



***THE AUTO INSURANCE
CORPORATION THAT
WORKS BEYOND
SASKATCHEWAN: SGI***

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BRIEFING NOTE



**FRONTIER CENTRE
FOR PUBLIC POLICY**

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Executive Summary

SGI Canada was created in 1944. Since its initial creation, SGI has become two distinct operations: the Saskatchewan Auto Fund and SGI Canada. The Saskatchewan Auto Fund issues driver's licenses and vehicle registrations, while SGI Canada is responsible for property and casualty insurance and operates in 5 different provinces.

Recently SGI was under fire for writing off a vehicle, but then had it repaired and returned to the owner without consent. The vehicle was deemed to be unsafe to drive.

Historical Overview

In 1944, The Saskatchewan Government Insurance Act was passed by the Saskatchewan government, creating the Crown corporation that is known today as SGI.¹ Since its creation, SGI's mandate is to provide comprehensive, affordable insurance protection to the people of Saskatchewan.² In 1980, legislated changes to The Saskatchewan Government Insurance Act, 1980 and The Automobile Accident Insurance Act distinguished between the compulsory vehicle insurance program for the province (the Saskatchewan Auto Fund) and the competitive insurer offering additional property and casualty products (SGI Canada).³

Since 1945, SGI has since evolved into two operations: the Saskatchewan Auto Fund and SGI Canada. The Saskatchewan Auto Fund is Saskatchewan's auto insurance program that is responsible for operating the driver licensing and vehicle registration.⁴ The Auto Fund is financially self-sustaining, operating on a break-even basis over time.⁵ The provincial government does not transfer funds or pay dividends to the Saskatchewan Auto Fund.

Regina is home to SGI's head office; operating 21 claims centres and 5 salvage centres across 13 communities in Saskatchewan.⁶ SGI Canada is the trade name of the property and casualty insurance division of SGI and offers products in 5 different provinces: Saskatchewan, Alberta, Manitoba, B.C. and Ontario (Coachman Insurance Company). SGI Canada sells their insurance products through different independent insurance brokers.⁷ SGI employs approximately 2,000 employees, and works with 400 other motor license issuers in Saskatchewan alone.⁸

Quick Statistics

- SGI Canada works with 414 different independent insurance brokerages in 1,340 locations in Saskatchewan, B.C., Alberta, Manitoba and Ontario;⁹
- SGI Canada operates out of offices in Toronto, Edmonton and Winnipeg;¹⁰
- SGI operates 21 claim centres and 6 salvage centres across 13 Saskatchewan communities;¹¹
- SGI employs over 2,000 people, including employees who work directly for the Saskatchewan Auto Fund;¹²
- SGI Canada operates with a network of 184 independent brokers throughout Saskatchewan.¹³

Current Issues

In March 2018, SGI was criticized for repairing a truck and returning it to the owner after it had initially been written off. The owner of the vehicle said that he “got a truck back with one working headlight, a bent frame, wheel alignment was way out and it wouldn’t even start”¹⁴. After the collision, an SGI adjuster told the vehicle owner that his truck had more than \$36,000 worth of damage, but then had the truck towed to a shop (chosen by SGI) for a second opinion. A few months after the owner of the vehicle accepted the write-off, he received a call from SGI claiming that his truck was fixed and was not made aware of any of the repairs beforehand and had not signed off on any of the repairs. The owner of the vehicle took the repaired truck to his own mechanic, who then found an additional \$9,000 worth of damage and advised the owner to not drive the vehicle, as he deemed it as “structurally unsound”¹⁵. For months after, the vehicle owner went after SGI to reopen the case, but without any luck, “we pay into insurance every month to basically have them tell you that you’re on your own and it doesn’t matter that your vehicle needs repairs, we think it’s done perfectly fine even though it’s not and they shoo you out the door. It’s not fair”¹⁶.

Endnotes

1. SGI Canada. “Our Business”. <https://www.sgicanada.ca/our-business>
2. Ibid.
3. Ibid.
4. Ibid.
5. Ibid.
6. Ibid.
7. Ibid.
8. Ibid.
9. Ibid.
10. Ibid.
11. Ibid.
12. SGI Canada. “2017-18 SGI Canada Annual Report”. Pg. 6. https://www.sgicanada.ca/documents/438909/517994/2949_SGI_CANADA_2017_Annual_Report_web.pdf/6198cfff-164c-4cad-98c9-45de10510145
13. Ibid.
14. CBC News. “Drive furious after truck written off by insurance is returned with ‘shoddy repairs’”. March 5, 2018. <https://www.cbc.ca/news/business/truck-insurance-repairs-sgi-1.4557422>
15. Ibid.
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