

Rate Review Board Presentation by the Saskatchewan Association of Automotive Repairers (SAAR) – January 2026

Presented to: Albert Johnstone, Chair, Saskatchewan Rate Review Panel

Albert:

Thank you for the chance to share our insights on the SGI Rate Review. As the Saskatchewan Association of Automotive Repairers (SAAR), we represent not only auto body shops but also the paintless dent repair and auto glass industries. We may soon include the towing industry as they too are stakeholders with SGI.

Our association's growth is largely due to a strong working relationship with SGI's frontline management. While we don't always agree, ongoing collaboration and open communication have minimized past tensions.

Our industry faces significant challenges due to increasing vehicle complexity, which raises the costs of safe and quality repairs. This complexity stems from energy efficiency mandates. Since the 1970s oil crisis, manufacturers have pursued better fuel economy. Under the Corporate Average Fuel Economy (CAFÉ) standards set during President Obama's administration, the target was an average of just under 55 miles per gallon. This led to the creation of lighter vehicles using advanced materials and the integration of safety features like Advanced Driver Assistance Systems (ADAS).

These changes are not the fault of insurers like SGI or repairers but have necessitated more intricate and costly repair processes.

Our greatest challenge is securing fair compensation for our work, including technical repairs and administrative duties that don't generate direct income. As the complexity of repairs increases, shops need more resources. SGI's adaptation to these changes lags behind the industry's rapid pace, despite being ahead of many other insurers.

Traditionally, labor was the biggest expense in repair orders, but now parts costs have surpassed it. Items like head lamps now often exceed \$2,000, and windshields can cost \$1,500 due to added features such as rain-sensing wipers and heads-up displays.

Saskatchewan is proud of its low costs for utilities and insurance. However, since the last insurance rate adjustment in 2014, the average repair order has doubled—from \$3,000 to around \$6,000.

Last fall, we discussed these issues with Minister Jeremy Harrison. We urged him to consider insurance rate adjustments to reflect current repair costs, allowing SGI to better support proper repairs.

We recognize that no one favors cost increases, but it's necessary to align insurance rates with today's realities and ensure fair compensation across the automotive repair industry. In North

America it is not uncommon to see private insurances companies raise premiums 25% or more. SGI appears to be asking for the bare minimum, based on repair costs today, we feel it should be more to address market conditions.

SAAR supports this rate increase due to:

1. **Increased Vehicle Complexity:** Modern vehicles are becoming more complex due to the need for better fuel economy and safety standards, incorporating various advanced materials and technologies. This requires intricate and costly repairs.
2. **Rising Repair Costs:** As vehicle complexity increases, the cost of completing repairs safely and with quality has also increased. Parts now often surpass labor as the most expensive component of repair orders.
3. **Fair Compensation:** The industry struggles to receive fair payment for both the technical and administrative aspects of repairs. Administrative tasks, while necessary, do not directly generate income.
4. **Resource Requirements:** The complexity of repairs demands additional resources in terms of time, materials, and specialized tooling, further increasing operational costs.
5. **Insurance Adaptation:** The rate at which SGI and potentially other insurers are adapting to these changes is slower than the industry's pace, creating a gap in understanding and compensating for modern repair needs.
6. **Need for Insurance Rate Adjustments:** Since insurance rates have not adjusted since 2014, they do not reflect the current realities of repair costs, affecting the financial stability of SGI and subsequently the auto repair businesses in this province.

I trust this information helps your committee better understand why this rate increase is overdue, if you require any further information please feel free to contact my self or our President Bryan Leier at bryan@cardiffcollision.com in Regina.

Regards

Tom Bissonnette

SAAR Executive Director