

Manitoba Public Insurance (MPI)

2021 GRA Intervener Evidence

**MPI Information Requests to
Taxicab Coalition (TC)**

September 29, 2020

MPI (TC) 1-1

Part and Chapter:	Pre-Filed Testimony of Jeff Crozier and Patrick Bowman	Page No.:	9
PUB Approved Issue No:	1. Requested Vehicle Rate and Any Changes to Other Fees and Discounts; 12. Claims experience to date for the VFH class		
Topic:			
Sub Topic:			

Preamble to IR (If Any):

Page 9 of TC's evidence states:

"Note that the relativities across major classes aren't directly comparable, given that each relativity is measuring the risk of an insurance use against the major class to which it belongs. It is therefore not meaningful to compare the values of the relativities.

However, it is still instructive to observe the rank order of the insurance uses, and note that across all other major classes, Taxi VFH in Territory 1 has the highest relativity across all insurance uses."

Question:

If the data is not meaningful to compare relativities across all major classes, what is its relevance?

Rationale for Question:

The quoted statement appears to negate the observations later provided in the section.

RESPONSE:

Observing the rank order of the relativities across all major classes helps to establish that relativities for Taxi VFH, in particular those in Territory 1, are unusually high, though not

exclusive. For example, we do not see a prevalence of insurance uses with relativities exceeding 4.5 across all the major classes, but rather one other insurance use, with a small number of units.

We also observe that higher relativity values, say between 3.00 and 4.00 are also quite rare. The 'slope of the curve', along the extreme left hand side of Figure 2 helps illustrate this point. (Note that Figure 2 is a plot of a distribution, not a function, so the term 'slope of the curve' is applied loosely)

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Part and Chapter:	Pre-Filed Testimony of Jeff Crozier and Patrick Bowman	Page No.:	11
PUB Approved Issue No:	1. Requested Vehicle Rate and Any Changes to Other Fees and Discounts; 12. Claims experience to date for the VFH class		
Topic:			
Sub Topic:			

Preamble to IR (If Any):

Page 11 of TC's evidence:

***Recommended Finding 1:** The PUB should find that MPI must collect data relevant to better assessing and understanding the risk presented by Taxi VFH and VFH generally. This should include distance driven and time on road, and any other variables identified by MPI that would contribute to understanding the risks presented by Taxi VFH and VFH generally.*

Question:

Do the Taxi companies currently collect this data and if so, are they willing to share this data with MPI? If they do not collect this data, are they willing to work with MPI to collect this data through a program (i.e. through the use of telematics or other agreeable means)?

Rationale for Question:

To find a collaborative solution to the recommendation presented.

RESPONSE:

A response from the Taxi Coalition and other taxi operators could not be obtained by the deadline. A supplemental response will be provided if and when available.

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Part and Chapter:	Pre-Filed Testimony of Jeff Crozier and Patrick Bowman	Page No.:	12
PUB Approved Issue No:	1. Requested Vehicle Rate and Any Changes to Other Fees and Discounts; 12. Claims experience to date for the VFH class		
Topic:			
Sub Topic:			

Preamble to IR (If Any):

Page 12 of TC's evidence:

"Further, Duffy's and Unicity have internal policies where any driver with less than a -7 DSR rating is no permitted to drive..."

Question:

How was this threshold determined? What is the justification for selecting a -7 DSR rating as opposed to any negative rating?

Rationale for Question:

To better understand the internal policies of Duffy's and Unicity

RESPONSE:

Mr. Crozier is not privy to the details surrounding the development of the internal policies applied by the Taxi Coalition. A response from the Taxi Coalition could not be obtained by the deadline. A supplemental response will be provided if and when available.

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Part and Chapter:	Pre-Filed Testimony of Jeff Crozier and Patrick Bowman	Page No.:	15
PUB Approved Issue No:	1. Requested Vehicle Rate and Any Changes to Other Fees and Discounts; 12. Claims experience to date for the VFH class		
Topic:			
Sub Topic:			

Preamble to IR (If Any):

Page 15 of TC's evidence:

"One notable gap in the incentive structure provided by MPI, is that corporately owned VFH, and corporate customers with small fleets (less than 10 vehicles) generally, are not eligible for any form of vehicle premium discount, either through the Fleet Program, or the DSR Program. MPI notes that under specific circumstances, single owner corporate customers may enter into a right of possession agreement to access DSR incentives. A right of possession agreement represents a hurdle not faced by larger corporate customers, and is not universal in its application.

Taxi VFH and any small corporate fleets are unduly discriminated against based on legal status of ownership (whether sole proprietorship, single owner corporation, or multi-owner corporation)."

Question:

Could the TC please elaborate how the right of possession agreement presents as a hurdle, and include the steps, costs and resources which are required to complete this agreement?

Rationale for Question:

MPI disagrees that Taxi VFH group is discriminated against as approximately 95% of taxis are registered as individual customers who qualify for a DSR discount. MPI wishes to understand the hurdle better from the TC's perspective so that the impact of potential barriers such as this can be minimized.

RESPONSE:

Mr. Crozier does not have details with respect to the right of possession agreement. The magnitude of the hurdle may vary by customer. For some it may be a trivial hurdle, for others it may be more significant. The availability of DSR incentives to single owner corporate customers does narrow the gap created by the program design, but does not do so on purely frictionless basis.

Please see also PUB (TC) 1-4(a).