

Saskatchewan Rate Review Panel:

SGI's Application for
Rate Increases for Motorcycles

Analysis of Public Comments

April 2013

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Introduction

On February 15, 2013 SGI and the Saskatchewan Auto Fund presented an application to the Saskatchewan Rate Review Panel that included rate changes for motorcycles. The proposed motorcycle rates were controversial.

This document reports on an analysis by HJ Linnen Associates of overarching themes in public comments that were received between February 15 and May 29, 2013.

Comments included in this report were gathered from various sources, including e-mail, the SRRP website, facebook, Twitter, by letter and through voice mail.

Not included in the analysis are a petition and formal panel submissions. A total of 3,876 individuals signed the "Petition Against the SGI Proposed Motorcycle Rate Increase" indicating disagreement with the proposed rate changes, but the petition did not state reasons for opposition. There were ten formal submissions to the SRRP.

It is important to note that individuals could submit comments through multiple channels. For example, one individual could have submitted a comment online and through facebook or Twitter as well as signing the petition. The total numbers outlined below represent the total number of comments received, and not necessarily the total number of individuals who commented.

Methodology

A total of 2,372 comments were received through e-mail, the website, facebook, Twitter, by letter and through voicemail. Of these, 2,178 comments were received between February 15 and March 14, 2013, when an amended application was submitted. A total of 187 were received between March 14, and May 29, 2013. Seven written comments were not dated.

Comments were manually coded for quantitative analysis according to major content themes, as follows:

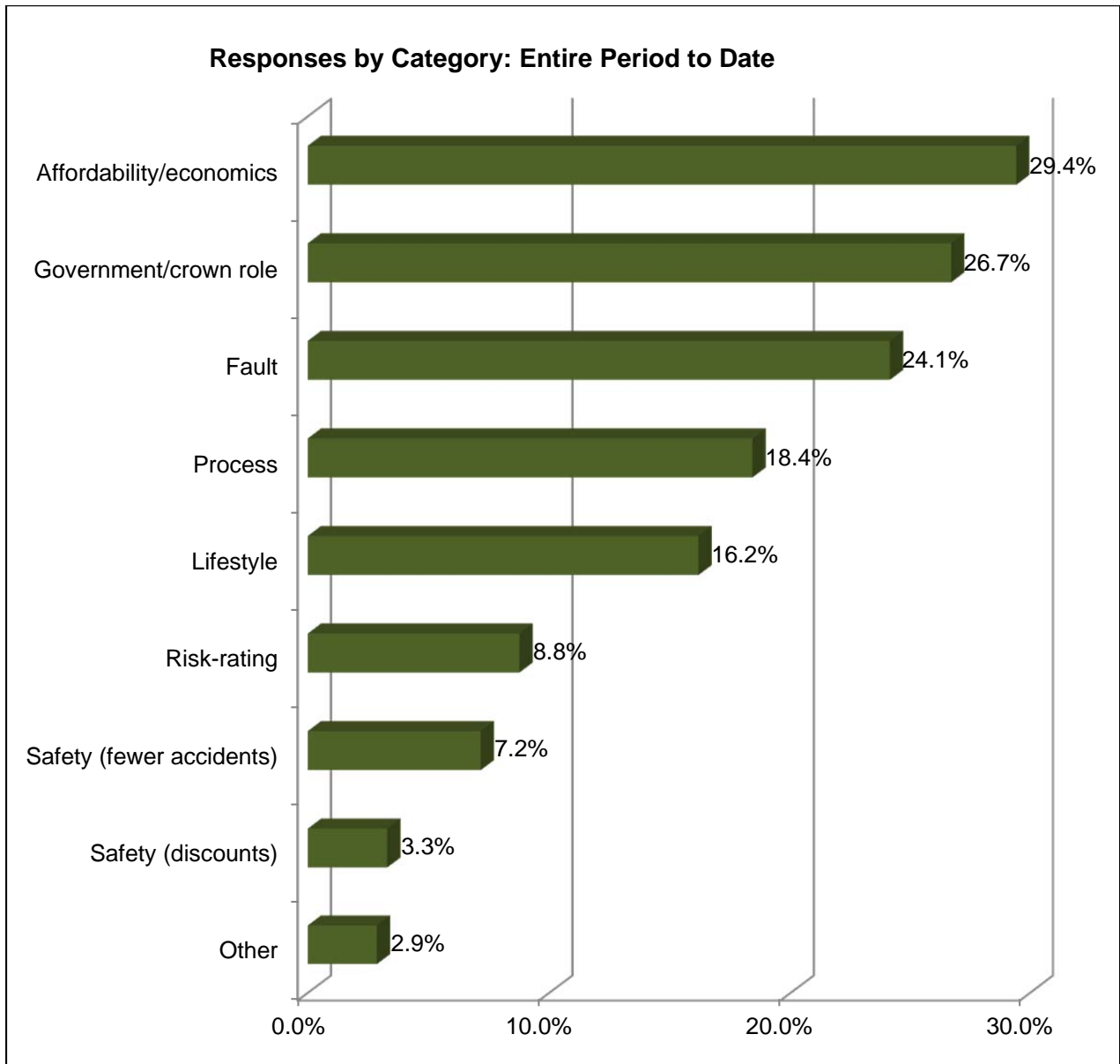
THEME	EXAMPLE
Affordability/economics	I just can't afford these new rates.
Risk-rating	You should experience-rate bad riders.
Safety (discounts)	You should discount for safety equipment.
Lifestyle	Riding is a way of life for me.
Fault	Car drivers often cause the accident.
Safety (fewer accidents)	More safety courses would reduce accidents.
Process	There has not been enough consultation.
Government/crown role	We would get better rates from the private sector.
Other	~ For miscellaneous comments. ~

The coder's guide is included as an appendix to this document. Since multiple themes were possible in each comment, percentages reported will not necessarily total 100%.

Comment content is analyzed in two ways in the following charts:

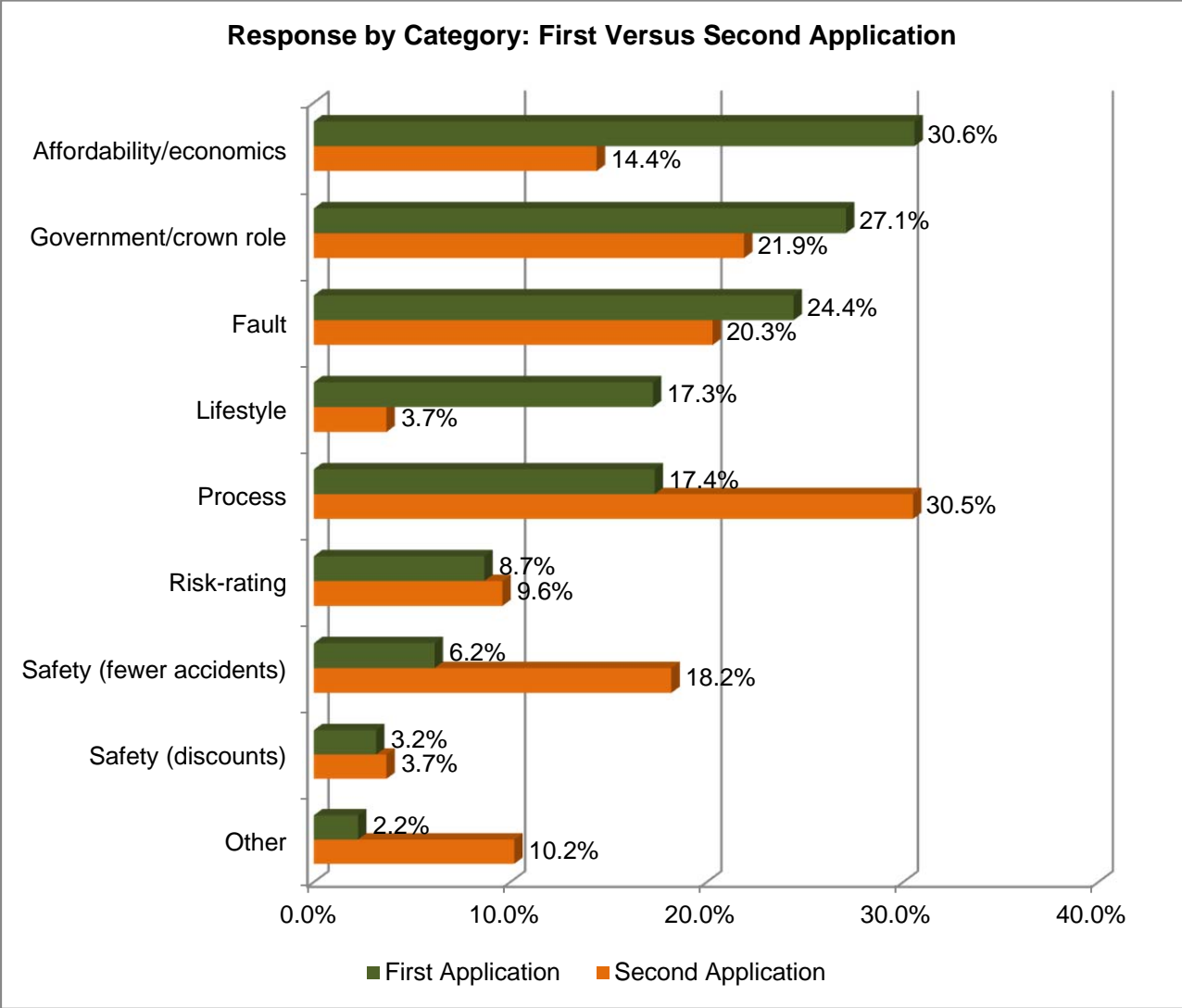
- first, for all comments received; and
- second, for comments received before and after the amendment on March 14.

All Comments – Entire Period



Number of comments analyzed: 2,372.

Before and After Second Application



Number of comments analyzed:

- Original application – 2,178.
- Amended application – 187.

Conclusions

All comments

Looking at **all 2,372 comments** received by May 29, 2013, the **following issues** stand out:

- **Affordability:** The most frequent comments concerned personal affordability and the economic impact of the proposed changes.
- **Government role:** The next most common view was a suspicion that government and SGI's role in motorcycle insurance was a factor in the need for rate increases.
- **Fault:** The third most common view was that the SGI proposal misplaced the blame or fault for motorcycle accidents and claims.

Post-amendment

The smaller number (187) of the comments received **after announcement of an amended application** on March 14, 2013, **differed in several ways:**

- **Pace of comment:** The pace of comment *declined* from an average of over 500 per week before the amendment, to about 30 per week afterwards.
- **Role of government and fault:** Concerns about the role of government and SGI and about misplaced fault were *still frequently expressed*.
- **Process:** Concerns about the rate proposal and rate review process became *more prominent*.
- **Safety measures:** The notion of reducing motorcycle accidents and claims through safety measures became *more prominent*.
- **Affordability and lifestyle:** Concerns about affordability and the role of motorcycles in lifestyle *declined in frequency*.

It should be noted that the post-amendment group represents only 7.9% of the total comments received. Although a change in pace and tone of comments is evident following the amendment, we do not know if this was a result of the amendment, or if public ardour had simply been spent by the March 14 amendment date. Caution is therefore advised in interpreting these changes.

Appendix: Coders' Guide

DESCRIPTOR	EXAMPLE COMMENTS
Affordability/economics	<ul style="list-style-type: none"> • I just can't afford these rates. • I will drive my car/truck instead. • My insurance would be more than the value of my motorcycle. • You are encouraging uninsured riders. • You will take our motorcycles off the road. • Our motorcycles would be worthless junk. • Motorcycles and riders have positive economic impacts. • My motorcycle uses less gas, it's better for the environment.
Risk-rating	<ul style="list-style-type: none"> • You should rate premiums by the type of motorcycle. • You should experience-rate riders. • You should charge younger riders more. • You should limit what you will pay for and how much in injury claims. • You should refuse claims if riders are irresponsible or not properly dressed or equipped.
Safety – discounts	<ul style="list-style-type: none"> • You should discount for safety equipment or safety courses.
Lifestyle	<ul style="list-style-type: none"> • Riding is a way of life for me; I have a right to my motorcycle. • Motorcycles are part of our prairie culture. • You just hate motorcycles and motorcyclists. • Motorcycles save on mental health costs. • Motorcycle clubs raise money for charity. • This is discrimination, you are dictators, gangsters. • You are treating us all like we were criminals, members of biker gangs. • Other people should subsidize me, it's the Saskatchewan way. • Leave us motorcycle riders alone.
Fault	<ul style="list-style-type: none"> • I've ridden for 20 years with no accidents or claims. • Not all riders cause accidents or ride wildly. • Accidents can be the car driver's fault. • Take the bad riders off the road. • When a car hits a bike, the bike and rider pay the price. • You wouldn't need this if you had better licensing rules. • You should enforce the traffic laws better. • You should stop rip-off claims, do better adjustments. • You are punishing us all because of an irresponsible minority.
Safety – fewer accidents	<ul style="list-style-type: none"> • Better safety equipment and safety courses would reduce accidents.
Process	<ul style="list-style-type: none"> • You have just sprung this on us. • There hasn't been enough consultation. • You have not explained why you need this. • I just bought a new bike and you spring this on us? • There is no justification for such outrageous rate increases. • The people at SGI are incompetent, they are idiots for proposing this. • Why can't SGI do its homework before proposing this? • You should look at how they do this elsewhere first.
Government/crown role	<ul style="list-style-type: none"> • We'd get better rates if we privatized SGI. • This proposal undermines SGI's credibility as a public insurer. • SGI's mandate is supposed to be reasonable rates. • Give us private options for motorcycle insurance. • There should be competition in the insurance market. • The government monopoly is why we're in this situation. • Choice and competition means lower rates in Manitoba, Alberta.
Other	