

1 **Consumer Advocate RfI CA-FA-04:** *In its 3/31/2014 response to OW's 3/21/2014 question 5, FA*
 2 *states that,*

*We have assumed that the observed development on the FARM Non-Private Passenger vehicle (Non-PPV) reported losses are a good proxy for the development on reported losses for taxis. **Specific consideration was not given to the actual historical development of Industry Taxi loss experience in Newfoundland & Labrador, consideration was given to Industry Commercial Vehicle loss experience when selecting loss development factors.***

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 4 *Please provide an exhibit showing both NL Taxi and FARM non-PPV incurred loss development*
 5 *triangles.*

6 **FA Response to RfI CA-FA-04:**

7 FA does not maintain valuation triangle data for quarterly valuations in more detail than “business
 8 segment” (being private passenger and non-private passenger). As such, it would require a significant
 9 work effort to produce a “taxi only” triangle set. That said, as indicated in the table at the top of the next
 10 page, taxi experience accounts for approximately 60% of the non-private passenger recorded indemnity
 11 levels for FA over the period indicated below.

FA Minor Rating Clas TX	TAXI ONLY									
Sum of Amount	Segmentation A-T	Written Exposure (excl trailers)	Earned Exposure (excl trailers)	Written Premium	Earned Premium	Recorded Claim Count	Recorded Indemnity	recorded LR	All non-PPV Recorded Indemnity	Taxi Recorded Indemnity as % All non-PPV
2002		1,819	1,693	1,183,395	1,075,677	135	1,267,082	117.8%	2,227,498	56.9%
2003		2,186	1,957	1,327,657	1,259,006	197	2,120,582	168.4%	3,369,154	62.9%
2004		2,241	2,255	1,390,485	1,342,716	148	1,417,194	105.5%	2,747,457	51.6%
2005		1,779	1,936	1,271,834	1,316,495	131	1,179,262	89.6%	2,463,387	47.9%
2006		1,896	1,799	1,264,366	1,272,024	147	1,529,738	120.3%	2,589,039	59.1%
2007		2,136	2,081	1,303,456	1,290,663	169	2,065,989	160.1%	3,412,300	60.5%
2008		2,393	2,257	1,524,889	1,412,457	168	2,255,974	159.7%	3,460,643	65.2%
2009		2,490	2,403	1,574,294	1,516,679	185	2,807,886	185.1%	3,788,065	74.1%
2010		2,494	2,478	1,572,050	1,565,401	165	3,290,212	210.2%	5,379,683	61.2%
2011		2,585	2,544	1,622,195	1,587,985	231	3,038,378	191.3%	5,209,301	58.3%
2012		2,654	2,632	1,696,455	1,677,734	210	2,847,576	169.7%	5,396,764	52.8%
Grand Total		24,674	24,035	15,731,076	15,316,837	1,886	23,819,873	155.5%	40,043,291	59.5%

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 13 As such, it is our opinion that it is reasonable to assume the development of non-private passenger to be
 14 representative of taxi. The non-private passenger triangles were provided in the filing.