

1 **Transcript Reference: Nov 18, 2014, Pages 165-166; Lines 19-25 and 1-5**
2

3 Undertake to provide the rate indication if the dollar value approach was used.
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5 **Response:**
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7 In our report dated May 16, 2014, based on the Board's Guidelines and other assumptions we
8 found to be reasonable, we estimated the overall rate level change need indicated for the Facility
9 Association taxi business to be an average of +21.5% for the Third Party Liability (TPL),
10 Accident Benefits (AB) and Uninsured Motorist Coverages (UM) combined.
11

12 Subsequent to the release of our report, the Consumer Advocate found an error made by FA in its
13 calculation of its rate indications. We agreed with the Consumer Advocate, and noted our
14 overall rate level indication for the above three noted coverages would reduce by approximately
15 1 additional percentage point to 20.5%.
16

17 If the loss trend rates had been selected by excluding the high and low points based on the dollar
18 value instead of the percentage change from the prior period, we estimate that, all else being
19 equal, our selected Bodily Injury, Property Damage and Accident Benefits selected loss trend
20 rates would have been -3.0%, -0.5% and +0.5%, respectively. Using these alternative selected
21 loss trend rates, along with the other alternative assumptions as described in our report of
22 findings dated May 16, 2014, and the correction for the error made by FA found by the
23 Consumer Advocate, we estimate the overall rate level indications would reduce to an average of
24 approximately +18.5% for the above three noted coverages combined.