 motorists here in the province. We also
6 administer driver's licensing and vehicle
7 registration in the province as well.

8 This slide shows the mandate
9 for the Saskatchewan Auto Fund. Insurance by
10 its very nature is a pool where the premiums
11 of the many pay for the losses of the few.
12 Within that, the Auto Fund's mandate is the
13 following: To provide universal, fair and
14 affordable automobile insurance. So by
15 universal, we mean it should be available to
16 all licensed vehicle operators in the
17 province.

18 By fair, we mean there
19 should be an alignment between the premiums
20 paid and the risk or the likelihood of an
21 at-fault accident. We do that by looking at
22 vehicle classes and makes and models within
23 vehicle classes.

24 And the last function of the
25 Auto Fund is affordable automobile insurance.

1 That's always a bit of a balancing act. We
2 strive for a fair balance with affordability,
3 so we have to take into account those drivers
4 who are not at fault and have perfect driving
5 records, but at the same time we need to make
6 sure that those unfortunate motorists who
7 happen to have an at-fault accident or maybe
8 even more than one also have access to
9 insurance that is fair to them and also
10 affordable. So there is a balance there that
11 we try to achieve. Don, a little later on,
12 will give some examples with respect to how we
13 try to achieve that balance.

14 In addition, the Auto Fund
15 is a public fund for Saskatchewan motorists.
16 It is self-sustaining. By that we mean it
17 gets no government funding. It is funded by
18 the premiums paid by the motorists of the
19 province. We do try to operate on a
20 break-even basis. By that we mean there is
21 basically no dividend paid to the province in
22 terms of the operating result. So the money
23 that goes into the fund only gets paid out in
24 terms of claims and expenses.

25 The Auto Fund is a single

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fund. All the premium collected from all vehicles go into this one fund, and all claims are paid out of the one fund. And while there are different vehicle classes, at the end of the day there is still only one fund.

We have a number of current initiatives under way within the Auto Fund. This slide details those initiatives. We believe these initiatives will have an impact on claims costs and consequently the resulting rate need for different vehicle groups in the province. And although it will take time for some of these changes to have an impact, we are hopeful that many will have a positive effect on traffic safety in the province.

So the next few slides we'll just cover off what are behind some of these initiatives. Saskatchewan has one of the highest accident fatality rates of any province, and for that reason the government last year formed a special committee on traffic safety to examine road safety in Saskatchewan. The committee came up with a number of recommendations that have since been approved by government.

1 The approved traffic safety
2 initiatives will strengthen penalties for
3 impaired driving, enable photo radar pilot at
4 high-risk locations in the province as well as
5 in school zones, and make booster seats
6 mandatory for children under the age of seven.
7 Most significant are changes to address the
8 high rate of impaired driving in the province,
9 including longer suspensions, vehicle
10 impoundments, and mandatory Ignition Interlock
11 requirements. Legislation is anticipated to
12 be passed during this sitting of the
13 legislature with a targeted effective date by
14 the end of June. We believe these changes
15 will have a significant impact on safety for
16 all drivers and will help reduce deaths and
17 injuries as a result.

18 The Motorcycle Review
19 Committee. Last year we established this
20 committee to look at a number of issues with
21 respect to motorcycles, with safety being one
22 main area focus. The committee included
23 members from R.A.G.E., the Saskatchewan Dual
24 Sport Club, a motorcycle enthusiast,
25 motorcycle trainers, dealers, an insurance

1 broker, as well as a medical doctor. The
2 committee was very engaged. We had great
3 discussion and were able to reach consensus on
4 the recommendations that were put forward.
5 Over 15 recommendations will be implemented
6 over the next two riding seasons.

7 The Motorcycle Review
8 Committee developed a report on its findings
9 with recommendations that were submitted to
10 the government. This February, government
11 approved all the recommendations that were
12 made. Examples of these changes include
13 increased requirements for acquiring a
14 motorcycle learner's licence, incentives for
15 new riders to take training, additional
16 mandatory gear for new riders and their
17 passengers, changes to the Safe Driver
18 Recognition program, stiffer penalties in
19 SGI's driver improvement programs for all
20 drivers and riders. We believe these changes
21 being made will have the potential to reduce
22 motorcycle deaths and injuries by
23 approximately 20 percent, which will have an
24 impact on claims costs, ultimately reducing
25 the rate required for the motorcycle group.

1 made, there will be an opportunity for the
2 public, for their feedback as well.

3 Another group that we've had
4 consultation with over the last 12 months are
5 taxi operators. We learned from our
6 experience in conducting the motorcycle review
7 that when we do have situations where there
8 are significant rate gaps, the best approach
9 to take is to consult directly with the
10 stakeholders. To that end, we've been working
11 with taxi companies, operators, cities, and
12 others stakeholders on a comprehensive
13 strategy to address issues for the taxi group.
14 We are currently consulting with the taxi
15 industry about insurance rates, the Business
16 Recognition program, registration
17 requirements, claims handling, and traffic
18 safety.

19 There are several changes
20 coming out of this consultation process.
21 First, individuals will face surcharges under
22 the Business Recognition program. SGI is
23 levelling the playing field between
24 individuals and companies in the Business
25 Recognition program. Effective May 1st, 2015,

1 individuals will begin to receive Business
2 Recognition surcharges if they have an
3 unfavourable loss ratio.

4 The second change is with
5 respect to registration changes. Starting
6 later in 2014, taxis in Regina, Saskatoon and
7 Prince Albert will be required to be
8 registered in the name of the vehicle owner
9 rather than the City licence holder. This
10 change will reflect the insurable interest in
11 the vehicle and help resolve issues at claims
12 time.

13 And third, E-abstracts were
14 introduced in March of this year. SGI
15 customers were given the ability to grant
16 proxy access to their driver's abstract
17 through MySGI. Taxi companies had expressed
18 an interest in this feature as it could help
19 with their company safety programs and
20 ultimately help reduce claim costs since they
21 can more actively monitor their drivers.

22 We're on to the Safe Driver
23 Recognition program. This review of the Safe
24 Driver Recognition and Business Recognition
25 programs is well under way. The review has

1 taken longer than we anticipated due to other
2 priorities such as the motorcycle review.
3 However, consultations have taken place with
4 all stakeholders and we're now in the process
5 of analyzing the information to move forward
6 with the recommendations. Most of the
7 feedback that we received from the public
8 consultation regarding the programs has been
9 positive. Some of the enhancements that we're
10 looking at include increasing discount amounts
11 for good drivers, the application of a
12 Business Recognition surcharge to
13 individually-plated business vehicles,
14 increased penalties for customers in the
15 negative Safe Driver Recognition zone,
16 charging financial penalties each year the
17 customer is in the negative SDR zone, and
18 changes to the Safe Driver Recognition scale
19 itself. We expect to make recommendations to
20 the government by the end of the third quarter
21 of this year.

22 The other section I'll cover
23 off is the financial overview. You may notice
24 from the slide, if you can read it, for 2013
25 we have estimated numbers and that's because

1 the official release of our financial results
2 is tomorrow and, unfortunately, we can't
3 provide the exact numbers until those numbers
4 are released tomorrow. So we put up an
5 estimate so that you get a sense of the
6 results for the Auto Fund for the last
7 financial year.

8 Just very briefly on this
9 slide, the very first line, net premiums
10 earned, that's an indication of the revenue
11 that we take in in terms of premium dollars
12 from our customers. If you look back from
13 2009 up to 2013, you can certainly see there
14 has been a steady increase in premiums that
15 we've been taking in from our customers.
16 There is a few reasons for that. There have
17 been some rate increases over that time
18 period. In addition to that, the province is
19 growing, so there is an increased number of
20 vehicles that we're insuring on our roads.
21 And in addition to that, of course as the
22 province has become more prosperous, people
23 tend to buy newer vehicles, and newer vehicles
24 have a higher insurance charge associated with
25 them. So for those reasons, we've seen our

1 revenue increase each year.

2 The second line is basically
3 what goes out, so it's the sum total of claims
4 and expenses. And again, you can see an
5 increasing trend with respect to the dollars
6 that go out of the Auto Fund.

7 We take in additional
8 dollars from investment income and, again, you
9 can see over the time period from 2009 to
10 2013, it does vary a fair bit depending on the
11 performance of the financial markets in which
12 we invest.

13 The other income line is the
14 combination of salvage revenue plus finance
15 fees.

16 The net difference between
17 all that is an increase or a decrease to the
18 RSR, and the RSR is the rate stabilization
19 reserve, and you can see that sometimes it's a
20 positive number and sometimes it's a negative
21 number. We do budget to break even every
22 year. However, with revenue and expenses
23 approaching 1 billion annually and volatility
24 in our insurance company's financial results,
25 it's often difficult for us to achieve actual

1 break even.

2 We analyse our past results
3 along with current trends in our industry and
4 the financial markets to forecast the future
5 for the purpose of this rate program. There
6 are, however, several factors such as the
7 number of claims that we get in any one year
8 which are heavily impacted by driving
9 conditions and world events which impact
10 financial markets which are impossible for us
11 to predict from one year to the next. In any
12 one year, we can have a swing of nearly 10,000
13 collision claims, which amounts to
14 approximately a \$40 million swing in our
15 claims costs.

16 Another example of
17 volatility is changes in investment earnings
18 from the equity markets. In 2013, we had
19 income of 90 million from equity returns
20 compared with a \$40 million loss in 2011,
21 which is a swing of \$130 million from this one
22 category in our income statement.

23 I highlight these issues
24 just to illustrate the importance of having a
25 healthy rate stabilization reserve. That

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reserve is essentially a rainy day fund or a piggy bank for us to cushion rate shock for our customers in light of these unanticipated events that occur from time to time.

This last slide that I'll cover off breaks down the \$900 million number that I showed on the previous slide with respect to claims and expenses. This slide basically shows the breakdown in costs. 82 percent of our costs go to claims costs, so that's going directly back to customers who suffer a loss in an accident. We pay 4.7 out to issuers for the work that they do in administering the Auto Fund. We pay 4.5 percent in premium taxes. Our cost to actually run the Auto Fund is 5.9 percent of the total cost. And to give you an example, in competitive provinces for automobile insurance, that number would be closer to 10 percent, so almost double what it costs here in Saskatchewan. We also pay out about 2.7 percent for traffic safety programs which are designed to hopefully reduce the number of accidents on our roads.

So as you can see, our

1 biggest expense is claims costs and that's as
2 it should be. The vast majority of money that
3 we take in in terms of premium goes directly
4 back out to our customers in terms of benefits
5 as a result of accidents.

6 And with that I'll pass it
7 over to Don Thompson.

8 MR. THOMPSON: So the rate program that
9 we've put forward to the Rate Panel is asking
10 for a 5.2 percent increase in revenue for the
11 Auto Fund effective August 31st, 2014. As we
12 talk about in each one of these, there is
13 three components that we look at for the Auto
14 Fund when we're looking at our rating
15 structure. The first is are we collecting
16 enough revenue in order to break even in the
17 rating year. And for this rate program, we're
18 indicating that we need an additional 2.7
19 percent in revenue to break even.

20 The second component of a
21 rate program is rate rebalancing to make sure
22 each one of our rate groups in the Auto Fund
23 is paying enough premium to cover their costs
24 and expenses.

25 And the third component is

1 our capital amount, and essentially do we have
2 enough in our rate stabilization reserve to
3 absorb financial shock. And in this case
4 we're saying we don't have enough revenue and
5 we're recommending a 2.5 percent increase in
6 that capital amount to 3.7 percent. It
7 currently sits at 1.23 percent.

8 So what this means for our
9 customers is when you take into account all
10 three components that I talked about, 84
11 percent of Saskatchewan vehicles will see an
12 average annual increase of \$49 or about \$4 a
13 month. We'll see decreases for about 16
14 percent of Saskatchewan vehicles, which would
15 see an average annual reduction of \$12 or \$1 a
16 month, and no premium change for about 3,000
17 Saskatchewan vehicles.

18 So the first component that
19 I talked about, collecting enough premium to
20 break even, so why do we need 2.7 percent
21 additional revenue to break even in the rating
22 year? Our analysis shows that claim costs
23 will go up during the rating year primarily
24 due to the three-year agreement that we signed
25 with auto body repair shops starting in 2014.

1 This agreement provides for a 10 percent
2 increase to auto body labour rates each year.
3 These labour rate increases were required for
4 a number of reasons. First, to help with
5 recruitment and retention of qualified
6 journeymen repair people, to help with the
7 costs of training and equipment required to
8 repair vehicles with increasingly complex
9 technology and components, and finally for
10 computer software and hardware upgrades
11 required as SGI transitions to auto body shop
12 produced repair estimates which will also have
13 the positive impact of improving customer
14 service through faster repair approvals and
15 therefore faster repairs for customers.

16 The next component that I
17 talked about was rate rebalancing. As you
18 know from previous rate programs, we don't
19 apply an across-the-board increase to
20 everyone's rate. We look at each individual
21 rate group. The Auto Fund rate structure
22 includes over 30 different rate groups.
23 Vehicles are classified into the rate group
24 that best represents the type of risk that
25 they represent. As an example, the City bus

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is a significantly different risk than a tent trailer and obviously should be in a different rate class and have a different rate.

For each one of our rate groups, we allocate expenses such as premium taxes, administrative expenses, along with their at-fault claims and comprehensive claims. We then compare the amount of the premium we expect to collect based on their existing rates to the expected claims and expenses we expect during a rating year to determine if the rate group should have an increase or a decrease. With each rate program, we move each rate group toward their required rate, subject to a rate capping structure.

And that rate capping structure is the table that I have in front of you here. It is the same rate capping that we've used the last three rate programs. So if you look at it, we have the column, your current annual rate. So if your annual rate is, as an example, between \$500 and \$750, if you need a \$200 increase or decrease, the maximum you would get would be \$125. We would

1 cap it at that. If your current premium is
2 over \$1,000 and you needed a 20 percent
3 increase or a decrease, the maximum you would
4 get is 15 percent. So that rate capping
5 formula is consistent with previous programs.
6 If you require something less than that, you
7 would get that increase.

8 Next up is motorcycles. So
9 as Andrew said, we believe the Motorcycle
10 Review Committee initiatives will enhance
11 motorcycle safety once implemented. So as a
12 result, in this rate program we are
13 recommending a flat 2.7 percent increase with
14 no rebalancing for motorcycles, even though
15 the indication is for a 47 percent increase.
16 Because it will take some time for these
17 changes to have an impact on claims costs, in
18 the interest of fairness to all vehicle
19 owners, a flat rate increase of 2.7 percent is
20 recommended and is a responsible approach to
21 take. The 2.7 percent is the average rate
22 increase for all other vehicles, excluding
23 motorcycles, that they will be receiving. The
24 rate increase will help keep the motorcycle
25 rate deficiency from getting worse.

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Another change that we have implemented with this rate program is other vehicle classes will not be covering the nearly \$7 million difference between expected costs for motorcycles and what they'll pay.

We believe that having a driver's licence is a privilege that individuals should respect and value. Not respecting and valuing that privilege and not taking the safety of themselves and others seriously can lead to serious injuries and deaths. At the same time, unforeseen circumstances can result in accidents such as bad weather conditions, momentary lapses of judgment, or wildlife running across the road. The concept of insurance is that the premium of the many pay for the losses of the few so that an unforeseen accident doesn't leave individuals financially devastated. The challenge for the Auto Fund is having a rating structure which can recognize good driving behaviour and bad.

I'd like to give an example of the concept of making the bad drivers pay more as we continually hear a lot about that.

1 So we hear a lot about increasing the
2 discounts and making the bad drivers pay more,
3 so we wanted to provide an example of what
4 that would look like. Currently a vehicle
5 owner that gets a maximum 20 percent safe
6 driver discount would pay \$870 a year. This
7 is the average for a private passenger vehicle
8 in Saskatchewan. Another vehicle owner that
9 has had two or more at-fault claims in the
10 past five years and one driving conviction
11 would pay \$1,320. This is for an average
12 vehicle.

13 In the current rate
14 structure, the bad driver pays 52 percent more
15 than the good driver. Is that enough of a
16 premium for a bad driver: Two at-fault
17 accidents in five years and one traffic
18 conviction? That's the way the current
19 structure exists.

20 If we were to significantly
21 change the existing structure, as some have
22 suggested, and double the Safe Driver
23 Recognition discounts and make the bad drivers
24 pay for that decrease in revenue -- because
25 the Auto Fund, as Andrew described, is a

1 public fund that does not make a profit, it
2 only pays out claims and expenses and tries to
3 break even, so we would need to get that
4 revenue from somewhere -- so if we charge that
5 all to the bad drivers and this 2.7 percent
6 increase we need, the bad driver's premium
7 would change from \$1,320 to \$15,000 for the
8 next three years, and the good driver's
9 premium would drop from 870 to \$650. Under
10 this model, insurance becomes unaffordable
11 which could lead to people no longer insuring
12 their vehicles, but continuing to drive.

13 As we discussed earlier, the
14 Safe Driver Recognition program is currently
15 being reviewed to determine the right balance
16 of rate differentiation between good drivers
17 and bad drivers.

18 The third component of the
19 rate program is the Rate Stabilization
20 Reserve. The rate proposal is comprised of an
21 amount to cover claims costs and expenses, an
22 amount to ensure we have a healthy capital
23 balance. The Rate Stabilization Reserve is
24 the Auto Fund's capital balance. It's like
25 the Auto Fund's emergency savings account.

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It's there to protect customers from large sudden rate increases due to unexpected events like extreme weather or a sharp downturn in investment markets. The balance in the Rate Stabilization Reserve continues to be too low.

The industry measure for an insurance company is a Minimum Capital Test or MCT. The Auto Fund has a target MCT of 100 percent and, as you can see from the graph, we are currently below that target. As a result, we are proposing an increase in the capital amount from 1.23 percent to 3.7 percent in this rate application. It's important to note that we are not trying to get to that 100 percent in one year. Rather, the 3.7 percent will get us about 20 percent of the way there to our long-term target.

So in summary, the Auto Fund is asking for a 5.2 percent overall increase in revenue resulting from a 2.7 percent revenue increase to break even, an increase in the capital amount from 1.23 percent to 3.7 percent, along with rate rebalancing for all vehicles.

So this means that 84

1 percent of vehicle owners will see an
2 increasing average of about \$49 per year or \$4
3 per month, and everyone else will stay the
4 same or go down, with decreases averaging
5 about \$12 per year.

6 The Auto Fund is committed
7 to keeping rates low. Our goal is to find a
8 balance between having the best rates possible
9 while maintaining a reasonable level of
10 coverage and service for our customers. Over
11 the last 16 years, including the
12 recommendation we have before you, 2014, the
13 Saskatchewan Consumer Price Index has
14 increased by 43 percent while the Auto Fund's
15 rates have increased by 10 percent. And that
16 concludes our presentation.

17 MS. WEBER: Thank you very much. We
18 will now hear from you folks that have joined
19 us this evening. I'm aware of one
20 organization that wishes to make a
21 presentation and two individuals. If anyone
22 else has not identified yourself to Lyle or
23 Delaine and would like to make a presentation,
24 just please let them know or you can let me
25 know as well.

1 First I'd like to call on
2 Don Fuller --

3 DON FULLER: Can we take five?

4 MS. WEBER: Can we take five? Okay. I
5 guess we'll have a short break.

6 *(Recessed at 8:05 p.m.)*

7 *(Reconvened at 8:11 p.m.)*

8 MS. WEBER: All right, I believe we're
9 ready to resume our meeting. I would now call
10 on Don Fuller, representing R.A.G.E., to make
11 your presentation.

12 DON FULLER: I'd like to say thank you,
13 but I'm not all that happy about being here
14 again, so --

15 All right, we heard a few
16 different presentations already. We have
17 something a little different. We have some
18 problems, of course. One is -- and you're not
19 going to see a lot of motorcycle stuff from us
20 this year. We do have a problem in that we
21 were -- had a commitment from the President,
22 Andrew Cartmell, that there would be no rate
23 increase for motorcycles this year, and that
24 was given at a scrum at the SGI building. And
25 as soon as the rate proposal came out, low and

1 behold that was not true, so we've got an
2 issue with that. I don't understand how you
3 can do that, but be that as it may, it's in
4 front of us.

5 So let's get started. We'll
6 talk to you a little bit -- and I'm conflicted
7 who to talk to. I'd sooner talk to these
8 people, but we'll kind of do this.

9 MS. WEBER: We would like you to address
10 the Panel.

11 DON FULLER: Yeah, I get that. So we'll
12 go through the aims of our rebuttal, what
13 we're hoping to convey and get across. It's a
14 different look. We think it's forward. We
15 didn't come to complain and we understand it's
16 a business. And as a business, it is -- it
17 has fiscal responsibilities, financial
18 requirements, and we're just not asking for a
19 handout. We're bringing a different financial
20 solution that's not all that different from
21 other jurisdictions, but we won't let it all
22 out of the bag right away. We'll get into a
23 little bit of background where we get to pick
24 on Don and Andrew a little bit and then we'll
25 run into our proposal and conclusion on where

1 we see this going.

2 What we believe is that good
3 public policy should shape public behaviour,
4 otherwise what's the point? It's just
5 regulation or whatever for its own sake. It
6 should actually do something, change things
7 for the better, obviously not for the worse,
8 although -- well, we'll leave that at that for
9 now.

10 In this context, we see a
11 requirement to reduce high-risk driver
12 behaviour and target revenue. Again, it's a
13 business, the requirement for accidents,
14 injury, death, but target them appropriately
15 instead of maybe a broad brush approach. It
16 doesn't seem to be working, but we'll show you
17 how that doesn't work as we go on.

18 At some point, we need to
19 eliminate chronic high-risk drivers and
20 enhance vehicular safety -- I think everybody
21 is on board with that -- and reduce the human
22 and vehicular costs associated with high-risk
23 drivers and their behaviour on our roads.
24 We'd also like to see a reduction in the
25 requirement for general rate increases -- I'd

1 rather be somewhere else this time of year
2 every year -- and we'd also like to see
3 personal insurance premiums paid one time.
4 We'll show what that means in a little bit of
5 detail later on, but right now we seem to be
6 paying the same premium over and over and over
7 and over and over and over again for the same
8 coverage or coverage we can't ever collect,
9 which seems wrong.

10 A *la carte* insurance. There
11 is some of us who can't ever collect benefits
12 that we pay over and over and over for;
13 although because of high-risk people and the
14 mayhem they create and the costs on the
15 highways, we have to keep covering those costs
16 off. And we would harken back and like to
17 take SGI back to the original philosophy of
18 the Auto Fund and, of course, we reject the
19 2014 rate proposal increase in total. It's --
20 we have a different way.

21 So we'd like to propose a
22 rebuttal to SGI's rationale and the proposed
23 rate increase and expose the flaws in SGI's
24 same old, same old business plan. This plan
25 looks exactly the same as the business plan

1 from 1950, from 1960, from 1970, and we're in
2 a different century and things have moved on.
3 But the same act of getting into trouble
4 because of high-risk people and then leaning
5 on the general public rate wheel to solve
6 those few, their problems, and make the -- I
7 think the quote was, make those people's rates
8 affordable. And I'll never in my life
9 understand why anybody would want to enable
10 those people.

11 Provide an alternate
12 perspective and solution to the escalating
13 costs related to injury, accidents, and
14 fatalities, and demonstrate a reasonable and
15 responsible revenue stream that will actually
16 support the Auto Fund. It not only supports
17 the Auto Fund, but as you'll see as we move
18 on, it's actually a self-healing policy as
19 well, which is what good public policy should
20 do. Our overall aim should be to reduce
21 what's causing these high costs.

22 SGI claims that expenses are
23 expected to outpace growth and premiums and
24 investment. We understand that. Everybody
25 took a hit in '08, and I understand that our

1 tax dollars are just slowly climbing out of
2 the -- or my RRSPs, but --

3 And the Auto Fund
4 challenges, 2012 market fluctuations, that was
5 what I was just complaining about. I complain
6 about that personally as well. Losses in the
7 market. There is not always things you can do
8 to control that. And 83 percent of the
9 costs -- I think that was on Don's slide --
10 was claim costs. And damage claims increased
11 5.6 and personal injury 4.9, so these rates
12 keep climbing. So injury costs are rising
13 annually. Income replacement is huge and
14 increasing significantly. Damage costs are
15 escalating due to auto body and wage
16 increases. Again, it's a repeat of -- a
17 parrot of what Don said.

18 But it's interesting when we
19 spoke to this in 2013 that SGI stated the
20 repair costs were actually a very, very small
21 percentage of the Auto Fund cost and really
22 not a concern at all, but suddenly this year
23 they are. So I don't know if they're black or
24 white or orange or green or where that comes
25 from.

1 Now, we said we'd like to
2 return back to the Auto Fund philosophy and
3 let's go all the way back. I mean, 1946 is
4 when this came out. All drivers are treated
5 equally unless their driving record shows they
6 are at greater risk for causing collision,
7 which would be injury, death, and escalating
8 costs along that line. That's SGI's words,
9 not mine.

10 The fact is it shows by
11 contradiction that all drivers are treated
12 equally in spite of their driving record
13 showing they are at greater risk for causing
14 collisions. All drivers are created equally
15 in that they must financially subsidize and
16 protect high-risk drivers from the
17 consequences of their behaviour. Personally,
18 if somebody's driver's licence is \$15,000 and
19 they've killed somebody, I don't care. They
20 should be off the road.

21 Risk premiums are imposed on
22 vehicles, not drivers. There are no dangerous
23 vehicles. I have lots of them. They sit in
24 my garage and they're pretty much dormant
25 until I go out and do something with them.

1 They're not a very risky entity, same as
2 anything else. It's behaviour. It's what
3 happens when somebody gets on them, starts
4 them up, and begins to drive them. It's the
5 behaviour.

6 Therefore vehicles are a
7 greater risk, not the individuals who operate
8 them. That's where the whole presentations we
9 have just seen go. And the result:
10 Segregation and isolation of customers based
11 on vehicle type, not driving record.

12 Utilization of a captive
13 Saskatchewan customer base to subsidize
14 high-risk drivers. Lean on the rate wheel.
15 It's worked since 1950. Let's keep her going.
16 Charging high-valued customers over and over
17 again through licence plate fees for the same
18 personal benefit coverage and benefits already
19 covered, sometimes through other sources, and
20 high-cost benefits they can never ever collect
21 on.

22 Just to speak to that, being
23 a retired guy, and I have an income for life,
24 the highest outpay is for income replacement,
25 and I pay it on eight vehicles. I can never

1 collect it, but I pay it and I pay it and I
2 pay it and I pay it to subsidize those drivers
3 who cause those rates to go through the
4 ceiling. There is something wrong with that.
5 When you look back at the slide on philosophy,
6 it's a complete contradiction to that.

7 Premiums for personal
8 insurance are paid over and over and over on
9 every licence plate. Income replacement,
10 impairment, death benefits, scarring, all
11 those things, every vehicle that's registered,
12 those come into play. The more vehicles I
13 register, the more I pay those premiums again
14 and again and again and again. So multi
15 vehicles, multi premiums, same benefit. And
16 it's the same coverage as someone who
17 registers no vehicle, drives a borrowed
18 vehicle, drives their pop's vehicle, steals a
19 vehicle, whatever. So you pay that one, two,
20 three, four, how many times, subsidizing that
21 behaviour. There is something wrong with
22 that.

23 So the ineffective business
24 policies are around vehicular safety, reducing
25 accidents, licensing, and driver awareness.

1 They're just ineffective. They don't work.
2 They have never worked. And what we're using
3 for a source here is the TAIS. It's SGI's
4 document. It's a Traffic Accident Information
5 System. And what it does is it collects all
6 the data that you would ever want to see and
7 more on collisions, personal injury,
8 collisions, fatalities, the contributing
9 factors, human behaviour, how that happens,
10 driver's factors. And the purpose, of course,
11 is to be able to predict the likelihood of
12 causing a collision. It identifies the
13 behaviour and groups and people that are a
14 high risk, and yet nothing is done.

15 What happens if you're a
16 high-risk driver? Well, first of all, you get
17 a letter of warning. Actually, you get
18 multiple letters. These are not my -- these
19 are right out of the SGI documents. Multiple
20 letters telling you you're a bad person, stop
21 that. And if that goes on for a while, then
22 next you may be required to take a defensive
23 driving course. If you continue to be a
24 high-risk driver, then you might have to take
25 a driver improvement training program. If you

1 still insist on being a high-risk driver, then
2 maybe if you have continued convictions or
3 at-fault accidents, they may -- "may" is the
4 word out of the document -- impose
5 restrictions or suspensions. Look at that
6 page. My God.

7 SGI's approach to mitigating
8 consequences. A general increase on all
9 vehicle premiums regardless of a long-term
10 safe driving record. My safe driving record
11 is as clean as a whistle and I'll bet the
12 majority of people sitting here are as well.
13 I'm an old guy, and I know every other
14 insurance company in the world would be on my
15 doorstep bringing me hot pizza and beer every
16 day if I would sign on with them because I am
17 no risk and I have multiple vehicles. My home
18 is paid for, they would like that insurance,
19 and they would bundle me up, and they
20 advertise for the grey world. Here I pay and
21 pay and pay and pay and pay, in spite of the
22 fact I'm one of the lowest risk demographics,
23 according to SGI, in the province.

24 And they target rates. The
25 whole idea of insurance is -- and I think Don

1 or Andrew might have said it -- is the
2 umbrella of pooling risk for the protection of
3 the few. You pool the risk so it's -- what's
4 happening here is SGI is actually cutting
5 people out of the herd as they see fit.
6 Anybody who's an accountant with a sharp pen
7 or the actuaries can pull somebody out and
8 say, oh, hey, these guys are -- these guys,
9 when you take them in isolation in a chimney
10 of their own, aren't covering their costs.
11 Well, if you look at the high-risk
12 demographics from SGI's own document, these
13 are not the high-risk people. It just doesn't
14 work that way.

15 So again it's a
16 contradiction. So what they're doing and the
17 policies they're putting in place to mitigate
18 the consequences of high-risk drivers are not
19 in effect, and we'll show you that in a
20 minute. So if that's what they're doing, like
21 what's tomorrow? Like, where does this end
22 up? Who keeps getting pared off? And that's
23 what you get instead of the implementation of
24 appropriate demerit fees on high-risk licences
25 and implementing stringent suspension policies

1 on high-risk drivers. Get them off the road.
2 I don't want to make their licence more
3 affordable so they can feel better. I want
4 them off the road because I don't want to be
5 run down and killed. I don't want my children
6 to be, my wife, my friends, but we're enabling
7 that process. There is something
8 fundamentally wrong here.

9 And implement stringent
10 criminal charges for high -- policies for
11 high-risk drivers causing severe injury and
12 death. Right now it's very lax. I can kill a
13 husband, a wife, children, a family. And if
14 you do that in other jurisdictions, you've got
15 vehicular manslaughter and you're in jail, and
16 in jail for a long time. Here we'll make your
17 licence more affordable so they don't have to
18 suffer that, what, financial hardship I think
19 it was called, right out of the TAIS, which is
20 the Traffic Accident Information Study [sic].

21 You see, the percentage of
22 change -- I don't expect everybody to read
23 those numbers. This is more for the Rate
24 Review Panel because they'll go through this
25 supposedly with a fine tooth comb and see if

1 we're valid. But you see the heavy line on
2 the bottom is collisions and it's really kind
3 of not going anywhere. I mean, it's sort of
4 bopped a little bit to one side of the line or
5 the other. Drivers, vehicles haven't gone up
6 that significant, but the rates -- the
7 accident rates are still there and they're
8 still -- the percentage of change goes up and
9 up and up in spite of years of continued
10 general rate increases that are having no
11 effect on that. I mean, it's kind of apples
12 and lizards that they're trying to apply here
13 and, really, it's kind of a stretch to put any
14 correlation there.

15 If we look at personal
16 injury, again out of the TAIS, the changes are
17 up, up, up. There is a couple of spots
18 they'll drop down, but overall, the changes
19 are up. The funny line on the top, just for
20 you folks in the back, is actually the rural
21 guys, but we've always known they're a little
22 crazy anyways, right? But the rates are going
23 up, personal injury, in spite of the constant
24 general rate increases that are subsidizing
25 the people who are causing this. So the

1 general rate increases, still no effect.

2 Fatalities up by 11 percent
3 change. Do you see the arc towards the end
4 there, they're going up again. General rate
5 increases, let's hammer them, everybody, and
6 protect those guys who are doing this. So we
7 still have no effect.

8 All reported collisions,
9 still the same. The numbers are going up.
10 The percentage of change is going up. These
11 are SGI's documents, not mine. Still no
12 effect. Does anybody but me notice a trend
13 here? Accidents are continuing, the mayhem is
14 continuing, the fatalities are climbing, and
15 you go back to the rate pool. You lean on the
16 rate wheel and get the general public to cover
17 off the behaviour of these people.

18 I like this one. There is
19 graphs of all sorts. We didn't include them
20 all because it would be like sleepy time for
21 everybody. But there is your risk, your
22 demographics. That's just one perspective by
23 age. And you can see where the risk climbs
24 through the roof and where the risk is is not,
25 and there is a ton of stuff like this that you

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could use -- they could use to assess and change the rating on the licence of the drivers.

I tell you, if I was paying a couple of thousand dollars for my licence next year, I would certainly reconsider how I was going to drive on the road. Or if it was \$10,000 and I wouldn't be affording it or it was suspended or I had done six months in jail, I'd think a lot different before I was out being a crazy person behind the wheel or on a motorcycle or anything.

So we looked at the driver factors, and this is -- there is a long list of convictions. These are just convictions. Excessive speed, failing to stop, disobeying red lights, undue care and reasonable attention, excessive speed. There is a long list. There was actually about three or four of these. But what we did is we just took the sum totals off the bottom, and the average conviction rate is 120,000. And for you who are over 50 and can't see the little tiny numbers, those rates are still growing. So that's convictions.

1 Collisions. It's been
2 growing. It dropped a little bit, but it had
3 been growing up until that point, so that's a
4 good thing. But still on the average -- and
5 we took -- now, this is our own numbers. We
6 took the total numbers and just cut it in half
7 to say at fault was 50 percent of the total
8 because it was a number that said people with
9 licences in accidents. We said, okay, let's
10 make this -- let's take a shot at it. So we
11 cut the number of people with licences in half
12 and that will give you an at-fault number.
13 Still we've got the trends going on.

14 Criminal Code convictions.
15 Average yearly Criminal Code convictions is
16 5,804. Without taking any steps, any measures
17 to curb this and to make it stop, you have to
18 wonder when it becomes negligence. When is
19 somebody just ignoring this?

20 So our rebuttal says: Hold
21 high-risk drivers fiscally responsible. I
22 don't care if their licence is not affordable.
23 In fact, I would prefer it wasn't or it was
24 suspended. And they should cease the general
25 rate increase tactics and stop subsidizing

1 these drivers. Place the financial demerits
2 directly on the high-risk driver's licence,
3 impose those financial demerits for a minimum
4 of a three-year period before they gradually
5 start to decrease, and increase the existing
6 minimum demerit from \$25 to \$250. That's the
7 minimum.

8 So implementing a more
9 stringent licence suspension policy.
10 Implement a demerit policy to include the
11 duration of the suspension. If you get
12 suspended, you can't just avoid it and not buy
13 your licence and wait for it to drop. You owe
14 that money during the suspension.

15 Renew and enhance the
16 Criminal Code policy and migrate personal
17 insurance off of the vehicle and onto the
18 driver specifically because I can be a bad
19 driver and still drive a car that my mom
20 registers for me and avoid all this, get her
21 20 percent discount and I'm off to the races.
22 And if you don't think people do that by and
23 large, you're sadly mistaken. They do it all
24 the time. Let's stop the trends that we've
25 just been looking at.

1 We looked around at some of
2 the other jurisdictions. Driver's licence,
3 British Columbia, it's looked at every three
4 year only. The average infraction, first
5 infraction is \$300, \$320. That stays in place
6 for three years before it starts to go down.
7 The maximum is 24,000. That would make you
8 think twice, eh.

9 Manitoba on the driver's
10 licence for three years, but they're rated
11 annually, so they're looked at more often. I
12 like British Columbia's where you don't even
13 look at them for three years. At-fault
14 accident premium is in the neighbourhood of
15 \$320 per infraction. Speeding can go anywhere
16 from 120 to \$900, depending how excessive.
17 The 120 is under 50 K, and the \$900 is 50 K
18 over the posted.

19 So the numbers I was just
20 showing you previously, the average
21 convictions, 120,000; the average criminal
22 convictions, 5,000; and the average at-fault,
23 14, right? What you do, if you take our
24 numbers at 250 bucks per incident at 500 for
25 collisions, which I think is fair, and

1 Criminal Code is \$1,000 per incident, these
2 are all lighter than every other jurisdiction.
3 If you take the numbers and you start to run
4 the math to them, 2010 it would have been
5 43,146,000 bucks. It's running for three
6 years, so this gets cumulative as you go, but
7 we don't get into that for a minute. It's in
8 the slide below.

9 The next one is 44,447,000,
10 48 million. When you run it over to three
11 years that people are going to pay for those
12 things, it's \$129,438,000, 133 million. See
13 the revenue stream from those people who are
14 high-risk drivers? If you use those simple
15 rates, which are actually less than most other
16 jurisdictions, our \$25 rate is a joke. I
17 can't buy a burger and a coffee for \$25 at
18 lunch. So if you take those numbers and you
19 run them up --

20 MS. WEBER: Don, I just wanted to ask
21 you a question on that slide. I think you --
22 is there a typo?

23 DON FULLER: There is a typo. Did you
24 catch that?

25 MS. WEBER: Okay, good.

1 DON FULLER: You were reading too. We
2 put that in to see if you were paying
3 attention. No, we didn't.

4 Three-year cumulative
5 revenue if high-risk demerit fees are held in
6 place for three years assessed on the driver's
7 licence and not the plates. Don't tell me
8 you're looking for money. You're just looking
9 in the wrong places. \$408,542,250 that you
10 don't have to get the rest of us to pay. It
11 gets more as soon as you start taking the
12 slope off of that.

13 It would be a self-healing
14 policy because people would get off the road.
15 People would start to shape their behaviour
16 according to what the money says, according to
17 what you're doing in their pocket book. You
18 want people to pay attention? Pick their
19 pocket. Get in there. And again, as we said,
20 strong public policy should shape behaviour.
21 It should reduce high-risk driver behaviour.
22 It should target the revenue requirement for
23 accidents, injury and death appropriately on
24 those people who are causing it. Eliminate
25 chronic high-risk drivers. It's a

1 self-healing policy. Isn't that the point?
2 Not to collect more money; to make this work
3 better. It enhances vehicular safety and
4 reduces human and vehicular costs associated
5 with high-risk driver behaviour.

6 It would reduce the
7 requirement for general rate increases. Don
8 could stay in Arizona longer. Personal
9 insurance premiums paid by all drivers would
10 be paid once. I would pay it on my licence,
11 fair enough, not on eight vehicles. The *a la*
12 *carte* insurance would allow those people
13 eligible for wage replacement and not eligible
14 for things like wage replacement to opt out
15 instead of paying the premium over and over
16 and over and over again when they can never
17 recover it. It also harkens back to the
18 philosophy, the original philosophy of the
19 Auto Fund, and it would garner extremely
20 strong public support. At no time does the
21 public push back when people who are causing
22 death, mayhem on our public roads, get what
23 they deserve. Nobody stands up and says, ah,
24 golly, that drunk driver should go free, turn
25 him loose. Nobody does that.

1 So conclusion, we say that
2 the Rate Review Panel should reject the Auto
3 Fund and the rate application. We tried last
4 year. We brought a solution to the table.
5 Some of the things have come forward. But
6 just to allow this to keep going on and the
7 trends that you can see, I'm not sure, I'd
8 like to see you guys have some teeth and stand
9 up and say enough is enough and that you
10 recommend, not suggest, because we know what
11 suggest does. SGI was suggested to before and
12 that sort of went out the window like smoke on
13 a windy day. They didn't take your
14 suggestions seriously whatsoever.

15 Get back to the philosophy
16 of the Auto Fund: All drivers treated equally
17 unless their driving record shows they are at
18 greater risk for cause of collision. Roll
19 back the rates back to 2012 and no rate
20 increase on motorcycles until the result of
21 the implemented changes are known. Sorry,
22 Andrew, you said no increase, and you didn't
23 tell the truth. You put the increase on
24 there. There is another way of saying that,
25 but this is polite company.

1 All personal insurance to be
2 paid one time based on your personal driving
3 records of the vehicles driven. And that's
4 what we've got to say. I hope you guys will
5 listen. It's an answer. It works.
6 Everything that you saw today is in SGI's
7 hands already. They already have the ability
8 to do things. This is not reinventing the
9 wheel, it's not a huge cost to implement. And
10 actually when you look at the slides, there is
11 a few bucks in it. Okay? Hopefully we won't
12 see you again next year.

13 MS. WEBER: Thanks very much, Don.
14 You've given us a lot of things to think about
15 and we will be asking our consultants to
16 review some things for us.

17 I do have a couple of
18 comments and one is that the Panel must
19 operate within its terms of reference and that
20 is something that is a fact. Not that those
21 terms of reference can't be changed, but they
22 are what they are at the particular moment in
23 time. And also some of the other suggestions
24 you've made do require legislative change, so
25 again it's not something that would be able to

1 happen overnight. Legislation changes do take
2 time.

3 But again, thank you for --
4 I know you've put a lot of time and effort
5 into your presentation and there is a lot of
6 food for thought there, so thank you very
7 much.

8 DON FULLER: Okay.

9 MS. WEBER: Were there any other groups
10 that were making presentations? If not, then
11 we'll move on to individuals. So our next
12 speaker is Burt Mickleborough from Caron,
13 Saskatchewan.

14 MR. MICKLEBOROUGH: Oh, dear. Thank you, Madam
15 Chairman, and thank you for the opportunity to
16 again address the Panel about increases this
17 year.

18 Well, here we go again and
19 I'll try really hard to be decent and cordial.
20 But you know, despite my age and the fact that
21 I should be meek and mild, there are three
22 letters that instantly get my blood boiling,
23 and those are SGI. In my opinion, there is no
24 way that SGI should be allowed to increase the
25 cost of plating a motorcycle in Saskatchewan

1 by another 6 percent this year -- sorry, 5.7
2 maybe. I'm not -- can't follow your math.
3 Motorcycles have already seen our costs rise
4 by 15 percent for this riding season. So if
5 they are allowed to increase our rates by
6 another 6 percent, that amounts to an increase
7 this year of 21 percent, not 5.7.

8 Funny how they do their
9 math. That means that since 2007, my rates
10 will have gone up by over 100 percent, and
11 that's not acceptable. So to plate and insure
12 my bike, which is an older model, it's going
13 to cost me over \$2,300 for one year in
14 Saskatchewan. I can get insurance coverage in
15 Alberta for \$778 a year, \$500 deductible,
16 million dollar liability. So I ask you, is it
17 fair to allow this government monopoly to
18 raise my rates any further?

19 Just as an aside and
20 realizing that this is maybe outside of your
21 mandate, please allow me to make one more
22 point. To the members of the executive here
23 from SGI, I am stating that I have and will
24 continue to lobby the current government MLAs
25 to enact the legislation to allow

1 motorcyclists in this province to buy
2 insurance outside of SGI's monopoly. Give us
3 a choice. Allow competitiveness in a market
4 that SGI is obviously not willing to, nor
5 capable of offering competitive rates in. The
6 last 35 years of rate increases have proven
7 that.

8 By the way, I've been riding
9 motorcycles in Saskatchewan for 43 years and
10 haven't cost SGI a cent. I think I know a
11 heck of a lot more about what is going on in
12 the streets and roads with bikes than some
13 bureaucrat at SGI. This rate increase should
14 be denied. Thank you.

15 MS. WEBER: Thank you, Bert. And our
16 third presentation this evening is by Tim
17 Crawford from Moose Jaw.

18 MR. CRAWFORD: And no, we didn't fall off
19 the motorcycle. Got knocked out of a delivery
20 truck last Monday and shattered my elbow.
21 This has nothing to do with my presence except
22 that I was unable to type up any notes.
23 Really hard to do one-handed.

24 Ladies and gentlemen, thank
25 you for inviting us to come here. Fellow

1 riders, I'll try to be brief. We were here a
2 year ago. We argued and we talked and we
3 discussed. I said then that SGI was hoping we
4 wouldn't really look at the numbers. I'd like
5 to point out that everything we've heard
6 tonight didn't directly or even indirectly
7 reflect any of the things that were said and
8 done last year.

9 There has been a lot of talk
10 about at-risk drivers and at-risk driver
11 behaviours. Something that was said last
12 year, and it's an international worldwide
13 statistic for motorcycle accidents, is that 80
14 percent of all motorcycle accidents worldwide
15 are not the biker's fault. Of those
16 accidents, two-thirds of them are a left-hand
17 turn in front of the motorcycle. Those
18 numbers came from an Oxford University study
19 that was done, which I referenced a year ago.
20 But there is, however, a catch here. We have
21 an interesting situation here in Saskatchewan
22 where SGI sets the insurance rates. They're a
23 financially driven business. They're in it
24 for the money. The problem is they also get
25 to write the rules, so they decide how to

1 decide who's at fault. There has been a lot
2 of discussion tonight about high-risk driving
3 behaviours. SGI doesn't talk about who caused
4 the accident anymore. They talk about who
5 they're going to take the money from.

6 In a left-hand turn in front
7 of the motorcycle accident in Saskatchewan,
8 the biker is at fault -- we have a tough time
9 comprehending that -- unless, and this is
10 important, unless the biker actually hits the
11 other vehicle. If he puts his bike down or
12 swerves into the ditch and it's a single
13 vehicle accident, now the motorcyclist is
14 completely 100 percent at fault for that
15 accident because he didn't kill himself
16 hitting broadside an oncoming vehicle.

17 And for those who remember
18 last year, I remembered to bring water. I
19 would like to suggest, directly in contrast to
20 some of the things that Don said, that part of
21 the problem here is marginalization and
22 segregation. My suggestion would be charge
23 every vehicle plate the same amount. End the
24 discrimination, average it out. That was the
25 whole point of it is that everybody pays into

1 the pool. Now, it's a very simple truth that
2 if a motorcycle goes down, it's going to be
3 expensive. He's going to hurt. But it's not
4 the biker's fault most of the time, so why are
5 the motorcycles being charged horrendous
6 rates?

7 A practical illustration.
8 My wife has a 2013 Camry with a value of about
9 \$25,000. Her plates, about \$80 a month. I
10 have a 2008 Harley with a value of about
11 \$11,000. \$2,500 a year. There is something
12 wrong inherently in that.

13 Don made some interesting
14 points about driving behaviour and driving
15 attitude. I would like to suggest that one of
16 the problems is, is a lot of that is actually
17 a police matter or a legislative matter and is
18 out or should be outside of SGI's purview.
19 SGI shouldn't be -- I'd also like -- forgive
20 the diversion, but there was a touch on a
21 number of the initiatives coming up this year.

22 When I was a young man in my
23 20s, I lived in Toronto, and the big political
24 topic of the day was Toronto needed a new dump
25 and they were looking all around the area to

1 try to find a new place to establish a
2 landfill because their existing landfills were
3 filling up and there was no more room. A
4 grass-roots organization started which became
5 known by the phrase of NIMBY, which stands for
6 not in my backyard. The result is that every
7 day, almost 1,000 semi trucks drive to the
8 United States hauling Toronto's garbage out of
9 the country because they were unable to put --
10 nobody wanted to deal with it, nobody wanted
11 to pay. Everybody wants somebody else to deal
12 with it. And there is a certain amount of
13 that happening here. When SGI announced their
14 rate increases, people went, oh, we don't want
15 to pay for those dangerous motorcycles because
16 everybody knows how dangerous motorcycles are.
17 Well, I hate to tell you that motorcycles
18 aren't dangerous. Riding a motorcycle isn't
19 dangerous. It's the crashing that hurts.

20 And again, I'd like to
21 suggest that we hold off on further increases
22 because really we're talking about another 20
23 percent on top of the 20 -- or was it 30
24 percent last year and 40 percent the year
25 before? In the last few years, the rates for

1 bikes have more than doubled. Why? Because
2 motorcycle accidents cost more. Okay, but
3 it's not the motorcyclist. By necessity, a
4 biker is an alert, aware, defensive driver.
5 He's paranoid for a good reason. He has to
6 be. Another --

7 Sorry, we were talking about
8 the initiatives coming up. And my point was,
9 is that there is no one in this room that will
10 be affected by most of those new initiatives,
11 so why should they care? Most of the new
12 initiatives and suggestions and
13 recommendations for motorcycle riders affect
14 only novices. But if you look at them, for
15 example, a three-year graduated driver's
16 licence program, same as the driver's licence
17 that you already have to get first.

18 So you get your learner's
19 permit. You go through nearly a year process
20 before you can get your road test. You go
21 through a three-year graduated driver's
22 program. Then you get your motorcycle permit
23 and you go through a three-year program again.
24 They've made it much more expensive to get a
25 motorcycle permit. They want to require

1 special equipment, extra clothing, a \$500
2 surcharge for those who aren't able to get
3 into the motorcycle training programs.

4 And my question is, are what
5 we're really trying to do here just to cut off
6 the new drivers? If we eliminate new
7 motorcyclists, in about 10 years there won't
8 be any more motorcycles to insure. That's a
9 scary, scary concept considering that we live
10 in a place where the idea of personal freedom
11 and mobility is integral to our society. It's
12 one of the reasons why we have some of the
13 driving things that we have is because we live
14 in a land where you have to have a vehicle.

15 Now, I come from a different
16 background. I'll admit it, I've spent most of
17 my adult life behind the wheel of a vehicle.
18 I've driven taxis and semi trucks mostly.
19 I've driven in every province and I once could
20 claim to have driven on almost every paved
21 road this country has. One of the problems is
22 that the dangerous driving behaviours are
23 often not the people involved in the accident.

24 We need to do a lot more
25 education of drivers. We need to do more

1 enforcement of drivers. The aggressive
2 driving behaviours that I see every day in
3 this city, that a professional driver is often
4 acting as if he's driving on eggs because he
5 avoids an accident every hour almost. That
6 needs to be dealt with. That needs to be
7 worked on. But it's not going to be done by
8 increasing insurance rates.

9 And I guess that pretty much
10 sums up my point that I wanted to bring up,
11 that part of the answer isn't to ask for more
12 money. Yeah, there are other things, but
13 they're not within the purview of this
14 committee. But one of the dangers and one of
15 the reasons why we've got so many people here
16 is you are the only people we can talk to
17 about SGI. If we don't like what SGI is
18 doing, who can we go to? SGI submitted a
19 number of proposals to the provincial
20 government, and the provincial government
21 rubber-stamps them. Don't tell me that the
22 government is an authority over SGI if SGI is
23 telling the government what to do.

24 I had a recent conversation
25 with a police officer at an accident scene who

1 did not fill out an accident report because he
2 was going to leave it to SGI to decide how to
3 handle this. SGI is telling the police
4 officers what to do. The reference to a
5 monopoly is becoming a very scary thing
6 because there is a point where SGI is getting
7 to where they're running the province and
8 telling us what they're going to do. And
9 that's one of the reasons why you've got so
10 many people here is I acknowledge that your
11 purview is much narrower than that, but if you
12 can't take SGI to court, there is no one you
13 can go to to say SGI is not treating us
14 fairly, except you, and that's why so many of
15 us are here. Thank you.

16 MS. WEBER: Thank you, Tim. Were there
17 any other individuals who wanted to make a
18 presentation to the Panel? Then we'll open
19 the floor to questions. If you have a
20 question you'd like to ask, we have experts
21 here from SGI. If you have a specific
22 question you'd like to ask, I'm sure they'd be
23 glad to try and answer it this evening or if
24 you have a -- yes?

25 MR. MICKLEBOROUGH: Would you folks be able to

1 answer why did you choose to limit, in the
2 upcoming recommendations that aren't law yet,
3 the number of permits that a person can take
4 per year on a motorcycle to two?

5 MR. THOMPSON: The fact that right now I
6 think there is an eight-day permit and a
7 24-hour permit -- is that right, Kwei? And we
8 wanted to restrict the number of permits
9 because people would only essentially be
10 coming in and getting 24-hour permits and only
11 buying insurance the day they're driving. It
12 would really move away of the concept of the
13 pooling of -- the pool of revenue we get from
14 the motorcycle class and would make the rate
15 need worse for motorcycles.

16 MR. MICKLEBOROUGH: So your concern is that if
17 you got a one-day permit that they're a higher
18 risk, per se, a financial risk?

19 MR. THOMPSON: They would be a higher risk
20 because they would only be insuring the amount
21 of time they're actually driving. It would
22 negatively -- it would negatively impact the
23 rest of the pool is what it would do.

24 MR. MICKLEBOROUGH: Do you have -- can I ask
25 another question about that?

1 MS. WEBER: Absolutely. Carry on. Ask
2 your questions.

3 MR. MICKLEBOROUGH: Do you have statistics that
4 show that is happening currently within your
5 regulations?

6 MR. THOMPSON: It's not happening yet, but
7 it will start happening.

8 MR. MICKLEBOROUGH: And why would that be?
9 Because people are sick and tired of paying
10 \$2,300 a year for insurance, so they're just
11 going to take out permits once a week or
12 whatever, I guess?

13 MR. THOMPSON: Mhmm.

14 MR. MICKLEBOROUGH: Probably? Okay, thanks.

15 MS. WEBER: I would ask that if you
16 would like to make some comments that you do
17 it from the lectern and identify yourself,
18 okay? Just I would like to keep this meeting
19 respectful. There has just been some comments
20 being shouted out and I would just like to try
21 and keep the process respectful. Are there
22 any other people that would like to ask
23 questions or make comments? Sure. Come
24 forward, please.

25 MR. STEWART: My name is Edward Stewart.

1 One question I'd like to start with and
2 they've touched briefly on it with the
3 allocation to the police reports and stuff
4 like that. How do you assess fault when it
5 comes to a motorcycle vehicle accident? What
6 type of information are you basing that on?

7 MR. ESTABROOKS: My name is Jeff Estabrooks.
8 I'm with SGI. The adjusters assess fault
9 based on all the information they're given
10 from the vehicles involved, the drivers
11 involved, and any witnesses that might happen
12 to be there.

13 MR. STEWART: We're already hearing
14 complaints of incomplete police reports and
15 stuff like that, especially if a motorcycle
16 driver is injured. Isn't that something SGI
17 should be having? Shouldn't that be a very
18 important document?

19 MR. ESTABROOKS: Yes, we do. We do also use
20 the MVA report when it's available, but it's
21 not available on all accidents. They're not
22 required to provide a report on all accidents,
23 but when there is an injury, that is a
24 requirement, yes.

25 MR. STEWART: Okay. Thank you.

1 MS. WEBER: Yes, please come forward.

2 MS. BORMAN: My name is Dana Borman
3 (phonetic). Can you just confirm from last
4 year's meeting, I think it was Don that said
5 if we had a GoPro on our bike and say you cut
6 me off and you took off, and my GoPro showed
7 that I was cut off, even though we didn't have
8 a licence plate number, that I wouldn't be
9 found at fault?

10 MR. THOMPSON: It wasn't me that said that.
11 I think it was we had a claims person here.
12 Earl, I think it was you that said that; is
13 that correct?

14 MR. CAMERON: That's correct, yes, we
15 would take that into consideration and if it
16 showed --

17 MS. BORMAN: I mean, if it shows that I'm
18 there and you, like, swipe in front of me and
19 I have to come to a screeching halt and you
20 bugger off because you don't care about the
21 biker --

22 MR. CAMERON: Right, we're not going to
23 hold you at fault for that accident, that's
24 what we said.

25 MS. BORMAN: Because if we don't have a

1 GoPro, we're either found 100 or at least 50
2 percent at fault if we don't have proof that I
3 was cut off, that it wasn't a bunny rabbit,
4 that it was a Ford F150?

5 MR. CAMERON: Right. And there is lots of
6 cases, and I'll just explain that a little
7 bit, where if that does --

8 MR. THOMPSON: Earl, just tell her who your
9 name is.

10 MR. CAMERON: I'm sorry. Earl Cameron. I
11 work at SGI. If it does happen and you feel
12 the adjuster has not set the liability as fair
13 as you think, you can appeal that. If there
14 is another vehicle involved, you can take them
15 to Small Claims Court or you can appeal it to
16 the Highway Traffic Board for your appeal
17 points, and we have probably about 20 of those
18 a year. I just looked at some where someone
19 did appeal, saying I was cut off or a deer ran
20 out in front of me. I didn't hit the deer,
21 but I did hit the ditch. So those do get
22 looked at. Okay?

23 MS. BORMAN: And just a spinoff of that,
24 is it something that maybe SGI can look at
25 further? I know even a lot of cars have them

1 now, you know, we see the videos and YouTube
2 and stuff, that there might possibly be a
3 rebate or something to offset the cost for us
4 to prove our own driving habits. I mean, not
5 something obviously you can probably answer
6 right now, but something to put in your back
7 pocket to think about.

8 MR. THOMPSON: Okay.

9 MS. WEBER: Thanks. Anyone else?

10 MR. KLETZEL: Rob Kletzel (phonetic).

11 Just a question on one of the slides. You had
12 a shortfall in motorcycle premiums. How many
13 more increases are we going to need to see in
14 the current model in order to get up to where
15 we're supposed to be?

16 MR. THOMPSON: Right now the indication is
17 they need 47 percent, but that's before taking
18 into account these recommendations that are
19 going forward that we think will reduce the
20 rate need by as much as 20 percent. And it
21 also doesn't take into account all the traffic
22 safety changes that we talked about from the
23 Traffic Safety Review Committee. We think
24 those will have a positive impact on the whole
25 population which should be a spinoff for

1 motorcycles as well. So right now the rate
2 need is 47 percent. We hope with all these
3 recommendations, that would come down
4 substantially.

5 MR. KLETZEL: So we're talking about 15
6 percent then maybe?

7 MR. THOMPSON: Maybe. It's hard to say.

8 MR. KLETZEL: Okay, thanks.

9 MS. WEBER: Thank you. We had a
10 question over here.

11 MR. CRAWFORD: More of a comment on the
12 last one because I'm in the process of a
13 current situation where I was rear-ended on
14 New Year's Day. Because I was driving a large
15 vehicle, there was virtually no damage to my
16 vehicle, so I was found entirely at fault
17 because the other driver said I was backing up
18 and because it was cheaper for SGI. The
19 problem is that unless we can establish damage
20 to my vehicle, I couldn't take that to Small
21 Claims Court, and I'm not taking SGI to Court
22 to argue that they resolved this accident
23 differently. I can't do that. I'm taking the
24 other party to Court and then the judge will
25 determine what he thinks actually happened.

1 But we have -- and again,
2 this is completely outside of what you're
3 doing here, but it's part of the whole SGI
4 package that people are getting tired of and
5 fighting against is that the people that I
6 dealt with at SGI are young, inexperienced,
7 under-qualified, they're Class 5 drivers.
8 I've got more than 2 million miles in a Class
9 1 vehicle, and I think you can understand that
10 if I came into your office and started telling
11 you what you're doing wrong, you'd laugh at me
12 because I'm not competent to judge you.

13 One of the issues we have
14 here with the adjusters is they're making
15 their decisions on a financial basis because
16 SGI is a business. They don't assign fault.
17 They don't even ask who or what caused this
18 accident. They go, where are we going to
19 assign the liability, who's going to -- okay,
20 everything goes 50/50 now because you get more
21 points and more money and, of course, if
22 you're a professional driver where you're
23 driving high-risk environment all the time,
24 that starts to be -- okay, I'm not talking --
25 there has been a lot of talk about high risk.

1 In Saskatchewan, being on the road is risky.
2 If you're on it enough, something's going to
3 happen. That's statistics. If I keep
4 unloading delivery trucks, sooner or later I'm
5 going to take a fall. Part of the -- and I
6 think, again, it's outside your bailiwick.
7 But the aspect of SGI is covering too many
8 bases, they're doing so much that in effect
9 they've become an autonomous entity unto
10 themselves and telling the rest of us how
11 we're going to pay for it.

12 It was meant to be a comment
13 on the last discussion of this whole at fault
14 and what happens when a person is in an
15 accident. There is -- one of the problems is,
16 yes, if I could -- I could go to the Highway
17 Traffic Board, and the Highway Traffic Board
18 could say, yes, we agree that SGI assigned
19 this improperly, we'll take the points back or
20 put the points back onto your licence, but
21 they don't remove that -- and I hate the fact
22 that they use the word conviction. If SGI
23 decides that I'm all or partially at fault for
24 an accident, there is nobody that can change
25 that. So we've got a confusion between

1 finance and law.

2 MS. HUBICK: Hi, my name is Joanne Hubick
3 (phonetic). I have a question for SGI. You
4 had to have an actuarial evaluation to get
5 here, right, did you not?

6 MR. THOMPSON: Actuary opinion, yeah.

7 MS. HUBICK: Did they give -- they must
8 have given you other options, did they not?

9 MR. THOMPSON: We come with what the
10 indication is is what the -- well, maybe,
11 Chris, do you want to speak to it? Chris is
12 the actuary.

13 MR. McCULLOCH: The actuarial indication in
14 itself is just a measurement of the total
15 premiums expected to be collected in the
16 future contrasted with the forecast of the
17 claims and expenses associated with all the
18 different classes of vehicle.

19 MS. HUBICK: I understand what an
20 evaluation is and I understand where it comes
21 from. I'm asking if you gave them other
22 options within your evaluation on how to get
23 out of a negative zone?

24 MR. McCULLOCH: Well, there are a number of
25 initiatives right now going on that were

1 spoken to already: The motorcycle
2 initiatives, traffic safety initiatives for
3 all vehicles in general that are currently
4 being put in place to help reduce both the
5 motorcycles required rate need as well as all
6 other vehicles. So those are other
7 alternatives that are being pursued at the
8 same time as the fundamental basic rate
9 indication is being done.

10 MS. HUBICK: Have you ever given them the
11 option to a lesser increase and what that
12 would look like and, if so, why -- and I guess
13 my next question to follow that up was I come
14 from an organization where we ran a large
15 disability fund for the Province of
16 Saskatchewan employees. So we had other
17 options and what it would look like at, say, 3
18 percent or 4 percent balanced out with that.
19 And so I wonder why those other options aren't
20 being presented here today?

21 MR. McCULLOCH: I'm glad you asked that.
22 The overall rate indication for all classes as
23 a whole, the fundamental basic rate
24 indication, is 3.4 percent required. Now,
25 there was a lot of different numbers being

1 thrown out, but the important number to
2 remember to compare to that is a 2.7 percent
3 basic rate indication that we've actually
4 applied to take. We have not applied to take
5 the full rate increase that is required
6 according to the indication. It is our view
7 that we should have taken this lower number.
8 There was a lot of discussion over what should
9 be proposed. It was because of these
10 initiatives, to give them time to work, to do
11 exactly what you're saying, go with a lower
12 number, let the initiatives have some time to
13 work. That exact difference, that 3.4 percent
14 versus 2.7 percent, is the balance of the
15 motorcycle's required rate that we aren't
16 taking yet because we want to see what those
17 initiatives will come up with first.

18 So in essence, the idea that
19 you said is a good one and that's exactly what
20 we considered and that's what we've come
21 forward with today.

22 MS. HUBICK: My other question would be
23 has SGI ever looked at the option of putting
24 it on the driver's licence instead of on the
25 plate?

1 MR. THOMPSON: Not putting it on the
2 driver's licence. I mean, that's not
3 something we've looked at. We are looking at
4 the Safe Driver Recognition discount and
5 providing more discounts for good drivers and
6 possibly more penalties for bad drivers. That
7 is something that's being looked at right now.

8 MS. HUBICK: I guess I have an issue with
9 a comment that you made -- you guys made here
10 about, well, you pay more will make better
11 drivers. That doesn't happen. I mean, if
12 education --

13 MR. THOMPSON: So are you saying paying
14 more doesn't change driving behaviour?

15 MS. HUBICK: No, it does not and we all
16 know that, right? Education --

17 MR. THOMPSON: Well, that's the opposite of
18 what --

19 MS. HUBICK: Well, and I'm saying this
20 overall generally. I don't have a motorcycle.
21 But in general terms, education is what makes
22 better drivers, right? Fining them for when
23 they do -- like, when you were a child, if you
24 did something wrong back in the day and it was
25 really bad, your parents gave you a spanking

1 and you went to your room. Here if you hit a
2 motorcycle driver and you're in the wrong, oh,
3 well, you don't get extra points taken away or
4 you don't --

5 MR. THOMPSON: You do get extra points if
6 you're at fault.

7 MS. HUBICK: If there is a police
8 report --

9 MR. THOMPSON: And if you're in a
10 surcharge, you actually get an invoice -- the
11 driver gets an invoice if they're in the
12 penalty zone. The driver gets an invoice.

13 MS. WEBER: Can you clarify when is the
14 police report done? This seems to be an issue
15 that's being raised here. Can you just
16 clarify that, please, Don?

17 MR. QUAYE: I can clarify that. Many
18 years ago, probably a decade or a decade and a
19 half ago, the various police forces approached
20 us and indicated that it was really
21 inefficient for them to attend all property
22 damage crashes in the province. What they
23 started doing was that they just refused to
24 complete those police reports. So we had to
25 work with them to come up with a way in which

1 it would be workable for them, we'll receive
2 those important police reports, and find a way
3 of capturing the rest of the data in crashes
4 that are not required to be reported by the
5 police.

6 So eventually I think the
7 solution that we came up with is all crashes
8 that did not involve any injury, fatal,
9 alcohol, hit and run will not be attended by
10 the police. That includes out-of-province
11 crashes. If there is an injury or fatal, they
12 will attend. If the vehicle can be driven
13 away from the crash site, they will not
14 attend. If it's blocking a roadway and it
15 cannot be driven, they will attend and
16 complete a report.

17 So we had to change the
18 legislation to allow them to move to that
19 regime and we're using our claims reporting
20 system to capture the rest of the crashes that
21 are not attended by the police. So it wasn't
22 SGI imposing something on the police, but the
23 police, through their decisions, decided that
24 it wasn't efficient for them to attend those
25 crashes and we weren't getting any good

1 reports from them and we had to change.

2 MS. HUBICK: Thanks. I'm done, thanks.

3 MS. WEBER: Does that help?

4 MS. HUBICK: Yeah.

5 MS. WEBER: Okay, thanks. Yes?

6 MR. ROGERS: My name is John Rogers

7 (phonetic). Just something she just mentioned
8 just kind of stuck in my mind. I remember 20,
9 25 years ago when I was just starting to
10 drive. I got a speeding ticket and then I
11 went to renew my licence that next year and I
12 paid \$25 more for my licence that year because
13 I had a speeding ticket. When did we start
14 getting away from that or, sorry, I should say
15 I remember when we started getting away from
16 that and everybody was paying the same plates
17 and they got rid of the licence surcharges for
18 tickets or accidents or whatever else,
19 demerits, you want to call it. Everybody
20 started making noise about how come my plates
21 are so much money? I'm paying the same amount
22 as this 18-year-old kid who's driving a rice
23 rocket or something else and a menace to
24 society. So then that's when the whole 20
25 percent plus or minus demerit points came onto

1 the plate insurance.

2 I think what R.A.G.E. is
3 talking about here is pretty much going back
4 to what it was 20 years ago, 25 years ago when
5 I first started driving, and I think that
6 pretty much answers the last question as well
7 because that's what we used to do and that
8 worked. So why did we change to a system that
9 doesn't work and why are we so stuck in the
10 mud we can't say, I guess we made a mistake,
11 let's go back and start again?

12 MR. THOMPSON: What had changed was that
13 people were asking for discounts for good
14 driving. So we implemented, I think it was
15 2003 -- 2003 I think the Safe Driver
16 Recognition program so that people with good
17 driving behaviour would be rewarded. So
18 that's when it changed and that's why it
19 changed. As I said, we're doing a review of
20 that program right now. We've asked the
21 public for their opinion on it and that's
22 being reviewed right now.

23 MR. ROGERS: I understand what you're
24 saying and I understand -- don't get me wrong,
25 I consider myself a relatively safe driver. I

1 haven't had a speeding ticket in 10 years. I
2 put an average of 80,000 kilometres on my work
3 vehicle every year. I pay something close to
4 a dollar and a quarter per kilometre I put on
5 my motorcycle every year, and my snowmobile
6 costs me \$100 a year. I put more miles on my
7 snowmobile than I do on my bike. But I wonder
8 if getting away from the old system was the
9 right choice because it wasn't until poor
10 drivers were no longer penalized that people
11 said, well, I want a reduction in my plate
12 insurance because I'm a good driver.

13 MR. THOMPSON: Poor drivers are penalized
14 now. They do get invoices. If they're in the
15 surcharge side, every time they have an
16 incident, they get an invoice immediately. It
17 doesn't wait for their renewal to come up. It
18 doesn't wait. It comes out immediately. So
19 they do get penalized then whether they have
20 an at-fault accident, a conviction.

21 MR. ROGERS: Okay.

22 MS. WEBER: Thanks.

23 MS. CWYNAR: I'm Rhonda Cwynar. I have a
24 question about that comment about they're
25 penalized. How much, in 2012, were they

1 penalized? What was the total dollar volume
2 of penalties?

3 MR. THOMPSON: I don't have it with me. I
4 don't know the answer to that. It would be
5 in the -- I would say it would be over \$10
6 million, but I don't have the number.

7 MS. CWYNAR: Yeah, I believe it's about
8 13 million. So based on that, how much was
9 given in driver discounts on the SDR program?
10 109 million. So a little bit of a disconnect
11 there. If we did nothing but convict or put
12 the demerit fees back on the driver's licences
13 that would have been in place had we not made
14 the change in 2003, you would have seen \$48
15 million of revenue this year just on the
16 driver convictions. Thank you.

17 MR. JOHNSTON: Good evening. My name is
18 Paul Johnston, and for any of you out there
19 that don't like police officers, too bad. I'm
20 a 25-year veteran police officer with the
21 Royal Canadian Mounted Police. I spent 17
22 years general duty policing, and five of those
23 was on Traffic Services. Now, my reason for
24 coming up here tonight was to address the
25 issue that was brought up about motor vehicle

1 collision reports going in or not going in.
2 Now, when I was doing
3 general duty policing, I pretty much attended
4 every collision that was reported. And if it
5 wasn't reported directly to us, somebody would
6 phone and we would tell them to come into our
7 office and file a report, so I don't know
8 where your numbers or your statistics are
9 coming from that police officers or police
10 organizations are saying it's an inefficient
11 use of their time to fill out a report that
12 takes five minutes. A stenographer at the
13 front desk can fill out a report. I know for
14 a fact that at Regina Police Service, there is
15 a police officer at the front desk 24/7 and
16 they're not busy 24/7. They have the time to
17 have somebody come in, give a statement, and
18 fill out an accident report. They're not that
19 busy. The RCMP have time and the City Police
20 have time. Thank you.

21 MR. QUAYE: I'd like to comment on that.

22 MS. WEBER: Okay. Thanks, Kwei.

23 MR. QUAYE: I appreciate your point of
24 view and I solidly respect your point of view,
25 but we made those changes in 2001. And the

1 request -- and we had numerous meetings with
2 Chiefs of Police from Regina, Saskatoon, Moose
3 Jaw, the Saskatchewan Association of Chiefs of
4 Police, and at that particular level we were
5 aware that they were making it clear to us
6 that it was an inefficient use of their
7 resources and they were no longer going to
8 fill out police reports.

9 So I don't know how much
10 correspondence you have with the CEO of RCMP
11 at that time, but I would like to let you know
12 that at that level in the police force, they
13 were coming to us and indicating to us that
14 they did not want their members out there
15 reporting on crashes where the vehicle could
16 be driven away. It was inefficient and they
17 were certainly, we know, not filling out those
18 reports.

19 MR. JOHNSTON: That I can accept. However,
20 the monkey sitting at the front desk 24/7 has
21 the time to take a vehicle collision report
22 when somebody comes in and reports it. If
23 they haven't got the time to do that or they
24 don't want to do that, there is one word that
25 I have for that. Laziness. That's it.

1 MS. WEBER: So you're just clarifying
2 that if someone chooses to make a police
3 report, they can go into the police and make a
4 report, whether it's RCMP or the City or
5 wherever?

6 MR. JOHNSTON: That is correct. There is
7 somebody behind the counter 24/7 at RPS that
8 can do that. If you phone the RCMP and you
9 want to make a report, if it's after hours
10 they're going to say come in Monday to Friday,
11 8:00 to 4:30 and we'll take your report, and I
12 guarantee you that.

13 MS. WEBER: Thanks for the
14 clarification.

15 MS. MCKAY: Hi, my name is Shelley Ann
16 McKay (phonetic) and I just more or less
17 wanted to make a couple of comments and ask a
18 couple of questions. I don't have a big fancy
19 report or anything, but I have to say that I
20 agree completely with Don and the R.A.G.E.
21 group that I don't want to see insurance
22 become affordable for people who are causing
23 accidents either. I really believe that they
24 need to be off the road. That would be the
25 best situation.

1 I too have been driving a
2 motorcycle here in Saskatchewan for about five
3 years, and every time that -- luckily I'm
4 skilled enough that when drivers of motor
5 vehicles have almost hit me, I've been able to
6 avoid that. But in every instance if I wasn't
7 skilled enough, I don't know, I could have
8 been injured. And so I do believe that there
9 has to be something done with the motorcycle
10 training programs. I heard somewhere along
11 the lines that this was ineffective to be
12 doing these programs or they couldn't keep up
13 with the demand or whatever. They seem to be
14 doing it in other provinces, including
15 Manitoba, in which I know that in the rural
16 communities they even -- they will do
17 motorcycle training initiatives in parking
18 lots.

19 So these new drivers and
20 whatnot that are out there, they do need to
21 have some sort of safety initiatives there.
22 And I notice that in your safety initiatives,
23 there was nothing mentioned about doing
24 anything with the bad drivers, like
25 programming that you make them go through or

1 the people who are causing all the accidents,
2 unless I missed that. Did I miss that?

3 MR. THOMPSON: Yes.

4 MS. McKAY: Okay. All right. And then
5 the Injury Recovery Review Panel, I thought
6 that was interesting that all the people that
7 you mentioned that were going to be on that
8 panel are people who actually benefit from
9 injury: The chiropractors, the massage
10 therapists, the physiotherapists. I think
11 that you should consider having somebody on
12 that committee that doesn't have a vested
13 interest in that.

14 MR. THOMPSON: That's a good point.

15 MS. McKAY: I think it's great --

16 MS. WEBER: Could I interrupt just for a
17 sec. You raised two issues and perhaps we
18 could get a response before you raise some
19 other ones.

20 MR. CARTMELL: So in terms of bad drivers,
21 I mentioned that the Safe Driver Recognition
22 and Business Recognition programs are going to
23 be changed. I mentioned that both discounts
24 are being looked at in terms of larger
25 discounts for good or accident-free drivers as

1 well as additional surcharges for poor or
2 drivers who have had at-fault accidents. So
3 I'm sorry you missed that.

4 MS. MCKAY: Yeah. And actually --

5 MR. CARTMELL: And secondly with respect to
6 the Injury Coverage Review, it's important
7 that we do have medical practitioners there
8 because part of what you do with no-fault is
9 you're giving up the right to sue someone for
10 being hurt in an accident and, in return for
11 that, you're expected to get a series of
12 benefits that looks after you and helps you
13 get back to your pre-accident condition. It
14 is important for us to have chiropractors and
15 physiotherapists because they deal with
16 injured people every day. If the benefit
17 levels we're providing aren't appropriate, we
18 need to hear from them to get their view on
19 it.

20 We also have the Trial
21 Lawyers Association. Their view is the exact
22 opposite. They would like the ability for
23 everyone to sue. We are going to include them
24 in there because that's a voice that should be
25 heard.

1 MS. MCKAY: That's great.

2 MR. CARTMELL: We also have injury --
3 people who have gone through the system who
4 have been injured in auto accidents because,
5 honestly, we need their feedback too. Did the
6 process work for them, did it not work for
7 them, what were the gaps?

8 MS. MCKAY: Okay.

9 MR. CARTMELL: So it's definitely intended
10 to be a wide-ranging discussion and we want to
11 have every stakeholder interest group in that
12 so that there is a good discussion.

13 MS. MCKAY: Okay. Well, that's great.
14 You didn't say that initially, so --

15 MR. CARTMELL: And certainly from the
16 motorcycle perspective, we do hear about the
17 high cost of no-fault accident benefits,
18 that's absolutely true. With motorcycles,
19 that is the driving force behind rates. And
20 so the idea of having optional benefits is one
21 we'll look at because we've heard loud and
22 clear you want to look at it, so we will.
23 There are pros and cons to it. It needs a
24 full discussion.

25 MR. QUAYE: I know your comment about

1 training, starting this riding season new
2 riders will be expected to pass a basic skill
3 test or complete approved training before they
4 will get a learner's licence. So that is
5 going to happen this riding season.

6 Additionally, with the new
7 traffic safety initiatives, there is a whole
8 slew of offences, serious bad driving offences
9 for bad drivers that will result in vehicle
10 impoundment right there on the roadside. So
11 there are a number things, like Chris said,
12 which are happening in conjunction with this
13 rate program.

14 MS. WEBER: You'd also asked a question
15 about the ability to provide the training.

16 MS. MCKAY: Yeah, because I remember
17 that coming up somewhere. I don't know if it
18 was something I read on the R.A.G.E. Web site
19 or what, but there was something along that
20 line, too, that you didn't feel or that there
21 wasn't the ability for these programs to
22 continue to meet need.

23 MR. QUAYE: We're working with the
24 schools. Like I said, starting this riding
25 season, you either pass a basic skill test or

1 go through an approved training program before
2 you get a learner's licence.

3 MS. MCKAY: So that would be mandatory
4 for all?

5 MR. QUAYE: Yes.

6 MS. MCKAY: Okay, that's good. And then
7 there was something on one of the slides, and
8 I don't know if I just didn't catch it, but it
9 was you were showing there was a decrease in
10 claims from 2011 to 2012. Was that right?
11 I'm wondering what you attribute to that
12 decrease?

13 MR. McCULLOCH: In 2011, we had an
14 adjustment made to the reserves for the very
15 long-term injured benefits, so people
16 collecting income replacement benefits, care
17 benefits. So in that year, we had to increase
18 our reserves a large amount. So you see the
19 claims number swells in 2011, then kind of
20 goes back to the normal long-term rate in
21 2012.

22 MS. MCKAY: So it wasn't that you were
23 doing anything proactive or anything to reduce
24 injuries; it was just a movement of the
25 numbers?

1 MR. McCULLOCH: It was making sure that
2 there was enough money set aside to provide
3 the benefits for the people that were entitled
4 to them.

5 MS. McKAY: I also noticed on one of the
6 slides too that the traffic safety -- when you
7 showed the pie chart -- the traffic safety
8 program piece was so minute. It was like 2.7
9 percent, which I think really needs to be
10 seriously looked at because from a safety
11 perspective, I work in the health care sector,
12 and the injury rates among health care workers
13 continue to increase and it's been -- they
14 know the only way that they're going to make
15 that number go the other direction is by
16 increasing safety awareness and strong safety
17 programs and whatnot. And I really believe
18 that the motor vehicle drivers are the ones
19 who really need to take -- you guys need to
20 really be proactive about working with them
21 and creating awareness. I know there is the
22 odd billboard here and there and the odd PSA
23 or whatever, but it just doesn't seem like
24 it's enough. I mean, otherwise why would we
25 be running around like paranoid bikers, you

1 know, afraid that at every corner we're going
2 to get taken out? I mean, the motor vehicle
3 drivers just don't see us. They just don't --
4 they're not thinking or something, I don't
5 know. So I really would love to see something
6 more done there, more money spent on safety
7 and awareness and doing something to help
8 protect us from the injury.

9 MR. CARTMELL: So you'll get your wish as
10 part of the traffic safety recommendations
11 passed by the legislature. I don't know the
12 total sum of money involved in it, but the 2.7
13 percent, just to give you a sense of the
14 magnitude of that, that's in the neighbourhood
15 of \$25 million a year. One of the initiatives
16 that we're hopeful will go through very soon
17 is a dedicated rural traffic enforcement unit
18 in the province. One of the big gaps we have
19 in Saskatchewan is, is that we don't have a
20 visible presence on our highways for
21 enforcement, and so SGI is going to be
22 funding, in part, a rural traffic enforcement
23 unit.

24 MS. MCKAY: It's in the city where they
25 almost kill me all the time, though.

1 MR. CARTMELL: The fatalities are out on
2 the rural roads.

3 MS. MCKAY: Okay. Well, I know myself I
4 think that --

5 MR. CARTMELL: But again, what we'll end up
6 using is our -- the TAIS that was mentioned
7 earlier highlights and pinpoints where
8 accidents occur across the province. So we
9 will use that data to highlight or go after
10 high accident-prone areas with a goal
11 basically of slowing people down, stopping
12 drinking and driving, cell phone usage, and
13 encouraging people to use their seat belts.

14 MS. MCKAY: Maybe you can even consider
15 that those people who are getting all the
16 so-called surcharges for their bad driving
17 behaviour is making some sort of a motorcycle
18 awareness course that they could take that if
19 they actually pass it, then maybe they get
20 back a credit or they reduce some money that
21 they have to pay or something. Make them more
22 aware that we're here, or the people who have
23 been involved in motorcycle accidents, make
24 them take something like that. Just a thought
25 to consider.

1 And then there was another
2 slide there that was something about -- you
3 were showing like, oh, if you penalize the bad
4 drivers, that their rates are going to go up
5 so much, and the slide said like \$15,000 over
6 three years or something. Can you explain
7 that? I don't understand how you get that.

8 MR. THOMPSON: Well, it was just an example
9 to show how hard do you want the difference to
10 be between good drivers and bad drivers. As
11 an example, we showed that if you double the
12 SDR discounts and pass that on to the bad
13 drivers -- and in that example we described a
14 bad driver as someone who had had two at-fault
15 accidents in the last five years and one
16 traffic conviction -- if we were to double the
17 safe driver discount and make those type of
18 people pay for it, their annual premium would
19 go up to 15,000 a year for three years.

20 MS. MCKAY: That would be just great in
21 my mind. Thank you.

22 MS. WEBER: Thanks.

23 MR. JOHNSTON: I have just one question on
24 a topic that you brought up just a moment ago
25 with regards to this rural traffic enforcement

1 initiative that you're planning on funding.

2 Who is going to do that?

3 MR. CARTMELL: What do you mean by who?

4 MR. JOHNSTON: Who is going to do it?

5 MR. CARTMELL: It's a coalition between the
6 RCMP and the City police forces.

7 MR. JOHNSTON: Okay. Well, I guarantee
8 you're going to have some issues because right
9 now Saskatchewan is 200 members short in all
10 their detachments.

11 MR. CARTMELL: And that's why we're going
12 to have a dedicated enforcement unit that's
13 focussed on and funded for only traffic
14 enforcement. I can't comment on the 200
15 officers short.

16 MR. JOHNSTON: Okay. Well, I know that
17 right now Saskatchewan is 200 officers short,
18 so I don't know where those officers are going
19 to come from unless you're going to be
20 planning on doing something like Alberta does
21 and use the Sheriff's department to do traffic
22 enforcement.

23 MR. CARTMELL: I think that was an option
24 that was considered, but for Saskatchewan it
25 was decided to go with the police forces, so I

1 wasn't aware that they were having trouble
2 attracting officers in Saskatchewan.

3 MR. JOHNSTON: I work at the RCMP training
4 academy, and right now they're having a hard
5 time filling troops. So I don't know where
6 these officers are going to come from in
7 Saskatchewan.

8 MR. CARTMELL: It's supposed to be the
9 hardest program to get into.

10 MR. QUAYE: We're working with the RCMP
11 and the City police forces on this, so the
12 Chiefs of all these police forces are aware of
13 this. We're also working with the Ministry of
14 Corrections and Policing. So there is a plan
15 and they've indicated to us that it's a
16 workable plan. We are not in the enforcement
17 business. The best we can do is to rely on
18 them.

19 MR. JOHNSTON: I hope there is some
20 training going to be happening with respect to
21 the City Police traffic teams because,
22 honestly, I've worked with them before and
23 they haven't a frickin clue about *The Traffic*
24 *Safety Act* in Saskatchewan.

25 MS. WEBER: I think we're getting into

1 an area we don't want to tread on too heavily
2 here, so --

3 MR. JOHNSTON: They only deal with the
4 bylaw, so I'm hoping that there is going to be
5 some training going on.

6 MS. WEBER: Thanks. Any other
7 questions?

8 MS. SOTKOWY: My name is Dave. The last
9 name is S-O-T-K-O-W-Y. I've just kind of been
10 sitting there thinking, and it's kind of
11 like -- I think most of us realize here that
12 if you're walking through a forest, I mean,
13 you can walk up to a squirrel and it's really
14 no problem. I think we all realize that, no,
15 don't go near the bears, right? I mean, they
16 even have signs out there, beware of the
17 bears, right? So I don't know, like if I go
18 up to Capital GM and go into their lot, which
19 vehicle to be afraid of. I really don't. So
20 could you put out, like, some posters or signs
21 or something, like beware of the Mustangs so
22 we know to stay away from them so we're not
23 going to get hurt or killed by them.

24 MS. WEBER: I think that you're
25 demonstrating your sense of humour and we

1 appreciate that.

2 MR. SOTKOWY: Yeah, it's just that can't
3 you see it is not the vehicle, it is the
4 driver. And if it costs them \$15,000, yes,
5 you earned that. And by saying, well, then
6 they couldn't afford their licence, that's
7 just like saying, well -- I mean, thank God
8 you're not in charge of the police force
9 because it would be kind of like, well,
10 anybody who robs a bank of under \$5,000
11 doesn't have to do any time because it wasn't
12 bad enough.

13 So it just kind of
14 frustrates me that you do not realize that it
15 is the driver at fault. It's not their
16 vehicle. The vehicle is not moving until
17 somebody is behind that wheel and responsible
18 for it, so make them responsible for it. If
19 they're having three accidents or two
20 accidents or whatever a year and it costs them
21 \$15,000, maybe they're going to be paying
22 attention.

23 The other day I was coming
24 down Broad Street and I was watching a silver
25 PT Cruiser coming up just north of 4th Avenue.

1 There was nobody around. The next thing I
2 know it's off over the sidewalk and into a
3 post. The girl was texting. There was not
4 another vehicle around. Who's paying for
5 that? She gets \$25 on her licence?

6 Let's look at fixing the
7 problem rather than just throwing dollars at
8 it. Okay, thank you.

9 MS. WEBER: Thank you.

10 CODY FULLER: Cody Fuller, C-O-D-Y,
11 F-U-L-L-E-R. My motorcycle insurance for six
12 months is approximately \$120 less than the
13 cost to plate my car for 12 months of the
14 year. With one more rate increase I will have
15 to choose which vehicle I plate during the
16 riding season. I ride my motorcycle most
17 every day in the summer unless I decide the
18 conditions of the road or the weather are
19 unsafe. Another increase could possibly force
20 me to plate only one vehicle. I'm a safe
21 driver. I have never caused an accident.
22 Another increase would put severe limitations
23 on my ability to travel to and from work and
24 to provide for my family. I am a safe driver,
25 and another rate increase is unacceptable.

1 MS. WEBER: Thank you. Anyone else?

2 MR. SCHUTZMAN: Hi, my name is Tom
3 Schutzman. It's S-C-H-U-T-Z-M-A-N. I do want
4 to focus on just a few questions that I have.
5 I'll try and keep it a lot less long-winded
6 than I did last year.

7 But we've heard a lot of
8 people speak tonight about making the machine
9 work better rather than asking for more money,
10 so I'd like to pick on the "ask for more"
11 attitude that seems to be so characteristic of
12 the Auto Fund for a long time now. Second
13 year in a row at these meetings, opening line
14 of SGI's presentation has been are we
15 collecting enough money? That is verbatim,
16 the line that's been used. And I think that's
17 really indicative of the overall attitude and
18 I don't think that that's right.

19 I'll pick on the actuary
20 again, I guess. Is there -- like, there is
21 obviously a rate indication. Is there a
22 claims indication?

23 MR. McCULLOCH: As part of the rate
24 indication, all the factors, premiums, claims
25 and expenses are all projected forward, so --

1 MR. SCHUTZMAN: Okay, what I mean is, is
2 there an indication that communicates a
3 requirement for a reduction in claims costs to
4 bring things into balance?

5 MR. McCULLOCH: Require a claims cost
6 reduction? No, there is not an element like
7 that in the rate indication.

8 MR. SCHUTZMAN: Okay. That's kind of what I
9 suspected, and I think that's more the
10 direction that things need to go in. If
11 you're going to balance a book, you have to
12 not only balance your revenues but also your
13 costs. So I'd like to emphasize that we need
14 to move things in that direction if we're ever
15 going to get out of this upward spiral of
16 rates, specifically and particularly for
17 motorcycles.

18 I was really interested to
19 see the cost breakdown slide, the pie chart
20 that you guys brought up. We have 2.7 percent
21 generally devoted to traffic safety
22 initiatives versus overall general costs of
23 the Auto Fund; that's right? Okay.

24 And this is a stat that I
25 didn't come prepared with, so does anyone know

1 what the traffic safety initiative cost
2 percentage is per total claims for motorcycles
3 only?

4 MR. THOMPSON: Don't have that.

5 MR. SCHUTZMAN: Two and a half or don't have
6 it?

7 MR. THOMPSON: Don't have that. You mean
8 what we spend for traffic safety related to
9 motorcycles specifically?

10 MR. SCHUTZMAN: What is the percentage --
11 like, in the same vein as the slide that you
12 put up that says that traffic safety
13 initiative expenditures were 2.7 percent of
14 overall costs, what is that percentage of
15 costs for motorcycles?

16 MR. THOMPSON: The majority of our
17 traffic -- and Kwei can speak to this -- are
18 not targeted for one group. We don't allocate
19 them to each group in terms of -- we do a
20 drinking and driving campaign. That's for the
21 whole population. It isn't for one class.
22 It's for everybody.

23 MR. SCHUTZMAN: All right. And that's fair,
24 there are certainly a lot of initiatives that
25 are for everybody, but there are others that

1 aren't. And I guess you need a basis to make
2 a decision on where you focus those dollars,
3 and I'm suggesting that a fair basis to use
4 would be the overall percentage -- or the
5 overall number of claims dollars per vehicle
6 in a category when we're considering across
7 the board general, which you said was 2.7
8 percent. I think it's fair for me to say that
9 claims dollars per vehicle in the motorcycle
10 class are astronomically higher than they are
11 for the general ledger of vehicle that you
12 guys have.

13 MR. QUAYE: No, drinking and driving
14 initiatives or cell phone initiatives or
15 following too closely --

16 MR. SCHUTZMAN: I understand.

17 MR. QUAYE: -- those are all related to
18 motorcycle safety as well, so I don't get what
19 you're trying to drive at. It's nearly
20 impossible to differentiate that. We do
21 advertising with respect to sharing the road
22 with motorcyclists, ensuring drivers know that
23 it's motorcycle season and sharing the road
24 safely with motorcycles. Making left turns
25 somebody has brought to our attention; we're

1 doing a little more advertising in that area.
2 But all the other initiatives that are related
3 to safety are beneficial to the motorcycle
4 class as well.

5 MR. SCHUTZMAN: Okay, let me try and
6 simplify. The 2.7 percent is a general number
7 that covers a general population, a general
8 set of vehicles, it's everybody. What I'm
9 asking to do is break out some specific
10 initiatives for a specific category and assign
11 a number to that.

12 MR. THOMPSON: Kwei is saying we do some of
13 that. We did some advertising specifically
14 for motorcycles.

15 MR. SCHUTZMAN: Right, okay, and I know you
16 do. I've seen the ads and they're good ads.
17 But what is the number that's associated with
18 those and how does it come out as a percentage
19 of overall costs related to motorcycles?

20 MR. THOMPSON: We don't have that here.

21 MR. SCHUTZMAN: Okay. Do you think it would
22 be fair to say that it's on par with the
23 general number or would it be higher or lower?

24 MR. THOMPSON: It's hard to speculate.

25 MS. WEBER: Isn't that something that

1 you could determine and then get back to us
2 on, Don?

3 MR. QUAYE: Yeah, we can do that, but
4 the point I'm trying to emphasize is that if
5 we go to the drinking and driving campaign or
6 bring a new initiative to do with drinking and
7 driving, it's beneficial to the whole
8 population. So we'll have to find a way of
9 portioning it out to see how much of that
10 benefits the motorcycle population, and it's
11 nearly impossible to do.

12 MS. WEBER: I think he was requesting
13 that you just apportion out the exact amount
14 that you are applying strictly just to
15 motorcycle safety ads I think is what the
16 question is.

17 MR. QUAYE: We can do that.

18 MR. SCHUTZMAN: Yeah, because obviously with
19 motorcycles we have an outlier from the
20 general population here. We have an
21 astronomically higher level of claims per
22 vehicle and so we need to do something about
23 managing those claims, and traffic safety
24 initiatives, admittedly, are a great way to do
25 that. So what I'm suggesting is that we

1 should figure out what the numbers are and
2 then figure out what they need to be based on
3 how much higher the dollars per vehicle are in
4 that category, and then we should make sure
5 that we are at that number with traffic safety
6 initiative dollars specific for motorcycles.

7 MS. WEBER: Well, let's see if we can
8 get the information and watch our Web site.
9 If we get the information, we'll post it.

10 MR. SCHUTZMAN: Okay. I understand, as Tim
11 was saying, that this is somewhat outside of
12 the purview of the Rate Review Panel. But as
13 he also mentioned, you guys are our only
14 avenue when it come to motorcycles. You
15 can't -- you just can't.

16 So having beaten that one
17 enough, one other question and this one's more
18 for the Review Panel. What was the reasoning
19 behind last year's use of the suggestion that
20 rates for motorcycles not be raised further
21 until programs were implemented and evaluated?
22 What was the reason for the use of suggestion
23 other than recommendation?

24 MS. WEBER: We can only make
25 recommendations that are within our terms of

1 reference.

2 MR. SCHUTZMAN: Okay.

3 MS. WEBER: We knew that the Motorcycle
4 Committee was going to be undertaking a large
5 amount of work and we wanted to show some
6 respect to the process that was underway. And
7 there was no way that we could make a
8 recommendation in that regard, so it was done
9 simply in the only manner that we had
10 available to us.

11 MR. SCHUTZMAN: Okay, and I think that's
12 fair. I appreciate that response. However,
13 now -- now that the report has come forth from
14 the Motorcycle Review Committee and now
15 knowing that SGI has chosen to more or less
16 completely disregard a suggestion in that
17 vein, is it possible now that you would be in
18 a position to make a recommendation?

19 MS. WEBER: I can't make a lot of
20 specific comments because we're in the review
21 process, but there is one major distinction I
22 think that has been made by SGI in this
23 application that stands out to the Panel and
24 that we're looking at, and that is the whole
25 issue of rebalancing. So I'm not aware of

1 comments that were made in -- at the
2 Motorcycle Review Committee with respect to no
3 increase or, you know, I have no reason not to
4 believe it, but I don't have any proof of it
5 either. I'm just not aware of it. But that
6 is a distinction that I think that SGI has
7 made with respect to the rebalancing item and
8 not having rebalancing for motorcycles.

9 MR. SCHUTZMAN: Well, I'm not talking about
10 rebalancing. I'm talking about increasing
11 rates, though.

12 MS. WEBER: Right.

13 MR. SCHUTZMAN: And what I'm asking is, is
14 there enough information on the table and have
15 the processes been completed enough that the
16 Review Panel would be able to make a
17 recommendation or not rather than rely on the
18 use of suggestions?

19 MS. WEBER: I can't answer that at this
20 time. We haven't completed our review. We
21 don't have the technical analysis that will be
22 coming from our consultants. We have
23 consultants right now that are reviewing the
24 actuarial work that's been done. Other areas
25 of the company are being reviewed as well. So

1 it's an ongoing process and, no, there is no
2 way that I could begin to answer that question
3 now.

4 MR. SCHUTZMAN: Okay. One last question.
5 Back to traffic safety initiatives for a
6 second. I know that there was financial
7 incentive. I think it was \$500 put forward as
8 an incentive for riders to get trained. And
9 this rollout of initiatives that were approved
10 after the committee report came out has been
11 phased, and the training incentive --
12 financial training incentive has been delayed,
13 and I just wondered what the reason was for
14 that?

15 MR. QUAYE: We found out that the
16 financial incentive requires legislative
17 change, and the earliest we can get into a
18 legislative cycle to do that would be 2016.
19 So we -- the way legislative changes work in
20 this province, we go in with a requirement for
21 a legislative change and it goes through a
22 cycle, and the earliest we can get in would be
23 2016 for change.

24 MR. SCHUTZMAN: Oh, okay. All right. I was
25 under the impression they were going to be in

1 effect later on this season.

2 MR. QUAYE: No, it requires a
3 legislative change to the Act, and it can't
4 possibly take place till 2016.

5 MR. SCHUTZMAN: No, I respect what you're
6 saying. I just -- I had some misinformation,
7 I think, that the fee rebates were actually
8 going to be taking place in July this year, so
9 that's not correct?

10 MR. QUAYE: The \$500 for new riders who
11 do not take training; is that what you're
12 referring to?

13 MR. SCHUTZMAN: Yeah.

14 MR. QUAYE: 2016 will be the earliest.

15 MR. SCHUTZMAN: Okay. All right, that's all
16 I had.

17 MS. WEBER: Thanks very much.

18 MR. SCHUTZMAN: Thanks.

19 MR. EUTENEIER: My name is Ken Euteneier,
20 and I just have a quick maybe question for
21 Mr. Cartmell. Mr. Fuller alluded to earlier
22 about you making a comment about no increases
23 and then later put the increases through,
24 basically -- I'll say the word -- called you a
25 liar. So I just thought maybe I would give

1 you the opportunity to defend yourself and
2 give me your side of the story.

3 MR. CARTMELL: Sure, appreciate that. I
4 did tell the committee at the time it was
5 struck that we would recommend a delay, in
6 whole or in part, to any rate increases if we
7 were successful in getting a good suite of
8 changes in place. I think we were successful
9 in getting a good basket or suite of changes
10 that will make a significant difference with
11 respect to motorcycle accidents on our roads.
12 And our initial recommendation was, in fact,
13 that zero percent. We are not the masters of
14 our own domain when it comes to going forward
15 with rate proposals in and of ourselves.
16 There was a long discussion with a number of
17 interested parties, and the decision at the
18 time was that motorcycles should get their
19 fair share and that's where it ended up.

20 So I did my best, and
21 unfortunately we have to consider the
22 interests of the entire driving community, and
23 that was the decision that was made. So we
24 tried and didn't prevail at the end of the
25 day, and that's the public increase that went

1 through that we're proposing.

2 MR. EUTENEIER: Okay. Thank you.

3 MS. WEBER: Anything else?

4 MR. STEWART: Name is Edward Stewart. In
5 regards to what was said from R.A.G.E. with
6 their driving habits and the effort that SGI
7 is making with safe driver courses and stuff
8 that they make for some of these bad drivers,
9 I would like to offer a father's perspective
10 on what a teenager thinks of your driving
11 courses and your ones that they're required to
12 go through when they get a few points on their
13 licence. My son thought it a nice two days of
14 having a nap. I don't really see that there
15 is any obligation or any real attention in
16 this course that the people even have to pay
17 attention. He's 21. I believe he's still on
18 a graduated licence, has attended your courses
19 at least three times, has paid less than I
20 have when I first started driving, and really
21 has had no changes in his driving habits.

22 I don't feel the driving
23 with care courses and all that that they're
24 required to do when they get points on their
25 licence has really deterred him at all.

1 Typically he takes a job, comes up with the
2 finances to pay the required invoices and
3 stuff that he gets from SGI or he'll go awhile
4 without a licence while he accumulates the
5 money. But as soon as he comes up with the
6 money, he gets his licence and goes through
7 the same continued events and driving habits
8 that he's always had.

9 I myself, when I first
10 turned 16, I had my licence a total of six
11 months, accumulated about 20 some points, had
12 an interview with an SGI agent and promptly
13 lost my licence for almost a year. I went
14 through the three to five year course of
15 paying down my licence year after year and
16 have since developed a very good driving
17 record.

18 I would like to reinforce
19 what R.A.G.E. has said in that I don't believe
20 two-day courses and the graduated driver's
21 licence really deters younger people from the
22 particular driving habits that they do. Going
23 without a driver's licence and perhaps the
24 ability or inability to pay for their licence
25 I think is a direction that SGI should go back

1 to.

2 I also think that in
3 co-operation with the police and stuff, I
4 think the penalties for caught driving without
5 a licence and things like that should be
6 raised to deter people from driving without
7 their licence, especially if they get caught.
8 It just seems like he has, other than just a
9 waste of his time, the courses and stuff, he
10 just has no -- he's getting no benefit from
11 them. Like, he's gone through them, like I
12 said, at least three times. He probably has
13 them memorized, but typically he comes home
14 and it's, oh, that was a waste of 150 or \$175,
15 whatever the courses have gone up to.

16 So from my point of view and
17 actually having somebody going through the
18 graduated licence and having issues with his
19 driving skills and abilities, the way SGI is
20 set up right now, it is doing very little to
21 deter him or to change his driving habits. So
22 I just thought I would present that. Thank
23 you.

24 MR. QUAYE: I think what you'll see
25 starting this summer is your son will get his

1 vehicle impounded right away if he's caught.
2 With respect to the course, we constantly
3 review the programs that we have and that's
4 something that we will be looking at. If your
5 son persists in driving the way you say he's
6 driving, I'm really surprised. The cost of
7 his driver's licence should be very expensive
8 unless he's not telling you how much it is.

9 MR. MACK: My name is Gary Mack, and I
10 have a question. With your Auto Fund, I know
11 it encompasses all vehicles. Do you people
12 break down certain segments of that in, like,
13 the vehicles, motorcycles, quads, and stuff
14 like that? Because I think what brought all
15 this on was you had mentioned that there was a
16 large deficit in the motorcycle funding part
17 of it is what brought all this on to begin
18 with with the rate increases and stuff like
19 that. When you people look at that, if the
20 other vehicle involved in the accident is a
21 four-wheel drive, like a four-wheeler, like a
22 car, which area does that get put into?

23 MR. THOMPSON: If the car is at fault,
24 the -- whichever vehicle is at fault, all the
25 costs for the claim go to the at-fault

1 vehicle, in their group.

2 MR. MACK: So basically it would go
3 into the car -- like into the --

4 MR. THOMPSON: If the car was at fault,
5 yes, the injured motorcyclist and whatever
6 damage was on the car and the damage to the
7 motorcycle would all go to that car's group.

8 MR. MACK: Okay. So it's broke out
9 that way, eh?

10 MR. THOMPSON: Yeah.

11 MR. MACK: It's not that they cross
12 border with it at all?

13 MR. THOMPSON: Well, if it's 50/50, it
14 would be -- I think on 50/50, the costs are
15 accumulated and divided by two and go to each
16 class if it's a 50/50, if they can't determine
17 fault.

18 MR. MACK: Oh, okay. Now, I was going
19 to address another question. When you
20 mentioned about the police forces not wanting
21 to come out and do the actual accident report,
22 who actually makes the decision -- when you
23 phone in or whatever, who actually makes the
24 decision to render fault in that accident?

25 MR. THOMPSON: That's the adjuster. Based

1 on the information that's presented, they talk
2 to witnesses, they talk to the two drivers.
3 If there is two vehicles involved, talk to
4 both drivers, any witnesses, and make an
5 assessment.

6 MR. MACK: Okay. But what I'm getting
7 at is a lot of that can come to he said/she
8 said type of deal.

9 MR. THOMPSON: Definitely.

10 MR. MACK: I don't think that's very
11 fair. I mean, if you're not at fault at the
12 accident, but you are deemed to be at fault at
13 the accident because the police force won't
14 come out to do the actual report on it or
15 survey the situation, I don't think it's fair
16 for the motorist, like me personally and it
17 costs me money because of my driver's licence
18 and stuff like that. So that's just something
19 I wanted to mention, that's all. Thank you.

20 MS. WEBER: Thanks.

21 MR. EUTENEIER: Sorry, I just remembered
22 part 2 of my question. Texting and driving
23 apparently is now worse than drinking and
24 driving as far as fatalities and stuff like
25 that. I might have missed it, but do you have

1 like a very proactive thing that you -- a game
2 plan that you guys are going to be doing like
3 very soon because there is a lot of people
4 just getting wiped out because of that? And
5 drinking and driving is usually more of a
6 sneaky thing and they're tough to see, but
7 looking down at your crotch or a phone to your
8 ear, you'll see that 50 times a day if you
9 drive in the city for an hour. But yet
10 they're killing people, they're getting
11 caught, they're getting avoided a lot. You'll
12 see a cop drive by and they're on the phone
13 and they're maybe busy doing other things.
14 But that is like a serious problem for
15 motorcyclists, cars, vans, trucks. Don't
16 care. But is there something that you guys
17 can do right away and make them scared as hell
18 to go on their phone, not just think they're
19 going to get another \$200 fine? That's
20 nothing. They don't care.

21 MR. QUAYE: I think you'll -- starting
22 this summer, you'll see vehicles being seized
23 for people who are caught using their cell
24 phone or texting while driving.

25 MR. EUTENEIER: That is happening now?

1 MR. QUAYE: It's not happening now.
2 It's going to happen at that -- if you're
3 caught with two or more offences, your vehicle
4 is going to be seized.

5 MR. EUTENEIER: And when will that be put in
6 place?

7 MR. QUAYE: Oh, it's happening this
8 summer.

9 MR. EUTENEIER: This year?

10 MR. QUAYE: This year, yeah, that's
11 right.

12 MR. EUTENEIER: That's better than nothing,
13 but I appreciate that. That's going to help.

14 MR. QUAYE: And like Andrew indicated, I
15 think the challenge has been in other
16 jurisdictions is that the -- there isn't
17 enough enforcement out there to actually catch
18 people. So we hope with the investment in
19 more enforcement resources in addition to
20 these changes, we will see a change in habit
21 with respect to distracted driving.

22 MR. EUTENEIER: I commend you on that.
23 Thank you.

24 MS. WEBER: Thanks. Anyone else? Okay,
25 I would like to at this time thank everyone

1 for your participation tonight. To Andrew
2 Cartmell, Don Thompson, and the rest of the
3 team from SGI, thank you for your
4 participation this evening and for taking all
5 these questions and providing responses. And
6 in particular I'd like to thank you, the
7 public, for attending tonight and for taking a
8 very important role in the review processes
9 before the Panel, so we'd just like to say a
10 big thank you to you. I believe we've heard
11 from almost everyone tonight, so with that, I
12 will adjourn this meeting. Thanks.

13 *(Concluded at 10:02 p.m.)*

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