

R.A.G.E.



Riders Against Government Exploitation

2014 Rate Action Counter Proposal

April 7, 2013

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- Aim of R.A.G.E. Rebuttal
- Background
- Proposal
- Conclusion

R.A.G.E.



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2014 Rate Action Counter Proposal

**2014
Aim of:
R.A.G.E.
Rebuttal
Proposal**

Recommendations

**Strong Public Policy should “Shape”
Public Behavior:**

- Reduce “High-Risk” Drivers Behavior
- Target Revenue requirement for accidents, injury and death appropriately
- Eliminate “Chronic” High-Risk Drivers
- Enhance Vehicular Safety
- Reduce Human and Vehicular costs associated with High-Risk Drivers behavior

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2014 Rate Action Counter Proposal

**2014
Aim of:
R.A.G.E.
Rebuttal
Proposal**

Recommendations

- Reduce the requirement for General Rate increases Year after Year
- Personal Insurance Premiums paid by All Drivers 1x
- A-La-Carte Insurance to allow those not eligible for wage replacement coverage to “opt out”
- Adhere to Philosophy of the Auto Fund
- Reject any 2014 Rate Proposal Increase

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2014 Rate Action Counter Proposal

**2014
Aim of:
R.A.G.E.
Rebuttal
Proposal**

Recommendations

- Rebut SGI's rational and proposed 2014 Rate Increase
- Expose the flaws in SGI's "Same Old...Same Old" business plan
- Provide an alternate perspective and solution to escalating costs related to accidents, injury and fatalities
- Demonstrate a Reasonable Responsible Revenue Stream supporting the Auto Fund

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BACKGROUND

According to SGI:

“Auto Fund claims and expenses are expected to outpace growth in Premiums and Investment”

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BACKGROUND

Auto Fund Challenges:

2012 – market fluctuation = losses of taxpayer investment dollars

2012 – 83% of costs stemmed from, Claim Costs

2002 – 2012:

- Damage claims increased 5.6%

- Personal Injury 4.9%

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BACKGROUND

Escalating Costs:

- Injury Costs – are rising annually
- Income Replacement – increasing significantly
- Damage – costs are escalating due to Autobody wage increases and vehicle repair parts

In the 2013 Rate Review Process SGI stated “repair costs” are a small percentage of Auto Fund costs...??

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BACKGROUND

Auto Fund
Philosophy
(from 1946)

“All Driver’s are treated Equally
unless their Driving Record shows
they are a Greater Risk
for causing Collision”

(S.G.I...1946)

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BACKGROUND

Auto Fund Philosophy

Contradictions by SGI

- All Driver's are treated equally "IN SPITE" of their Driving Record showing they are a Greater Risk for Causing Collision
- All Driver's are treated equally in that they must financially "Subsidize" and "Protect" Hi-Risk Drivers from the Consequences of their Driving Behaviour
- "Risk Premiums" are imposed on VEHICLES not DRIVERS (licenses)

Therefore...

"Vehicles are the greater risk...not the Individuals Who Operate Them"

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BACKGROUND

Auto Fund Business Practices

Result:

- Segregation and Isolation of Customers based on Vehicle Type not Driving Record
- Utilizing the CAPTIVE Saskatchewan Customer base to Subsidize High-Risk Drivers
- Charging “Valued Customers” over and over through License Plate Fees for:
 - Same personal benefit coverage
 - Benefits already covered through other sources
 - High cost benefits they can NEVER EVER COLLECT!!!

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BACKGROUND

**Auto Fund
Business
Practices**

Examples:

Premiums for personal insurance are paid over and over on every license plate:

- Income Replacement
- Impairment
- Death Benefits
- Scarring

Result:

- Plating multiple vehicles = multiple premiums for same benefit

Therefore...

- Same coverage as someone who registers no vehicle or just 1...at 2x...3x...4x the cost!

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BACKGROUND

Ineffective Business Policies

- Vehicular Safety
- Reducing Accidents
- Licensing and Driver Awareness

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BACKGROUND

TAIS Report Traffic Accident Information Systems

- Collisions and Personal Injury
- Collisions and Fatalities
- Contributing Factors
- Driver Factors

Purpose:

- Predict likelihood of causing collision
- Identifies behaviors that raise the RISK of COLLISION

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BACKGROUND

Driver Improvement Program For High-Risk Drivers ????

- Letters of warning (multiple letters)

Next maybe

- Potential requirement to take a Defensive Driving Course

Next maybe

- Potential requirement to take Driver Improvement Training

Next maybe

- Continued CONVICTIONS or AT-FAULT ACCIDENTS “MAY” impose:

– Restrictions

– Suspension

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BACKGROUND

**SGI's
Approach
To
Mitigating
Consequences
of
High-Risk
Drivers
????**

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2014 Rate Action Counter Proposal

General Rate Increase on ALL Vehicle Premiums

- Regardless of long-term Safe Driving Record

Targeted Rate Increase on Specific Vehicle Classes / Types

- Regardless of long-term Safe Driving Record

Today:

Motorcycles

Taxis

Trailers

Tomorrow:

Who will be removed from the “shared risk” pool?

BACKGROUND

Instead
Of...

- Implement appropriate demerit fees on High-Risk Drivers “Licenses”
- Implement Stringent Suspension Policy on High-Risk Drivers “Licenses”
- Implement Stringent Criminal Charge Policy for High-Risk Drivers causing severe Injury and Death

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BACKGROUND

TAIS

Trends:

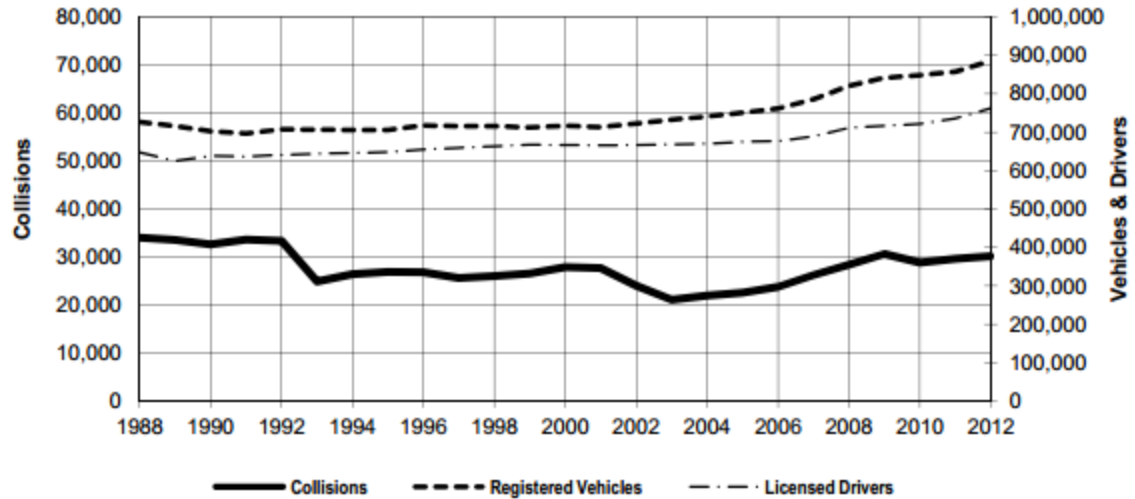
Licensed Drivers

Vehicle Registrations

Collisions

Trends in Licensed Drivers, Vehicle Registrations and Collisions

Figure 1.1



Three-Year Summary

	2010	2011	2012	% Change
Registered Vehicles	848,341	857,552	885,632	3.27
Licensed Drivers	721,809	735,634	762,100	3.60
Total Collisions	28,878	29,674	30,173	1.68

Continued General Rate Increases
have had no effect

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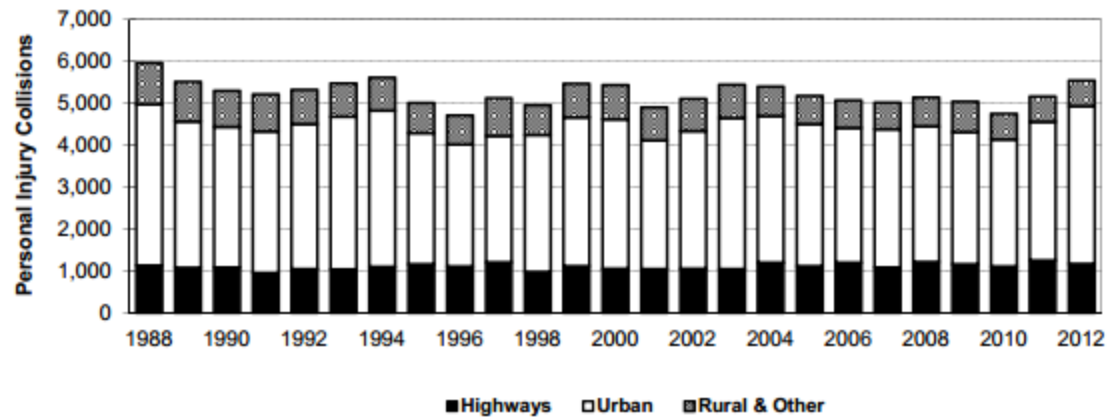
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BACKGROUND

Trends: Personal Injury Collisions

Trends in Personal Injury Collisions

Figure 1.6



Three-Year Summary by Road System

Personal Injury Collisions

	2010	2011	2012	% Change
Provincial Highways	1,114	1,254	1,172	-6.54
Urban Streets	3,035	3,314	3,766	13.64
Rural Roads	450	467	442	-5.35
Other Roads	159	131	168	28.24
Total Roads	4,758	5,166	5,548	7.39

...still no effect

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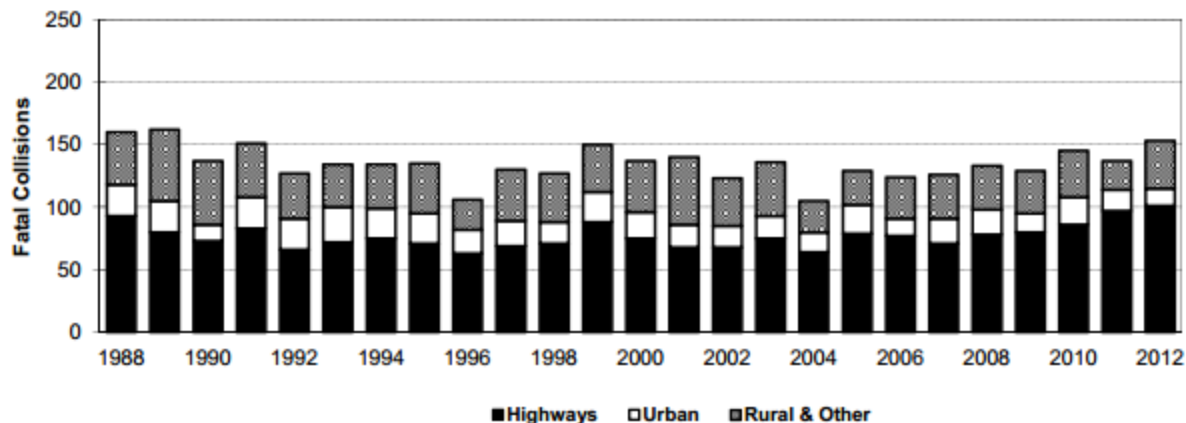
BACKGROUND

Trends:

Fatal
Collisions

Trends in Fatal Collisions

Figure 1.7



Three-Year Summary by Road System

	Fatal Collisions			
	2010	2011	2012	% Change
Provincial Highways	86	97	101	4.12
Urban Streets	22	17	14	-17.65
Rural Roads	25	18	28	55.56
Other Roads	12	5	10	100.00
Total Roads	145	137	153	11.68

...still no effect

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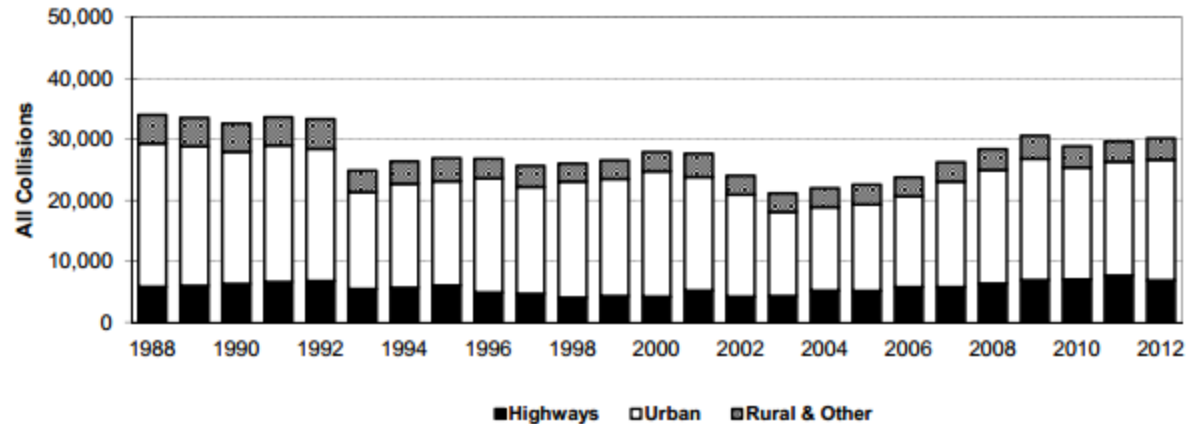
BACKGROUND

Trends:

All
Reported
Collisions

Trends in All Reported Collisions

Figure 1.8



Three-Year Summary by Road System

All Collisions

	2010	2011	2012	% Change
Provincial Highways	7,018	7,631	6850	-10.23
Urban Streets	18,415	18,722	19836	5.95
Rural Roads	2,580	2,375	2365	-0.42
Other Roads	865	944	1122	18.86
Total Roads	28,878	29,672	30,173	1.69

...still no effect

...notice any "trends"???

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BACKGROUND

Driver Factors:

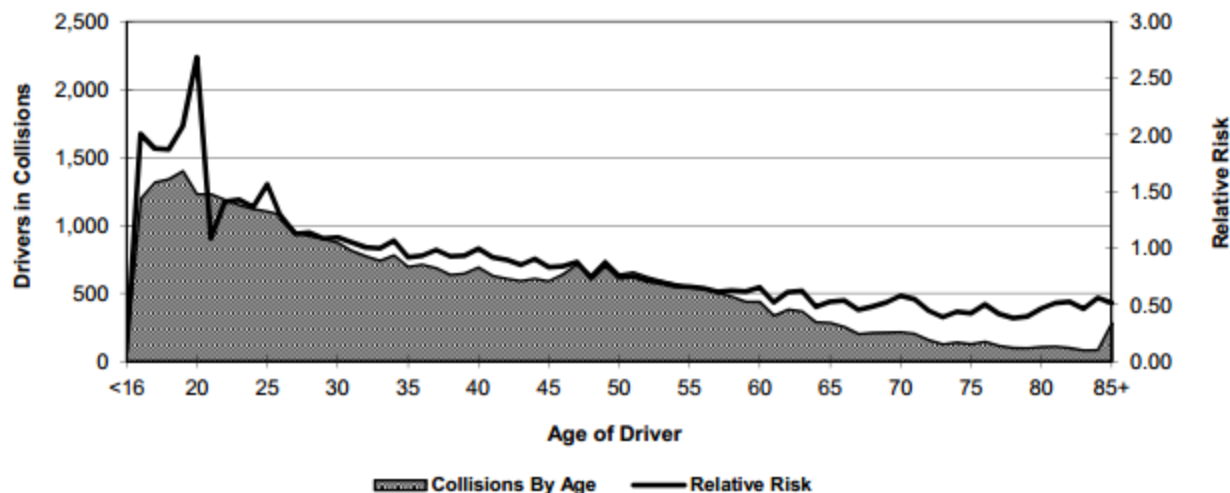
Drivers In Collision by Risk & Age

*The collision rate is the number of drivers in collisions divided by the number of licensed drivers in that age group multiplied by 1,000 (e.g., the 16 year age group - $(1,074/10,772) \times 1,000 = 99.7$).

**The relative risk of being involved in a collision is calculated by dividing the total collision rate for each age group by the average rate for all drivers (e.g., for the 16 year age group - $99.7/59.51 = 1.68$).

Drivers in Collisions and Relative Risk by Driver Age

Figure 5.1



...they have the tools

...they know the risks

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BACKGROUND

Driver Factors: Convictions

Convictions – 2007 to 2012

Table 5.11

Offence	2007	2008	2009	2010	2011	2012	Avg/yr
Exceed Speed Limit	54,747	59,592	58,680	59,694	62,008	71,599	61,053
Driver Fail to Wear Seatbelt	8,477	8,843	7,324	6,734	7,744	6,550	7,612
Disobey Red Light (Camera)	4,114	6,369	7,505	8,594	7,166	7,492	6,873
Fail to Stop or Proceed Before Safe	5,608	6,687	6,862	6,125	5,773	6,198	6,209
Inappropriate or No Licence	4,871	6,278	6,769	6,527	6,121	5,399	5,994
Drive Unregistered Vehicle	3,639	4,120	4,802	5,441	6,442	7,658	5,350
Exceed Speed Limit in School Zone	1,804	2,245	2,305	2,753	2,400	4,057	2,594
Without Due Care or Reasonable Consideration	1,953	2,044	2,187	2,084	2,195	2,537	2,167
Disobey Red Light	1,456	2,105	1,854	1,837	1,720	1,974	1,824
Drive While Licence Suspended or Cancelled, or Refused Issue	1,546	1,589	1,654	1,719	1,891	2,032	1,739
Using Electronic Communication Equipment While Driving	-	-	-	1,681	3,612	4,127	1,570
Disobey Licence Endorsement or Restriction	986	1,212	1,798	1,770	1,635	1,852	1,542
Proceed Contrary to Signage	403	557	901	1,137	1,335	853	864
Fail to Report Accident	489	827	802	826	841	945	788
Turn Left Across Traffic	666	727	795	832	786	908	786
Exceed a Safe, Reasonable Speed	621	706	867	719	746	642	717
U-Turn at Traffic Lights	608	741	585	752	699	895	713
Drive While Passenger Unrestrained	642	798	750	676	718	637	704
Stunting	734	796	737	620	634	596	686
Disobey Traffic Control Device	784	748	812	638	546	532	677
Follow Too Closely	522	599	568	592	623	589	582
Exceed Speed Limit by More Than 50 km/h	482	538	595	484	496	695	548
Fail to Produce Licence or Registration	497	569	422	402	494	700	514
Weight/Dimension Permit Violation	114	321	315	862	462	906	497
Unauthorized Use of Registration or Licence Plate	320	417	520	576	496	570	483
Fail to Yield or Proceed Before Safe	426	432	407	420	403	413	417
Disobey Amber Light	345	348	344	348	366	497	375
Drive While Disqualified (TSA)	-	1	4	604	633	752	332
Exceed 60 km/h When Passing Emergency Vehicle	308	199	247	291	347	432	304
Improper Turn	254	229	287	285	315	373	291
Total	101,529	115,127	116,312	121,630	125,557	140,024	120,030

Average Yearly Convictions = 120,030
...and continues to grow

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BACKGROUND

Driver Factors: Collisions

Total Collisions by Month and Year

Table 1.4

Month	2007	2008	2009	2010	2011	Average	2012	% Change
						2009-2011		from 3yr Avg
January	2,602	2,604	3,524	2,615	3,449	3,196	2,723	-14.8
February	2,213	2,530	2,251	2,072	2,743	2,355	1,855	-21.2
March	2,223	1,859	2,520	1,934	2,785	2,413	2,287	-5.2
April	1,471	1,756	1,859	1,778	1,815	1,817	1,736	-4.5
May	1,669	1,759	2,021	1,970	1,817	1,936	2,022	4.4
June	1,996	2,099	2,249	2,346	2,249	2,281	2,264	-0.8
July	1,957	2,218	2,256	2,270	2,096	2,207	2,401	8.8
August	1,935	2,248	2,257	2,106	1,961	2,108	2,306	9.4
September	1,958	2,108	2,239	2,305	2,041	2,195	2,322	5.8
October	2,218	2,533	2,735	2,830	2,507	2,691	2,774	3.1
November	3,045	3,039	2,985	3,039	3,543	3,189	3,879	21.6
December	2,939	3,645	3,719	3,069	2,825	3,204	3,604	12.5
Totals	26,226	28,398	30,615	28,334	29,831	29,593	30,173	2.0

Avg/Yr Est 50% At-Fault = 14,646

...anybody else notice any trends?

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BACKGROUND

Driver Factors:

Criminal Code Convictions

Criminal Code Convictions – 2007 to 2012

Table 5.12

	2007	2008	2009	2010	2011	2012	Avg/yr
Over 80 mg Alcohol	2,757	2,831	3,042	2,864	2,849	3,205	2,925
Drive While Disqualified (TSA)	948	1,056	901	750	731	854	873
Impaired Driving	713	928	871	899	902	768	847
Drive While Disqualified (CC)	545	607	594	594	601	630	595
Fail to Comply With Demand	163	171	183	196	181	190	181
Dangerous Driving	131	167	136	127	135	152	141
Leave Scene of Accident	81	112	95	76	60	66	82
Flight	82	84	80	64	67	95	79
Impaired Driving (injury)	36	50	32	29	25	20	32
Dangerous Driving (injury)	18	27	22	21	15	14	20
Over 80 mg Alcohol (injury)	0	0	9	12	17	21	10
Impaired Driving (death)	12	7	6	8	3	4	7
Dangerous Driving (death)	7	6	2	10	5	4	6
Leave Scene of Accident (injury)	0	0	2	1	4	6	2
Criminal Negligence (injury)	2	5	0	0	0	0	1
Over 80 mg Alcohol (death)	0	0	0	0	4	3	1
Fail To Stop For Police Officer	5	0	1	0	0	0	1
Leave Scene of Accident (death)	0	0	1	1	1	3	1
Criminal Negligence (death)	1	0	1	2	0	0	1
Flight (death)	0	0	1	1	1	0	1
Flight (injury)	0	1	0	0	0	2	1
Dangerous Driving While Street Racing	0	0	0	0	0	1	0
Manslaughter	0	0	0	1	0	0	0
Total	5,501	6,052	5,979	5,655	5,601	6,038	5,804

Avg/Yr Criminal Convictions = 5,804

...when does this become negligence?

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2014

**R.A.G.E.
Rebuttal
Proposal**

- Hold “High-Risk” Drivers fiscally responsible
- Cease “General Rate Increase Tactics” to Cross-subsidize High-Risk Drivers
- Place Financial Demerits on High-Risk Drivers License
- Impose Financial Demerits on Drivers License for minimum three-year period
- Increase existing Minimum demerit rates from \$25 to \$250

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2014

**R.A.G.E.
Rebuttal
Proposal**

- Implement more stringent license Suspension policy
- Implement Demerit Policy to include duration of Suspension
- Renew and enhance Driving Criminal Code Policy
- Migrate Personal Insurance to Drivers License

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STOP THE TRENDS!!!

BACKGROUND

**Other
Provinces**

**High Risk
Driver
Treatment**

British Columbia:

- On Driver's License for 3 years (rated in 3 year window)
- Average infraction = \$320 per infraction/year
- Maximum \$24,000

Manitoba:

- On Driver's License for 3 years – rated yearly
- At-Fault Accident premium = \$320 per infraction
- Infraction (speeding) = \$120 - \$900

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2014 R.A.G.E. Rebuttal Proposal

Incidents and Convictions of High-Risk Drivers

Convictions – 2007 to 2012

Table 5.11

Offence	2007	2008	2009	2010	2011	2012	Avg/yr
Total	101,529	115,127	116,312	121,630	125,557	140,024	120,030

Average Yearly Convictions = 120,030

Criminal Code Convictions – 2007 to 2012

Table 5.12

	2007	2008	2009	2010	2011	2012	Avg/yr
Total	5,501	6,052	5,979	5,655	5,601	6,038	5,804

Avg/Yr Criminal Convictions = 5,804

Total Collisions by Month and Year

Table 1.4

Month	2007	2008	2009	2010	2011	Average 2009-2011	2012	% Change from 3yr Avg
Totals	26,226	28,398	30,615	28,334	29,831	29,593	30,173	2.0

Avg/Yr Est 50% At-Fault = 14,646

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High-Risk Behaviour Revenue Stream

Demerit Fee:	2010	2011	2012
Convictions	121,630	125,557	140,024
\$250 per Incident	\$30,407,500.00	\$31,389,250.00	\$35,006,000.00
Collisions - 50% At-Fault	14,167	14,915	15,806
\$500 per Incident	\$7,083,500.00	\$7,457,500.00	\$7,543,000.00
Criminal Code	5655	5601	6038
\$1000 per Incident	\$5,655,000.00	\$5,601,000.00	\$6,038,000.00

1 year	\$43,146,000.00	\$44,447,750.00	\$48,587,000.00
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x 3 years	\$129,438,000.00	\$133,343,250.00	\$145,761,000.00
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Convictions = \$250 per incident x 3 years

Collisions (At-Fault) = \$500 per incident x 3 years

Criminal code = \$100 per incident x 3 years

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**2014
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Rebuttal
Proposal**

**Appropriate
High-Risk
Driver
Revenue
Stream**

3 year “cumulative” revenue...
if “High-Risk” demerit fees
are held in place for
3 consecutive years
before any reduction:

\$408,542,250

(assessed on Driver’s License NOT Vehicle Plates)

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**2014
R.A.G.E.
Rebuttal
Proposal**

Recommendations

**Strong Public Policy should “Shape”
Public Behavior:**

- Reduces “High-Risk” Drivers Behavior
- Targets Revenue requirement for accidents, injury and death appropriately
- Eliminates “Chronic” High-Risk Drivers
- Enhances Vehicular Safety
- Reduces Human and Vehicular costs associated with High-Risk Drivers behavior

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2014 R.A.G.E. Rebuttal Proposal

Recommendations

- Reduces the requirement for General Rate increases Year after Year
- Personal Insurance Premiums paid by All Drivers 1x
- A-La-Carte Insurance allows those not eligible for wage replacement coverage to “opt out”
- Adheres to Philosophy of the Auto Fund
- Strong Public Support

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**2014
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Rebuttal
Proposal

Conclusion**

**That the SRRP
Reject
SGI 2014 Auto Fund
Rate Application**

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**Riders Against Government Exploitation
2014 Rate Action Counter Proposal**

**2014
R.A.G.E.
Rebuttal
Proposal
Conclusion**

**That the SRRP Recommend (not
“suggest”):**

- Changes to get back to the Philosophy of the Auto Fund - all drivers are treated equally unless their driving record shows they are a greater risk for causing a collision
- Roll our Rates back to pre-2012 with NO Rate Increases to Motorcycles UNTIL the results of the implemented changes are known! Mr. Cartmell himself has stated there will be a 20% reduction in accident and injury claims as a result.
- All PERSONAL Insurance to be paid for 1x based on personal driving records and vehicles driven

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Thank You
on behalf of the
Saskatchewan Motorcycle
Community