

March 16th, 2012

Re: SGI proposed rate adjustments

Dear members of the Rate Review Panel,

It has been brought to our attention that SGI proposed rate adjustments included another major increase of rates for motorcyclists. In fact, the increase proposed by SGI amounts to an average of 18.3% for motorcycle owners. For sports bike owners, the increase would be 29.2%, or 348\$ more a year, on average.

This increase seems excessive. As well, the rates have already been increased by 9 % in 2007 and 13.4% in 2009 for the entire motorcycle park. This is clearly a disincentive for current riders to keep on using motorcycles as an environment friendlier method of transportation, as opposed to cars.

When looking at the sports bikes segment only, it is shocking to realize how much more the insurance costs have risen over the last couple of years. Following increases of 13.2% in 2007 and 23.8% in 2009, the suggested increase of 29.2% appears quite out of line. In fact, this means that owners of sports models would need to pay 700\$ more, compared as to what it cost them 5 years ago. This is quite significant an amount and we feel it will create a hardship on many families who like to ride in the province of Saskatchewan. In hard facts, some riders will be in the unenviable position of having to pay many times over the worth of their machine in insurance costs alone.

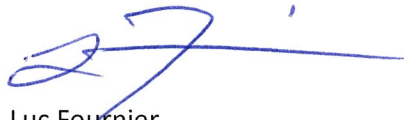
Given the current circumstances, the MMIC would like to make two suggestions. First, we have been told during our information gathering activities that sports bikes have been involved in a greater number of accidents over the years, hence the increase in rates. If that is the case, we strongly suggest that SGI set up a committee or a panel, made up of stakeholders such as riders and industry, to look seriously into that situation to establish what the accident causation factors may be. Once that has been established, solutions could be put forth and this may result in more appropriately adjusted rates in the future. This would appear to be the reasonable thing to do in light of the information provided to us.

Secondly, one of the factors potential riders look at when buying a motorcycle is predictability in costs. We would therefore urge you to look at developing a formula where riders could have rates identified for the coming 3 or 4 years. Even though the rates may be increased during that period, the adjustment would be known at the beginning of the cycle and the increase could be done gradually, rather than all

in one year. This way, riders would be better served as they would have some certainty about recurring costs.

The Motorcycle and Moped Industry Council is a national, non-profit, trade association which represents the major motorcycle and scooter distributors, as well as the manufacturers, distributors and retail outlets of motorcycle and scooter related products and services in Canada, since 1971. MMIC's member companies account for over 90 percent of all the new motorcycles and scooters sold in Canada. The MMIC is funded entirely by its members, affiliate members and by the programs and services it offers.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Luc Fournier', with a long horizontal stroke extending to the right.

Luc Fournier

Director of Government Relations