

October 21, 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 2020 General Rate Application

We acknowledge, with thanks, receipt of your letter of October 17, 2019. In that letter, you indicate that you will receive a further submission from our clients. This brief letter is intended for that purpose.

With your correspondence, you provided a copy of a letter dated October 17, 2019 from the Manitoba Public Insurance Corporation (the "MPI Letter"). We have considered the MPI Letter and wish to advise that we have been informed by Taxi Industry representatives that contrary to the indication in the MPI Letter, the discussion at the June 2019 meeting of an increase in the range of \$300.00 revolved around the proposed rate increase in the 2020 General Rate Application and was not a reference to an interim increase.

On page 2 of the MPI Letter, MPI refers to our statement that "standard taxicabs are being called upon by MPI to subsidize other categories of vehicle for hire". The MPI Letter suggests that this is not accurate. No explanation is given as to why MPI is suggesting this is inaccurate. Appendix 11 is instructive on this issue.

Appendix 11 shows that collectively, the earned premiums for all categories in the vehicles-for-hire is \$5,169,792.10. As such, the premiums exceed incurred claims by \$354,433.00. On a standalone basis, the standard taxicabs generate approximately \$600,000.00 of earned premiums over claims incurred. Accordingly, if standard taxicabs are taken out of the equation, the claims incurred would exceed the premiums earned. As such, not only does the standard taxicab category make up for the shortfall between earned premiums and claims incurred amongst the other categories, but creates a positive excess of approximately \$354,000.00. Accordingly, we repeat our assertion that standard taxicabs are being called upon by MPI to subsidize other categories of vehicle for hire.

Appendix 11 shows the vehicle for hire claims experience as of February 28, 2019. Based on information and material previously provided by MPI directly to Unicity Taxi and Duffy's Taxi the loss ratio in the preceding 3 years with respect to standard taxicabs, was from 79% at the low end to 84% on the high end. Typically, increases in insurance premiums for that period of time were in the

range of 3% to 3.5%. This is all the more reason that it is unfair and unreasonable for the 2020 GRA to contemplate increases to standard taxicab premiums of anywhere from 10.5% to over 12%.

It should be noted that in a previous hearing of the Public Utilities Board, Unicity Taxi and Duffy's Taxi have taken the position that the premium rates charged to standard taxicabs are dramatically higher than competitive PTP vehicles such as those operated by the ride hailing companies such as TappCar which claims to have over 1200 full and part-time drivers.

It is our understanding that the Public Utilities Board has previously recommended to MPI to submit proposals, towards improving safety and regulations of all drivers in the vehicle-for-hire category. Most of the drivers associated with Unicity Taxi and Duffy's Taxi have a Class 4 license, while few PTP drivers, even those driving on a full time basis, have a Class 4 license. Unicity Taxi and Duffy's Taxi have made a submission to the Minister responsible for MPI to require that all vehicle-for-hire drivers have a Class 4 (commercial) license which would insure that minimum standards are met.

In summary, Unicity Taxi and Duffy's Taxi submit to the Public Utilities Board that the increase in premiums for standard taxicabs requested by MPI widens the gap between standard taxicabs and PTP vehicles, rather than narrowing the gap to create a more level playing field. We therefor submit that on its face, the proposed increase in premiums for standard taxicabs is both unreasonable and unfair and inconsistent with applicable relevant statistical data, as previously referred to.

All of which is respectfully submitted.

Yours truly,

SORONOW LAW OFFICE

Per:



SIDNEY G. SORONOW
SGS/sf