

THE SASKATCHEWAN RATE REVIEW PANEL

Transcript of Proceedings

of

A PUBLIC MEETING

held by the

Saskatchewan Rate Review Panel

at the Delta at

Regina, Saskatchewan

on Tuesday, April 9, 2013

SASKATCHEWAN RATE REVIEW PANEL MEMBERS:

Kathy Weber	- Chairperson
Bill Barzeele	- Vice-Chairperson
Daryl Hasein	- Member
Burl Adams	- Member
Lyle Walsh	- Member
Delaine Barber	- Member
Steve Kemp	- Member

SGI REPRESENTATIVES:

Andrew Cartmell	- President and CEO
Don Thompson	- Vice-President Product Management
Chris McCulloch	- Pricing and Reserving Manager for Auto Fund
Jeff Stepan	- CFO
Dr. Kwei Quaye	- AVP Traffic Safety Services
Shaina Jackson, CSR	- Official Queen's Bench Court Reporter

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(COMMENCED AT 7:34 P.M.)

THE CHAIRPERSON: Good evening, everyone.

Thank you for joining us on this wonderful, warm spring day in Saskatchewan. The purpose of tonight's meeting -- and for those of you that are still standing, I do want to let you know that there are a few chairs being brought in for you as well.

So the purpose of tonight's meeting is to review the application and to hear presentations regarding SGI auto fund rate application. Your participation in the Saskatchewan Rate Review Panel's process is critical.

I'm pleased to advise you that tonight all seven members of the Saskatchewan Rate Review Panel are in attendance. The panel members represent a geographic cross-section of this province, so you may know some of them. Seated next to me is our Vice-Chair Bill Barzeele from Little Bear Lake. In the audience are Daryl Hasein from Biggar, so please give a wave. Burl Adams from Kelvington; Lyle Walsh from Yorkton; Delaine Barber from Weyburn; and

Steve Kemp from Regina. We also have in attendance the panel's administrator, Karina Seidle from Saskatoon. I think you all met Karina. And I am Kathy Weber, and I am the Chair of the Saskatchewan Rate Review Panel, and I'm from Saskatoon.

The panel's mandate is to review the rate application before us and provide a report to the government of Saskatchewan that balances the best interests of SGI, its customers, and the public. During the review process, the panel engages external expert consultants to provide a professional technical overview of each application and an independent report.

To preserve its impartiality, the panel endeavors to use independent industry consultants from outside Saskatchewan. For the purpose of this review, the panel has engaged the services of two consultants who are also present with us this evening. They are seated over here, Brian Pelly from Toronto and Myron Kostelnyk from Winnipeg.

I would also like to

introduce -- we have a representative from Royal Reporting. She will be taking a verbatim transcript of our meeting this evening. That transcript will be made available on our website should you wish to read through it.

Also participating in tonight's meeting are representatives from SGI, and I will introduce them a little later in the meeting.

I would like to speak briefly about the public consultation process that the panel goes through during each review. One of the highest priorities for the panel during the rate review process is to provide a voice to the public.

In addition to a meeting such as this one and the one we'll be holding in Saskatoon on April 22nd, the panel hears directly from the people of this province through e-mail, mail, and by phone. Recently the panel has also added Facebook and Twitter to the methods we use to communicate with the citizens of the province.

Your participation and

feedback at meetings such as this are integral to our review process. You can be confident that the members of the panel are listening to you. The members of this panel take their responsibility to you very, very seriously. The panel is also attempting, as much as possible, to be as open as possible during the review process.

If you wish to check our website, it's saskratereview.ca. You will find copies of both of the applications we have received from SGI during this review process, plus any additional information that we receive, including the various types of correspondence we have received.

I would now like to review the process that we'll be following this evening. First, I will introduce representatives from SGI who will make a presentation on their application. I will then call upon individuals who have identified themselves as wishing to make a presentation to the panel, and then that will be followed by anyone who just wishes to ask questions or make a general statement.

We would request, if possible, that people try and restrict their comments to about five minutes because we do have a number of presenters this evening.

I would ask that anyone who is wishing to make a presentation or ask a question to please come to the podium at the front and centre -- front centre. And in order to assist our court reporter, I would ask that you identify yourself and please spell your name. Also, if you're representing an organization, it would be much appreciated if you would indicate which organization you are representing.

We would also request that you speak into the microphone to ensure that we can hear you and also so that your comments are recorded for the benefit of our transcript of tonight's proceedings.

I'm very pleased that this evening the president and CEO of SGI was able to attend this meeting. He will be making a presentation together with Don Thompson, who is the vice-president of product management, and they will be ably assisted by other

members from SGI in their areas of expertise.

So I would now ask that you now welcome Andrew Cartmell, president of SGI, to begin the presentation.

MR. CARTMELL: Thank you, Kathy, and good evening everyone. Before I begin, I would like to introduce the remainder of my colleagues up here. On my immediate left we have Chris McCulloch. He's our pricing and reserving manager for the auto fund. Beside him is Don Thompson, our vice-president of product management. Beside him is Jeff Stepan, our chief financial officer, and on the end is Dr. Kwei Quaye, our assistant vice-president of traffic safety services for auto fund.

So the presentation this evening, I'll start out and do a brief overview of the auto fund. It will then be followed much more in depth by Don Thompson who will cover off the financial and auto fund rating program that we're proposing this evening.

So at a high level, the rate proposal before the Saskatchewan Rate Review

Panel is a revenue increase of 2.27 percent. It includes rebalancing and is effective August the 31st, 2013, for 12 months.

The program itself involves rebalancing, which means each driver or each registered vehicle will not see exactly 2.27 percent. In fact, about 63 percent of Saskatchewan vehicles will see an increase of approximately \$35. There will be decreases to about 35 percent of Saskatchewan vehicles in the range of an average of \$21, and about 14,000 vehicles won't see any premium change at all.

The 2.27 percent is actually made up of two components. The first component is a 1.03 percent overall rate increase. This increase is required to make sure that we are collecting enough money in the auto fund to meet our commitments to the drivers and the people of Saskatchewan. Due to rate rebalancing, again, some rates will go up, some will go down, and some will stay the same.

In addition to that, we require a 1.23 percent rate stabilization

reserve surcharge. This surcharge is required to bring our rate stabilization reserves to the minimum levels required over the next three years. Our proposal suggests or requests that the 1.23-percent surcharge be effective for the next three years.

The surcharge is applied equally to everyone's rebalanced rate, so everyone in the province, every vehicle in the province, will share equally in that 1.23-percent surcharge.

Don Thompson will go into much more detail with respect to the overall increase, the surcharge, and the individual impacts on different drivers and vehicle types in the province.

I'd like to do a brief overview of the auto fund. This slide shows the corporate structure of SGI. We actually run two businesses on behalf of the province. First of all, we are the administrator for the auto fund on behalf of the Government of Saskatchewan. That's the monopoly auto insurance program that everyone in the province participates in in terms of

registering their vehicles, driver licencing, training, plates, plate insurance.

The other business we run is SGI Canada, it's a competitive property/casualty insurance company that operates in Saskatchewan, Alberta, Ontario, Manitoba, and the maritime provinces, and it competes against the private sector on things such as the automobile extension product here in Saskatchewan, home, commercial insurance, and agri insurance as well.

To give you a brief overview of the size of the auto fund, there's over 1.1 million vehicle registrations in Saskatchewan. It increased 80,000 from 2011 to 2012.

There are 762,000 licenced drivers in the province, and that increased 26,000 from 2011 to 2012.

Each year, we get approximately 100,000 vehicle damage claims and approximately 5,500 injury claims.

The mandate of the Saskatchewan auto fund is really two things. First of all, it operates as a public fund for Saskatchewan motorists. It does not pay a

dividend to the province, nor does it receive funds from government in order to operate.

That, essentially, means it is self-sustaining, and we try to operate the auto fund on a break-even basis over time.

The auto fund then, therefore, needs to collect enough revenue through premiums. It needs to have a prudent investment strategy to supplement the premiums that we collect. It needs to manage its expenses wisely in order to make the claims commitments to those people injured or property damaged as a result of auto accidents in the province.

There are three main operating philosophies of the auto fund, and I'll take a little bit of time to go through these three. First of all, provide basic auto insurance that's universal and fair.

So universal means that every Saskatchewan driver has access to insurance. And, secondly, we try to be fair. And what does fair mean in an insurance context? So insurance is, by definition, a pooling mechanism. The premiums of the many

pay for the losses of the few. Within that, fairness means that premiums charged should be reasonably representative of the risk each driver and each vehicle type represents, which leads to the second point, that we need to fairly rate vehicle classes based on their experience.

The key driver behind this is the loss experience of each vehicle class as identified by the number of claims and the cost of those claims. This principle is followed in virtually every jurisdiction in Canada and the United States.

For the most part, we have done, I believe, a pretty good job with fairness across the vehicle classes in Saskatchewan. There are, however, two exceptions to that. We do have a gap in terms of the premium collected and the -- and the claims charged for two classes of motor vehicles. The first is small city taxis, and the second is motorcycles.

Our third operating philosophy is to endeavor to keep rates in Saskatchewan as low as possible while

providing benefits to our customers that they are entitled to.

SGI does benchmark our rates against other jurisdictions, and, as an example, we do compare our rates, and we compare favourably to Manitoba, which is a province that has very similar geography to Saskatchewan and also has an auto insurance coverage system very similar to the one we have here.

In terms of the insurance coverage that we provide, it is defined by *The Automobile Insurance Act*, and here, in Saskatchewan, there is three areas of coverage. The first are personal injury benefits. With this particular coverage level, you have a choice of either no-fault benefits, or you can elect a tort product.

The secondary benefit is third-party liability. This really covers two other areas. First of all, it covers bodily injury that you would be legally liable for as a driver if you are at fault in an accident for someone else's damages, someone else's injuries over and above the no-fault benefits.

And, secondly, it also covers property damage if you're at fault in an accident and you damage someone else's property, third-party liability coverage is what you access to cover off that damage.

The third area of coverage is the physical damage to the vehicles themselves.

There are a number of current initiatives underway that are separate from the Saskatchewan Rate Review Panel hearing this evening, and I thought I would spend a couple of minutes just highlighting these for you because they are linked to what you will hear this evening.

The first two arose from last year's hearings that we held with respect to our rate filing. We heard last year that some changes were required or indicated by various individuals with respect to our safe driving recognition program and our business recognition program.

In addition to that, the provincial legislature set up a special committee on traffic safety. And, finally, we

have been directed by the provincial government for a motorcycle consultation review.

I'll go into these in a little bit of detail in the next couple of slides.

So the safe driving recognition program review is the first area. The SDR program rewards drivers with good records with a discount on their auto insurance. We do this for two reasons. We want to encourage safer driving habits amongst the drivers in Saskatchewan, and, secondly, it is demonstrating the principle of trying to match premium to the risk presented.

Currently, drivers can get up to a 20-percent discount, or they could be surcharged up to a penalty of \$2,500.

The public consultations that we held last fall indicated a number of areas of possible enhancement. First of all, there are a number of individuals who believe higher discounts are warranted. And, second, another area of opportunity we believe is that the Highway Traffic Board would like the

ability to vary the safety rating points that are assessed for no-fault accidents. Today it's either six points or zero points, and they believe there are some circumstances that might warrant point differentials in between.

So we're currently in the process of those consultations, and we hope to be making recommendations fairly soon.

In 2012, \$101 million of discounts were provided, and \$11 million of surcharges were also issued in terms of the safe driving recognition program in Saskatchewan.

The secondary review is the business recognition program. This is an identical program, but, instead, it's directed towards businesses. In this case, businesses that maintain safe driving records are rewarded with insurance discounts of up to 10 percent. We also have conducted a public consultation with respect to this, and some of the issues or ideas coming out of this particular program are issues such as treating companies and individuals equally, having a more -- a fairer balance in terms of the

discounts and surcharges of the program, and providing a timelier driver abstract information process for customers via our online service, which is MySGI.

In 2012, about \$8 million of discounts were provided to those businesses with safe driving records, and about \$2 million in surcharges were collected.

The next area of current initiative underway is the Legislative Assembly's special committee on traffic safety. Saskatchewan has a high accident frequency for fatalities relative to other provinces in Canada.

There are a number of reasons for this, but what's most disturbing for us, from the SGI perspective, is that recently we have noticed that experience in other provinces is improving with respect to the number of fatalities that they're experiencing, and we're not seeing those improvements in our province.

As a result, the province has decided to set up this special committee. They are going to look at some of the key

drivers that are -- some of the key drivers in terms of safety initiatives that -- that could and should make a significant difference in terms of both the injury rate and the fatality rate on Saskatchewan highways. They include impaired driving, distracted driving, excessive speed, intersection safety, wildlife collisions, and, finally, education and awareness.

The last area of initiatives has to do with motorcycles, which, I would suspect, is why many of you are here this evening.

So the current status of this initiative is that SGI did submit an original -- the original filing to the Saskatchewan Rate Review Panel proposing uncapped motorcycle rates.

The government subsequently directed SGI to put in a new submission with caps in, as consistent with the rest of our capping program in the rate proposal. That is the filing which is before the Saskatchewan Rate Review Panel today.

In addition to that, the

government directed us to undertake some motorcycle consultations with various stakeholders in the motorcycle community. We are in the process of doing that. There was a press release last week announcing the consultation. We're in the process of getting a number of interested parties to participate in that consultation. That consultation is separate from the rate review panel hearings that we're talking about this evening. It is our hope, however, that some meaningful dialogue and some meaningful solutions will result from that consultation, and it is our hope that a number of those solutions will be in place for the 2014 motorcycle riding season. I say that because it's highly unlikely that any of those recommendations will impact this season, simply because of the time required to both collect the information, make decisions, and make the necessary changes, particularly if they include regulatory or legislative changes.

In addition to that, we are undertaking an awareness campaign with this year's motorcycle season. It will be aimed

both at motorcycle riders themselves, as well as other drivers.

And, for reference, there are a number of safety initiatives that have been put in place in the last number of years. In particular, for motorcycles, in 2011, we introduced the motorcycle graduated driver licencing system. It is a three-year program. We are very hopeful that this program will reduce injuries and fatalities among new riders. Unfortunately, it's too soon to see if the program is working. We are committed to continuing to monitor the program, and we will do so.

If there are benefits from that particular program, they will show up in future rate filings that we submit to the Saskatchewan Rate Review Panel. Certainly there are a number of considerations we can look at with respect to that program. There's been a fair bit of research done, and it is our intention with the motorcycle consultation process to explore these issues that I have highlighted on the screen here, and they include things such as supervisory drivers,

limits or restrictions on engine size and power, zero blood alcohol content for new drivers, mandatory rider training, and, potentially, mandatory safety gear.

And just as another reference point with respect to rider training, when we proposed three years ago to introduce motorcycle graduated driver licencing, at the same time, we did have a proposal to introduce mandatory training along with the graduated driver's licencing. Unfortunately, at that time, we did not get sufficient support from stakeholders to move forward with the proposal nor were we able to get sufficient training capacity throughout the province in order to move forward with that particular program.

That's not to say we shouldn't try again, and, in fact, I do believe we should try again, but I do think it's important to note that several years ago we tried to impact motorcycle injury and fatality rates through a proactive program.

I know this has come up a fair bit as well. What are the drivers behind

the motorcycle increase? So this particular slide shows clearly that the number one issue with respect to the driving force behind motorcycle premium or claims costs are injury costs. The vast majority, almost -- a little over 73 percent of all claims dollars with respect to -- to at-fault motorcycle accidents are injury claims. So these statistics exclude those motorcycle accidents where the other driver is at fault. These are those incidents where the motorcyclist is at fault.

So within injury claims, what's causing the problem? This particular pie chart shows the various pieces that make up injury claims with respect to motorcycles. At the top there is one box which represents 6 percent which is entitled medical funding. That's the proportion of claims dollars or claims expenses that go to Saskatchewan Healthcare to pay for medical costs that are covered through the provincial healthcare program. So of the total costs, only 6 percent goes through and is funded by Saskatchewan Healthcare.

What this particular pie

chart shows is clearly the number one driver of injury claims costs are income replacement benefits at over 55 percent of total costs.

So those are, essentially, providing an injured motorcycle rider income replacement benefits while they're recovering from their particular accident.

The second largest cost, unfortunately, are death benefits at 15 percent.

Permanent impairment is at 8 percent.

Care benefits refers to long-term care. So in those unfortunate situations where the rider is significantly injured that they will require care benefits for the rest of their life, that makes up 5 percent of costs.

Medical expenses above funding at 11 percent. Those are physio, chiro, occupational therapy costs that are over and above what Saskatchewan Healthcare pays.

So that's the breakdown of costs and where claims dollars go with respect

to motorcycle injuries and fatalities.

Why are those costs so high? This particular slide shows the ratio of injury claims to collision claims. The blue bars, the lower ones which are in the range of 9 to 10 percent, basically show the ratio for all vehicles in Saskatchewan.

So, essentially, it says, in every ten accidents, one of them will involve injuries across all vehicle types in Saskatchewan.

When we look at motorcycle accidents, unfortunately, that one in ten rises to four in ten or 40 percent or four times higher.

In addition to that, the cost per injury claim, unfortunately, for motorcycle riders is significantly higher than for all vehicle types combined. The average injury claim in today's dollars, when a motorcyclist is injured, is in the neighbourhood of \$141,000. The same number for all vehicle types combined is \$29,600. So it's five times higher for motorcyclists. So, unfortunately, we're looking at claims

frequency costs that are four times higher and claims severity or average claims costs that are five times higher with respect to motorcyclists.

The last slide I have on motorcycles is the motorcycle review. This slide is intended to show you what is being reviewed in the consultation process that we're starting with in the next month or so.

We have been asked to review three main areas. First of all, is the current rating structure for motorcyclists appropriate? Secondly, what more can we do with respect to motorcycle safety programming? And, thirdly, are there other alternatives with respect to injury benefit levels, and are there some different approaches that we might look at that -- in terms of that in order to contain claims costs.

I would certainly encourage everyone who has an interest in this to provide your comments to the e-mail address up on the slide. It is our intention to work very closely with the consultation group, and we expect that, as a result of those

consultations, we'll ask for further comment from the public before providing recommendations to the provincial government in the early fall.

And now I'd like to pass on the remainder of our presentation to Don Thompson.

MR. THOMPSON: Okay. I'm going to start off by giving you a bit of a financial overview of where the auto fund has been the last few years and where it's sitting right now. So this first slide gives you a picture of our profit and loss in the auto fund the last four and three-quarter years. You can see in '08 and '09 we had losses in the \$40 million range, made that back in 2010, and then had a significant loss in 2011. Causes of that big loss were storms, a heavy storm season -- a really heavy storm season in 2011, reserve strengthening on claims reserves, and poor equity returns from investment markets.

So that significantly depleted our rate stabilization reserve, and I'm going to talk about that in a bit.

In 2012, we have our

third-quarter results here. We're reporting a small profit at the end of the third quarter.

The fourth quarter is always our worst quarter in the auto fund.

Our financial results are going to be released in the legislature on Monday, so we can't release them here today, but we will be recording another loss, a small loss, though, in 2012.

This next slide is the rate stabilization reserve, which, for the auto fund, is like our retained earnings or the accumulation of the profit and loss since the inception of the auto fund.

The auto fund, as Andrew pointed out, doesn't pay any dividends to government, doesn't get any money back. So this is all the profit and loss, the accumulation of all the profit and loss, in the auto fund. And you can see with the losses we've had, we've depleted that rate stabilization reserve, and I'm going to talk a bit more about that in a bit here.

The next slide is the auto fund costs breakdown, where all of our

expenses go. All the premiums we collect, where do all of the expenses go? You can see the largest proportion is our claims costs at 83 percent, followed by our administrative expenses at 5.8. The traffic safety program that the auto fund does are about 2 and a half percent of our costs. Premium taxes that go to the general revenue fund are 4.3 percent of our costs, and the fees that we pay to issuers across the province, independent issuers that sell our insurance products, get 4.2 percent of our total costs.

So now I'm going to talk a bit about the auto fund rate program. Whenever we look at a rate program for the auto fund, there's always three components. The first component is are we going to collect enough premium in the rating year to break even? Andrew talked about the auto fund is not trying to make a profit. We're trying to break even.

So what we look at first is, in the upcoming rating year, are we going to collect enough revenue and other income to offset our claims costs? If not, we need a

rate increase. If we're going to get too much, we need a rate decrease. That's the first component.

The second component is the rate rebalancing. Each class in the auto fund -- and I'll talk a bit more about that in the auto fund -- is expected to pay enough premium to pay for all of their expenses. So if they're not, we need to rebalance rates to make sure each class is paying their way.

And finally is looking at whether we have enough capital in the auto fund. As a financial institution, we should be operating with a certain level of capital to be able to absorb large losses. So I'm going to talk more about each one of these.

The first component is determining whether we're going to get enough premium in the rating year. As an insurance company, it's a big challenge for insurance companies because we're trying to set the price of our product well in advance of what we think -- what we know our claims -- our costs are going to be. The biggest component of those costs is claims, and they can be very

unpredictable: winter driving conditions, summer storm season. And I'll just give you an example of that. When we're trying to set the price, we're trying to estimate what the costs are going to be from summer storms, and they -- they can vary significantly.

In 2009, our summer storm costs represented .1 percent of our premium. So if we were setting our rates accurately and we knew in advance what the storm costs were going to be, we would only put a loading of .1 percent for storms.

In 2011, that number was 7 percent. So those costs can be all over the place.

We look at long-term averages when we try to estimate what our premiums are going to be, but it is a challenge knowing what -- you know, what these variables are going to be, and we're setting the rate so far in advance. So that's one of the challenges that we have in setting our rates and why our profit and loss statement looks the way it does.

So the next step that we

look at when the actuaries go through the process of trying to come up with whether we're going to get enough premium, really, at a high level what we're looking at is are the premiums that we're going to collect, the other income that we get from the investment portfolio, the financing plans that we have in place, are they going to be enough to offset our claims cost and our operating expenses? If they're not going to be enough, we need a rate increase. And if they're going to be too much, we would go forward with a decrease.

And in this rating year that we're talking about, we're indicating that we'll be 1.03 percent short in revenue, and that's why we're looking for an overall average increase of 1.03 percent.

So what are the causes of needing that 1.03 percent? There's really three major factors this year that are going in favour of us needing more revenue. The first is declining bond yields resulting in lower investment income. The second is rising income-replacement benefits, primarily a result of rising wages in the province. And,

lastly, higher costs for vehicle parts in the province. We're estimating those are going to keep increasing.

So just a couple of slides on two of these points. The bond yields, you can see this -- this graph here shows a significant decline in bond yields. The auto fund in the upcoming rating year is expecting to collect about \$900 million in premium revenue. With that cash that we take in in the year, a good chunk of it will be paid out in the form of operating expenses and -- and kind of shorter tail damage-type claims. So we'll spend a chunk of that money in the first year, but another chunk will be set aside for our long-term liability and injury claims that won't be paid out for a longer period of time.

We invest that money in bonds, and we reduce what we think we're -- we reduce our rate need because we're going to get that investment income. But with lower bond yields that we're forecasting, we're going to be getting less interest income, so that's one of the reasons that we're going forward with a rate increase.

Each one point decline in the bond yield is equivalent to 1.6 percent on our premium rates. So we're forecasting about a .55-percent decline in the bond yield, which is resulting in about a .7 to .8 additional need for rate.

This next graph is our income replacement benefits and the average costs per claim that we have been incurring. The last seven years those costs have grown, on average, by about 10 percent per year.

And you can see it's almost pretty much doubled since 2005. A few factors causing that, but one certainly is the rising wages. We keep seeing the weekly average wages in the province rising, and that has an impact on what we pay out for injury benefits.

The next component that I talked about in those three things that we have to consider is rate rebalancing. So we assign -- in the auto fund, we assign vehicles to rating class based on similar characteristics and exposures to risk based on the use of the vehicle.

So I'll just give you an

example. You wouldn't expect that a \$200,000 power unit should be rated the same as a 2000 Chevy Cavalier. There's significantly different risks there. A much more expensive trailer that's driving all over the place, puts on a lot of miles and a really small inexpensive car shouldn't be grouped together. And so we go through a process to put like group -- like vehicles together.

So the first group that we have are CLEAR-rated -- we call it CLEAR-rated vehicles. CLEAR stands for the Canadian Loss Experience Automobile Rating System. It's a database where all insurance companies in Canada provide their data to the Insurance Bureau of Canada, and they give back data so that insurance companies can properly class like vehicles together that have similar type of costs.

We have about a hundred different CLEAR groups within that. The vehicles within those categories represent about 70 percent of our vehicles in the auto fund.

The next group of vehicles

we have is conventional vehicles. They are -- they are different types of vehicles like ambulances, taxis, motorcycles are a conventional class, commercial vehicles, and they represent about 30 percent of our vehicle fleet. The largest, at 18 percent, is trailers. So those are the two types of classes of vehicles we have.

So how do we assign a class to those classes? We -- the -- all the costs get charged to each class for damage, injury, and liability based on the vehicle that caused the accident, the vehicle that was at fault.

So if there was a vehicle that was at fault in a three-vehicle accident, all the costs associated with that accident would go to that vehicle that caused it. All the injury, all the damage, and all the liability would go back to that vehicle's class.

And what we expect when we do rate rebalancing is that each class should cover their costs, their claim costs and their expenses.

And so with this rate

program, not all vehicles are going up. As Andrew said, 63 percent will be increasing, 35 percent will decrease, and the rest won't change.

So Andrew talked a bit about our capping program that we have in place. So this is the capping program that we're going forward with. It's the same one that we had in our last rate program.

So if -- your current annual rate is on the left. As an example, if your current annual rate is \$800, it's between 751 and 1,000, the maximum increase that you would get is 150. If you needed \$300, we would cap it at 150. If you only needed \$50, you would get \$50.

And so that's the table that we use to determine how we apply the caps. If you don't need a cap, you just go to what your rate need is. So that's how our rebalancing program works.

The next thing, the third component of the rate program that I talked about is the rate stabilization reserve, and the -- and the capital in the auto fund.

So the rate stabilization reserve for the auto fund is really like our savings account that we use to absorb a bad year. It worked for us in 2011 when we had that large loss of \$143 million. It wiped out about half of our rate stabilization reserve, and we still had a positive balance there.

If we did not have that balance in the rate stabilization reserve, if we were sitting with nothing there, we would have had to come back the next year with a rate increase of 20 percent to be able to bring the auto fund back out of a deficit position.

So how do we determine what the right level of capital is in the auto fund? We use something called the minimum capital test. All insurance companies use that to determine the level of capital that they need to be operating with. For the auto fund, we have a 12-month target of having an MCT in the range of 75 to 150 percent.

So the auto fund has dropped below that level now, and that's why we're going forward with a surcharge. The

surcharge, as Andrew indicated, will be applied over the next three years, is what we're proposing. A 1.23-percent surcharge to go on top of everybody's rates for the next three years.

And this graph just shows where the rate stabilization reserve -- the -- the available capital or the MCT has been for the auto fund. And you can see now we're below the bottom red line, and that's why we're going forward with a surcharge.

I'm now going to go through quickly how this capping program works in the auto fund that I described earlier. So here we have an example of a 1999 GMC Suburban. Its current rate is \$956, and its required rate to cover its costs is \$1,195. You can see that the rate falls between \$750 and \$1,000, so it would get the \$150 cap. Even though it needs a 25-percent increase, it would only get \$150. Its rate would go up to \$1,106, and then, on top of that, we would apply the surcharge, and it would go to \$1,120. So that's a 17-percent increase compared to the 25 percent that it actually

needed.

The next example is a power unit. Its current rate is \$1,130. Its required cost is 1,354. It needs a 20 percent increase. But because it's over a thousand, we would leave it at a 15-percent cap. It would go to 1,299. We would apply the surcharge on top of that. It would go to 1,315, and they'd be getting a 16-percent increase.

The caps work the same way whether they need an increase or a decrease. So if you need to go down, we apply the caps the same way.

So, in this example, the current rate is 810. They only need to pay 599, so they need a 26-percent decrease. With their rate being 810, they're between 750 and a 1,000, so they would be getting a \$150 decrease down to \$660. Then the surcharge would be applied on top of that capped rate, and they would go to 668.

If we didn't -- if we didn't cap on the way down, we would have to have higher caps on the way up, so it has to work

the same way going down as going up.

This next slide is just an example of our ten most popular vehicles in the auto fund and what's happening to their rates. And you can see the largest increase is for the 2010 Dodge Caravan. It's going up \$72 for the year or about \$6 a month. And the 2008 Ford Escape is the largest decrease in our ten most popular. It's going down \$25 a year or about \$2 a month.

As with our last rate programs for the last several years, if your rate is going down, we will refund you the portion of -- the unexpired portion of your policy, that difference. So you don't have to come in and cancel and reissue your plate. We will be mailing out a cheque the same way we did with our last rate programs.

This last slide is just our commitment to low rates. You can see, since 1998, the auto fund has raised rates 7 percent compared to Saskatchewan CPI which has increased, since that time, 37 percent.

That concludes our presentation.

THE CHAIRPERSON: Thank you very much, Andrew and Don. Representatives from SGI have agreed to remain available to respond to questions that may arise during your presentations or questions from the public. We will now begin with our presentations from the public.

Of note and perhaps of interest to several of you in the -- in the audience this evening, RAGE has advised us they will not be making a presentation tonight but instead will be making their presentation at our public meeting in Saskatoon on the 22nd.

I'm going to call first on those individuals that have represented that they're representing organizations. Our first speaker this evening will be Sandy Archibald from Regina Cabs.

And, again, I would ask speakers to please come forward to the microphone in the centre, front of the room, and please indicate your name, and please spell your name and indicate the organization you're representing. Thank you.

MS. ARCHIBALD: Thank you. Thanks for the

opportunity to speak today. I am Sandy Archibald, S-A-N-D-Y. Archibald, A-R-C-H-I-B-A-L-D. I'm the operations manager with Regina Cabs Premier Taxi with the largest taxi fleet in the city with taxis that are operated by owner operators and independent contracted operators.

We're in the PT urban taxi class and are facing a 16-percent increase hot on the heels of a 15-percent increase last year. And we appreciate there's a cap to prevent the rate shock, but it's still a very significant increase.

As well, we're dismayed at the thought of still another rate increase from SGI. Currently, some in the industry could be charged significant additional premiums as high as 200 percent annually. Under business recognition, the maximum discount is 10 percent, yet the maximum surcharge is 200 percent.

Right now under business recognition, the insurance portion of a PT taxi class renewal registered in a corporate name could increase annually from

approximately \$3,400 to over \$10,000 at the maximum worst case 200-percent surcharge. This is a crippling amount.

Some panel members have heard our request to review the business recognition program over the years, and we hear tonight that the business recognition is now under review, and we look forward to more input and real substantive change. We believe the panel has the insight and the ability to direct SGI to take action and undertake meaningful review of business recognition. Our industry just doesn't fit in it.

We would recommend that SGI take our industry out totally, or, if that's not acceptable, then opt in or opt out by PIC number. And I know we have had some brief discussions about how that would work. Would you do it every year or not. But there needs to be change to this program because it is -- it's just really punitive.

Right now, the penalty part of the business recognition 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 can't affect the past or future driver record of an individual. Typically, taxi drivers are contracted operators and not employees like a delivery truck driver, 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 accidents with stiffer penalties; therefore, make the individual responsible for his or her actions.

A driver could have a poor accident record and not be authorized to drive on our fleet but could join another taxi fleet or move to Saskatoon and drive a taxi there and get into more accidents and have it impact on that taxi owner's claims history, triggering a surcharge under business recognition or adding to the claims history of urban taxis.

As SGI's handbook states, the operation of a taxi is unique. The driver

is constantly exposed to risk of collision. Taxis operate 24 hours in a day in high density traffic. The average number of kilometres travelled by a taxi driver in one year is nearly four times that of drivers of passenger cars. So we are a little bit more unique.

It's always going to be difficult to recover claims costs paid out in our class because the PT class, particularly in urban taxis is very small with less than 600 vehicles in the entire province. And now, even within that class, everyone is not being treated the same because if you're registered under a corporate name, you're subject to business recognition surcharge, and if you're an individual, you're not subject to the surcharge. Both sides get the -- get any discount.

So right now corporations are being held to a different standard and being penalized, while individuals in the same class are not, and so this isn't fair.

We continue our comprehensive driver screening program that

includes reviewing the driver records 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 accumulated convictions during the prior year, his driver abstract is reviewed, and that driver may have to complete a defensive driving course, or, in some cases, just may no longer be approved to drive a taxi on our fleet.

But, again, those drivers can go elsewhere anywhere else in the province and drive a taxi and continue to have accidents and accumulate convictions.

Another recommendation the industry made in the January meeting was for SGI to develop driver training material. Perhaps some of the advertising budget could be directed towards training material with a focus on winter driving conditions.

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.

Again, we would encourage SGI, who has the individual driver's traffic convictions and accidents claims history data in realtime to tag the class 4 driver's licence to identify them as taxi drivers. When that driver accumulates a defined number of convictions or a threshold dollar value amount in accident claims, SGI takes more immediate action, meaning training, additional surcharges, et cetera, to encourage that driver to improve his driving performance.

SGI has the realtime information, and the industry would be pleased to work with them to develop a reasonable approach. Now we heard again about this realtime driver record that's been coming for some time, so we are looking forward to it, and that may be of some benefit, but, again, SGI has got the information, they know what's happening with these individuals, and there

could be more immediate steps taken.

So tonight we ask the panel not to approve any increase regarding PT urban taxis until SGI completes the business recognition program review and we know what we're facing from that aspect.

We stress the need for fairness in our class and consideration for the public service that taxis supply, which we know is difficult to quantify.

We have heard the words high exposure, and taxis do have high exposures with the 24/7, 365 days a year, on the road much more than the average driver, and the average -- but the average member of the public depends on us to be there when the vehicle won't start, the weather is inclement, or they don't want to drive.

We do provide an affordable service to people who don't own vehicles, the senior who has decided the time has come to stop driving, the nonambulatory person who may not be able 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 other alternative.

It's 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's applied to the PT taxi class to ensure the continued viability of our service and, therefore, service to the public, but, currently, we don't get any public funding.

The solution for SGI and the taxi industry is not another rate increase. We believe the solution is to make the individual driver more responsible for his actions, provide assistance with driver training, a real significant review of the business recognition program, and to track the taxi class 4 drivers' convictions and accidents in realtime.

And we appreciate meeting with SGI in the past, but we'd really like to see some of our steps implemented and a little bit more give and take, and we certainly are

willing to be involved with that. And that's the end of my presentation, and I thank you very much.

THE CHAIRPERSON: Thank you, Sandy. Do you have a copy of your presentation that you would like to -- you can e-mail it to us, if you would prefer.

MS. ARCHIBALD: It's slightly edited, so I will e-mail it, yes.

THE CHAIRPERSON: Okay. Thank you. And we will post it on our website.

MS. ARCHIBALD: Okay, thank you.

THE CHAIRPERSON: And thank you very much for your presentation.

MS. ARCHIBALD: Thank you.

THE CHAIRPERSON: I appreciate it. Our next presenter is Glen Sali with Capital Cabs.

MR. SALI: Okay. My name is Glen Sali from Capital Cabs. G-L-E-N S-A-L-I. I'm not as fast as her, but I'll try my best.

I know this is difficult, but the easiest thing that I find that SGI can do is raise our rates. I see this every year. Raise our rates. But that doesn't reduce the accident claims.

Things that I propose -- and there has to be changes because all I see here is the costs are going up. But in our industry, I think just a few changes could greatly reduce the claims. Until things are done, nothing is going to change except for raise our rates.

One of the changes I propose is charge the driver four times the amount for accidents that he normally pays now. That's just an example. This would certainly reduce the claims if he knew he had to pay, for example, \$2,000 if he got in an accident that was his fault. That certainly would cut down our costs.

Instead, what we do, we charge the car. The car didn't cause the accident.

This would certainly help the bad driving habits, and, like I said, again, reduce claims. And we're talking about the dollar here, I noticed.

Also, I would like to see things for the wintertime. Make it mandatory for all taxis to have studded tires. That's

another way of reducing claims.

I'm not going to talk about the rates and why they are how they are. I'm just trying to talk about how to reduce them, and this is what I proposed at other meetings.

Also, I went to SGI numerous times and found it hard, and I couldn't believe it. I couldn't even get a simple thing as a training tape, a CD training tape for my drivers. I had to get them from Winnipeg or other places, but SGI couldn't even provide me with a simple CD training tape -- driver training tape. So I have to go on other jurisdictions to find it.

I think if we're concerned about reducing rates, SGI should put in a little investment and give us a training tape so that we could do this and make it easier on us to do this. None of us want to see accidents.

Also, the business recognition program, like I said, I see it's getting reviewed, but, again, the car didn't get in the accident. The operator did.

I noticed at the meeting

today you kept on talking about the vehicle. The vehicle did not get in the accident. It was the operator of that vehicle that got in the accident. The vehicle did not get in the accident. Maybe in very rare cases. Maybe the brakes might have failed, but the vehicle did not get in an accident, the operator did.

Also, I noticed over the years in the taxi industry -- I've been in it for over 30 years -- is there is a discrimination on accidents when it comes to the taxi drivers. I brought this up at other meetings. I've felt there was lots of accidents that I felt -- I was really confused on how they can continue making them the driver's fault.

I find that 50 percent of the accidents the taxi driver gets into at fault, 50 percent of those, the driver was -- I felt was not at fault in those accidents.

We're going to be installing cameras shortly, and I think that will help us in that regard.

I think that SGI has to change their ways on how they do things

instead of all they can do is increase the rates.

A different focus has to be done. A different view. How do we reduce it?

I'm giving you some examples, and I could think of many more on how to reduce our claims and how we could work with SGI and help them do that. And this would help everybody in these -- in these rates, I think.

One thing that's got nothing to do with the taxis, but I was disturbed to find out that when I -- I seen impaired driving here, that impaired drivers still had insurance coverage. When it wasn't their fault in the accident, impaired drivers still got covered. I thought that was wrong. I don't think that any impaired driver should be covered any insurance costs. And I felt that was wrong. We shouldn't have to pay for that. If you're drunk, you should get no insurance. That's it. Thank you. And if you're asking for a copy of this mess, no, I don't.

THE CHAIRPERSON: Okay, Glen, thank you. And if you would like to e-mail us a copy of your

presentation --

MR. SALI: Okay.

THE CHAIRPERSON: -- that would be appreciated.

MR. SALI: All right, yeah. Okay, thank you.

THE CHAIRPERSON: Thank you. Our next speaker is Rick Dobson with Sask Powersport Dealer Association.

MR. DOBSON: Thank you, Madam Chairman. My name is Rick Dobson with the Saskatchewan Powersport Dealer Association. D-O-B-S-O-N. I'm a retired motorcycle dealer of some 21 years from Saskatoon currently representing over 35 power sport dealers in Saskatchewan whose livelihood is being adversely affected by SGI and their pursuit of increased premiums year over year.

Our dealers are all directly family owned and operated or part of a larger family-owned enterprise. Together, they represent some 825 business years in Saskatchewan, and they provide employment for approximately 525 people with a payroll of some \$20 million.

Together, they collect annually some \$10 million in Saskatchewan sales tax for the province.

SGI's initial proposal for an increase on the average of some 74 percent to motorcycle insurance premiums would have had a catastrophic effect on our member businesses, doubtless resulting in the closure of many of our smaller members who depend primarily on motorcycle sales.

Capping the increases to 15 percent per year plus surcharges only prolongs the agony and slows the death. Every insurance increase reduces our family business's income. Every insurance increase reduces the number of motorcycles on the road and, thus, makes it more dangerous for those left as automobile drivers' awareness decreases.

In this age of growing urban congestion, pollution, and fossil fuel shortages, motorcycles offer a viable alternative to automobiles for at least some of the year.

As with all businesses

today, SGI does not operate in a vacuum. Comparative prices with private insurers as nearby as Alberta but certainly all across the United States are readily available for cost comparison.

SGI's current rates are found to be 20 to 300 percent higher than is commonly available in the private sector. After this proposal -- I'm sorry, after this proposed increase, from 30 to 400 percent higher.

In fact, when questioned, SGI will admit they're only competitive with other government-owned monopoly insurers and do not compare themselves to the private insurers.

Research will show that government monopoly insurers have some of the highest, if not the highest, insurance rates in North America.

SGI will argue it is because we have no-fault insurance in Saskatchewan, and private insurers rely on the tort system; however, we'll all recall no fault was touted as a way to keep rates low in Saskatchewan

when it was legislated some years ago.

SGI will argue that we have a Cadillac benefit package and will provide a list of benefits that could possibly exceed Alberta's simpler tort system, provided, of course, the claimant actually qualifies at the top of all categories.

A minimum-wage earner in Saskatchewan would not achieve any further benefits here than Alberta, nor would a retired rider whose income would not be interrupted by an injury.

While it is true some would have to top up the basic insurance available in the private sector when compared to SGI's Cadillac benefit package, it's also true that many of our citizens are forced to pay for a policy they would not likely buy if a choice was given.

It's similar to being forced to pay to insure a million-dollar home when you're living in a trailer.

It's also true that many citizens already have all-risk injury coverage through employment benefits and contracts.

SGI's insurance takes a primary role in traffic-related injuries, thereby letting these other companies off the hook, if you will.

Because of the much smaller pool, it stands to reason that SGI's injury coverage is more expensive than what could be available elsewhere.

Finally, it is very true that multiple vehicle owners pay multiple injury premiums with no more exposure than a single vehicle owner.

It is typically true of motorcyclists who usually have a second vehicle.

It's an oversimplified program designed more for the system than the user.

SGI uses an archaic and unfair classification system for motorcycles. Insurance standards dictate some 19 different models where SGI uses four large groupings and unrelated engine displacement brakes instead of horsepower. The result is two virtually identical motorcycles with a 10-horsepower

difference can have a drastic difference in insurance premiums, as much as three times as much.

Cruiser motorcycles are a group with touring motorcycles. The first primarily city-used riding, the second for long distance, two totally different usages and, presumably, different risk exposure factors.

Many touring bikes have been wrongly classified as dual sport bikes because of their looks rather than their usage. Many small and low horsepower beginner bikes have been classified as sport motorcycles because of their looks.

Engine displacement unfairly penalizes big engine, low horsepower over small engine, high horsepower.

A modern 399 CC motorcycle can have as much horsepower as a 1200 CC bike of older design.

We believe weight and horsepower are bigger contributors to risk factors than style and engine displacement.

SIGI has been aware of this

problem for several years and continues to ignore the issue. Again, an oversimplified system that penalizes the user.

Similarly, SGI is aware of many proven safety-related solutions that could reduce accidents and/or mitigate injury and are endorsed by our organization. They include required certification for rebuilt total loss bikes as they currently have for automobiles; required safety inspections on a regular basis, especially if the motorcycle hasn't been continually licenced; required safety garments; properly fastened helmets, gloves, boots, long pants, jackets; weight and horsepower limits on motorcycles to coincide with the graduated rider licence program; more stringent and consistent testing of riders by licenced riders. Currently, it's our understanding some testers are not, in fact, motorcyclists. And secondary testing before a full licence is granted.

It's clear SGI will not make changes to improve as long as this Rate Review Panel continues to grant increases.

In private business, rates

are controlled by competition. Businesses are forced to improve the way they do business, how they control efficiencies, and how they package their product, and in jurisdictions where there is private insurers, we see the results of that with significantly lower premiums and various insurance packages to meet the consumers' demand.

In Saskatchewan there is no incentive -- such incentive, other than this Rate Review Panel.

We urge the panel to recognize that our monopoly insurer, SGI, is either unwilling or unable to offer a competitive product or pricing to what is privately available.

We urge the panel to deny SGI any increase in motorcycle insurance rates until such time as a full and detailed comparison can be made between private insurance and our so-called public system.

Simply put, we believe if the Crown corporation cannot provide a product at a comparable product to what is available -- I'm sorry, a comparable product

at a comparable price to what is available in the private sector, they perhaps have outlived their usefulness. Thank you.

THE CHAIRPERSON: Thank you, Rick. So you are going to provide us with a copy? Yeah, okay. Thank you. We have one other person that is representing an organization, and then following that I would like to give representatives from SGI an opportunity to make any responses at that time, if they have anything that they would like to add before we begin the individuals.

So we have one other organization, Lawrence Ward, representing Southern Independent Riders.

MR. WARD: Good evening. My name is Lawrence Ward (ph), Southern Independent Riders. I'm president -- current president of the club. Jim Kleckner is with me here. Basically, Mr. Dobson, actually, pretty much summed up whatever we had -- were going to say. What we were going to -- what I would really like and we have been pushing for for years is a graduated licencing system to the extent of horsepower and the fact that they do

need a mandatory rider course, the same as what you have to do to get your driver's licence. We have been pushing for that for years, and SGI, as he said earlier, refuses to go forward with this.

We feel that doing those few little steps are going to help bring the rates down on young riders and their accidents.

Right now, you can go in, you can write your learn's licence, go downtown and buy a 750 street bike, and their CCs are putting out more horsepower than what my 1200 does. So, to me, that's kind of defeating the purpose. The kids need the training. 90 percent of the accidents -- a good 50 percent of the accidents are caused by the young riders.

Like, I have been riding pretty much my whole life -- my life, and you can always learn more. Like, I would actually -- it wouldn't hurt taking that -- that safety course again myself.

A lot of the courses that are being taught right now aren't being offered all year because it's not mandatory.

They can't get enough people in to keep the courses running.

Basically, that's pretty much -- other than that -- and this consultation -- I've got a little question for you. The consultation board that you were talking about earlier --

MR. CARTMELL: Mhmm.

MR. WARD: -- how do you get on that? Because our group was never approached about this. Like, we represent 55 -- we've got 55 riders in our club alone, male and female riders, and these rates are really going to hurt us.

Like, as a nonprofit organization, we donate -- we have donated, what, just about a quarter million?

MR. KLECKNER: About \$300,000.

MR. WARD: About \$300,000 over the years to different organizations and groups that need help. The Orange (ph) Home was one of our biggest benefactors over the years. We've got a couple more group homes down home that we donate to.

These rates are just going

to hurt us all because we won't have the money to be able to donate out. And, other than that, Jim?

THE CHAIRPERSON: Would you respond to that, please, Andrew or Don?

MR. THOMPSON: Which part, about the --

THE CHAIRPERSON: How they would become involved.

MR. THOMPSON: Well, we have -- we have put together a committee of about nine individuals of various associations, motor dealer owners, an insurance broker, a healthcare professional, so we have tried to pick as broad a cross-section as we can. We have a lot of people that want to participate, and we have to limit it to a certain manageable size.

What we are going to do, though, is the work of the committee is going to be -- once we come up with a discussion paper, the committee comes up with a discussion paper, we're going to make that available on our website for the public to comment so that everybody will -- in the motorcycle community will be able to be -- put forward their -- their comments based on the

discussion paper that the committee puts together.

THE CHAIRPERSON: Thanks, Don.

MR. KLECKNER: Just to add, I do want to thank the previous speakers that really assisted in making our presentation, so I don't want to repeat myself.

A couple of things I would like to say. Speaking from the heart, I'm a 60-year-old retiree, recently retired, and I have biked my whole life. I have lived in the Province of Saskatchewan and hope to continue to live in the Province of Saskatchewan. And my few enjoyments is belonging to a nonprofit organization raising money for charity through motorcycle riding.

And it really upsets me to think there are going to be younger riders who can't afford to be riding motorcycles because of the cost, because of the cost of plates. And I really think, whether you know it or not, you're, as one of the previous businessmen said, hurting the economy, but you're hurting a group of riders who might not be able to afford or come up to it.

It's one of the little pleasures that we do have in Saskatchewan that we might enjoy, and it just makes it one less achievable goal for young people to do.

I want to applaud you for allowing these rate review committees, but I also have a criticism or an observation. You're only holding them in Regina and Saskatoon. We came in from Moose Jaw tonight. We have riders from Gravelbourg, Assiniboia, and from around the southern part of the province who couldn't be here on a Tuesday night that are part of the silent majority that are unable to make these statements. So they're doing it through two or three of us. But I really think you should have more of these hearings in other cities like Weyburn, Yorkton, Moose Jaw, North Battleford, La Ronge. It's a large province, and not everybody can make these meetings.

So if you're really open and transparent and want feedback, you have to get out to the public so that we can be there. It's almost like some sort of a -- making sure that people can't come to speak.

So that's my personal opinion. That's not my club's representation, but I do want to say that.

The other thing about -- looking at the presentation, I look around behind me and see how many suits there are in the audience, and I notice they're all up front. It's a little intimidating coming into a group such as this and having to speak in front of people because I'm not that good at it, but I'm speaking from the heart.

I see an hour long presentation. We're allowed five minutes to speak. Interesting. Interesting.

There should be some fairness in this process, and perhaps I'm a little bit -- not feeling that to the extent that you personally believe it's happening.

The other thing is I look at the presentation, and watching too much of the Lang O'Leary Exchange, but you're -- you get money by increasing taxes or you get the organization smaller, is the little bit of economics I have learned.

We have talked about rate

increases, but we haven't talked about efficiencies with SGI to make things less costly.

The previous -- the previous speaker suggested maybe we should be looking at other insurance companies. We can do it for other products that we buy, and I don't know. I -- I mean, I'm looking at your statistics. Of course I believe what's in front of me, but I have nothing to disprove it because another company might say something totally different or totally better or could give me a better deal in insurance because I get that all the time when I buy insurance.

And then I look at the chart about brokerage, and I know that bonds are going down, but I've got a little financial advisor that's been making me pretty good money over the years. Who are you people getting advice from?

I bet you're -- I bet you're paying considerably more for your financial advisors than I am because I can't afford them. But if I was getting that sort of advice, I would be looking elsewhere.

I do applaud that you're trying to bring in safety measures. I think that it's very important in that three-year program that you have determined or you're working towards, but you're not giving it a chance to make it work. You're increasing the rates before giving it a chance, and we do need more education, we do need more safety, and, yes, rates have to go up. We're all aware of it.

But remember this too, all of us here don't just drive motorcycles, we drive farm trucks and commercial vehicles and taxis and private passenger vehicles and other things as well. We're paying for those increases as well as the motorcycles. I'm sure that 99 percent of us here drive other vehicles, or I'd be totally surprised, looking at the length of winter. No, we didn't ride here tonight otherwise -- we had considered it, but the roads aren't always in that good condition either in Saskatchewan. But that's another story.

I thank you for your time.

THE CHAIRPERSON:

Before you leave the

lectern --

MR. KLECKNER: We don't have a written presentation because I just made that up.

THE CHAIRPERSON: I was wondering, sir, would you -- would you please say your name and spell it for our court reporter.

MR. KLECKNER: I'm sorry. It's Jim Kleckner, K-L-E-C-K-N-E-R, with Southern Independent Riders.

THE CHAIRPERSON: Thank you.

MR. KLECKNER: You're welcome.

THE CHAIRPERSON: I do have a couple of comments I would like to make. First of all, with respect to the presentations that we're holding for the public to participate in such as this, we did consider holding other -- other sessions at other locations, and we didn't get a lot of demand for that in the communications that we received from the public leading up to these meetings. And we did try to -- to get that word out through interviews with the press, et cetera, and through our Facebook and through our website. So that was a decision that we made, so I will take responsibility for that if we have let

you down in that regard.

We do provide other means for the public to communicate with the panel, and that can be through e-mail, telephone calls. Daryl, our member from Biggar, has been doing his very best to respond as quickly as possible to all telephone inquiries that we have received during the review process. We're also receiving and reviewing the several thousand e-mails that we have received. We have also received many letters, and we're trying our best to respond and to absorb all of the information that we are receiving.

So there's a number of ways that you can communicate with us, including now on Facebook and Twitter. So there are a number of ways that we're trying to reach out as best as we can to facilitate this public consultation process.

The other couple of items that were mentioned in passing have been with respect to operations at SGI and efficiencies, investment practices, et cetera. I would just like to reiterate that another part of what the Saskatchewan Rate Review Panel does is

hire professionals in the field to review organizations such as SGI. That -- there is a -- it's a very specialized business that is being operated for the people of Saskatchewan through the Saskatchewan auto fund.

And we have both of our expert consultants with us this evening, so they are here listening to you, as well as the members of the panel.

So what information that you are sharing with us tonight is being taken to heart, but, also, I wanted to reassure you that the organization as a whole is being reviewed by experts in the field. So I hope that that does answer some of your concern, and -- and, if not, you're certainly welcome to let us know further.

We're now going to begin our presentations by individuals, but before we do that, I just want to check with our representatives from SGI to see if you have any comments at this point.

MR. CARTMELL: We'd be happy to respond to any specific questions, but in the spirit of a public hearing, we respect your opinion. So

unless you want to ask us something very specific about our investment policy or coverage in other jurisdictions or how efficient SGI is, I think we need to respect your opinions in speaking out. But, again, if you have very specific questions you want to ask us, anything related to this or motorcycles or traffic safety, we'd be more than happy to respond to those specific questions.

THE CHAIRPERSON: Thanks, Andrew. Okay. So we now will begin with our individual presentations, and the first individual is Burt Mickleborough.

MR. MICKLEBOROUGH: Thank you, Madam Chairman, and thank you for the opportunity to express my -- this is my opinion only. I don't represent any organization.

To the employees of SGI present here tonight, I won't say anything. That's probably better.

My name is Burt Mickleborough, M-I-C-K-L-E-B-O-R-O-U-G-H, from Caron, Saskatchewan. This is a letter that I wrote when SGI first applied for their 75

percent rate increase on bikes. I have forwarded this letter to my MLA's office, to the Premier's office, to the minister of SGI's office, and have had many long phone discussions with employees of SGI.

So I'm just going to read the letter. It says, "To whoever will listen to reason. This apparently leaves out SGI. This will be read at the Rate Review Panel at one of their public readings. This letter was modified after the announcement that the government directed SGI to cap the increase in this rate application to 15 percent this year."

I am extremely angry. Extremely. And frustrated at the most recent announcement by SGI that we [sic] were initially seeking -- that they were initially seeking a rate increase to be applied to motorcycles of approximately 75 percent this year. This anger is still prevalent even though the cap was reinstated on the increase.

They have applied to the Rate Review Panel to seek a recommendation to the Cabinet for their application to proceed.

I have been down this road before. Let me try to explain. I've been riding motorcycles in the Province of Saskatchewan for 42 years, legally licenced. When I started riding, the cost of registration insurance was \$25 per year. The cost of riding kept rising. I was raising my family and didn't have time to battle SGI over the matter.

Then 20 years ago, they applied for a rate restructuring or rebalancing or fluctuation or whatever they like to call it. The Rate Review Panel had formed and notified that they would hear the application and allow for public consultations on the matter. I didn't pay much attention to this until it was pointed out to me that they were seeking a 100-percent increase on the motorcycle class for insurance increases. I was shocked. How could a Crown corporation in their news release to the public not mention that they were going to screw over a class of vehicle owners with this outrageous increase?

I made a presentation to the Rate Review Panel. The president of SGI at

that time denied that they had applied for a 100-percent increase. Of course, I had to call him a liar, and the increase went through that year. My rate went from 350 to \$700 in one year.

Fast forward 20 years. Here I am again, shocked in the same way with the same Crown corporation's news release. They didn't state that the motorcycle class was going to get hit again with an average 75-percent increase. Only by their math, some bikes were going up by as much as \$3,000.

It's just a rate rebalancing, so the average increase was 1.3 percent. Yeah, right. It wasn't until later that this outrageous increase was exposed in their application. They had to admit it. The barn door was with left open.

While I am thankful that the government stepped in to put a choker around the neck of a Crown corporation gone mad, in my opinion, they did not go far enough.

A halt to SGI's outrageous increases on motorcycle rates would be in order. I figure there lies the problem. SGI

keeps doing the same things over and over and expecting different results. We all know that this is the definition of insanity, and this rate increase certainly falls into that category of descriptive analysis.

We are told by them that the majority of accidents that involve a motorcycle are the fault of the motorcycle rider. We are told that there is a shortfall of \$9 million that was paid out to cover the costs of motorcycle accident insurance claims. This shortfall is also the direct fault of the motorcycle riders not paying out enough in premiums to cover the losses. SGI is in control of all of the statistics and has all the reasons for this situation figured out. So they came.

My father always said that there is no better way to gain knowledge than through experience. Well, I stand before you with 42 years' experience in riding motorcycles in this province, and I state that SGI is wrong. The vast majority of motorcycle accidents are the direct fault of car and truck riders.

My wife and I ride approximately ten to 15,000 kilometres per year. I would invite you to take a ride with me for two days. We will ride in the city, and we will ride on the highway. You will soon see that I am correct and that SGI is wrong about the cause of accidents involving motorcycles. People have long forgotten the rules of the road.

I have had cars clip my handlebars when they attempt to pass me. They cut back so quick in front of me that I often have to brake or swerve to the right to avoid a collision. They tailgate, forgetting the two-second rule.

Last year, facing a steady stream of oncoming traffic on a two-lane highway, I was passed on the right-hand side by a full-sized pickup, and I was cut off as he swung wildly back in front of me.

And, of course, who could not mention the cut in front left-hand turn move, a sure-fired way to kill a biker.

I have endured this type of treatment on the roads for just about half a

century. What has this experience done for me? I have survived without costing SGI a cent.

This atrocious treatment that the motorcyclist receives at the hands of the general driving public has made me one of the best defensive drivers on the road. My clean driver's abstract states this point loud and clear, yet the Crown corporation that I have to buy insurance from insists that I am a high insurance risk and should have to pay for everyone else's bad driving.

The only thing they know is to raise the bikers' insurance premiums. They couldn't possibly do anything different. They couldn't possibly believe me, who has ridden a bike for this long, that they are wrong about the cause of accidents involving bikes. After all, they are the sole provider of insurance in Saskatchewan and know what is best for everyone driving in the province.

SGI has all the aces. SGI has all the resources to change things for the better, but they don't. Why? I'm convinced that some SGI's president's wife must have ran

away with a biker or something for them to hate us this much.

Here's a few suggestions:

Raise the deductible to allow for a lower premium. Lower the coverage to allow for a lower premium and reduce your costs. Get serious about assigning blame in accidents that involve motorcycles. Heavily fine or imprison automobile drivers that kill bikers instead of levying a paltry fine. Educate automobile drivers that bikes have as much right to be on the road as they do, like the give-them-room campaign you do for semi trucks. Tell the RCMP to patrol highways on their police bikes, and tell them, in particular, to be on the lookout for unsafe passing, tailgating, lane hogging, and the driving habits of vehicle owners around bikes. Levy stiff fines for offences that endanger motorcyclists. Once that starts happening, people will give us more respect. Do the same for the city police forces. Have the police departments utilize ghost bikes and camera technology to charge vehicle owners for unsafe driving situations. Make special laws

pertaining to unsafe driving instances around vehicles and motorcycle accidents.

I'm not suggesting for a moment that there are not some bad motorcycle riders that cause accidents. What I am suggesting is that SGI, as a corporation, is not listening to the truth about what is going on out on the streets and highways. I guess it's just easier for them to blame bikers. After all, they're just the minority of the motoring public.

If this increase is approved, it will mean that, since 2007, my rates have gone up 85 percent. What other vehicle class would SGI get away with raising the rates by that much?

SGI is not telling the truth, whether deliberate or out of ignorance, so keep the rates the same and get serious about laying blame for accidents. Let's see where that takes us next year. Or lay a \$9 charge on the 1 million of the other registered vehicles in the province and recoup the costs. Oh, no, that would be unfair according to the president of SGI, but there

is nothing unfair about this request for the Rate Review Panel's approval for this outrageous increase on bikes. Come on. Give me a break.

If the Rate Review Panel recommends to the government to approve this latest increase, I ask the Cabinet of the Government of Saskatchewan to turn it down. I then will ask the government to take away their monopoly on insurance and allow me to purchase insurance from another provider. Maybe it's time -- maybe it's time to privatize SGI.

THE CHAIRPERSON: Thank you, Burt. Our next speaker -- or perhaps it's speakers, I'm not sure, Collin and Kathy Gustus.

MR. GUSTUS: Collin Gustus, C-O-L-L-I-N G-U-S-T-U-S. First, I'd like to thank you folks for having this so close to home. It took me three and a half hours and an overnight stay in a hotel, two days off work to be here for this. Thank you very much.

I'd like to say that how would putting a 15-percent cap on motorcycles be fair when a car or truck is capped at 3

percent average. This is simply discrimination against the motorcyclists.

How is it fair or right to punish a rider who has a clean driving record paying the same as a poor driver? They say the cost of your driver's licence goes up. No, that doesn't cut it.

Because, in 2000, they had a meeting like this in Swift Current, and when I asked the SGI representative about the driver's licence like that, I told them that if the driver's licence goes up that people just drive without a licence. He looked at me and said, nobody in Saskatchewan would do that.

In 2010, Saskatchewan had 43,153 vehicle accidents. 308, less than 1 percent, involved motorcycles. Approximately 80 percent of the accidents involving motorcycles were not the motorcyclist's fault. The driving public is not subsidizing the motorcyclists. The good, responsible drivers are subsidizing the poor drivers. Why is this? Why do I pay for somebody else's mistakes?

To cap motorcycle insurance rates at 15 percent a year, within a couple of years, would put the insurance rates out of reach of anyone riding. This would, effectively, put the motorcycle industry in Saskatchewan out of business, putting owners, salesmen, mechanics, et cetera, out of work. This would also reduce the currently privately owned motorcycles' value to nil.

In other jurisdictions, a rider in Red Deer, with a good driving record, insures a 2006 1800 CC touring motorcycle for \$464 a year with a million dollar liability, \$30,000 replacement value, and a \$700 deductible. Cost in Saskatchewan with the new rate, \$2,511 for comparable coverage.

A rider in Calgary with a good driving record insures a Honda Valkyrie, 1500 CC, and a Can-Am 1000 CC Spider with a \$700 deductible, \$1 million liability and a cost of replacement -- and cost of replacement for the motorcycles for \$950 for both motorcycles. Cost in Saskatchewan with the new rate, \$4,606 for comparable coverage.

There's no reason. No

reason for these increases.

Classifying motorcycles as a recreational vehicle, it seems it doesn't make sense as the majority of motorcyclists use their motorcycles as a primary vehicle when they can. If someone only uses a car or a truck in the summer or only on weekends, should this vehicle be classified as recreational?

And, furthermore, motorcycles use less gas, less wear on the highways, and have a smaller carbon footprint than four-wheel vehicles, and, for this, SGI is saying we should pay a higher insurance rate.

SGI is presently classifying motorcycles simply by looks and not by manufacturer's classification. For an example, you can buy a motorcycle that the manufacturer classifies as a touring bike, but SGI will simply -- will classify it as a sports bike simply by way of looks.

Perhaps SGI should look at who is causing the accidents that the motorcycles are involved in and not just

simply saying to the public they're going to raise the motorcycle rates because these are the people who are causing everybody's insurance to go up.

Better educating drivers to be aware of motorcycles and to make available more motorcycle safety courses for the motorcyclists, possibly restricting licence for the size and weight of the motorcycles for first-time buyers.

The statistics SGI has made public on motorcycle accidents don't tell the entire story. Most accidents are simply not the fault of the motorcycle rider. SGI is not putting out honest statistics to the public.

As has been stated on CTV news, they stated that, to buy -- ride a motorcycle, you don't need to take a road test. It was also stated the same in the Leader-Post that, to ride a motorcycle, you do not have to take a motorcycle road test. SGI has not clarified this to the general media.

Thank you very much.

THE CHAIRPERSON:

Thank you, Collin.

MS. GUSTUS:

Kathy Gustus, K-A-T-H-Y

G-U-S-T-U-S from Shaunavon. Mine is very short and sweet. Detrimental implications of no cap or even the imposed 15-percent cap on motorcycles. The devaluation of motorcycles currently owned, who would buy when the insurance is so high? Our motorcycles will be worth nothing.

Motorcycle dealers will have to close their businesses putting salespeople and mechanics out of work.

Classifying them as a recreational vehicle. I only drive my Impala car in the summer. I drive my big four-wheel drive truck in the winter. Should they now be classified as recreational because I only drive it for a few months out of the year?

The percentage of accidents involving motorcycles is very small. Who is at fault for these accidents? I also do not believe the statistics that SGI has put out.

I -- I truly believe that Saskatchewan drivers are not subsidizing motorcycles. We are all subsidizing bad drivers, whatever they are driving.

And to follow SGI's logic,

the bigger the vehicle, the less it should cost to insure. When a larger vehicle is in a collision with a smaller vehicle, no matter who is at fault, it is most likely the smaller vehicle will sustain more damage and injury to the passengers. So the bigger the vehicle is, the less you should pay because you're not going to get much damage to your vehicle.

And, in closing, I would like to say that many motorcyclists are far better defensive drivers because they need to be aware of all the four-wheel vehicles that simply do not see us. Thank you.

THE CHAIRPERSON: Would you like to provide us with a copy of your presentations? Thanks, Collin and Kathy.

Our next -- our next speaker is Lorn Braumberger.

MR. BRAUMBERGER: My name the Lorn Braumberger, B-R-A-U-M-B-E-R-G-E-R. I've been riding since 1974, off and on, over the years quite often. I'm quite nervous at this. When I first heard about this, it upset me very much. I'm coming near to the end of driving my motorcycle. I am more concerned about the

young ones that are coming up.

SGI has mentioned that our rates are going up so high that we won't be able to afford it. Oh, excuse me.

THE CHAIRPERSON: That's okay.

MR. BRAUMBERGER: I heard on the -- on the news that SGI -- they came up -- they were going to raise your rates so high that it's hard for the younger people to ride. I want to see them ride.

Bring in the motorcycle safety course. Make it mandatory that everybody that gets a new bike should be taking this course.

I was going to Swift Current to see my grandchildren on my bike. I was right beside a semi. A truck came up behind me, and I was -- a smaller truck came up beside me, and instead of staying behind me, he pulled over in the ditch on my left side. I was just coming out in front of the semi where I had to cut in front of the semi.

People that go on four wheels aren't seeing us. They should be also more advised at what's going on with us.

I participate in a lot of charities, the Breast Cancer Run. I know a lot of other people that do that, if this goes up, we won't be able to contribute to the charity that we go in.

Excuse me. I didn't expect to be doing this, but I'm here. A lot of the people that signed my petition aren't motorcycle drivers. My mother signed it. She's 86 years old. I've had other people that are in their 90s saying it's not fair. We're being told that our rates are going up. SGI says, well, now the cars are going up to subsidize the motorcycles. It's not all true. I have seen friends of mine killed on the road because the vehicle behind him didn't see him and knocked him and killed him.

I have a friend that injured her hand and stuff because SGI put on the road, watch for potholes. They were in a group travelling along, the pothole wasn't marked, they were going the speed limit they wanted -- were told to go, she was the third motorcycle in losing control of her bike.

We are being unfairly

treated. This is not right, and we shouldn't be put through this. If SGI doesn't want us riding our motorcycle, then they should allow us to go other [sic] to get our insurance another place. I do that on my Ski-doo. It's licenced differently, and I still have high insurance through a different company. If SGI doesn't want to do the motorcycles, get out of it, stop tying our hands, and let us go somewheres else to get insurance.

I want to keep on riding. I want my children to keep riding and my grandchildren. But to keep going this way isn't right. Thank you.

THE CHAIRPERSON: Thank you very much, Lorn.
Our next speaker is John Parsons.

MR. PARSONS: Good evening, Madam
Chairperson, Panel Members, SGI executive. My name is John Parsons. That's P-A-R-S-O-N-S. I've been an avid motorcyclist for 47 years. I have well over a million kilometres' experience on all kinds of motorcycles, and I have ridden a motorcycle in most of North America, Mexico, and Europe, including the United Kingdom. I have worked in the industry

as a motorcycle mechanic. I continue to do 99 percent of my own motorcycle maintenance. I have collected and restored antique motorcycles and have built and raced custom super bikes, even though I currently only have one motorcycle.

I'm also a past Canada Safety Council motorcycle chief instructor, was a qualified motorcycle licence examiner in Saskatchewan. In addition to my chief instructor training in Ottawa, I have attended professional advanced rider training track sessions in Minnesota and California and still maintain an active interest in motorcycle safety. Enough about me.

The title of my paper is opportunities for mitigation of motorcycle insurance premiums in Saskatchewan.

By way of introduction, the recent SGI proposed rate increases for motorcycles have obviously gathered a strong response. While there's been a subsequent backtrack from doing it all at once, SGI's intent is still to increase rates to the levels originally proposed.

This paper intends to analyze how SGI's decisions and implementations have affected motorcyclists disproportionately and provide recommendations for more equitable treatment. By "equitable," I mean with other locations and other vehicles.

The basic issue is the proposed rate increases will have a severe effect on not just current and future riders, but also the businesses and their employees that sell and support motorcycles and motorcyclists. Rick covered that aspect very well.

Motorcycles are a traditional, utilitarian, enjoyable, and legal form of transportation all over the world, but SGI's proposed rate increases would excessively deprive and limit Saskatchewan residents from similarly enjoying the benefits of them.

Specifically, it is the unique way in which SGI chooses to apply their no-fault policies, coupled with the lack of options, either in coverage, premiums, or

external competition that's driving these proposed increases.

It must be understood that no fault should not mean that at-fault parties are ignored. While liability takes on a minor role in the adjudication of individual settlements, it still plays a major role in the subsequent behaviours of all road users and, thus, directly has an effect -- a direct effect on total losses.

The most common item of agreement amongst all insurees is that those at fault should pay. If they don't pay on a per-accident basis, then they must be assessed appropriately elsewhere in the system. Failure to maintain this responsibility contributes to deteriorating driver standards, systemic unfairness, and overall disrespect of the system.

For analysis: As a Crown corporation, SGI, through the Sask. auto fund, is a monopoly provider of mandatory vehicle insurance in Saskatchewan. In addition, SGI is also responsible for road safety and regulation of road users.

As has become commonplace, Saskatchewan has adopted the principle of no-fault insurance. In general, no fault implies that each party in an accident pays their own damages regardless of who caused the accident and usually places restrictions on the ability of the not-at-fault party to sue for redress, tort.

In most cases, no fault is synonymous with mandatory personal injury protection, PIP insurance, given that this area has the greatest potential for litigation and variability, that is to say costs, in any settlement. Each vehicle owner pays for insuring their own injury losses in the event of an accident.

The Insurance Institute for Highway Safety estimates that motorcyclists are four times more likely to be injured in an accident than car occupants. Additionally, motorcyclists are likely to incur more severe injuries due to their relative lack of protection; therefore, unless other provisions are made, based on a per-accident basis, PIP insurance will be far more expensive for

motorcycles than for cars. According to SGI, this is the biggest factor driving the motorcycle rate increases.

It's critical to understand that incurring the cost is nowhere close to the same as being at fault. Thanks, in part, to SGI's misguided motorcycle classification system and the self-fulfilled prophesy it has created, motorcyclists are demonized as huge costs to the system subsidized by car drivers because of their supposedly willing propensity to get hurt. What is inferred is they hurt themselves.

While it is fair to assess the costs of their own negligence against motorcyclists, it is grossly unfair to have motorcyclists unreasonably underwrite the negligence of others solely because they are more vulnerable. It is literally adding insult to injury.

What can be done? The vast majority of other jurisdictions have realized the disproportionate effect that these increased costs have on motorcycling and understood that mitigation of these effects is

justified.

To date, SGI has proposed no such mitigation, but some possibilities -- the possibilities may include but not be limited to: removal of motorcycles from no fault provisions. Most of the United States and major jurisdictions in Canada specifically exclude motorcycles and a few other specialty vehicles from no-fault provisions. The actual specifics of each jurisdiction vary considerably both in exact application and results, but, at its core, this means that motorcyclists are not mandated to carry PIP insurance or any additional insurance beyond minimal liability coverage, but, as a result, may not be covered or receive any benefits in an accident where there is no other party to sue, such as a single vehicle or at-fault accident. If exclusion is pursued, it is essential that other considerations exist for motorcycles and that equivalent insurance or a facsimile of it is still available, preferably competitively for those that want it.

For motorcyclists, however, this approach is a two-edged sword. While

most riders accept a greater degree of risk by choosing to ride and would appreciate the freedom to choose, there will be those that will opt out of optional insurance to their conceivable disadvantage. Unrecovered costs may be a problem, and, if poorly applied, the potential for greater individual suffering is increased. Properly applied, however, this option represents the most freedom of choice for motorcyclists.

Another choice would be to retain motorcycles within no-fault provisions with accommodations such as equitable allocation of burden system. When Hawaii instituted no-fault regulations, it put in an equitable allocation of burdens system. Basically, what this means is it tries to recognize that larger, heavier vehicles cause more damage such that in an accident involving a car and a truck, say, the truck's insurance would pay 60 percent of the total cost of the accident, and the car's 40 percent regardless of who was at fault.

Similarly, between a motorcycle and a car, the car would pay 75

percent, and the motorcycle only 25 percent.

As relative disparities in vehicle size continue to increase on Saskatchewan roads such as ever-larger pickups and ever-smaller subcompacts, this type of cost-allocation system may have merit independent of its application to motorcycles.

Cost-transfer system.

Ontario uses a cost-transfer system specifically for motorcycles and special vehicles. In an at-fault car versus motorcycle collision, this system would allow the motorcycle's costs to be attributed to the at-fault car's policy when the amount exceeds a certain threshold.

Better safe driver

discounts. The argument can be made for all vehicles, but especially for motorcycles, that the rider is more of a factor to overall risk than the vehicle.

SGI's present safe driver recognition program is only a maximum of 20 percent. This implies that, on any given machine, a proven safe experienced rider is only 20 percent less likely to be in an

accident than an untrained novice when all statistics show the actual percent is much, much higher.

Apart from being a basic fairness issue, this under evaluation of rider or driver importance and responsibility for accidents sends a powerful negative message.

An across-the-board 50 percent maximum SDR discount, 80 percent for motorcyclists would be more appropriate. Of course, with SDR discounts of this magnitude, named and/or excluded drivers or riders would need to be enacted, and the time to reach plan maximums would be lengthened.

Changes to coverage and regulations: SGI's no-fault coverage is among the most generous anywhere with a corresponding reduction of tort alternatives, but could be modified considerably to reduce premiums and be fairer to all. Allowing some individual tailoring of specific provisions up to and including their removal for mandatory status may be of benefit. Examples may include: Within the personal injury protection provisions is income replacement

indemnity, which we have now been told is a huge factor in the specific motorcycle costs. This ensures that a person's wages are maintained at 90 percent. That's also the highest in the industry, I might add. Retired, elder persons, like myself and a number of others, do not have incomes that are under threat from an accident. It's unfair to make them pay a premium for coverage they cannot use.

Motorcycles are generally less expensive vehicles, although some owners may place an inordinately high value on them. Some owners may prefer to self insure their losses due to an at-fault collision, trust alternative physical protection in place of theft insurance, or provide better coverage for their special bike for an additional premium. For these reasons, collision and comprehensive insurance should be optional and/or open to greater choice: deductibles, coverage, et cetera, especially for motorcycle owners, while maintaining their right to assess other at-fault parties for collision losses.

At present, any Saskatchewan motorcycle can be ridden by any person with any valid motorcycle endorsement, including a learner's permit. In actuality, this is rarely the case, and most motorcycles are ridden exclusively by one rider, and a vast majority of them never carry a passenger. The ability to restrict operation to a specifically-named rider or a limited setoff would better reflect the reality, permit a more tailored analysis of risks, and facilitate more targeted discounts, such as the SDR.

SGI's simplistic and wrong-headed motorcycle classification system fails to adequately acknowledge relevant factors in its assessment of a motorcycle's risk potential. For example, a study by IIHS found that motorcycle antilock brakes reduced the likelihood of a fatal motorcycle accident by 37 percent and reduced motorcycle damage claims by 22 percent. As a result, some private insurance companies now choose to recognize this in their rates, often ahead or instead of motorcycle type. SGI's treatment

completely ignores ABS and other potential technological benefits.

Apart from the fault or no-fault provisions, there are other considerations. The recognition of other incentives that reduce losses is also important. The value of effective rider training is widely acknowledged, but not presently rewarded or overtly encouraged, in any way, by SGI either by accelerated progression through graduated licence regulations, subsidization, or any other method.

Apart from mandatory helmets and eye protection no incentives are in place to encourage other protective equipment. Under the mandate of overall road safety; i.e., not specific to insurance, SGI could do more to understand and identify road hazards that present a greater hazard to motorcyclists and develop driver improvement programs that target motorcycle awareness. Kudos if you are in the process of doing that; however, we have not seen anything to date.

So for my recommendations:

Ultimately, SGI must provide a more thought-out proposal to its customers who ride motorcycles. In an open process, SGI should consult with the various interest groups involved and work out recommendations to reduce the overall impact to motorcyclists and the motorcycling community.

In developing their proposal, the following points should be addressed: The ultimate decision to include or exclude motorcycles from the no-fault provisions should have wide consensus amongst motorcyclists. While strong voices may come from other interested parties, it is the individual motorcyclists that have the most to lose or gain with this decision.

And during the consensus building process, SGI must do their impartial best to educate these clients on the full effects and options of their proposal.

After the consensus process and enactment of whatever provisions are indicated, SGI should continue to liaise with interest groups to monitor and manage the outcomes accordingly.

In an effort to improve overall operator competence and attribute costs more fairly, SGI needs to significantly increase its SDR program and rebalance rates accordingly.

As a mandatory monopoly, SGI should not expect a one-size-fits-all approach to satisfy everyone. Wherever possible, SGI should entertain more choice in general and allow greater customization of individual policies.

In the absence of this choice, the argument for allowing private competition for some or all of Saskatchewan's vehicular insurance needs will continue to build.

Finally, SGI, preferably in a consulted manner, needs to complete its evaluation of the graduated driver licence program and provide further recommendations for its continued improvement. Similarly, in its role of road safety authority, it should put a stronger emphasis on motorcycle accident reduction and prevention, including appropriate training, awareness campaigns, and

the like.

That's all I have. Thank
you very much.

THE CHAIRPERSON: Thank you very much, John.
Our next speaker is Tim Crawford.

MR. CRAWFORD: Good evening, ladies and
gentlemen. My name is Tim Crawford,
C-R-A-W-F-O-R-D. I'd like to start by asking
the president if he has available the message
he gave us right at the beginning, if you
could repeat something you said, about how the
insurance system works where the many cover
the few. Do you have that wording readily
available?

MR. CARTMELL: Insurance is a pooling
mechanism where the premiums of the many pay
for the losses of the few.

MR. CRAWFORD: So the idea is that
everybody pays into the pool, and the few
incidents where the money is needed is how it
comes out. But everything that was said and
done since then regarding this has been to
narrow that down and singularize the
individual, okay?

Now, when I first saw the

Rate Review's recommendations that came out, the first thing I did was I looked at the press release, and I got out my calculator because this said that there were more than 530 at-fault motorcycle accidents in Saskatchewan each year. It said that 52 percent of those motorcycle accidents that there are are the motorcycle's fault. This would result in almost 1,100 motorcycle accidents a year. If that were true, my first question was why are there still any alive motorcyclists if there were that many accidents?

When one looks at SGI's published online website, you will see that there are, most years, between three and five motorcycle fatalities each year. There are, on average, about 19 to 23 pedestrian fatalities each year. Motorcycles are over-represented in the injury factor. It is true. A person on a bike is at greater risk of injury if he is in an accident.

The next thing I did was I started to go, and I did some homework, and I went digging and studying. One thing I found

was a study that was done by Oxford University covering motorcycle crashes in a period from 1980 to 2000. This study was representative of the other ones I found, and the key points in this regard were that 80 percent of motorcycle accidents are the other vehicle's fault. Of those accidents, two-thirds are the other driver making a left-hand turn in front of a motorcycle. These are the ones that cause the most fatalities. It's strange if that's true because if motorcyclists in Saskatchewan are at fault 52 percent of the time, then we are the worst drivers on earth, which I doubt.

What does come to mind is that if a motorcyclist is cut off like that, left-hand turn in front of a bike, what's going to happen most of the time is the bike is going to swerve, he's going to put his bike down, and now it's a single-vehicle accident, and obviously the motorcyclist is at fault.

Something else I'd like to pick on is when I got into the bike that I have now, the first thing I did was get what we call a high vis helmet because I do not

ever again want to find myself lying in an intersection listening to some person try to explain to a police officer how he didn't see the motorcycle because that's undue care and attention.

My road glide is somewhat larger than a smart car, and I think more visible, if the truth were told. The fact is that people ignore motorcycles.

A comment I got recently from a person I thought was a friend, he said, if I'm on a motorcycle and I get hit, it's my own damn fault if I get hurt because I took the risk upon myself.

A motorcycle is as large as many other vehicles. They are as visible. They are the only vehicles which are required to have headlights and taillights operating at all times and are much more visible than other drivers would like to they think are. The truth of the matter is that people think it's okay to ignore them.

One of the -- we do have a difficulty with what I would like to call driver competency. I see -- I'm -- just

something I was going to say at the beginning, and I didn't. I have been driving professionally for most of my adult life. I'm a fourth-generation truck driver. I've got somewhere in the order of 2 and a half million miles all over Canada, trucks, taxis -- I spent five years in a taxi cab, and I'd like to commend the comments that some of the taxi people made on their comments that taxi drivers are in an incredibly high risk environment, constantly under pressure. They're expected to do the impossible.

However, back to motorcycles, we are not invisible. We are as well illuminated and visible as any other vehicle on the road.

Motorcyclists tend to be the most defensive drivers on the road for a very good reason.

I was once told that the definition of paranoia, it's only paranoia if they're not really out to get you. And every biker on the road is going to assume that every other vehicle out there is out to get them because sometimes they are.

There is a problem with education because people think it's okay to cut off a biker. They are entitled legally and morally to just as much of the road as any other vehicle.

Back to the point of these insurance rates which do appear -- obviously I'd like to think that SGI didn't anticipate the size and volume of the response that this has required or has gotten, and it's partly because nobody rides a motorcycle because they have to. People drive a car or a truck because they need to get to work. They've got somewhere to go. People who ride motorcycles tend to do it more because it's part of their lifestyle or their attitude. Some are positive. Some are negative. I have a daughter who comes and pesters me every Saturday morning. Daddy, the sun is shining. Can we go kill some bugs now? Which is what motorcycles are really good at.

And what I would like to suggest is that this Rate Review Committee can't refuse the application for increases on motorcycle rates because -- now, I'd like

to -- I mean, I'd like to honour these gentlemen who have come here, and they're representatives of a much larger group, but if you look at the statistics they're giving us and you look at what the real world says, somebody is not telling the truth here. 52 percent of motorcyclists are at fault only in Saskatchewan? That seems a little odd. If the accident statistics that SGI was claiming are true, I don't think there would be very many live bikers. Excuse me. This is drying.

Yes, there are problems with safety. Yes, we need to educate both cyclists and other drivers in better driving habits.

When I got my first motorcycle, I was in Ontario, and I was given a pamphlet of information, and the one thing I remember from that more than 30 years ago was that 80 percent of all fatal motorcycle accidents occurred in the first 24 hours in the saddle. Whether that is still true or not, I couldn't say, but it does indicate that the novice rider is at a high risk because they haven't adapted yet. Most -- in most cases back then, we all rode bicycles, and we

learned how to ride on a bicycle. Most of us rode bicycles before we ever got into a car and we knew about traffic regulations and safety.

One of the difficulties we have now is what I call we have a generation of Xbox drivers. We have kids who have learned how to drive on racing games. And physics isn't involved there.

I know that SGI has come under a lot of criticism tonight, and I don't want to do that too strenuously, but there are issues inside the system which may not be recognized.

A very simple example, when I went for my class 1 road test back in the early '80s, the first question I asked the gentleman who climbed in as my examiner was how long have you been driving a class 1 truck? And his answer to me was, oh, I've never been in one before. But I'm a class 5 driver, but I'm a qualified examiner.

Now, this gentleman who didn't have a clue about what was involved in driving a semi truck was about to evaluate my

ability to drive one. I failed the test.

A few months later, SGI announced a change in the system where the STA was taking over the testing and examination and training of class 1 drivers.

Tonight we have heard there's still a similar problem with motorcycles where a person who may not themselves be an experienced rider is testing another riders ability. How can they -- and I have heard similar cases from Moose Jaw, people who were failed in their tests because they didn't do things the way a four-wheeler would. Dodging potholes is a good example.

The bottom line is that SGI is trying to single out a small section of the population, which admittedly does -- if a bike is in an accident, he's going to get hurt. But the number of motorcycle accidents and fatalities, they didn't show you anything about how few there actually are.

On average, over the last ten years in Saskatchewan, based on their statistics, it's about 300 collisions a year. Motorcycle involved. Not at fault.

If you use the -- the more common standard of 20 percent at-fault accidents, there aren't that many motorcycles who were at fault in an accident, which would reflect why there are only three to five fatalities each year.

That's pretty much all I have to say. Again, thank you, gentlemen. I appreciate your efforts, but where you're getting your numbers from, they don't add up to the rest of the motorcycle world. How could Saskatchewan be the worst bikers in the world? And why are they so expensive? This -- these exorbitant increases don't reflect the fact that bikers are generally fairly safe drivers. They have to be. Thank you.

THE CHAIRPERSON: Thank you very much. Thank you, Tim. Our final speaker that I have been made aware of is Tony Gerein.

MR. GEREIN: Good evening, Madam Chair, Mr. President, and, of course, the representatives of the Review Board and SGI. Thank you for the opportunity to speak tonight. I think everyone is grateful for the

chance to vent, but I hope they're also, as I am, grateful for the chance to try to say something constructive. And I think we have heard a lot of constructive things tonight.

My name the Tony Gerein, G-E-R-E-I-N. I am here on my own behalf. I, too, am a motorcyclist. I have been -- since this seems to be the best way to approach it -- a motorcyclist for 32 years now, and I am very grateful for that opportunity. I am grateful that the province allows that because, of course, licencing is something that permits you to do an activity.

But what concerns me tonight is something that I think has been said very well by a number of people, particularly Mr. Dobson, Mr. Kleckner, Mr. Parsons.

But I hope we all hear the underlying theme. And the underlying theme, I submit to you, is fairness. It's about a fair identification of the costs that are involved. It's about a fair attribution of those costs. A fair recovery of those costs, and, as we have heard tonight, many suggestions about a fair way to reduce that in the future.

And, Mr. President, you talked about fairness. Everyone who has come up to speak has talked about fairness. I think we're all trying to achieve the same thing, but the question is how. And, more particularly, the question for the Review Board is, are the proposals fair? And in regards to motorcyclists, I would submit that they are not, and they are not for a number of reasons.

I'll go through those four again briefly. The fair identification of costs. Well, I have heard some statistics tonight, and I'm grateful for those statistics, things like 6 percent of the costs go to healthcare. 15 percent go to death benefits and so on. But between what I have heard tonight and what I was able to determine from the Rate Review proposal, the questions that were asked, the information requests, the information that came back, I haven't seen any numbers, so I don't know exactly how much is being paid out to Sask. Health, I don't know how much is being paid out to individuals for different things. So, I mean, where is that

money going?

And, of course, when it comes to the fair, if you will, identification of costs, one of the fundamental concerns I have is you're paying Sask. Health for health costs. Well, what happens if someone hurts themselves on their dirt bike that's unlicensed? What happens if someone hurts themselves skiing? What happens if someone hurts themselves while they're farming or that sort of thing? Is a contribution made to the health service? I don't think it is in most instances. But now because motorcyclists have been licensed, SGI is going to make that payment. Well, should that payment be made? I mean, that's a fundamental question.

And, of course, one of the fundamental questions as well is, frankly, what's being paid out for property damage? I have friends who ride. Sometimes accidents happen, and sometimes things get scratched, and a ten-year-old bike gets a whole bunch of new parts. Should it get those new parts? I don't think any of my friends would agree. I mean, okay, you're going to get me new parts?

I'm not going to argue.

But where is the money going? We hear \$9 million. How do we get \$9 million behind? Why does that have to be made up? I think those costs need to be looked at, and I ask the Review Board to consider what exactly SGI is paying for. I mean, you want a rate increase. Well, should you be paying for all of that? If I want a raise, one of the fundamental questions are, well, what are your expenses? Should you be spending money on those things? So we have that.

And then we have the fair attribution of costs, and we have heard a lot tonight about who is at fault, what happens under no fault, and so on. But one of the things I notice, and I pulled this from the documentation for information request that's on the Rate Review Board website, and it's an answer to, I believe, request number 7. There's an indication at the very bottom of that page after the assessment of fault in various accidents that injury benefits are paid regardless of fault. Fault assignments are not made on injury claim files, which

tells me, as I think I have heard tonight, that, even if the car is at fault, the motorcyclists end up being attributed all the costs, including the health costs. Well, that doesn't accord with fairness. That doesn't accord with what we have been asked for tonight.

Now, I may be reading that wrong, but that's what is written at the bottom of that particular indication. And, in fact, in that chart, it's part D of the answer to request number 7. It indicates that, in regards to fault, a number of accidents, fault is never even determined. So where do those costs get assessed? To whom do those get attributed?

Then, of course, we have the fair recovery of costs. We have heard time and again, hold the bad drivers responsible. And I think everyone here would agree, hold the bad riders responsible. We're not here saying motorcyclists should get a free pass. We're here saying, find the troublemakers. Identify them. It's actually not hard because the police tend to charge them. They tend to

get convicted. We tend to be in a situation where SGI makes its own assessment and then puts points on their licence.

I don't think anybody argues the idea of pooling and that we're all in this together, but I think what people are upset about is when they haven't had an accident in 35 years, why are they paying the same as somebody else, somebody who has had a bunch of accidents.

And I don't want to point fingers here, but one of the other things I thought interesting in the documentation for information request number 7 --

UNKNOWN SPEAKER: Point away.

MR. GEREIN: -- was in part B. And, of course, I mean -- and this doesn't quite mesh with some of the numbers we have heard earlier, but it runs through the accident claims from 2006 to 2012. And this information is all available, for those of you who haven't seen it, on the Rate Review Board's submissions on the website. But we go from 566 accidents in 2006 to a high of 608 -- or claims -- to a high of 608 in 2008. 2012,

I can be corrected, I assume this is a partial year, there was actually 81 claims last year? I mean, that's kind of astonishing. I don't know if that's a typo or not, but all the other numbers add up. But it's been dropping since 2008: 561, 569, 492, 81. But what's important under part B is most of those accidents are people 16 to 25 years of age. Now, that talks about training. That talks about I believe the term was used earlier that you sort of have to get adjusted. Your brain has to sort of get into gear.

But that tends to belie when we talk about the attribution and the recovery of costs. Engine size, doesn't it, or type of bike. Well, it seems the biggest accident factor here is age, oh, but wait it isn't. Because if you look at part C, years with motorcycle learner endorsement or years with endorsement, zero to three years. Well, let's look at 2010: 115 accidents for those with a motorcycle learner's licence and less than three years' experience. Four to seven, ten accidents. Eight to 11, four accidents. It's the new riders.

And the same where you actually have your endorsement. That same year, 178 accidents for people who had had their licence zero to three years. It drops to 44. 33. It goes up to 125. I'm not sure what's happening to people between eight and 11 years with their motorcycle licence. That needs to be checked.

But the point is, of course, that a lot of this is about learning and learning to do it well.

And that leads me into the fair means to reduce costs. We have heard about graduated licences. I mean, that's not surprising. We have heard about bike limits. You can only get a bike so big, so powerful, and so on. That makes sense. But so does proper protective gear. So does limiting what kind of compensation is going to be paid for cosmetic damage. Training. Public awareness. All of those things are critical.

And I can stand here -- and, in closing, I'll speak to this. I got my first motorcycle when I was 16, and it was a glorious day. It was a glorious day, in part,

because it was a gift from my father. I came home on my birthday, and there was a motorcycle waiting for me. Happy birthday. Problem? He hadn't told my mother. That motorcycle sat in the garage for a week. I wasn't even allowed to go in the garage. But, in the end, he prevailed, but I wasn't allowed to ride it until I took the safety course and until I graduated. And I can tell you the safety course saved my life.

The first year I was riding, somebody turned left in front of me, but I was ready for it, and I stopped, in the rain, in time. My wife rides. Well, she doesn't now, we have -- have a son, but she used to. Within her first year, somebody turned left in front of her. She had taken the safety course because I said you're not riding until you take the safety course. It saved her life.

Since then, over the years I've had tremendous experiences with friends. My father learned to ride at 58 so he could come on trips with me and my friends, and we've had a great time. It's been a wonderful thing. But we have always believed in being

responsible. He took the course twice.

So it's absolutely critical that you do that, no doubt about it, but it is about fairness. It is about, in the end, responsibility. We, as motorcyclists -- I believe I can speak for everyone -- we are willing to take responsibility to learn. We're willing to take responsibility to be safe, and we're willing to accept a hit when we do something stupid or we do something illegal. We should pay, and we should pay a lot.

But while insurance is premised on pooling, it is also, even in a no-fault jurisdiction like this, it is premised on the idea -- and this is good just for insurance companies: identify the risks; mitigate; eliminate the risks.

And when I hear that, if I heard correctly, someone who has still got their licence but has a lot of problems can get it if they pay \$2,500. And if want a brand new motorcycle of a certain type, and I'm going to be responsible with it, I can end up paying 5,000 a year to register it, there

seems to be a bit of a disconnect when it comes to fairness because it is about the risk. And I haven't seen any numbers to substantiate that it's engine size and these other things that are the risk. SGI's own answers to your questions says -- say otherwise. So, again, all we ask is fairness. Thank you.

THE CHAIRPERSON: Thank you, Tony. I do have one comment for you. When your father chose to learn to ride at age 58, he was a very young man.

I think we have heard all of the presentations. We are now open to the floor for any questions that they have for the panel or for representatives from SGI. If you have any questions, please come forward to the microphone, state your name, and spell your name.

MR. GETZ: Daryl Getz, G-E-T-Z. I just have one question. I would like to know if SGI will provide the detailed statistics for public scrutiny for how you come up with all of your statistics about how unsafe motorcycles are and where the costs are

applied to. Does that require the *Access to Information Act*, or is that information publicly available?

MR. THOMPSON: The detailed statistics have been put on our website, so you can go there and get them.

MR. GETZ: I'm not talking about your summarized numbers, I'm talking about the sourced transactions that produce those statistics.

MR. THOMPSON: You want to see every claim we have had?

MR. GETZ: Yes.

MR. THOMPSON: That's private information. We can't disclose individual claim information.

MR. GETZ: Well, you can withhold the privacy information of the personal content, but to submit information about the claims and the numbers of claims of different types of vehicles and where injuries and accidents are assessed.

I've had a number of motorcycle accidents that I have never reported because most of the other drivers

pull out of the intersection in front of you and cut you off. I had two in the last five years. I laid down my bike, and I scraped some chrome off, and I don't bother to claim that. I will look after that myself.

MR. THOMPSON: Well, that wouldn't be in our statistics then if you didn't report it.

MR. GETZ: Okay. But those type of accidents that I reported where somebody pulled into the intersection in front of you and you had to swerve around them and had contact with the sidewalk or something, would be reported as a single-vehicle accident, would it not? And then it would be the fault of the rider?

MR. THOMPSON: If it was -- if -- say that -- give me that example again, sorry.

MR. GETZ: Well, just my last one was turning off of Quance Street onto Arens Road.

MR. THOMPSON: Yeah.

MR. GETZ: As I was turning the corner, a vehicle, a large truck, pulled out from the stop sign, and I had to swerve around just as I was turning the corner, and I came into contact with the sidewalk. Scraped the chrome

off my bike.

MR. THOMPSON: And that truck left, or did you --

MR. GETZ: Yes, left the scene of the accident. Or how about back in 1978, my 400 Suzuki, when a motor home came over in my lane and ran me right off the road in the dark, and I had to pick up my bike out of the ditch in the -- in the pouring rain and put the headlight back together again under a street lamp, and the motor home just kept on going.

MR. THOMPSON: Yeah.

MR. GETZ: I don't know whether he never saw me or didn't care.

MR. THOMPSON: Yeah, in that example, if they left the scene, and there was no witnesses, there was no licence plate, yeah, that person would be found at fault.

MR. GETZ: Thank you.

THE CHAIRPERSON: Are there any other questions?

MR. BRIDGES: I have two or three brief questions. My name is Steve Bridges, B-R-I-D-G-E-S, and I'm speaking as an individual and not part of an organization.

To the Rate Review Panel, I just have a quick question. We were seeing the posting of the e-mail comments that were coming in to you at the beginning when the application first came out, and they seemed to stop at some point and were no longer being posted. Is that an oversight, or is there just a capacity issue which was one of the things I heard?

THE CHAIRPERSON: We are constantly trying to get things caught up, so --

MR. BRIDGES: And there's a lot of them, yeah.

THE CHAIRPERSON: Yeah.

MR. BRIDGES: Okay. To the SGI representatives, you put up a website that was motorcycles@sgi. Could you give me an idea if I put a request for information to that address, who is it going to, and what type of information can we expect to get from that web -- or that e-mail address?

MR. THOMPSON: You're talking about the --

MR. BRIDGES: Yeah, the one that was on the overhead. You started an e-mail address specifically for motorcycles.

MR. CARTMELL: I think it just depends on the information, how readily available it is.

MR. BRIDGES: Okay.

MR. CARTMELL: How quickly we can get it to you. You know, without knowing specifically what it is --

MR. BRIDGES: Okay.

MR. CARTMELL: The other thing you could do is I believe in conversations we have had with the panel, you can make your request of them, they can ask for that information as well.

MR. BRIDGES: Okay. When I was --

MR. CARTMELL: So it really just depends how difficult it is to pull the information together.

MR. BRIDGES: Yeah. When I first started researching out the application and trying to get my head around what was going on, I was in contact with SGI, and, to be honest, I didn't get much back from them. So I'm just wondering if the motorcycles@sgi site is going to be a good avenue for information.

MR. CARTMELL: It's intended to collect feedback from people with respect to the consultation.

MR. BRIDGES: Okay.

MR. CARTMELL: I believe we did receive a request for information from the organization listed on your shirt, and we have responded to that. We put that information up on our website.

MR. BRIDGES: Again, my --

MR. CARTMELL: We're more than willing to provide or share information. It's simply a matter of how easy is it to pull together --

MR. BRIDGES: Yeah.

MR. CARTMELL: -- and whether we even have it.

MR. BRIDGES: The questions I am asking are strictly for myself and not part of the organization.

MR. CARTMELL: But the information is available.

MR. BRIDGES: Okay, thank you.

MR. CARTMELL: There's lots of information available on our website.

MR. BRIDGES: And just one other question for SGI. I've heard numerous times about reclassifying motorcycles as recreational vehicles, and I still don't understand the

methodology behind that. Could you please comment on any of that situation?

MR. CARTMELL: I'm as confused as you are. We have no plans to reclassify motorcycles as recreational vehicles. It would make absolutely no difference if they were --

MR. BRIDGES: Okay.

MR. CARTMELL: -- classified as recreational or not. They're rated as a -- as a class. The discussion I think that's perhaps more pertinent is the discussion around engine size and horsepower and that, and we fully intend to talk about the pros and cons of that approach in the motorcycle consultations.

MR. BRIDGES: Okay, thank you.

MR. CARTMELL: Another point that I think might be worth a little bit of clarification, I think it was Mr. Parsons asked the question or suggested the Ontario system where there's a loss transfer mechanism in place for motorcycles. We actually do the exact same thing here in Saskatchewan. In fact, it's better here. We have no threshold. So if the other vehicle -- if we can determine another

vehicle is at fault for the accident, all those costs that would normally be attributed to the motorcycle are transferred to the other vehicle. It's simply a matter of us knowing there was another vehicle involved.

The other question that came up is around no fault and what it means. No fault really responds to the benefits side. Everyone is entitled to no-fault benefits regardless of fault. So regardless of whether you caused the accident or were the unintended, unfortunate recipient of the accident, you're entitled to the same level of benefits. We don't have no fault with respect to rating. People who cause accidents, if we can identify them, if they are charged and convicted, they pay higher insurance costs. So we have no-fault benefits if you're injured, but we have claim-based, fault-based rating for insurance in Saskatchewan. And I know that's -- there's a difference.

There were a lot of discussions with respect to safe driving recognition and the business recognition programs. Fair game. We can discount people

more. We can surcharge other drivers more. That is a balancing argument. How much do you want to penalize the so-called poor drivers? How much do you want to benefit the good drivers? That's why we undertook the consultations with respect to safe driving recognition.

MR. GUSTUS: I have got a question about that. You're saying that --

THE CHAIRPERSON: Could you please come to the microphone?

MR. GUSTUS: Yeah, sure. You're saying in a situation where if there is a car, basically, leaving the scene of the accident -- a motorcycle gets run off the highway, and the guy is down and out in the ditch, no other car there, he didn't drive off, he's looked at by the hospital, by the RCMP, he is not drunk, he's not impaired, he's not on drugs, somebody ran him off the road --

MR. CARTMELL: Right.

MR. GUSTUS: He's saying, okay, a blue Chevy Impala drove me off the road. Does that switch over to the car side, or does that stay on the motorcycle --

MR. CARTMELL: If there is --

MR. GUSTUS: -- because you cannot
prove --

MR. CARTMELL: -- if there's a witness --

MR. GUSTUS: -- by licence plate.

MR. CARTMELL: -- if there's a licence
plate, if there's something that we can go on
to draw the two together. That's the issue.

MR. GUSTUS: You're not going to take the
biker's word for it because the RCMP and the
hospital say he was totally sober. Somebody
must have run him off the road? You have not
got a driver's licence to prove that, and I'll
guarantee you, a car runs a bike off the road,
he's gone.

MR. CARTMELL: We'll need some level --
we'll need some level of proof from somewhere
to do that.

MR. GUSTUS: You're not going to believe
the biker?

MR. CARTMELL: Pardon me?

MR. GUSTUS: You're not going to believe
the biker?

MR. CARTMELL: We can't believe any driver
if there's no corroborating evidence. How can

we? There could -- there's all sorts of situations that --

MR. GUSTUS: So, in other words, a guy can hit and run a motorcycle, and he's going to get away with it. Thank you.

MR. CARTMELL: You can have a hit and run car hitting another car, hitting a motorcycle, hitting a cyclist, bicyclist, hitting a pedestrian, hitting a truck. We have to have some means of determining who was there at the accident scene. That --

MR. GUSTUS: But you -- you could --

MR. CARTMELL: It's the same in any province and in any jurisdiction.

MR. GUSTUS: -- you could, in essence, take that -- the responsibility of that accident off the motorcycle and put it onto a vehicle.

MR. CARTMELL: Absolutely, if we can identify the vehicle --

MR. GUSTUS: No. "A" vehicle.

MR. CARTMELL: -- and if there's a witness.

MR. GUSTUS: Not -- not any specific vehicle, which is going to take the insurance costs --

MR. CARTMELL: We have --

MR. GUSTUS: -- off the motorcycle side
of SGI.

MR. CARTMELL: As long as we can identify
the vehicle to attach it to, absolutely.

MR. GUSTUS: Okay, thank you.

THE CHAIRPERSON: Thank you. Next?

MR. McINTYRE: Hi. My name is Stewart
McIntyre (ph). I'm calling -- the reason I'm
up here is partially what he was talking about
just now. I'm one of the statistics where
they rated it 50/50. My 50 percent ends up on
our column of the stats, which is involved in
all of this garbage, and yet it was an
adjuster that sat on their laurels because
they're being high paid. Maybe it's time that
some adjustments were made. The adjusters
aren't doing their job. And because the bulls
don't have to come out to the scene of the
accident, the cops don't have to come out,
because of that, they get away with it.

I had a lady cut a left-hand
turn in front of me on a one-way street to
angle park on my side of the street. Her
claim to SGI was she was in the left lane.

How do you fit a motor bike with engine cage and highway pegs between a left-lane vehicle and angle-parked cars on Scarth Street? I phoned an accident reconstruction specialist. I said, I'm not going to involve you in this. I just want to know your professional opinion. He gave it to me. So I phoned SGI, and I said -- because it was delaying and delaying, which is their tactic. They love it because they can call it 50/50 because they know you want to get your repairs done because the riding season is short, and you want to get back.

Well, I turned around, and I finally put in the call, and then I called them. Well, my boss is an expert. He's been in this for 12 years, and, yeah, he said there's not enough evidence. And they pushed and pushed to find my expert. I shouldn't have to give that. They should be phoning theirs. But, rather, he turned to his boss because he's got 12 years.

Well, I've got a hell of a lot more riding experience than he does experience, and, I'll tell you, you can't fit

a bike between those parked cars in that left lane. And I'll also tell you this, I drive truck for a living, and if this -- if SGI -- and I don't just mean bikes. Everything. If they'd actually teach people defensive driving, we wouldn't have the accidents, but you teach them how to pass an exam. Enough is enough.

Maybe those six-figure salaries should actually do a job. You know, this is -- this is garbage. They keep raising our rates to support their wages, but they don't bother raising our -- they don't bother looking at what they're doing. I see it every day.

When cars pull in front of my truck and I can't see their back -- I can't see their back window, I -- there's a problem. But they figure that I can stop.

I had a -- I had a driver rear end my bike. I was sitting at a red light. If he had pushed me 6 inches more into traffic, I would have been side-swiped by moving traffic in the bus line. I had a witness. Licence plate information,

everything got given to the police. You know what they charged him with? Leaving the scene. Nothing else. So don't tell me that that is the justification for the way you handle things. It is time things changed. Thank you.

THE CHAIRPERSON: Thanks. Thanks for your comments.

UNKNOWN SPEAKER: If I can be just permitted to rejoin here. Thank you very much for that clarification. At the time I was doing the research, I was looking at ways to mitigate motorcycle costs appropriately, and I wasn't aware that SGI was doing a cost transfer; however, I think you have heard enough anecdotal evidence here that something needs to square this circle, if I can fracture a metaphor.

I think there may be work involved to better find fault for motorcycles. In other words, the assessment of fault in motorcycle accidents seems to be lacking, if you listen to the anecdotal evidence.

That leads to the fact that -- or that leads to the observation that

there are two possibilities: Either SGI is assessing rates wrong, and that's why we're paying these high rates, or we have the worst motorcyclists in Canada, which is still SGI's problem because, as road safety authority, this is something they have not dealt with. You cannot just deal with it through rising rates, particularly when you're not targeting the people at fault.

Charging the class of motorcycles is not the same as confronting the issue that is causing them to have accidents, whether it's inexperience or whether it's car drivers. So in one of your authorities, either as the insurer or the road safety authority, I would suggest that SGI is deficient in terms of being able to lower these rates. Thank you.

THE CHAIRPERSON: Thank you. Anyone else?

MR. STRICKER: Jan Stricker. That's J-A-N S-T-R-I-C-K-E-R. And I just wanted to ask SGI if they think that reducing this increase from 74 percent down to only 15 percent is going to make us happy?

MR. THOMPSON: No.

MR. STRICKER: No? Okay. You're right.

THE CHAIRPERSON: Is there anyone else that would like to ask any questions or make any comments before we conclude? I would like -- oh. Sorry.

MR. AVINOU: Good day. My name is Perry Avinou. Last name is spelled A-V-I-N-O-U. I'm from Moose Jaw. I'm a member of the Canadian Forces. I do not currently own a motorcycle. I have not rode a motorcycle since I was 16. The motorcycle I bought, at that time, was not roadworthy, and I was naive in my youth.

I totally agree with the speakers here who suggest young, new, novice riders should be trained properly, and the bikes that they get on should be safety certified before they even hit the road. That's only -- that's only a wise thought process. You don't let somebody run before they start to walk.

The other part is, when my kids want to do something, or I ask them, hey, kids, what would you like to do tonight, I don't just leave it an open-ended question

like that. I say, would you like to go to a movie, or would you like to go to the mall? That way, I control the situation. That's what I see SGI doing right now, saying, hey, here's our rate increase. Do you want it to be 35 percent or 15 percent?

I'm going to suggest to you that there shouldn't be an increase for motorcycle riders. As a four-wheel driver, I have reduced my vehicle from an expensive Jeep to a cheap piece of crap car that's worth about \$1,800 because I've never had a motorcyclist spray my windshield with rocks, dent my door in a parking lot, or also gouge the back fender of my car because they're backing into me. I've never had those problems with a motorcyclist, but I've had them with four-wheel drivers.

So I suggest that the deductible that is currently in place of \$700 for all Saskatchewan drivers be changed to a thousand dollars. That's a \$300 increase on revenue on SGI's behalf less what they're paying out should an accident occur because the only person it's going to affect are those

who are at fault in an accident. I've been in accidents as a four-wheeler. I've never had an accident on a motorcycle, to clarify, because there's a greater risk on a motorcycle than there is in a car of being injured. You're safer in a cage. That's -- well, if somebody is stupid enough to cut you off and smash into you in a car and I can't avoid it, well, that's their loss, not mine.

The point being is if it's their fault, they're paying a \$700 deductible. If that deductible was a \$1,000 deductible minimum, you have now saved \$300. And if you apply that across all the four-wheel motor vehicle accidents in Saskatchewan, you will recoup your \$9 million shortage, and it won't cost the motorcyclists 1 cent.

And, believe me, if a motorcyclist causes that accident, he will pay that extra. He will also have the surcharges on his licence and the fines that the police issue.

There is other ways of collecting that revenue, and I'm not going to knock SGI, but I spoke to an agent about

insurance rates. My 1,800 value vehicle, I pay \$80 a month. In 15 months, I have paid SGI the value of my car all over again. I was explained that the reason for that is not for the valuation of the vehicle and its replacement cost, but the valuation of the liability insurance. And I am totally happy paying \$80 a month to know that if I did cut off a motorcyclist and caused that guy injury and I stopped to help him and stayed there, as a good citizen would, when the police report -- and I've never had that problem with a motorcyclist, to clarify -- then I would do that, and I'd gladly pay \$100 a month knowing that that guy is going to be taken care of when his leg is lost.

It's called responsible driving, and I see a room full of responsible riders here right now all saying the same thing to you. Look at other alternatives.

I believe that SGI has come in with the mentality that they are going to do a rate increase. It's just a matter of whether you want it in the wallet in your back pocket or a little bit lower where you feel

it. And I'm not going to get too deep into that. So thank you for the chance to speak here. I hope you have heard these words. Sometimes after sitting for hours, the brain shuts off and the butt begins to cause the thinking process to cease. Thanks for the opportunity, and I hope you have learned something from all these responsible riders here.

THE CHAIRPERSON: Thank you for your comments. And I can assure you that we're still listening.

MR. EUTENEIER: Hi. My name is Ken Euteneier, E-U-T-E-N-E-I-E-R. I just need a quick clarification on the -- the no fault because most of the time when we do have that left-hand turn in front of us and we have a choice to either swerve into oncoming traffic and lessen our odds of getting crunched, it's just us that see it. So the car is making the left-hand turn, and, as you know, you have removed the front plate, so we can't identify the driver, but we can identify the car if we have a camera on our bike, which a lot of us are doing now.

So if we have the footage of the car turning in front of us, and we're forced to lay the bike down, do you still need that guy's PIC number or his licence plate number from the back, or do you just need proof that a car caused the crash? Because, otherwise, we've got to hurry up and pick our -- pick our butts up and chase that guy down and get his plate, and that's not a good thing either.

MR. CAMERON: Earl Cameron from claims. If there was proof like a camera showing that a car cut you off, you wouldn't be held at fault, and you see that in all sorts of situations now where there's more and more cameras at intersections which help determine who is causing the accident. So that would be a good example where you wouldn't be held at fault.

MR. EUTENEIER: Right.

UNKNOWN SPEAKER: But it would still be applied to the motorcycle class.

MR. THOMPSON: No.

MR. CAMERON: No. It wouldn't be applied to the motorcycle class.

MR. EUTENEIER: Okay, thanks.

THE CHAIRPERSON: So even -- you're -- you're clarifying, Earl, that even though you could not identify the car or the driver, the fact that you could identify that there was a vehicle causing the accident, that it would not be charged against the motorcycle class?

MR. CAMERON: Do you want to answer that, Don?

MR. THOMPSON: Yeah, there would be no -- there would be no fault assigned, and it would just go -- it would be allocated evenly to all classes because there would be no -- no --

UNKNOWN SPEAKER: But that's still 50 percent against the bike and 50 percent against the vehicle --

MR. THOMPSON: No.

UNKNOWN SPEAKER: -- if there's no -- if there's no fault.

MR. THOMPSON: No. No, not in that example. It would all go -- it would get equally allocated to all classes because there could be nobody found to be at fault in that example.

UNKNOWN SPEAKER: So that's still a part of

that lost \$9 million (inaudible - not at microphone).

MR. THOMPSON: No.

MR. CARTMELL: No.

THE CHAIRPERSON: No. Any other questions or comments?

MR. RUSSELL: Hi. My name is Jeff Russell, R-U-S-S-E-L-L. I have a 1986 Harley Sportster 883. My plates in 2012 were \$970. For 2013, the proposal was to take it up to \$1,970. I think it was a 104-percent increase. For the record, I can plate the same bike in Nova Scotia for \$204 through TD insurance.

My specific question is, according to what I've read on the website, there was a \$9 million shortfall or an imbalance between -- from the -- due to the cost to motorcycles or motorcycle insurance and claims.

There are over a million vehicle drivers in Saskatchewan who are currently making that up, and there are 25,000 motorcycle drivers in Saskatchewan. So your plan is to transfer the \$9 million shortfall

from the million drivers onto 25,000 drivers. So you're taking, essentially, a \$9 surcharge from everyone and transferring it to a \$350 surcharge on the motorcycle drivers.

So my specific question would be, prior to the proposal on February 15th, how many complaints were there from drivers regarding this imbalance?

MR. THOMPSON: I don't know. I don't have that information.

THE CHAIRPERSON: I think one point of clarification perhaps you could make, Don, is that -- that \$9 million shortfall, that was directly from the motorcycle group.

MR. THOMPSON: That's right.

THE CHAIRPERSON: Not from all drivers, correct?

MR. THOMPSON: Correct.

THE CHAIRPERSON: Yeah, okay. Are there any other questions or comments?

MR. HANSEN: Mark Hansen, H-A-N-S-E-N. 15 percent this year to cover up \$9 million. Where is the 40 percent, 30 percent, 25 percent that you added last year that we haven't even paid yet? You haven't even seen

that money, and you're asking for more. What do I actually have to pay this year? It increased last year after we licenced our bikes. Nobody has paid it yet, and you're asking for more?

MR. THOMPSON: I don't understand the question.

MR. HANSEN: You increased motorcycle rates last August by how much?

MR. THOMPSON: I don't -- I don't know what last August was. Do you have it?

MR. McCULLOCH: I can -- yeah, I can answer that.

MR. HANSEN: 2012, how much?

MR. McCULLOCH: As part of the projection that we do to figure out exactly what the shortfall will be, we do consider the rate increases that were put into place in the past. In essence, we're estimating what if that rate increase had been in place already. And, still, on the top of that, that's what we have calculated now as a projected shortfall for the motorcycle group.

MR. HANSEN: What percentage was last year?

MR. McCULLOCH: What percentage was applied?

MR. HANSEN: What percentage was the increase last year?

MR. McCULLOCH: It was capped at 15 percent for most motorcycle types. Sport motorcycles was capped at 30 percent; however, it's somewhere in between, and I don't have that right now. It was closer to the 15 percent than it was to the 30.

MR. HANSEN: Well, some of these numbers don't jive, but that's your answer. Thank you.

THE CHAIRPERSON: Thanks for your question. Anyone else?

MR. RENTON: My name is Sean Renton I'm the president of the Saskatchewan Sport Bike Association. It's R-E-N-T-O-N. A 75-percent increase, first of all, is kind of funny because every road released sport bike on the list is going up between 93 and 459 percent, is what the -- what the original proposal was.

What I really want to point out is that we were here doing this last year at this time, making suggestions on cost reduction in the future, things like mandatory

training, gear, things like that, and there has been no news, no nothing done with that. So is this going to be the same this year? We hope to see some actually reduced costs in the future instead of just doing this again next year and then the year after and every year after that. That's all I have got to say.

THE CHAIRPERSON: Thank you.

MR. RENTON: Thanks.

THE CHAIRPERSON: I think that there are some things that are in the planning stages right at the moment that are going to address some of those concerns, and SGI has already mentioned those, so -- is there any -- is there anything else? Anyone else?

MR. SCHUTZMAN: My name is Tom Schutzman. I can kind of expand on some of the things that Sean was addressing. I'm a previous president of that organization as well.

And I do have some questions both for the review panel and for management with SGI. So I'll just go through them, and then we'll have time for the answers afterwards, if that's all right.

First of all, early on in

Andrew's presentation, he was saying that our rates -- I don't know whether this was a general assertion or whether this was our rates for motorcycles. I think that -- at that stage of the presentation, we hadn't really differentiated yet, but that they were -- that they compare favourably to other provinces.

Now, we have demonstrated -- a lot of our commentators have demonstrated here that they don't when it comes to motorcycles by actually quite a shocking amount, like 400 percent difference between this province and Alberta, this province and Nova Scotia. So just what does "compare favourably" mean, is my first question.

And the second question, expanding on what Sean had to say is what's the reason that any or all of the proposed claims, mitigating initiatives haven't been implemented, not just over the last year, but over the last four years since 2009, the last six years since 2007, the last 13 years since 2000. Every time we have gone through this same round of roundtable talks with SGI's

management and suggesting alternatives and proposing ways that we can balance the ledger by reducing the expenses instead of increasing the revenues. So that's my second question, is what's the reason that, over all this time, none of those have been brought into play.

I know we have seen arguments about the motorcycle graduated licencing system, and, frankly, that program, the way it was implemented, doesn't change anything. And anyone here can attest to that. The barriers to riding are the same as they have always been, and it's not good enough. So -- so, yeah, what's the reason?

What else have we got here. Just excuse me. I've been writing this whole time.

We also heard that one of the reasons was that there was insufficient support from stakeholders. Now, that's something that I don't think anyone believes, so I'd like some expansion on that. I'd like to know what support is required and from which stakeholders to get some of these things moving because I think you'll find it's very

easy to get it. You just have to tell us what it is.

Now, we saw on one of your slides earlier in the presentation that the injury claim ratio is four times for motorcycles what it is for four-wheeled vehicles. I think for motorcycles you pegged it at around \$150,000 a claim.

Now, we also had the breakdown of where the money goes in the claims. And permanent impairments, this is -- this is just my personal opinion here. Something that I intend to harp on. Permanent impairments was 8 percent of the claims costs. Permanent impairments, to me, says scar money. Now, I don't know, please correct me if that's not correct, but one of the simplest rules to implement would be, if you're not wearing gear, you don't get scar money.

I know a number of friends of mine who have had crashes, and they've been paid out at a rate of \$10,000 per square inch of permanently scarred skin with considerations for the depth and the appearance and all those types of things, but

the only reason they have those scars is because they were wearing cotton hoodies or shorts or flip-flops.

So there's no one in this room who will argue with you when you say that a motorcyclist should take responsibility for the condition that they're riding in. You know, I'm not saying make it illegal to ride in shorts, by all means. But if you want to be stupid, take responsibility for it. Don't expect to get paid.

I think -- I had some numbers from 2007 and 2008 that I did a quick calculation of based on SGI's numbers of severity and incidences of those permanent impairment claims, and they have stated a target of three years to bring their rates back into balance. And with the numbers from 2007 and 2008 levels, just by making that one change, it would take us two and a half years to get back into that balance from our \$9 million that we're out currently.

Where do we go next? A simple question, is the CLEAR system accessible to the public or to the Rate Review

Panel? I don't know the answer to that one.

THE CHAIRPERSON: Can you repeat that?

MR. SCHUTZMAN: The CLEAR system for
categorizing vehicles --

MR. THOMPSON: Yeah.

MR. SCHUTZMAN: -- that SGI uses for some of
its vehicles. I'm also not clear on whether
motorcycles are -- are used -- are categorized
based on that system or based on the --

MR. THOMPSON: They're not.

MR. SCHUTZMAN: -- the standard one.
They're not?

MR. THOMPSON: No, they're not CLEAR.

MR. SCHUTZMAN: Okay. And so then that
leads to another question which is who
determines the factors that are used in
conventional, the alternate classification
system, and --

MR. THOMPSON: SGI.

MR. SCHUTZMAN: SGI does? Okay. And is
that part of the Saskatchewan Rate Review
Panel's --

MR. THOMPSON: Yes.

MR. SCHUTZMAN: -- assessment of this
proposal? And maybe could that be changed to

allow some more accurate classifications of motorcycles into categories like touring versus sport, based on horsepower to weight ratios instead of --

MR. THOMPSON: That's going to be part of the review that we're going to be undertaking.

MR. SCHUTZMAN: Okay. Okay, good. Where do we go from here? Someone in the media, early on in February, accused the Saskatchewan Rate Review Panel of being a rubber stamp program, and you said it wasn't, and it's not. I don't mean to make that same accusation, but I would also like to know what the grounds are, like, whether it's simply arithmetic, whether it just depends on whether or not we can establish that there is a shortfall. I know we have talked about fairness, but we have seen these rate increases year on year, so where is the focus, and what are the grounds to reject or amend a proposal, and I guess what authority does the panel have to require amendments to a proposal, or do they just have the blanket authority to say, no, go back to the drawing board and come back to us with a new proposal, and we'll look at that one?

Let's see here. I apologize.

Now, safety costs, 2 and a half percent of claims costs overall go to safety programs?

MR. THOMPSON: 2 and a half percent of total costs.

MR. SCHUTZMAN: Total costs?

MR. THOMPSON: Yeah.

MR. SCHUTZMAN: Okay. So that includes motorcycles?

MR. THOMPSON: What's that?

MR. SCHUTZMAN: That includes motorcycle safety programs?

MR. THOMPSON: It's the whole auto fund.

MR. SCHUTZMAN: It's the whole auto fund?

MR. THOMPSON: 2 and a half percent.

MR. SCHUTZMAN: Okay. I would -- I would like to know how that 2 and a half percent is split between safety programs for, say, commercial vehicles and four-wheeled vehicles and motorcycles? Because I think there's a deficiency of safety programs for motorcycles.

DR. QUAYE: We don't necessarily split it along those lines. We split along the

lines of the principal causes of crashes and fatalities in the province. Like you indicated early on, with respect to motorcycles, we have introduced the GDL program which is a result of numerous meetings -- Rate Review meetings like this.

I'd like to address one of your questions right off the bat. One of the principal components of the GDL program was a mandatory requirement for training. And SGI invested thousands of dollars in establishing new schools here in this province shoring up the Saskatchewan Safety Council to allow them to have more trainers and try, as much as possible, to encourage new trainers to come on board. However -- and I repeat again, however, there was resistance from stakeholders among the motorcycling community, and that sort of pushed back against our efforts to introduce mandatory training, and, eventually, it all fizzled off.

You indicated that it is very hard to believe, but we have, in this room, a representative from the Saskatchewan Safety Council, Barry, who is in the back

right now, and if you have some time after the meeting, you can talk to Barry, and he will probably tell you as to what efforts we put into this mandatory training as part of GDL.

MR. SCHUTZMAN: Okay. I have worked with the Safety Council. I'm a former motorcycle safety instructor myself, and I understand the investment that was made; however, at the end of all that, the upshot was SGI coming forward with the line that we don't have the capacity to train the numbers that we would be required to train. And, from my experience and my perspective, seeing the training and the buildup of instructor numbers that went on, that wasn't the case. And I don't know where the miscommunication was, but that plainly wasn't the case. There was the capacity, and I think there could be again.

DR. QUAYE: I would strongly suggest that you speak to Barry and you speak to the other schools in the province, and they will probably let you know what really went on.

MR. SCHUTZMAN: Okay.

THE CHAIRPERSON: Can I just -- you're asking a lot of questions that we're not answering,

and so --

MR. SCHUTZMAN: Mhmm.

THE CHAIRPERSON: -- I'm thinking perhaps maybe we should answer a few of those before you add any more to our list. I've been trying to drop them down. There have been a number of comments made tonight on rate comparisons from Saskatchewan versus other jurisdictions, and I would like to ask SGI to please comment on that because I know that the discussions we have had with you about trying to make apples and oranges match, and it's sometimes not easy.

MR. CARTMELL: The comment I was making about rate comparisons was generally or broadly across all vehicle classes in Saskatchewan. With respect to motorcycles, we are a no-fault province, we do have relatively rich no-fault benefits that definitely is impacting the price of motorcycle insurance in this province.

Alberta has a tort-based system with minimal no-fault benefits; therefore, it's not directly comparable. That's one of the issues.

Manitoba does have a no-fault system that is comparable to Saskatchewan's. Manitoba has seasonal-based rating on motorcycles. Saskatchewan doesn't. The fair comparison between Saskatchewan and Manitoba is to take the annual rate of a Saskatchewan motorcycle premium and figure out what the riding season is here. We tend to use a little over six months. So the comparison -- when we do a comparison with Manitoba, we'll take the six-month motorcycle season rate for Saskatchewan and compare that to the seasonally-adjusted Manitoba rate.

Most private sector companies on things like snowmobiles and motorcycles that are -- tend to be seasonally used have rates that reflect the fact that the bike or the snowmobile is only used four, five, or six months of the year. The rest of the year it's in storage, and all you're really paying for the rest of the year is incidental damage if it gets stolen or scratched or whatever or there's a fire, that sort of thing.

So it gets complicated, but,

for motorcycles, we are likely more expensive than a province like Alberta. It's due to the injury coverage that you get in Saskatchewan. That's why we're having a motorcycle consultation program to explore the issues related to injury coverage. And -- and I think that's a fair way to look at it.

MR. SCHUTZMAN: Absolutely.

MR. CARTMELL: One of the speakers spoke quite well about the fact that it's a two -- it's a double-edged sword. It's easy today in Saskatchewan because you do get great benefits. If we go to a different system for motorcycles, people are taking that risk on themselves and will have to make a very determined and educated choice about the coverage they're selecting.

We'll get into that discussion.

MR. SCHUTZMAN: Okay. No, and I agree with you completely, and I think -- I think that's the way to produce safer --

MR. CARTMELL: Yeah.

MR. SCHUTZMAN: -- if even fewer riders, is to force that responsibility on them. So I'm

glad to hear that.

Just a couple of closing remarks because my last question has already been addressed. So, in my estimation, SGI -- well, not -- not my estimation. Excuse me. I'll start over. Not my estimation. SGI's primary strategy this year, just from my own knowledge, is to own the market at home; is that right?

MR. CARTMELL: On the competitive side of our company, we would -- we would want to make -- we're trying to protect our market share in the province.

MR. SCHUTZMAN: Right.

MR. CARTMELL: Absolutely.

MR. SCHUTZMAN: Okay. So just bearing that in mind, we have heard from all kinds of different groups here, and most of whom have illustrated the fact that motorcycle riders are not just motorcycle riders.

MR. CARTMELL: Mhmm.

MR. SCHUTZMAN: And a lot of them run businesses, carry commercial policies, and, admittedly, it's still probably not an enormous segment of your market, but word

travels fast, and so I think that doing this type of thing where you go out looking for suggestions and then fail to implement them time and time again -- we heard the same sentiments from the taxi companies, that this is what was happening. They brought their suggestions forward, and they haven't seen implementations, and I think that if you hurt your customers, your customers are going to hurt your business, and I don't think that's good for your market share at home.

MR. CARTMELL: Well, I absolutely agree, but changing -- introducing safety programs, changing the rules of the road require -- in my estimation, it -- we have a better chance of impacting change in the province if we have broad support from stakeholder groups to go forward. Most of the things that would require safety enhancements or changes require either regulation and legislation to be done. So the ultimate -- the ultimate approach to this, from an SGI perspective, is we are the administrator of the auto fund. We -- we don't set the rules. Our role, as a Crown corporation, is to work with the stakeholder

to hopefully come up with broad consensus around issues that should be taken forward. Ultimately, we elect people to the provincial legislature to make those decisions, and SGI isn't -- doesn't control the entire process involved. And so I ask you to keep that in mind. We are more than willing to work with stakeholders to move forward on safety initiatives and other programs that will help reduce the cost of motorcycle insurance, but simply -- simply us agreeing on the right thing doesn't necessarily make it going to happen. Like, it requires -- it requires legislation and regulation. We do need to have that broad consensus, and we have to make recommendations to the elected people of the province to move forward with it.

MR. SCHUTZMAN: Yeah. And, again, I agree with you on that.

MR. CARTMELL: Right? So it --

MR. SCHUTZMAN: And, I mean, Minister Harpauer is involved with this now.

MR. CARTMELL: Absolutely.

MR. SCHUTZMAN: And -- and I think that this whole thing -- SGI is the primary lobbyist for

these types of changes, though, and I think this could have happened much sooner, is the point I'm trying to make.

MR. CARTMELL: We do our best.

MR. SCHUTZMAN: Okay.

THE CHAIRPERSON: Thank you both for your comments. I'd like to just touch on one item you mentioned about how the panel conducts its work during a review. And in addition to the consultation with the public, we have rules that we must follow in conducting a review. We have our mandate that's given to us. We have terms of reference that we must abide by. And so, within those rules, that's how we do conduct our work, and, no, it's not a rubber stamp. We do hire professional expert technical consultants to give us the information, which I think is a huge benefit to people of the province, that we get that outside, external technical review of the Crown corporations that the panel reviews.

So, you know, the press is entitled to their opinion, and they're not always right.

MR. SCHUTZMAN: Yeah. And I don't, by any

means, mean to say the same thing, I just --

THE CHAIRPERSON: Yeah.

MR. SCHUTZMAN: -- wanted to ask that question. So I apologize for taking so much time, but just a few closing remarks.

 In my opinion, an insurance company's job is to manage risk, and so tonight we have heard from SGI that factor number one, according to the presentation, when they evaluate their programs and their products is are they collecting enough? That's not managing the risk. That's managing the rate. So that's the wrong approach, and it hurts the customers, and I have already said that if you hurt them, they will find ways to hurt you, or they will try.

 There's been a lot of constructive commentary tonight. Most of it is not new. It's been kicking around for 13 years or more. So, with that in mind, and considering that SGI had to be forced to even go so far as to form a motorcycle review committee this time by the provincial government, I think that the SRRP should just flatly deny any applications for rate

increases to motorcycles until SGI, either of its own volition or by order from the Minister, implements a combination of these proposed initiatives and makes an honest effort to actually reduce the red ink in the ledger by controlling the costs side and give it time after that to evaluate their effectiveness. Because, as somebody else mentioned, we're less than 12 months from our last rate increase, and we haven't even seen the effects of those revenues.

So -- and, further from that, I really think that this needs to come from the top down, both from the government level and the company level. I think that the attitudes of the senior management are very much projected onto the activities and the agendas of the middle managers and the programs that get lobbied for and the programs that get implemented. So I would just like to call upon the managers here tonight to leave with a goal to get involved and try and cut the costs instead of raising the rates. So thanks.

THE CHAIRPERSON: Thank you very much for your

input.

MR. HUBER: Madam Chair, Rate Review Panel, SGI dignitaries, we could go on here all night. My name is Robert Huber, H-U-B-E-R. I think the simplest solution would be for the Rate Review Panel to deny this rate increase completely. We have heard about -- all night about ways of correcting things and a way of doing things better, and by not allowing this rate increase I think will force SGI to -- to come forward with a bunch of solutions that -- that aren't out there. All they have to do is consult with everybody and -- all the stakeholders. I thank you for allowing this opportunity.

THE CHAIRPERSON: Thanks for your comments. Anyone else? I'd like to thank everyone who participated tonight. Thank you to all of our presenters for offering your thoughts and your opinions, and I know, for some of you, it took a lot of courage. And so we appreciate the fact that you travelled long distances and incurred expense to participate in tonight's process.

The members of the panel

are -- have all been paying attention, and, again, thank you for your participation.

Also, I'd like to thank the representatives that are with us tonight from our Crown corporation, SGI, for participating in tonight's process and taking the time out to provide information and share perspectives as well.

So it's up to us now to take into account what we have heard tonight, as well as other information that we have received during the term of this review, and we will continue to listen and consider the input we received from you. It is a very important part of what we do.

We will be holding our next public meeting in Saskatoon at the Travelodge on Monday, April 22nd at 7:30 p.m., and so if you have any friends or relatives that are in that neighbourhood, please be sure to let them know about that meeting.

Again, SGI will -- has agreed to attend and to participate in that meeting.

The final opportunity for

the public to make submissions to the panel is on April the 24th; however, if someone was making a presentation or preparing a presentation and needed a little bit of extra time, we would just request that they notify us in advance to let us know.

So, again, thank you to everyone for your participation and your attendance tonight, we appreciate it, and good night.

(ADJOURNED AT 10:50 P.M.)

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