



CO-OP TAXI

726-6666

753-5100

St. John's Taxi Co-operative Society Ltd
Box 11, Suite 130, The Newport Bldg, 44 Torbay Rd, St. John's, NL • A1A 2G4 •
Office: (709) 579-4197 • Fax: (709) 579-3025 • E-Mail: cooptaxi@nf.aibn.com

Newfoundland and Labrador
Board of Commissioners of Public Utilities

NOTICE OF APPLICATION – FACILITY ASSOCIATION TAXI AND LIMOUSINE RATES

STATEMENT OF OBJECTION

GOOD DAY,

The proposed rate increase by Facility Association for the Taxi and Limousine Industry here in the province if approved will have a drastic impact on the overall industry as well as the entire economy of the province.

In August of 2013 this Commission approved a rate increase of 50% for 3rd party Liability, a 100% increase in Accident Benefits and a 100% increase in Uninsured Automobile, this increase came as a complete shock to the industry as we had no notification of the application for a rate increase. We only became aware of the rate increase upon renewal of our insurance premium; to many this increase was enough to force some marginal operators to retire from the industry.

This year once again Facility has request an additional rate increase of 50% for PLPD; a 294.3% increase in Accident Benefits and a whopping increase of 329.3% increase in Uninsured Automobile. I have many objections to the proposed increased for the various different categories;

PLPD 50% percent once again atop the 50% percent from the previous increase will total approximately an increase of 125% in just one year from the rates in effect on 31 July 2013. This I find hard to believe that in just two years the cost of settling a claim has increased by 125%. To me this would indicate that what cost \$1000.00 to repair in July 2013 now cost, \$2,250, or that the soft tissue injury of 2013 of the same \$1000.00 now costs \$2,250. What is driving up these costs certainly not the inflation rates, perhaps that in their haste to settle claims Facility is paying out whatever the claimant is asking without doing any investigative work, as people have the attitude well it is only a taxi company and they have lots of insurance, what they fail to realise is that as a consumer of our service that the more it cost the owners to operate the more the consumer will have to pay.

ACCIDENT BENEFITS 294.3% This increase is totally unbelievable you simply cannot justify an increase of over 300% in just over 1 year, once again "oh it is only the taxi industry". It would



seem that this is the underlying train of thought, hit them as hard as you can and then hit them again.

UNINSURED AUTOMOBILE 429.3% increase in just over 1 year. I as an operator am required by law to carry adequate insurance to operate my vehicle as is every other taxi in this province. The minute that I cancel my policy the insurance company must notify city hall that my policy has been cancelled. City Hall will then inform the stand operator who must withdraw that vehicle from service until such time as they proved to the city and the stand operator that they are now once again covered by insurance. However, if you listen to any of the local radio and tv channels there is rarely a day goes by without someone be arrested for driving with no insurance, registration, or license then only to find out that they have outstanding fines totalling thousands or tens of thousands of dollars. This has nothing to do with the taxi industry we are insured, this is an enforcement issue, if the insurance companies are having a problem with uninsured drivers then they should be going after the government and have them do the job they are supposed to be doing.

If I sell my vehicle to someone, then it should be my responsibility to remove the plate from the vehicle after all I paid for the plate not the car. The plate is mine therefore it should be the responsibility of the new owner to acquire the appropriate plate for the vehicle. In this manner the province would be able to control who can operate a vehicle on the road, also make it the responsibility of the insurance industry to notify motor vehicle branch if someone cancels their insurance, and fails to insure with another company. Seize the vehicle if necessary until such time as the vehicle is properly insured. Our industry should not be the scapegoat for the province and the insurance industry not doing their jobs correctly.

The taxi industry is a very volatile industry we are subject to every whim of the gas companies as are all consumers, however, we use more fuel than the average driver will in five years, we already pay higher insurance rates than the average driver, as with all consumers we are faced with the same increases in the consumer index as they. Two years ago I needed to make \$78.00 per day everyday just to cover my expenses, then last year I had to make \$98.00 per day to cover my costs. With this proposed increase my insurance rate will cost me nearly \$5000.00 per year; this will drive up my daily requirement to nearly \$125.00 per day this before I even put 0.05 cents in my pocket. At that rate I will not put a second vehicle on the road.

Yes I realize that we are in a high risk business, even Stats Canada says that as a Taxi Operator we are ranked in the top five high risk/stress occupations, however my insurance rates should be based on me the individual and not on what I do for a living. If I drive for twenty five years without an accident or claim I will still be classed as high risk because of what I do and not who I am. Is this then not another form of discrimination?

If this increase is approved it will have a drastic impact on the entire economy of the province, for it will drive those marginal operators out of business, thereby reducing the amount of vehicles available to [provide service to the public. In some areas we are the only source of public transportation, this increase would if approved would force many of these

operators out of business. It will have an impact on other areas of the economy as well, with fewer vehicles available for use, it will have a negative impact on the entertainment industry as more individuals will opt not to go out in the evenings, or it could have even a greater impact on the public what with the possibility of even more impaired drivers on the roads, putting the public at risk.

Yes I realize that as things increase in costs the costs have to be passed on however, Facility as failed to cover their losses in the past and now they seem to want to play catch up at our expense. If it is because of a management issue then Facility should get their own house in order before they burden the industry with rates that we force many of us from the business and have an overall negative impact on the provincial economy.

Thank you.

A handwritten signature in black ink that reads "Doug McCarthy". The signature is written in a cursive style with a long, sweeping underline that extends to the right.