

October 17, 2019

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

Via Email to Jennifer.Dubois@gov.mb.ca

Attention: Jennifer Dubois, CPA, CMA Assistant Associate Secretary of the Public Utilities Board

Dear Madam:

Re: MPI General Rate Application

This letter is sent as a response to your email to Ram Valluru, the manager of Duffy's Taxi, which email is dated October 16, 2019. In consequence of your email, we have been consulted by Duffy's Taxi and Unicity Taxi, for whom we have acted in the past on regulatory matters.

We are aware that the opportunity to intervene in MPI 2020 GRA required that the party notify the Board of their intention by applying to the Board Secretary before a Pre-Hearing Conference on June 27, 2019. However, we wish to bring to your attention that on June 20, 2019, MPI had a meeting with taxi industry representatives. During that meeting, MPI advised the industry representatives that the insurance premium increase for standard taxis would be around \$300.00 and for PTP vehicles the increase would be around 20% in connection with the 2020 General Rate Application. The increase of approximately \$300.00 would translate to a percentage increase of approximately 3%. In reliance upon this representation by MPI, Duffy's Taxi and Unicity Taxi considered that it was not necessary for them to seek intervenor status.

Our clients have now determined that contrary to the representations, MPI is seeking an increase of \$1,270.00 for standard taxicabs representing approximately a 12.3 % increase. On the other hand, the increase on PTP vehicles approximates only \$145.00 to \$150.00 per vehicle. The increase for PTP vehicles is therefore approximately 10%, and not the 20% that was indicated in the meeting with MPI on June 20, 2019.

We have reviewed the claims experience provided by MPI, in what I understand to be Appendix 11. This chart reflects the fact that the loss ratio in respect of standard taxicabs is 85.23%. In other words, for every dollar taken in on premiums from standard taxicabs, MPI experiences claims totaling 85.23 cents. The standard taxicabs provide MPI with approximately \$600,000.00 of revenue beyond their claims experience in respect of standard taxicabs.

On the other hand, for example, PTP (Personal Transportation Providers) have a loss ratio of 129.82%. This means for every dollar in premiums taken in by MPI, they are paying out almost \$1.30 on account of claims. Notwithstanding the factual information, the proposed increase of premiums for PTP vehicles is approximately 10% or \$150.00 per vehicle.

It should be noted that Unicity Taxi and Duffy's Taxi exercise a high degree of care in relation to who can drive their taxis. In addition to a driver having a municipal license to drive a taxi, drivers with each of Unicity Taxi and Duffy's Taxi have to have a separate drivers permit obtained through the respective company. In that way, Unicity Taxi and Duffy's Taxi can control that the drivers who drive their taxis meet an accepted standard, and if not, they will not receive a Unicity Taxi or Duffy's Taxi driver permit. No doubt, this element of control contributes to the fact that the standard taxi cab loss ratio is 85.23%.

It is quite obvious, that the standard taxicabs are being called upon by MPI to subsidize other categories of vehicles for hire. This is manifestly unfair, and we suggest, that it is essentially a penalty imposed upon standard taxicabs. We do not believe there is any justification for standard taxicabs to be paying an additional \$1,270.00 when MPI had advised the taxi industry that they would be paying around \$300.00 more per vehicle at a meeting in June 2019, particularly given the loss ratio statistics.

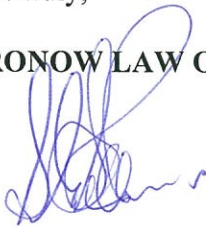
Having regard to all of the foregoing, we are requesting that the Public Utilities Board allow Unicity Taxi and Duffy's Taxi to make a presentation either in person or in writing. Obviously, this request would never have become necessary but for MPI misrepresenting the intended increase in respect of standard taxicabs.

All of which is respectfully submitted.

Yours truly,

SORONOW LAW OFFICE

Per:



SIDNEY G. SORONOW
SGS/sf

Encl.