

April 9, 2013 Regina Public Meeting

Re: Proposal for Rate Changes Saskatchewan Auto Fund Specifically: Class PT – Taxis Regina/Saskatoon

Panel Members;

Thank you for the opportunity I'm Sandy Archibald the Operations Manager with Regina Cabs/Premiere Taxi. We are the largest fleet in the city with taxis that are operated by owner-operators and independent contracted operators. We in the PT Urban Taxi class and are facing a 16% increase just after we received a 15% increase last year.

We appreciate that there will be a cap to prevent rate shock but this is still a very significant increase.

As well we are dismayed at the thought of still another rate increase from SGI. Currently, some in our industry could be charged significant additional premiums as high as 200% annually under the Business Recognition Program. (BR) The maximum discount is 10% yet the maximum surcharge is 200%.

Right now under BR, the insurance portion of a PT taxi class renewal registered in a corporate name could increase annually from \$3432.00 to \$10,296.00 @ the maximum of 200% in the worst case. This is a crippling amount.

Panel members have heard our request for a review of the Business Recognition Program before. Our industry doesn't fit this program. Industry members have met many times with S G I representatives to discuss BR. We've heard tonight that the BR is now under review and we look forward to a thorough review and want to offer our input in order to effect real change to this program for our industry.

We appreciate our past meetings with SGI personnel but nothing has changed. **We believe this Panel has the insight and ability to direct SGI to take action and undertake a meaningful review of the BRP.** We have suggested that our industry be taken out of BR or perhaps each PIC number is allowed to make the decision to opt in or opt out of BR on a predictable schedule.

The penalty part of the BR applies to taxis that are registered to corporations. The problem is corporations don't drive the vehicles, individuals do. Applying an additional premium surcharge to the corporation cannot affect the past or future driver record of an individual. Typically taxi drivers are contracted operators and not employees. It is not the traditional relationship like a direct employee who drives a store's delivery truck for example.

At our meeting with SGI representatives in January, the industry unanimously suggested that **SGI should take stronger steps against the drivers who are involved in the accident with stiffer penalties.** Therefore we make the individual responsible for his/her actions. A driver could have a poor accident record and not be authorized to drive on our fleet yet make join another taxi fleet or move to Saskatoon and drive a taxi and have more convictions and get into more accidents and have an impact on the taxi owner's claims history – triggering a surcharge under BR or adding to the accident claims of urban taxis.

As the SGI Handbook stated: *The operation of a taxi is unique. The driver is constantly exposed to the risk of collision. Taxis operate 24 hours a day in high traffic density. The average number of kilometers traveled by a taxi driver in one year is nearly 4 times that of drivers of passenger cars.*

It will always be difficult to recover claims costs paid out in our class because the PT class is a very small class to begin with less than 600 vehicles in the entire province - and now within that class not all the registered owners are being treated the same. SGI wants to achieve Fairness in Rating and set premiums based on claims

loss experience by rate class but that is not the circumstance with PT taxi class. Corporations are being held to a different standard and being penalized while individual personal owners in the same class are not. This is patently unfair.

We continue our comprehensive driver-screening program that includes reviewing the driver's abstract for driving convictions and accident claims at a minimum of once a year. If the driver's abstract demonstrates a history of convictions and accidents the driver is not approved to drive on our fleet. In addition if there is an existing approved driver on the fleet who has been in an at-fault accident or has accumulated convictions during the prior year, his current driver abstract is reviewed and that driver may have to complete the Saskatchewan Safety Council Defensive Driving course or in some cases, he may no longer be approved to drive a taxi on the fleet.

But, those drivers can and do go elsewhere in the city and province and get approved by an individual owner in the PT Taxi class and drive that taxi because there is no monetary consequence to the owner if that driver has another accident on the individual's taxi license because the surcharge under BR does not apply. SGI has chosen not to discourage the individuals who have accumulated poor accident histories.

Another recommendation the industry made in the January meeting was for SGI to develop **driver training material** – perhaps some of the current advertising budget could be directed toward training material with a focus on winter driving conditions for our industry and other industries too.

We continue to distribute written information to new drivers regarding safe driving and winter driving. We also encourage mentoring among experienced drivers and new drivers who have moved to Saskatchewan from other jurisdictions.

We would again encourage S G I who has the driver's traffic convictions and accident claims history data in real time, to **'tag'**

class 4 driver's licenses to identify them as 'taxi drivers'. SGI can monitor the data and when that driver accumulates a defined number of convictions and/or a threshold dollar value amount in accidents claims, SGI takes action – meeting – training – additional surcharges etc. to encourage the driver to improve his driving performance. SGI has the real time information and the industry would be pleased to work with them to develop a reasonable approach. This would help to place the responsibility with the driver in a time period closer to 'real time' rather than well after the fact when the taxi fleet management is able to get the complete information.

Tonight, we ask this panel not to approve any increase regarding PT Urban Taxi class until SGI reviews the Business Recognition Program. We stress the need for fairness within our own class and consideration for the public service that taxis supply, which we know is difficult to quantify.

We heard the words 'high exposure' and taxis do have high exposure. Taxis are on the road 24 hours a day, 7 days a week 365 days a year - that is much more than an average driver, and the average member of the public depends on the taxi being there when their vehicle won't start or the weather is inclement and they may not wish to drive.

We provide an affordable service to people who don't own vehicles, the Senior who has decided the time has come to stop driving, the non ambulatory person who may be unable to drive and the impaired person who society does not want driving.

We supply a necessary, vital and affordable service to the public who otherwise may have no alternative. It is difficult to quantify the effect of an accident that didn't happen because an impaired person took a taxi home or a person with slower reaction time chose to call a cab. However, it is vital to factor this into the overall premium rate that is applied to our PT Taxi class to ensure the continued viability of this vital public service that does not receive any public funding.

The solution for SGI and the taxi industry is not a rate increase. The real solution is for SGI to review BR for fairness and for the option to opt out of Business Recognition, as our small class just doesn't fit into this program.

As well, the industry welcomes the opportunity to continue to work constructively with SGI in screening, evaluating and educating individual drivers to meet the common goals of reducing claims and increasing safe driving in Saskatchewan.

Thank you very much for your time.

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