

Facility Association
Newfoundland and Labrador
Taxi Rate Refiling
Initial Filing Submitted
On March 6, 2014

FA Actuarial
4/21/2015

Section 1 – Rate Pages

The following pages contain Facility Association's updated base rates and rate pages.

FACILITY ASSOCIATION

BASE PREMIUMS, CONSTANTS, DIFFERENTIALS & FACTORS

TAXIS**1. BASE PREMIUMS & PHYSICAL DAMAGE MULTIPLIERS**

Territory	Base Premiums					Physical Damage Multipliers		
	Road Hazard	Passenger Hazard		Accident Benefits	Uninsured Auto	to be applied to Private Passenger Class 07, Driving Record 0, 1, 2 or 3		
		Bodily Injury	Property Damage			Collision	Comp.	S. P.
ALL	2429.01	1192.78	72.79	183.28	52.03	2.04	2.28	2.28

2. THIRD PARTY LIABILITY FACTORS

DRIVING RECORD FACTORS			
DR 3	DR2	DR1	DR0
0.60	0.75	0.85	1.00

LIMIT FACTORS			
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Road Hazard

Limit up to \$1,000,000					Limit over \$1,000,000			
					apply to \$1,000,000 premium.			
Coverage	Limit:	200,000	300,000	500,000	1,000,000	2,000,000	3,000,000	5,000,000
Factor		1.000	1.042	1.110	1.220	1.136	1.245	1.396

Passenger Bodily Injury

Coverage	Limit:	200,000	300,000	500,000	1,000,000	2,000,000	3,000,000	5,000,000
Factor		0.750	0.795	0.875	1.000	1.218	1.400	1.686

Passenger Property Damage

Coverage	Limit:	5,000	10,000	25,000	50,000
Factor		0.500	0.625	0.875	1.00

4. OUTSIDE ATLANTIC EXPOSURE - Applicable to all Taxis with any Outside Atlantic operation.

Liability, AB, and UA = .010 for each percentage point of Outside Atlantic exposure.

Physical Damage = .005 for each percentage point of Outside Atlantic exposure.

Effective 100 days post approval

ANNUAL PREMIUMS - All Territories

TAXIS Class 77

		Liability (limit in 000's)									
		Road Hazard per vehicle				Passenger Hazard per vehicle					
						END 6c				Prop. Dmge	
Territory	DR	200	500	1000	2000	Bodily Injury				5	50
						200	500	1000	2000		
ALL	3	1457	1617	1778	2019	537	627	716	872	22	44
	2	1822	2022	2223	2525	671	783	895	1090	28	55
	1	2065	2292	2519	2862	761	887	1014	1235	31	62
	0	2429	2696	2963	3367	895	1044	1193	1453	37	73

Accident Benefits	183
7 seats or less	
Uninsured Automobile	52

Collision	204% of Class 07 premium (Driving Record 0, 1, 2 or 3)
Comprehensive	228% of Private Passenger premium
Specified Perils	

Over 7 Seats: For each seat over seven, charge applicable Public Bus Seat Rate for Passenger Hazard BI, PD, Accident Benefits and UA. Contact your Servicing Carrier for applicable rate.

Effective 100 days post approval

Section 2 – Rate Exhibits

The following pages contain the updated rate exhibits.

Province of Newfoundland and Labrador
Board of Commissioners of Public Utilities
Current Taxi Base Rate Summary

<u>Taxi</u> ¹	Territory 1	Territory 2	Territory 3
Road Hazard	2,069.00	2,069.00	2,069.00
Passenger Hazard - BI	1,016.00	1,016.00	1,016.00
Passenger Hazard - PD	62.00	62.00	62.00
Accident Benefits	80.00	80.00	80.00
Uninsured Motorist	22.00	22.00	22.00
Collision (CLEAR)	225%	225%	225%
Comprehensive (CLEAR)	225%	225%	225%
Specified Perils (CLEAR)	225%	225%	225%

Territorial Definitions

Territory 1 - Avalon District, Statistical Plan Code 004

Consisting of the City of St. John's, including that part of the Island east of Highway 202, being a line between the communities of Old Shop and Chapel Arm in Trinity Bay to the North and between Long Harbour and Ship Harbour in Placentia Bay in the South.

Territory 2 - Bonavista and Burin District, Statistical Plan Code 005

Consisting of that Territory east of a line drawn from Port Blandford in Bonavista Bay to English Harbour East in Fortune Bay, excluding the Avalon District.

Territory 2 - Remainder of the Province, Statistical Plan Code 007

Consisting of those parts of the Province of Newfoundland and Labrador, excluding the Avalon, Labrador and Burin and Bonavista Districts.

Territory 3 - Labrador District, Statistical Plan Code 006

The entire area of Labrador

1. **Third Party Liability** rates are based upon: Driving Record 0 and \$200,000 Limit. 2. **Collision, Comprehensive** and **Specified Perils** rates are dependent on PPV and shown as a percentage of PPV rates. 3. **All Perils and SEF 44** are not offered.

Province of Newfoundland and Labrador
Board of Commissioners of Public Utilities
Proposed Taxi Base Rate Summary

<u>Taxi</u> ¹	Territory 1	Territory 2	Territory 3
Road Hazard	2,429.01	2,429.01	2,429.01
Passenger Hazard - BI	1,192.78	1,192.78	1,192.78
Passenger Hazard - PD	72.79	72.79	72.79
Accident Benefits	183.28	183.28	183.28
Uninsured Motorist	52.03	52.03	52.03
Collision (CLEAR)	204%	204%	204%
Comprehensive (CLEAR)	228%	228%	228%
Specified Perils (CLEAR)	228%	228%	228%

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The entire area of Labrador

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Province of Newfoundland and Labrador
Board of Commissioners of Public Utilities
Taxi Base Rate/Adjusted Base Rate Calculation Form

Coverage Territory	Proposed Base Rate	Differential Off Balance Factor	Discount Off Balance Factor	Adjusted Proposed Base Rate
<u>Road Hazard:</u>				
Territory 1	2,429.01	1.000	1.000	2,429.01
Territory 2	2,429.01	1.000	1.000	2,429.01
Territory 3	2,429.01	1.000	1.000	2,429.01
<u>Passenger Hazard - BI:</u>				
Territory 1	1,192.78	1.000	1.000	1,192.78
Territory 2	1,192.78	1.000	1.000	1,192.78
Territory 3	1,192.78	1.000	1.000	1,192.78
<u>Passenger Hazard - PD:</u>				
Territory 1	72.79	1.000	1.000	72.79
Territory 2	72.79	1.000	1.000	72.79
Territory 3	72.79	1.000	1.000	72.79
<u>Accident Benefits:</u>				
Territory 1	183.28	1.000	1.000	183.28
Territory 2	183.28	1.000	1.000	183.28
Territory 3	183.28	1.000	1.000	183.28
<u>Uninsured Motorist:</u>				
Territory 1	52.03	1.000	1.000	52.03
Territory 2	52.03	1.000	1.000	52.03
Territory 3	52.03	1.000	1.000	52.03
<u>Collision:</u>				
Territory 1	204%	1.000	1.000	204%
Territory 2	204%	1.000	1.000	204%
Territory 3	204%	1.000	1.000	204%
<u>Comprehensive:</u>				
Territory 1	228%	1.000	1.000	228%
Territory 2	228%	1.000	1.000	228%
Territory 3	228%	1.000	1.000	228%
<u>Specified Perils:</u>				
Territory 1	228%	1.000	1.000	228%
Territory 2	228%	1.000	1.000	228%
Territory 3	228%	1.000	1.000	228%

NOTE: All Perils is not offered for Taxi. Collision, Comprehensive and Specified Perils rates are dependent on PPV and shown as percentages of PPV rates.

Newfoundland and Labrador
Taxi Differentials

A. Third Party

Territory 1, 2, 3

Driving Record	2012 Written Premium	Current Differential	Proposed Differential
9	474,651	1.00	1.00
3	295,869	0.60	0.60
2	101,323	0.75	0.75
1	198,870	0.85	0.85
0	468,450	1.00	1.00

Avg. D.R. Differential

0.887

0.887

Inclusive Limit	2012 Written Premium	Current Differential	Proposed Differential
\$200,000	58,519	1.000	1.000
\$300,000	0	1.042	1.042
\$500,000	34,117	1.110	1.110
\$1,000,000	1,433,137	1.220	1.220
\$2,000,000	0	1.386	1.386
\$2,000,000 - \$5,000,000	13,390	1.519	1.519
Over \$5,000,000	0		

Avg. Limit Differential

1.212

1.212

Note: the road hazard limit differentials are used.

\$3,000,000 road hazard differential is used for \$2,000,000 - \$5,000,000.

Province of Newfoundland and Labrador

Taxi Premium Summary Information

Stat Terr.	Table 1 - Current Written Premium (\$) - 2012						
	TPL	SEF 44	AB	UIM	Coll	Comp	S.P.
004	1,010,682	n/a	15,238	3,294	50,239	17,301	27,407
005	163,928	n/a	3,237	559	4,327	732	318
006	57,213	n/a	1,200	254	5,123	1,129	0
007	307,340	n/a	6,242	1,440	11,369	6,961	922

Note: **Coll** written premium include **All Perils** written premium.

Stat Terr.	Table 2 - Current Average Premium						
	TPL	SEF 44	AB	UIM	Coll	Comp	S.P.
004	2,012	n/a	40	7	1,313	336	129
005	1,720	n/a	39	6	1,105	135	56
006	1,831	n/a	40	8	1,708	288	0
007	1,655	n/a	40	8	1,083	241	92

Stat Terr.	Table 3 - Proposed Average Premium						
	TPL	SEF 44	AB	UIM	Coll	Comp	S.P.
004	2,362	n/a	91	16	1,190	340	131
005	2,019	n/a	90	14	1,001	137	57
006	2,149	n/a	91	19	1,547	292	0
007	1,943	n/a	93	18	981	244	93

Stat Terr.	Table 4 - Proposed Average Change (+/-) in Average Premium						
	TPL	SEF 44	AB	UIM	Coll	Comp	S.P.
004	17.4%	n/a	129.1%	136.5%	-9.4%	1.3%	1.3%
005	17.4%	n/a	129.1%	136.5%	-9.4%	1.3%	1.3%
006	17.4%	n/a	129.1%	136.5%	-9.4%	1.3%	1.3%
007	17.4%	n/a	129.1%	136.5%	-9.4%	1.3%	1.3%

Note: **SEF 44** is not offered for Public Vehicles - Taxi.

Section 3 – Actuarial Support

The following pages contain the updated indication exhibits (Exh A, Exh C-1 and Exh C-2) based on FA's assumptions.

The indication exhibit (Alt Exh C-1) as per the board order is attached as Appendix A.

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi (fleet & individual rated)
 Project ID: NL-2013Q4-TX

jurisdiction (short form): NL
 major rating class: Pub
 minor rating class: TX
 rating type: fleet & individual

Exh A
 Page 1 of 1

Exh A

Analysis Summary (NB eff 1-Aug-2014; RN eff 1-Aug-2014)		Third Party Liability	Accident Benefits	Uninsured Automobile	Collision	Comp	Specified Perils	All Perils	TOTAL
Indication Summary									
FA Average Written Premium, Rolling 12, \$s	Exh C-1, row [3]	1,889	40	7	1,242	291	126	1,879	2,079
Indicated target rate change (12.0% ROE, leverage 2.0)	Exh C-1, row [22]	89.2%	339.5%	369.5%	(10.8%)	10.2%	22.2%	(3.8%)	91.7%
AWP dollar change for Indicated target rate change (12.0% ROE, leverage 2.0)	Exh C-1, row [24]	2,528	272	52	(121)	27	25	(64)	2,792
Indicated Average Written Premium		4,417	312	59	1,121	318	151	1,815	4,871
Rate change consistent with Board Order No. A.I. 11(2015)	Exh C-1, row [33]	17.4%	129.1%	136.5%	(9.4%)	1.3%	1.3%	-	19.3%
AWP dollar change for Rate change consistent with Board Order No. A.I. 11(2015)	Exh C-1, row [35]	493	103	19	(105)	3	1	-	588
Selected Average Written Premium		2,382	143	26	1,137	294	127	1,879	2,667
Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	Exh C-1, row [29]	69.7%	294.1%	321.0%	(20.0%)	(1.2%)	9.6%	(13.7%)	71.9%
AWP dollar change for Alternate rate change basis (0.0% Cost of Capital, lever Exh C-1, row [31])	Exh C-1, row [31]	1,975	235	45	(224)	(3)	11	(232)	2,189
Average Written Premium @ Alternate Return Assumption capped		3,864	275	52	1,018	288	137	1,647	4,268
Prior Indication, filed changes, and approved changes									
Indicated Rate Change @ 12% ROE	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Filed Rate Change									
Approved	n/a								
FA Written Premium @ Current Rates, Rolling 12	Exh C-1, row [4]	2,308,745	51,834	11,094	58,878	23,510	25,782	5,074	2,484,917
Change Written Premium \$		401,722	66,918	15,143	(5,535)	306	335	-	478,889

Exh C-1

Derivation of Indicated Change in Overall Rate Level

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
(\$1s) unless otherwise indicated	Third Party Liability	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
Facility Association Exposures & Premium	FA AIX as at: Dec 31 2012												
[1] FA Written Exposures, Rolling 12	815	-	-	-	815	650	816	-	53	90	228	3	816
[2] FA Written Premium, Rolling 12	1,539,163	-	-	-	1,539,163	25,917	5,547	-	65,420	26,123	28,647	5,638	1,696,455
[3] FA Average Written Premium, Rolling 12, \$s	1,889	-	-	-	1,889	40	7	-	1,242	291	126	1,879	2,079
[4] FA Written Premium @ Current Rates, Rolling 12	2,308,745	-	-	-	2,308,745	51,834	11,094	-	58,878	23,510	25,782	5,074	2,484,917
[5] FA Average Written Premium @ Current Rates, Rolling 12, \$s	2,834	-	-	-	2,834	80	14	-	1,118	262	113	1,691	3,045
[6] Premium distribution @ current rates	92.91%	-	-	-	92.91%	2.09%	0.45%	-	2.37%	0.95%	1.04%	0.20%	100.01%
Updated Projected Loss Ratio (indemnity only, nominal) @ Current Rates	Exh C-2,row[21]												
[7] Updated projected loss ratio (indemnity only, nominal), prior analysis	90.1%	-	-	-	90.1%	176.3%	169.2%	-	57.3%	64.2%	73.8%	59.4%	91.0%
Projected Loss Ratio (indemnity only, nominal) based on FA experience	Exh D-1, col [17]												
[8] FA projected ultimate loss ratio (indemnity only, nominal)	143.8%	-	-	-	143.8%	517.9%	1,376.3%	-	19.0%	76.6%	71.2%	-	152.5%
Credibility-Weighted Projected Loss Ratio (indemnity only, nominal)	Exh E-1, col [8]												
[9] FA experience credibility	115.0%	-	-	-	115.0%	279.1%	298.4%	-	52.6%	65.9%	73.5%	59.4%	116.8%
[10] Credibility-weighted projected loss ratio (indemnity only, nominal)													
Projected Loss Ratio (indemnity & excess legal, discounted @ 1.14%)	Exh F-2 (re-wghted)												
[11] Loss discount factor	0.9597	0.9571	0.9808	0.9808	0.9597	0.9700	0.9700	0.9597	0.9899	0.9891	0.9891	0.9897	0.9613
[12] Credibility-weighted projected loss ratio (indemnity only, discounted)	110.4%	-	-	-	110.4%	270.7%	289.4%	-	52.1%	65.2%	72.7%	58.8%	112.2%
[13] excess legal as % indemnity	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	-	52.1%	65.2%	72.7%	58.8%	3.4%
[14] Cred-wght'd projected loss ratio (indemnity & excess legal, discounted)	114.5%	-	-	-	114.5%	270.7%	289.4%	-	52.1%	65.2%	72.7%	58.8%	116.1%
Discounted Revenue, Expenses and Capital Costs	Exh G-1, col[C], row[3]												
[15] Revenue discount factor	0.9962	0.9962	0.9962	0.9962	0.9962	0.9962	0.9962	0.9962	0.9962	0.9962	0.9962	0.9962	0.9962
[16] Total discounted fixed expenses, as % of current on-level premium	3.59%	3.59%	3.59%	3.59%	3.59%	3.59%	3.59%	3.59%	3.59%	3.59%	3.59%	3.59%	3.59%
[17] Discounted effective commission ratio (based on Indicated rate level change)	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%
[18] Total discounted variable expenses prem tax, S.C. non-claims fees, as % of premium	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%
[19] Discounted variable S.C. initial claims fee, as % of premium	9.89%	9.89%	9.89%	9.89%	9.89%	9.89%	9.89%	9.89%	9.89%	9.89%	9.89%	9.89%	9.89%
[20] Retroactive claims fee adjustment (discounted), as % of premium @ target rate	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)	(0.49%)
[21] Target pre-tax cost of capital as % of premium (i.e. pre-tax return from underwriting, including associated investment income)	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%	7.88%
Rate Indications	Exh G-1, col[C], row[6]												
[22] Indicated target rate change (12.0% ROE, leverage 2.0)	89.2%	-	-	-	89.2%	339.5%	369.5%	-	(10.8%)	10.2%	22.2%	(3.8%)	91.7%
[23] Avg WP @ indicated target rate change (12.0% ROE, leverage 2.0)	5,362	-	-	-	5,362	352	66	-	997	289	138	1,627	5,837
[24] AWP dollar change for indicated target rate change (12.0% ROE, leverage 2.0)	2,528	-	-	-	2,528	272	52	-	(121)	27	25	(64)	2,792
[25] nominal indemnity LR for indicated target rate change (12.0% ROE, leverage 2.0)	60.8%	-	-	-	60.8%	63.5%	63.6%	-	59.0%	59.8%	60.1%	61.7%	60.9%
[26] nominal excess legal LR for indicated target rate change (12.0% ROE, leverage 2.0)	2.2%	-	-	-	2.2%	-	-	-	-	-	-	-	2.1%
[27] discounted commission as % of premium, based on alternate target	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%
[28] Retroactive claims fee adjustment (discounted), based on alternate target	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
[29] Alternate Target pre-tax cost of capital as % of premium (i.e. underwriting profit margin)	69.7%	-	-	-	69.7%	294.1%	321.0%	-	(20.0%)	(1.2%)	9.6%	(13.7%)	71.9%
[30] Avg WP @ Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	4,809	-	-	-	4,809	315	59	-	894	259	124	1,459	5,234
[31] AWP dollar change for Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	1,975	-	-	-	1,975	235	45	-	(224)	(3)	11	(232)	2,189
[32] nominal indemnity LR for Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	67.8%	-	-	-	67.8%	70.8%	70.9%	-	65.8%	66.7%	67.1%	68.8%	67.9%
[33] nominal excess legal LR for Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	2.5%	-	-	-	2.5%	-	-	-	-	-	-	-	2.3%
Rate change consistent with Board Order No. A.I. 11(2015)	Exh H-1, row[7]												
[34] Avg WP @ Rate change consistent with Board Order No. A.I. 11(2015)	3,327	-	-	-	3,327	183	33	-	1,013	265	114	1,691	3,633
[35] AWP dollar change for Rate change consistent with Board Order No. A.I. 11(2015)	493	-	-	-	493	103	19	-	(105)	3	1	-	588
[36] nominal indemnity LR for Rate change consistent with Board Order No. A.I. 11(2015)	98.0%	-	-	-	98.0%	121.8%	126.2%	-	58.1%	65.1%	72.6%	59.4%	97.9%
[37] nominal excess legal LR for Rate change consistent with Board Order No. A.I. 11(2015)	3.6%	-	-	-	3.6%	-	-	-	-	-	-	-	3.3%

Retroactive claims fee adjustment

	72 month LR	reimbursement rate LR	claims expense fee % @ reimbursement rate LR	minimum claims expense fee ratio	maximum claims expense fee ratio	base claims expense fee ratio	unadjusted experience claims expense fee ratio	experience claims expense fee ratio (post min/max)	Retroactive Adjustment	discount by 1 yr	discounted retroactive adjustment	Goal seek to 0.0%, on col[B], row[20]
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]
[IBNR as % ultimate] as per Exh D-1: -2.6%	(see note 1)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	=co [F], row[38]+72 mth LR/10	=row[38]:col [H] s.t. max / min, cols [D] & [E]	= H - C	=1/(1+disc rate)	= I * J	
[38] Retroactive claims fee adjustment at 12.0% ROE	62.5%	67.5%	10.0%	9.0%	16.0%	3.3%	9.5%	9.5%	(0.5%)	0.9887	(0.49%)	-
[39] Retroactive claims fee adjustment at Alternate Target	69.7%	67.5%	10.0%	9.0%	16.0%	3.3%	10.2%	10.2%	0.2%	0.9887	0.20%	-
[40] Retroactive claims fee adjustment on Selected Rate Change	100.4%	67.5%	10.0%	9.0%	16.0%	3.3%	13.3%	13.3%	3.3%	0.9887	3.26%	-

Notes:

- [72mth LR] = Recorded Claims Ratio @ 72 months*(1-[IBNR as % ultimate])
- See also Bulletin "All-Canada SC2004-02" issued on Jan. 7, 2004

Exh C-2

Derivation of Loss Ratios Underlying Current Rates

Prior Analysis / Filing	Date of analysis: 2012 Q4, assumed effective July 1, 2013 new business & for renewals; Filed Jan 2013; approved eff date Aug 1, 2013	Formulae	Third Party Liability	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
[1]	Distribution Used	Jan 2013 filing	89.60%				89.60%	1.50%	3.40%	-	2.50%	1.40%	1.60%	-	100.00%
[2]	Projected ultimate loss ratio (undiscounted), FA experience, prior to rate change	Jan 2013 filing, Exh 9, col 17 of sheets 2.1, 2.2, 2.3	219.30%				219.32%	932.00%	2,173.38%	-	23.60%	27.40%	48.50%	24.90%	
[3]	Rate Level Change associated with FA experience projected ultimate loss ratio	Jan 2013 filing, Exh 9, col 18 of sheets 2.1, 2.2, 2.3	181.30%				181.30%	1,041.70%	2,462.20%	-	(56.80%)	(51.90%)	(24.40%)	(55.20%)	
[4]	Implied target loss ratio (undiscounted)	=([2]/([1+3]))	78.00%				77.97%	81.63%	84.82%	-	54.63%	56.96%	64.15%	55.58%	77.2%
[5]	Credibility weighted rate change	Jan 2013 filing, Exh 9, col 18 of sheets 2.1, 2.2, 2.3	66.20%				66.20%	299.30%	269.00%	-	(5.20%)	(3.60%)	(1.40%)	(4.70%)	
[6]	Implied Projected undiscounted LR prior to target rate change	=([4]*([1+5]))	129.60%				129.59%	325.95%	312.99%	-	51.79%	54.91%	63.25%	52.97%	134.7%
[7]	Discount Rate assumed in row [2] (=1.000 as [2] is undiscounted)	Jan 2013 filing	1.0000				1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
[8]	Projected ultimate loss ratio (nominal), prior to rate change	=([6]/[7])	129.60%				129.59%	325.95%	312.99%	-	51.79%	54.91%	63.25%	52.97%	134.7%
[9]	Indicated rate level change @ 0% Cost of Capital	=([5])	66.20%				299.30%	269.00%	-	(5.20%)	(3.60%)	(1.40%)	(4.70%)	(7.20%)	
[10]	Projected Loss Ratio (nominal) @ indicated rate change	=([8]/([1+9]))	78.00%				78.00%	81.60%	84.80%	-	54.60%	57.00%	64.10%	55.40%	77.2%
[11]	FA Written Rate Level Factor at time of last review (Sep 30 2012)	rate level factor exhibit					1.0000	1.0000	1.0000	-	0.3320	0.3268	0.5839	0.3300	
[12]	FA Written Rate Level Factor - current	=([30])					1.5000	2.0000	2.0000	-	0.2988	0.2941	0.5255	0.2970	
[13]	Rate changes post last review	=([12])/([11]-1)	50.00%				50.00%	100.00%	100.00%	-	(10.00%)	(10.01%)	(10.00%)	(10.00%)	49.10%
[14]	loss ratio (nominal) at current rates	=([10]*([1+9]))/([1+13])	86.4%				86.4%	162.9%	156.5%	-	57.5%	61.1%	70.2%	58.7%	88.6%
[15]	Modeled loss cost projected to average accident date, prior analysis	Exh D-5	442.62				442.62	15.52	6.76	0.06	142.96	115.68	62.22	133.87	
[16]	Modeled loss cost projected to average accident date, current analysis	Exh D-5	461.86				461.86	16.80	7.31	0.06	143.15	122.07	65.68	136.13	
[17]	indemnity projection factor between average accident date underlying current rates and future average accident date	=([16])/([15])	1.0440	1.0000	1.0000	1.0000	1.0435	1.0825	1.0814	1.0000	1.0013	1.0552	1.0556	1.0169	1.0460
[18]	annualized indemnity change	=([17])^(365/Exh B-1, row [4])-1	4.00%	-	-	-	4.00%	7.60%	7.50%	-	0.10%	5.10%	5.10%	1.60%	4.2%
[19]	annualized premium trend factor	1+annual trend found in Exh D-4a, col [4]	1.0010	1.0010	1.0000	1.0000	1.0010	1.0000	1.0000	1.0000	1.0150	1.0120	1.0120	1.0150	1.0020
[20]	premium trend period in days (change in avg written date between rate programs)	Exh B-1, row [2]	396	396	396	396	396	396	396	396	118	118	118	118	396
[21]	projected indemnity loss ratio (nominal) at current rates	=([14]*([17])/([19])^(20/365))	90.1%	-	-	-	90.1%	176.3%	169.2%	-	57.3%	64.2%	73.8%	59.4%	92.6%

Most Current 12-Months Exposure and Premium

(\$1s) unless otherwise indicated		Formulae	Third Party Liability	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
FA Written Exposures, Rolling 12		FA AIX as at: Dec 31 2012													
[22]	20121		402	-	-	-	402	328	403	-	24	44	121	-	403
[23]	20122		412	-	-	-	412	322	414	-	28	46	107	3	414
[24]	TOTAL		815	-	-	-	815	650	816	-	53	90	228	3	816
FA Written Premium, Rolling 12		FA AIX as at: Dec 31 2012													
[25]	20121		750,952	-	-	-	750,952	13,225	2,683	-	32,249	13,076	15,981	-	828,166
[26]	20122		788,211	-	-	-	788,211	12,692	2,864	-	33,171	13,047	12,666	5,638	868,289
[27]	TOTAL		1,539,163	-	-	-	1,539,163	25,917	5,547	-	65,420	26,123	28,647	5,638	1,696,455
FA Average Written Premium, Rolling 12, \$s															
[28]	20121		1,867	-	-	-	1,867	40	7	-	1,330	301	132	-	2,057
[29]	20122		1,911	-	-	-	1,911	39	7	-	1,167	282	119	1,879	2,099
[30]	TOTAL		1,889	-	-	-	1,889	40	7	-	1,242	291	126	1,879	2,079

Most Current 12-Months Exposure and Premium

(\$1s) unless otherwise indicated		Formulae	Third Party Liability	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
FA Written Rate Level Factors															
[28]	20121			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3320	0.3268	0.5839	0.3300	
[29]	20122			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3320	0.3268	0.5839	0.3300	
[30]	last available mth: 31-Dec-15			1.5000	1.5000	1.5000	1.5000	2.0000	2.0000	1.0000	0.2988	0.2941	0.5255	0.2970	
FA Written Premium @ Current Rates, Rolling 12															
[31]	20121	=([25]*[30])/[28]	1,126,428	-	-	-	1,126,428	26,450	5,366	-	29,024	11,768	14,383	-	1,213,419
[32]	20122	=([26]*[30])/[29]	1,182,317	-	-	-	1,182,317	25,384	5,728	-	29,854	11,742	11,399	5,074	1,271,498
[33]	TOTAL		2,308,745	-	-	-	2,308,745	51,834	11,094	-	58,878	23,510	25,782	5,074	2,484,917
FA Average Written Premium @ Current Rates, Rolling 12, \$s															
[34]	20121		2,800	-	-	-	2,800	81	13	-	1,197	271	119	-	3,014
[35]	20122		2,867	-	-	-	2,867	79	14	-	1,051	254	107	1,691	3,074
[36]	TOTAL		2,834	-	-	-	2,834	80	14	-	1,118	262	113	1,691	3,045

Appendix A

The following pages contain the indication exhibits as per the board order.

Exh C-1

Derivation of Indicated Change in Overall Rate Level

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
(S1s) unless otherwise indicated	Third Party Liability	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
Facility Association Exposures & Premium	FA AIX as at: Dec 31 2012												
[1] FA Written Exposures, Rolling 12	815	-	-	-	815	650	816	-	53	90	228	3	816
[2] FA Written Premium, Rolling 12	1,539,163	-	-	-	1,539,163	25,917	5,547	-	65,420	26,123	28,647	5,638	1,696,455
[3] FA Average Written Premium, Rolling 12, \$s	1,889	-	-	-	1,889	40	7	-	1,242	291	126	1,879	2,079
[4] FA Written Premium @ Current Rates, Rolling 12	2,308,745	-	-	-	2,308,745	51,834	11,094	-	58,878	23,510	25,782	5,074	2,484,917
[5] FA Average Written Premium @ Current Rates, Rolling 12, \$s	2,834	-	-	-	2,834	80	14	-	1,118	262	113	1,691	3,045
[6] Premium distribution @ current rates	92.91%	-	-	-	92.91%	2.09%	0.45%	-	2.37%	0.95%	1.04%	0.20%	100.01%
Updated Projected Loss Ratio (indemnity only, nominal) @ Current Rates	Updated projected loss ratio (indemnity only, nominal), but with TPL as target LR for 0.0% CoC, trended forward 396 days (OW claims trend)												
[7]	66.6%	-	-	-	66.6%	71.3%	71.4%	-	66.3%	68.6%	68.6%	72.7%	66.8%
Projected Loss Ratio (indemnity only, nominal) based on FA experience	FA projected ultimate loss ratio (indemnity only, nominal)												
[8]	110.8%	-	-	-	110.8%	387.3%	1,010.2%	-	18.9%	66.7%	61.8%	-	117.3%
Credibility-Weighted Projected Loss Ratio (indemnity only, nominal)	FA experience credibility												
[9]	82.5%	-	-	-	82.5%	166.4%	171.9%	-	60.5%	68.5%	68.2%	72.7%	83.8%
Projected Loss Ratio (indemnity & excess legal, discounted @ 2.80%)	Credibility-weighted projected Loss Ratio (indemnity only, nominal)												
[10]	0.9055	0.8994	0.9542	0.9542	0.9055	0.9291	0.9291	0.9055	0.9756	0.9738	0.9738	0.9752	0.9093
[11] Loss discount factor	74.7%	-	-	-	74.7%	154.6%	159.7%	-	59.0%	66.7%	66.4%	70.9%	76.2%
[12] Credibility-weighted projected loss ratio (indemnity only, discounted)	3.7%	3.7%	3.7%	3.7%	3.7%	-	-	-	-	-	-	-	3.4%
[13] excess legal as % indemnity	77.5%	-	-	-	77.5%	154.6%	159.7%	-	59.0%	66.7%	66.4%	70.9%	78.8%
[14] Cred-wght'd projected loss ratio (indemnity & excess legal, discounted)	Revenue discount factor												
[15]	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908
[16] Total discounted fixed expenses, as % of current on-level premium	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%
[17] Discounted effective commission ratio (based on Indicated rate level change)	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%
[18] Total discounted variable expenses prem tax, S.C. non-claims fees, as % of premium	13.87%	13.87%	13.87%	13.87%	13.87%	13.87%	13.87%	13.87%	13.87%	13.87%	13.87%	13.87%	13.87%
[19] Discounted variable S.C. initial claims fee, as % of premium	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%
[20] Retroactive claims fee adjustment (discounted), as % of premium @ target rate	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(0.19%)
[21] Target pre-tax cost of capital as % of premium (i.e. pre-tax return from underwriting, including associated investment income)	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%
Rate Indications	Indicated target rate change (12.0% ROE, leverage 2.0)												
[22]	29.4%	-	-	-	29.4%	152.4%	160.5%	-	(0.2%)	12.1%	11.6%	3.9%	31.5%
[23] Avg WP @ Indicated target rate change (12.0% ROE, leverage 2.0)	3,667	-	-	-	3,667	202	36	-	1,116	294	126	1,757	4,004
[24] AWP dollar change for Indicated target rate change (12.0% ROE, leverage 2.0)	833	-	-	-	833	122	22	-	(2)	32	13	66	959
[25] nominal indemnity LR for Indicated target rate change (12.0% ROE, leverage 2.0)	63.8%	-	-	-	63.8%	65.9%	66.0%	-	60.6%	61.1%	61.1%	70.0%	63.7%
[26] nominal excess legal LR for Indicated target rate change (12.0% ROE, leverage 2.0)	2.4%	-	-	-	2.4%	-	-	-	-	-	-	-	2.2%
[26] discounted commission as % of premium, based on alternate target	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%
[27] Retroactive claims fee adjustment (discounted), based on alternate target	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%
[28] Alternate Target pre-tax cost of capital as % of premium (i.e. underwriting profit margin)	-	-	-	-	-	-	-	-	-	-	-	-	-
[29] Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	17.4%	-	-	-	17.4%	129.1%	136.5%	-	(9.4%)	1.8%	1.3%	(5.7%)	19.3%
[30] Avg WP @ Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	3,327	-	-	-	3,327	183	33	-	1,013	267	114	1,595	3,633
[31] AWP dollar change for Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	493	-	-	-	493	103	19	-	(105)	5	1	(96)	588
[32] nominal indemnity LR for Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	70.3%	-	-	-	70.3%	72.6%	72.7%	-	66.8%	67.3%	67.3%	77.1%	70.2%
[33] nominal excess legal LR for Alternate rate change basis (0.0% Cost of Capital, leverage 2.0)	2.6%	-	-	-	2.6%	-	-	-	-	-	-	-	2.4%
[33] Rate change consistent with Board Order No. A.1. 11(2015)	17.4%	-	-	-	17.4%	129.1%	136.5%	-	(9.4%)	1.3%	1.3%	-	19.3%
[34] Avg WP @ Rate change consistent with Board Order No. A.1. 11(2015)	3,327	-	-	-	3,327	183	33	-	1,013	265	114	1,691	3,633
[35] AWP dollar change for Rate change consistent with Board Order No. A.1. 11(2015)	493	-	-	-	493	103	19	-	(105)	3	1	-	588
[36] nominal indemnity LR for Rate change consistent with Board Order No. A.1. 11(2015)	70.3%	-	-	-	70.3%	72.6%	72.7%	-	66.8%	67.6%	67.3%	72.7%	70.2%
[37] nominal excess legal LR for Rate change consistent with Board Order No. A.1. 11(2015)	2.6%	-	-	-	2.6%	-	-	-	-	-	-	-	2.4%

Retroactive claims fee adjustment	72 month LR											Goal seek to 0.0% on col[B], row[20]	
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]		[L]
[IBNR as % ultimate] as per Exh D-1: -2.6%	(see note 1)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	Accounting & Statistical Manual (see note 2)	=co [F], row[38]+[72 mth LR]/10	=row[38]:col [H] s.t. max / min, cols [D] & [E]	=-[H]-[C]	=1/(1+disc rate)	=-[I]*[J]	
[38] Retroactive claims fee adjustment at 12.0% ROE	65.4%	67.5%	10.0%	9.0%	16.0%	3.3%	9.8%	9.8%	0.5%	0.9728	(0.19%)	-	-
[39] Retroactive claims fee adjustment at Alternate Target	72.0%	67.5%	10.0%	9.0%	16.0%	3.3%	10.5%	10.5%	0.5%	0.9728	0.49%	-	-
[40] Retroactive claims fee adjustment on Selected Rate Change	72.0%	67.5%	10.0%	9.0%	16.0%	3.3%	10.5%	10.5%	0.5%	0.9728	0.49%	-	-

Notes: 1. [72mth LR] = Recorded Claims Ratio @ 72 months*(1-[IBNR as % ultimate]) [41] estimated underlying target 0.0% CoC LRs: 67.6% | 70.5% | 70.6% | - | 66.3% | 67.1% | 67.1% | 72.2% |
 2. See also Bulletin "All-Canada SC2004-02" issued on Jan. 7, 2004