

1 **Public Utilities Board PUB-FA-15:** *Please provide a detailed description of the increase in claims*  
2 *handling activities and cost incurred by each Servicing Carrier in handling claims for Taxis that would*  
3 *justify an increase in this expense item as a result of the current application.*

4 **FA Response to PUB-FA-15:**

5 As previously noted, Servicing Carriers are not compensated on a transaction basis. Rather, Servicing  
6 Carrier compensation levels have historically been set on a reasonably consistent basis across  
7 jurisdictions and specifically are not set at a rating class basis or at an individual transaction cost basis.  
8 It is our understanding that the level is established so as to provide for the overall costs incurred by  
9 Servicing Carriers and measured or considered over the longer term. It is also our understanding that the  
10 mandated compensation reflects not just Servicing Carrier performance that can be directly related to  
11 specific activities (for example claims adjudication, claims process management), but also captures costs  
12 associated with technology, accounting and reporting, audit, and general management/oversight  
13 expenses.