



October 17, 2019

The Public Utilities Board  
400 – 330 Portage Avenue  
Winnipeg, Manitoba R3C 0C4

**Attention: Ms. Jennifer Dubois**

Dear Ms. Dubois:

**RE: Taxi Industry Representation**

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This letter is in response to Mr. Sidney G. Soronow's letter dated October 17, 2019 to the Public Utilities Board (PUB).

On June 20, 2019, a quarterly meeting was held between representatives of Manitoba Public Insurance (MPI) and representatives of the taxi industry in Manitoba. At this meeting a number of topics were discussed including proposed rate increases for the VFH Extension All-Perils coverage (deductible buy-down). When Vehicle for Hire (VFH) was implemented, the Extension All-Perils rates were based on the All-Purpose passenger vehicle rates, which has since been determined to be significantly deficient. As a result, it was proposed that an increase to the Extension All-Perils rates be implemented mid-term. Out of courtesy and transparency, this rate increase was communicated to the taxi representatives at the June 20, 2019 meeting. Due to the provincial election this mid-term rate increase was not implemented and the rate increase will not take place until March 1, 2020. The proposed rate increases for Extension All-Perils coverage were specific to Taxi VFH (up to \$300) and Personal Passenger VFH (20% for those with 4 time bands).

The misunderstanding at the meeting is a result of the taxi representative's mistaken belief that the rate increase discussion was related to Basic rates and not Extension All-Perils rates and not a result of misrepresentation by MPI representatives.

When VFH was implemented, taxi registered owners were for the first time eligible for the DSR discount. The effect of allowing the DSR discount resulted in an overall reduction in Basic rates of 21% for Taxi VFH. The DSR discount was offered without adjusting base rates as the belief was that, due to competition from other VFH groups, the loss ratio for taxis would decrease. However, as presented to the PUB last week in opening testimony, the taxi claims experience has not changed since implementation of VFH and therefore the proposed Basic rate increase for 2020/21 for Taxi VFH is 10.53%.

In Mr. Soronow's letter, he states that "standard taxicabs are being called upon by MPI to subsidize other categories of vehicle for hire". This statement is not accurate as the Taxi VFH policy holders are not subsidizing the other VFH policy holders.

To conclude, the meeting on June 20, 2019 was held to provide the taxi representatives with information on the proposed Extension All-Perils rate increase. This was done out of courtesy and there was no intent to misrepresent the proposed Basic rate increase. The allowance of a DSR discount without the anticipated decrease in claims experience has resulted in the proposed Basic rate increase of 10.53%. This increase is still significantly less than the overall reduction in Taxi VFH Basic rate of 21% as a result of permitting a DSR discount.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Triggs", written over the typed name below.

Michael Triggs  
General Counsel and Corporate Secretary

MT/ae