



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

Email: [jhepburn@facilityassociation.com](mailto:jhepburn@facilityassociation.com)

2014-10-17

Ms. Jill Hepburn  
Facility Association  
777 Bay Street, Suite 2400  
P.O. Box 121  
Toronto, Ontario M5G 2C8

Dear Ms. Hepburn:

**Re: Facility Association – Category 2 - Taxi and Limousine Rate Application –  
Requests for Information (RFIs)**

Enclosed are Information Requests PUB-FA-17 to PUB-FA-24 regarding the above-noted matter.

If you have any questions, please do not hesitate to contact the Board's Director of Regulatory and Advisory Services, Mr. Robert Byrne by email [rbyrne@pub.nl.ca](mailto:rbyrne@pub.nl.ca) or telephone (709) 726-0742.

Yours truly,

Cheryl Blundon  
Board Secretary

Encl.  
e.c.c.

**Facility Association**

General e-mail: [mail@facilityassociation.com](mailto:mail@facilityassociation.com)

**Consumer Advocate**

Mr. Thomas Johnson, E-mail: [tjohnson@odeaearle.ca](mailto:tjohnson@odeaearle.ca)

Mr. Thomas Williams, E-mail: [twilliams@odeaearle.ca](mailto:twilliams@odeaearle.ca)

Ms. Colleen Lacey, E-mail: [clacey@odeaearle.ca](mailto:clacey@odeaearle.ca)

1 **IN THE MATTER OF** the *Automobile*  
2 *Insurance Act*, RSNL 1990, c. A-22 (the "*Act*"),  
3 as amended, and regulations thereunder; and  
4

5 **IN THE MATTER OF** an application by Facility  
6 Association for approval of a rate revision for Taxis  
7 and Limousines in the Province of Newfoundland  
8 and Labrador.

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**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION**

**PUB-FA-17 to PUB-FA-24**

**Issued: October 17, 2014**

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- 1 **PUB-FA-17** Please provide detailed statistical rationale for Facility Association's  
2 decision to move from the 5,410 full credibility standard for TPL used in  
3 the 2013 Taxi rate filing to the 3,264 full credibility standard for TPL used  
4 in the current filing.  
5
- 6 **PUB-FA-18** In response to PUB-FA-16 Facility Association indicates that the five-year  
7 average reported pure loss ratio for taxi business in statistical territory  
8 codes 005 and 006 is 39% and 43% respectively. It also indicates that the  
9 five-year average reported pure loss ratio for taxi business in statistical  
10 territory codes 004 and 007 is 232% and 182% respectively. What  
11 consideration has or will Facility Association give to establishing a  
12 separate base rate for statistical territory codes 005 and 006 reflecting  
13 actual loss experience in those territories, separate from a base rate for  
14 statistical territory codes 004 and 007?  
15
- 16 **PUB-FA-19** In response to CA-FA-10 Facility Association advises the TPL rate change  
17 indication would be 46.0% based on a 0.0% Cost of Capital, Exh C-2  
18 correction and using a TPL full credibility standard of 3,246. CA-FA-10  
19 asks for the rate change indication based on 0.0% Cost of Capital and the  
20 2013 full credibility standard which was 5,410 and the 2013 compliment  
21 of credibility methodology. Please advise if the 3,246 full credibility  
22 standard cited in Facility Association response to CA-FA-10 is a typo and  
23 if not please provide the TPL rate change indication using the 2013 rate  
24 filing full credibility standard of 5,410 and confirm the use of the 2013  
25 compliment of credibility approach.  
26
- 27 **PUB-FA-20** Please provide the Newfoundland and Labrador industry average incurred  
28 ALAE amount per vehicle for private passenger vehicles (PPV) as  
29 reported in the most recently available GISA Exhibit for each of the  
30 accident years 2008 to 2012 separately. Provide the Facility Association  
31 average incurred ALAE amount per vehicle for Newfoundland and  
32 Labrador PPV as reported in the most recently available GISA Exhibit for  
33 each of the accident years 2008 to 2012 separately. Provide copies of  
34 applicable sections of the GISA Exhibit.  
35
- 36 **PUB-FA-21** Please provide the Newfoundland and Labrador industry average ULAE  
37 amount per vehicle for private passenger vehicles as reported in the most  
38 recently available (2013) GISA ULAE Report. Provide copies of  
39 applicable sections of the ULAE Report.  
40
- 41 **PUB-FA-22** Please provide the Newfoundland and Labrador industry average standard  
42 commission (i.e. excluding contingent commissions) amount per vehicle  
43 for private passenger vehicles as reported in the most recently available  
44 AIFA Report. Provide copies of applicable sections of the AIFI Report.

1 **PUB-FA-23**

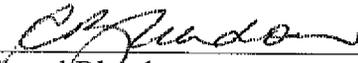
On April 16, 2014 Facility Association provided responses to questions issued by Oliver Wyman on April 9, 2014. In response to Question #15 it is stated the TPL rate indication is +67.3% and the all coverage indication is +69.7% based on the assumption set (1.14% ROI, FA LC Trend, \$0 Cost of Capital, 3,245 for TPL, Current Compliment). Please confirm that the pre-tax ROI rate assumed for this calculation is 2.8%, and not 1.14% as stated. If this is not the case, explain why in the Actuarial Memorandum section 2, at page 7 it states the overall rate indication based on an 2.8% ROI and 0% cost of capital is +69.7%.

10  
11 **PUB-FA-24**

Using the correction to the rate indications made in response to the Consumer Advocate's September 22, 2104 Information Request CA-FA-1, please provide an updated response to Oliver Wyman's April 9, 2014, Question #15.

**DATED** at St. John's, Newfoundland this 17<sup>th</sup> day of October, 2014.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per   
Cheryl Blundon  
Board Secretary