

**March 28, 2012**

**Saskatchewan Rate Review Panel  
Hilton Garden Inn, Saskatoon, SK.**

**Good Evening Panel Members and SGI Executives:**

**My name is Troy Larmer. I am the General Manager for The United Group of Companies. Thank you for giving me this opportunity to talk to you and discuss the proposed increase in insurance rates for vehicles in the province of Saskatchewan and, more specifically, the rate increase being requested for our class, PT - passenger taxi (urban). These rate increases will effect one of our companies; United Cabs Ltd. I'm sure that it is no surprise that we find the proposed 16.1 percent increase an extremely heavy financial cross to bear especially when taken into consideration with the other cost increases we have seen this year, such as 300% on our business licenses, the ever increasing cost of fuel (expected to go as high as \$1.50 per litre this summer) as well as the replacement costs of vehicles and equipment.**

**We appreciate the fact that there will be a 15 percent cap placed on, not only our class, but also many other classes of vehicles in order to prevent "rate shock" but when you take into consideration that we pay the largest premiums by far of any other group then you should appreciate just how large our 15 percent is going to be.**

**While other classes will be seeing increases in the range of \$50.00, \$100.00 or even \$150.00 we will be asked to pay an additional \$447.00 in Saskatoon and Regina. The taxicabs in Prince Albert, North Battleford, and Yorkton face an increase of \$376.00 and in the smaller towns and cities \$212.00. These are not small increases to independent owner / operators in a business that has already experienced, or will be experiencing, significant increase in other business associated costs.**

**At previous Rate Review Panels we have outlined the steps that we have been taking to do our part to minimize our claims and we, as well as the other companies in Saskatchewan, have continued to follow this path to keep our claims, our number of accidents, at as low a level as possible. Many of us have improved on our hiring practices or instituted more stringent hiring protocols. We have become more proactive when it comes to dealing with individuals' drivers' skills, or the lack of skills and enforce a strict discipline policy for repeat offenders.**

**We, at United Cabs, are currently the only fleet in Saskatchewan to employ in-car surveillance cameras to monitor not only the driver's safety but also the driver's driving habits. This is done by employing cameras that are programmed to start recording whenever g-forces limits have been exceeded such as when there is sharp braking or excessive vehicle manoeuvring. This comes at a cost to us which helps speed up the overall claim process in determining fault. This saves SGI money. We have even been fortunate enough to have used recording to prove the innocence of our drivers in collisions where the responsibility for the accident was not clear cut. This helped resolve the claim process quickly, which allowed the SGI employees to work on other claims, thus saving SGI money. Many other companies will be employing cameras in the next two years, some because of municipal regulations mandating their installation and use and others because they realize the value of having such an important tool at their disposal.**

**We continue to be one of the only companies in Saskatchewan that requires all our vehicles be safety inspected to SGI standards twice (2) a year. We thoroughly believe that having all our vehicles in good mechanical shape goes a long way to help prevent those accidents caused by mechanical failure. Another cost that is incurred by car owner that saves SGI money on potential future claims.**

**We have all been working very hard at keeping our claims history as low as possible but I believe that we will be facing large increases forever not because we are terrible drivers but because we are too small a group of vehicles (572 in total for the entire province) to properly generate enough monies in premiums to avoid higher premium costs. When you take a look at the thousands of vehicles in other classes and compare that to the combined total of 572 taxis in a class all by themselves we can see why our premiums are at the levels they are. However, the taxi industry saves other classes substantial amounts of claims. We are not a public service, but we ARE a service that serves the public. The public expects us to provide services 24/7/365 no matter what time it is or what the weather is like. This means our industry contributes to saving SGI money by:**

- Continuing to transport passengers during times of extreme weather conditions: flooding, heavy snow, fog, icy conditions. All conditions that increase the risk for an accident. When the public is afraid to drive and they need to get somewhere. They call a Taxi.**
- Providing transportation for intoxicated individuals who may choose to drive if getting a taxi was difficult, thus adding more risk to the public and increasing the likelihood of accident and injury claims.**

**We know that SGI recognizes this last point as valuable. SGI has indicated in their presentation that they are putting a focus on investing dollars in Impaired Driving Programs. For example each year on New Year's Eve, SGI funds busses to run for free in an effort to keep the drinking public off the street. I commend them for doing this; however our industry does this DAILY and we do not receive ANY funding. All we are presented with is HUGE Rate increases. Why not look at a zero (0) percent (%) rate increase to the PT plate as an investment for the impaired driving program. That is a daily investment to the impaired driving programs that will help all other classes as well.**

**Another area of concern for our industry is the Business Recognition Program. I acknowledge that SGI has indicated tonight that they will be reviewing this program. I appreciate that however; we have heard that before. On several occasions the industry has**

brought this up with SGI and it continues to go on deaf ears, or so it feels. **THIS PROGRAM DOES NOT WORK!** If they feel it is of value to the business owner, there should be a clause to allow them to opt out. Let the business owner choose what is “valuable” for them. In one of our meetings it was stated by an SGI employee “we give out more money then we bring in so it is good!” When the question was posed, “why not quit the program if it is costing you money”, there was no answer. This program goes after the wrong person. The owner of the franchise is **NOT** driving the vehicle. If the options of discontinuing the program, option to opt out are not a possibility, then at very least please review and change the program so it works for all parties.

In closing I would like to thank you again for the opportunity to address my concerns. We would like to see a zero (0) percent (%) increase to the PT class rate. Please take my comments and request into consideration when looking at the rate increase request before you.

✓ **THE PUBLIC NEEDS THE TAXI INDUSTRY**

✓ **SGI NEEDS THE TAXI INDUSTRY**

If the cost continues to increase in all areas of the business there will soon be **NO** taxi industry! Thank you.