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Section 2. Actuarial Justification

This report provides actuarial support for the indicated rate level changes for Newfoundland & Labrador Public Vehicles – Taxi & Limousines (“TX”) individually rated and fleet rated as a part of the Facility Association (“FA”) regulatory submission to Newfoundland & Labrador (“NL”) Board of Commissioners of Public Utilities (“PUB”). The proposed effective dates of the rate changes are 100 days post approval for both new business and renewals. However, for the purposes of establishing average loss dates under the proposed rates, the indications were developed assuming an effective date of October 1, 2017 for both new business and renewals. The previous rate change for Taxis was submitted on March 16, 2016, with associated approved rates changes effective March 1, 2017 both new business and renewals.

This report estimates the provincial rate levels needs by coverage. The actuarial indications are derived in accordance with accepted actuarial practice in Canada. The underlying methodologies and assumptions are the responsibility of the signing actuary identified in Section 2.a.2.

This report is prepared in accordance with the instructions set out in Newfoundland & Labrador PUB Filing Guidelines (Category 2) effective September 1, 2011. This Section consists of two parts:

- text description; and
- data and technical analysis (i.e. supporting exhibits and appendices).

The text follows the format specified in PUB Rate Filing Requirements. The supporting exhibits and appendices immediately following the text are referenced throughout the text description section. To further assist the user of this filing, we have also included a detailed table of contents, at the beginning of Section 2, for the supporting exhibits and appendices. As Facility Association is proposing a change in the overall rate level, we have completed Section 2.a through Section 2.l in accordance with PUB Rate Filing Requirements.

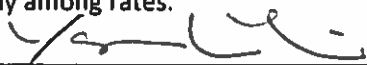
Section 2.a. Overall Description of Ratemaking Methodology and Summary

Section 2.a.1. Actuary’s Report

I, Liqing Yang, a Fellow of the Canadian Institute of Actuaries, have been authorized to prepare a rate filing on behalf of Facility Association, CERTIFY THAT:

1. This rate filing is in respect of the Public Vehicles - Taxis and Limousines insurance category in the province of Newfoundland & Labrador, assumed to be effective October 1, 2017 for new and renewal business.
2. I have reviewed the data underlying this rate filing for reasonableness and consistency, and I believe the data is reliable and sufficient for the determination of the indicated rate changes.
3. The indicated rate changes have been calculated in accordance with Accepted Actuarial Practice in Canada.

In my opinion, the risk classification system is just and reasonable, reasonably predictive of risk and distinguishes fairly among rates.



Liqing Yang

Fellow, Canadian Institute of Actuaries

December 23, 2016 - Toronto

Date, Location

Section 2.a.2. Data and Methodologies

An on-level loss ratio model (described in more detail later in Section 2.a.2.2) is used to estimate changes in average rate levels needed to generate the targeted return for each of the following coverages¹:

- Third Party Liability (TPL)
- Accident Benefits (AccBen)
- Uninsured Automobile (UA)
- Collision (CL)
- Comprehensive (CM)
- Specified Perils (SP)

Facility Association no longer offers All Perils (AP) as a stand-alone coverage (policyholders may purchase collision and comprehensive coverages separately at the same deductible, thereby providing the coverage previously offered as AP). The table below summarizes annualized counts of taxis purchasing AP in relation to TPL and other physical damage coverages.

Jurisdiction (short for)	NL
FA Minor Rating Class	TX
Rating Type	(All)

Accident Year	Written Exposure (excl trailers)				
	TPL	CL	CM	SP	AP
2011	803	40	70	236	1
2012	819	51	91	228	3
2013	863	46	110	226	13
2014	780	55	120	222	10
2015	782	70	121	217	2
Grand Total	4,045	261	512	1,129	28

coverage penetration (i.e. count as % TPL count)

Accident Year	CL	CM	SP	AP	CL + AP	CM + SP + AP
2011	5.0%	8.8%	29.4%	0.1%	5.1%	38.3%
2012	6.2%	11.1%	27.8%	0.4%	6.6%	39.3%
2013	5.4%	12.8%	26.2%	1.5%	6.9%	40.5%
2014	7.0%	15.4%	28.4%	1.3%	8.3%	45.1%
2015	9.0%	15.5%	27.8%	0.2%	9.2%	43.5%

For consistency, AP is still referenced in exhibits, but its impact on the actual indications is nil.

Unless specified otherwise, all references to “coverage” in this report may also refer to any applicable “sub-coverage(s)”.

The proposed rate changes are not based on all assumptions recommended by Facility Association actuarial staff. Rather, management’s proposed rate changes are derived from indications based on alternate assumptions that are aligned with PUB filing requirements, specifically:

- Cost of capital (0% cost of capital vs Facility Association target 12% return on equity)

¹ Facility Association doesn’t offer Underinsured Motorist coverage (i.e. endorsement 44) for the Public Vehicle classes and as such, an indication for UM coverage is not included in this filing.

- ii. Net return on investment (net return of 2.8% vs. Facility Association actuarial assumption of 0.47%)

Management's decision to base its rate change proposal on these alternate assumptions reflects their desire to expedite the rate approval process, rather than an alignment or view that these alternate assumptions are appropriate.

Section 2.a.2.1. **The Data**

The primary data sources underlying this analysis are all prepared by the Insurance Bureau of Canada (IBC) as follows:

1. FA Valuation quarterly development ("val") data compiled as at June 30, 2016;
2. FA Automobile Insurance Experience ("AIX")² – Calendar/Accident Year exhibits compiled as at December 31, 2015; and
3. Industry AIX – Calendar/Accident Year exhibits compiled as at December 31, 2015.

Data sourced from IBC is used without modification, except as may be specifically noted in this report. In this regard, reliance has been placed on the various data edit checks performed by IBC, which are designed to promote data integrity. IBC assembles the AIX data, on behalf of GISA, from the submissions made under the Automobile Statistical Plan by Facility Association Servicing Carriers and, for Industry exhibits, each of the insurers underwriting automobile insurance in the province. Because there are many companies providing this information and due to remoteness from the individual data elements, it is not practical to directly put in place audit or audit-like procedures. Therefore, reliance on this IBC/GISA data is without the benefit of any independent audit. The data is examined for reasonableness and any data extracted from computer-readable sources was reconciled to within acceptable tolerances to the published reports.

We believe the data used is reliable and sufficient for this rate analysis.

Facility Association's recorded claims amounts do not include allocated loss adjustment expenses and all **references to "loss", "losses" or "claims amounts" should be considered to be referring to indemnity amounts only**, unless stated otherwise. Industry data exhibits as produced by IBC on behalf of GISA usually include both loss and loss adjustment expenses. For consistency, where industry claims data is used, it is also on an "indemnity only" basis, unless otherwise noted.

Section 2.a.2.2. **The Method**

An on-level loss ratio method was used to estimate changes in average rate levels needed to generate the targeted return, with this estimated change referred to as the "indication". In general, this process involves a number of steps (at the coverage level):

1. estimating the current on-level average premium;
2. estimating a projected nominal indemnity loss ratio under our current rates:

² AIX data is prepared by IBC on behalf of the General Insurance Statistical Agency (GISA). *GISA is the statistical agent of nine participating insurance regulatory authorities across Canada. GISA gathers data via the Automobile Statistical Plan process, and has outsourced the data gathering and reporting function to the Insurance Bureau of Canada ("IBC") as its statistical service provider. IBC is also Facility Association's IT services provider.*

- where we have submitted a rate filing within the last two-to-three calendar years, this estimate adjusts the credibility-weighted projected nominal indemnity loss ratio from that filing for rate changes approved since that filing, claims trend between the average accident date used in that filing and the average accident date for this analysis, and premium trends between the average written effective date used in that filing and the average written effective date for this analysis, or
 - where we have not submitted a rate filing within the last two-to-three calendar years, we assume that the rates currently in effect generate a return consistent with a 0.0% cost of capital (the return assumption currently allowed for Facility Association rates in Newfoundland & Labrador) for the policy period ending at the effective date of the rates proposed in this analysis and project a loss ratio consistent with this position to the future average claim and policy effective date using current claim and premium trends;
3. estimating a projected nominal indemnity loss ratio based on Facility Association's experience only;
 4. estimating the level of credibility that can be assigned to Facility Association's experience;
 5. determining a credibility-weighted projected nominal indemnity loss ratio from 2, 3, and 4 above;
 6. estimating an investment yield rate based on Government of Canada bonds (as per Bank of Canada data) with considerations of investment expense and indemnity payout pattern to estimate net investment yield for calculating claim discount factor for each coverage;

However, at management's request, an alternate net investment yield (or "return on investment" or "ROI") assumption of 2.8% was used in support of management's proposed rate changes (based on a 0% cost of capital ("CoC") assumption). This request was made in light of the PUB filing guidelines (page A-8) indicated range of investment yields acceptable to the PUB.

However, under the current market conditions, it is not possible to construct a portfolio of terms of Government of Canada bonds (which we consider as our benchmark "risk-free" or more accurately as "free-of-default-risk") that match the cash flows we have projected that would generate a return this high. By implication, the only way to achieve this yield would be to use a portfolio of bonds that are not risk-free (with respect to default and/or liquidity in particular).

Generally, securities that are not risk-free require supporting capital (this is discussed in detail in Section 2.g.3). This additional capital need is not included in the alternate assumption indication, resulting in an inconsistency in the assumption set. This has been brought to management's attention and was accepted in relation to the interpretation of the filing guidelines.

7. estimating the impact of the "time value of money" on the projected nominal indemnity loss ratio by application of discount factors (based on projected indemnity payment patterns and the selected investment yield) to the loss ratios to arrive at projected discounted indemnity loss ratios;
8. estimating the costs associated with allowed claims adjustment expenses ("excess legal") in excess of amounts paid to Servicing Carriers as claims fees;
9. determining the capital³ level required to support policies written in the projected policy period and the target return on that capital ("target after-tax Return on Equity");

³The terms "capital", "equity" and "surplus" are considered equivalent and therefore interchangeable within this report.

10. estimating the costs associated with all expenses (fixed expenses, commissions, “variable” expenses, income taxes);
11. estimating the impact of the “time value of money” on the projected revenue collection and expense payment by application of discount factors (based on projected cash flow patterns and the selected investment yield) to premium and expense costs; and
12. estimating the rate level change needed to support the target after-tax Return on Equity (“ROE”) based on the above.

In estimating the cost of capital in the above process, the following are taken into account:

- a) the anticipated investment return on invested assets;
- b) the target after-tax Return On Equity; and
- c) the expected effective income tax rate.

The Facility Association’s Board of Directors has set a target post-tax ROE of 12% in general for Facility Association Residual Market (“FARM”) rates and Facility Association’s rate indication is based on this target as well as Facility Association’s assumptions for the loss trends and investment returns. However, at management’s request, an “alternate” indication, used as the basis for the proposed rate change was estimated using 0% CoC and 2.8% net RoI, based on management’s assessment of published filing requirements. The proposed base rates are then derived to reflect these proposed changes in average rate level. A summary of the indicated and proposed average rate level changes by coverage is shown in Indication Exhibit A-1.

For the purposes of our review of rate need for NL Taxi, based on Facility Association’s assumptions including a net investment yield of 0.47% and the Facility Association Board target after-tax ROE of 12.0%, the overall indicated rate level change is 56.6%. However, using the alternate assumptions (including 0% of CoC and 2.8% net RoI), the overall rate indication drops to 29.7%. Facility Association’s proposed rate level changes with overall increase of 29.7% are derived based on the alternate assumptions.

The proposed rate change selected by Facility Association management (and approved by the Facility Association’s Board of Directors) reflects Facility Association management’s interpretation of regulatory requirements. The proposed base rates are then derived to reflect these proposed changes in average rate level by coverage. A summary of the indicated and proposed average rate level changes by coverage is shown in Exhibit A. The detailed determination of coverage level indications is presented in Indication Exhibit C-1.

Section 2.a.2.3. ***Changes to the process since the last rate filing (March 2016)***

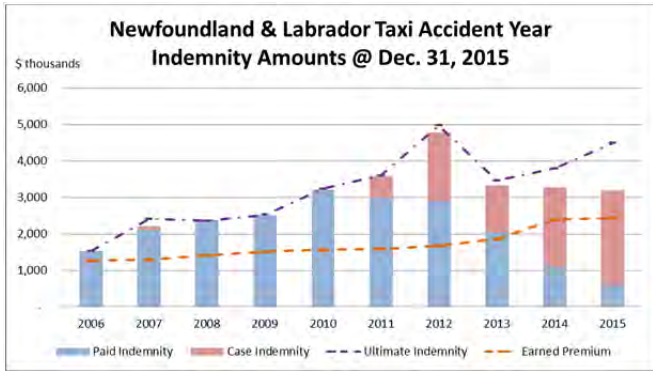
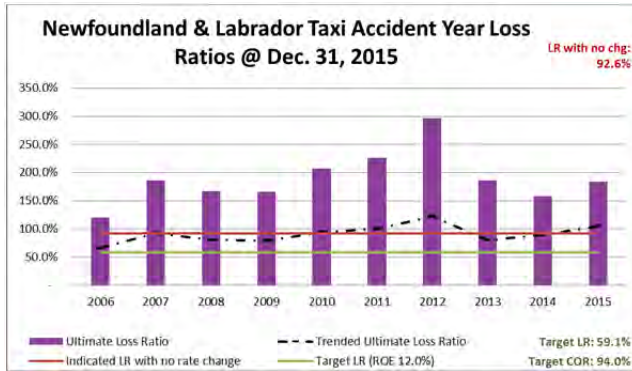
There have been no changes to the overall process since the March 2016 filing.

Section 2.a.2.4. ***Facility Association Experience Nominal Projected (Indemnity) Loss Ratio***

In its monthly reporting, Facility Association provides results on the basis of two business segments, being “private passenger” and “non-private passenger”, and the FA Taxi experience is included in the latter, along with all other non-private passenger classes (as the business segment’s name suggests).

For the purposes of the rate analysis, the Facility Association Taxi most recent five accident years (indemnity only) experience’s loss ratios by coverage are developed to ultimate using development factors derived from the June 30, 2016 valuation and brought on-level to the projected average accident date. The on-level exercise

involves adjusting historical indemnity loss cost levels and average premium levels for the estimated impacts of trends, product reforms, and rate changes as applicable.

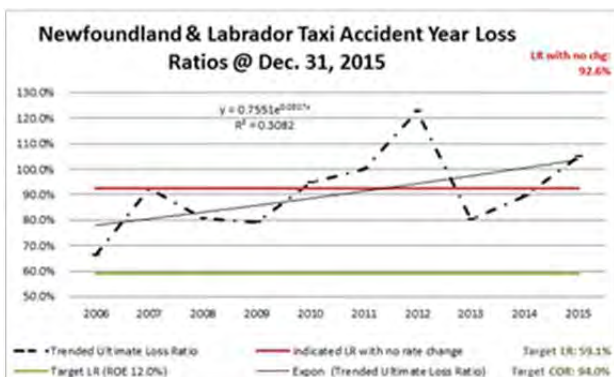


The preceding left chart provides the ultimate indemnity amount to earned premium ratio by accident year as currently estimated. The right chart provides a view in amounts, rather than ratios, to get a sense of volume through time.

In particular, the “dashed” black line in the left chart represents the “on-level” loss ratios for the policy term under consideration. That is, premium has been adjusted to account for all approved rate changes and for premium “trends” to the average effective date of the projected policy term and claims have been trended to the average accident date underlying the projected policy term. In contrast, the solid green line is the target loss ratio. It is clear from this chart that none of the 10 accident years present in this chart would be expected to generate a loss ratio at or below the target level in the projected policy period at rates currently charged.

Hence, it is not surprising to us that the current indication to generate the 12% target after-tax ROE is **56.6%**. It is important, however, to keep in mind that this is based on a credibility-weighted projected loss ratio. If instead the indication were based on giving equal weight strictly to each of the 10 accident years shown, **the indication decreases to 54.1%**; if the indication were based on giving equal weight strictly to each of the most recent 5 accident years, **the indication increases to 68.4%**.

Over time, if the claims experience continues as it has, the “credibility-weighting” process will eventually close the gap between the “loss ratio assumed underlying the current rates” and those underlying the experience. **That is, if the claims experience continues as it has, it will be possible to show retrospectively that rates needed to increase in the range of 54.1% to 68.4%, for the October 1, 2016 to September 30, 2017 rating period, in order to generate a 12% ROE.**



This assumes that the process of projecting “on-level” loss ratios has been accurate (i.e. that the process of trending claims and premiums does result in on-level loss ratios), the expectation is that no trend would be present that is statistically significant, if one were to fit an exponential trend line to the on-level loss ratios (as done in the chart to the left). That is not the case with the 10-year on-level loss ratios – the fitted trend is 3.2% (+/-1.7%) (statistically significant at the 10% level – the p-value is 9.6%) and the regression has adjusted R² value of 22% (we show the R² value at 31% in the chart to the left). This suggests that

there is an underlying “trend” in the FA taxi experience that is not being accounted for through the on-leveling process. This is also reflected in the variation of the on-level loss ratios for the first five years (average ratio of 82.7% with a standard deviation of 11.5%) and the latest five years (average ratio of 99.5% with a standard deviation of 16.2%). As the averages are more than a standard deviation apart, it would seem to suggest a difference in the experience that is not currently reflected in the FA “on-leveling” process. If this is the case and it continues, it suggests that indications each year will continue to increase at a level in excess of the net trend rate.

Section 2.b. Losses

The “losses” in this analysis (as in the previous analysis) are on an indemnity only basis (that is, all loss adjustment expenses are excluded from both the industry and Facility Association experience), but loss adjustment expense provisions are included in the rate level indication. We do not consider there to be Allocated Loss Adjustment Expenses (ALAE) as applicable to Facility Association, due to the nature of how Servicing Carriers are compensated for providing claims adjudication and management services. All such costs are considered Unallocated Loss Adjustment Expenses as described in Section 2.d Unallocated Loss Adjustment Expenses (“ULAE”).

We rely on data provided by IBC/GISA for Facility Association experience by rating class. The GISA/IBC AIX⁴ reports contain direct loss data (i.e. prior to any reinsurance transactions). Unless specifically noted otherwise in a particular context, the experience used for each coverage or sub-coverage encompasses all underlying categories of classification (e.g. limit, deductible) as reflected in the AIX. For Accident Benefits, we did not analyze losses at the sub-coverage level as defined by the Automobile Statistical Plan, as this additional detail was not deemed warranted. (Please see Section 2.a.2.1 for a list of sources of data used.)

For purposes of estimating ultimate claim amount and counts, we leverage the results of valuations as described in the next sections. Facility Association has outsourced its IT services and support to IBC, and valuation data is summarized by IBC based on FARM data reported by Servicing Carriers. This data is not at the rating class level, but rather at a “business segment” level and valuations are completed on a “private passenger” vs. “non-private passenger” basis to reflect how results are shared with the membership.

Detailed information on experience period losses is provided in Indication Exhibit D-1.

Section 2.b.1. Indemnity Amount Development

The Facility Association Residual Market (“FARM”) non-private passenger business segment⁵ valuation by coverage as at June 30, 2016 was used as the basis to estimate indemnity amounts at ultimate, where the underlying data used for FA’s valuation includes both individually rated and fleet rated vehicles. Loss Development Factors (“LDFs”) are calculated as the ratio of the valuation selected ultimate indemnity amount to recorded indemnity amounts (as at June 30, 2016) for each accident year. (Please see Indication Exhibit D-2 for the selected LDF calculation).

⁴ IBC collects data on behalf of the General Insurance Statistical Agency (GISA) under the Automobile Statistical Plan 9 and prepares summary data for use as “AIX” datasets.

⁵ Quarterly valuations are completed in relation to FARM results by jurisdiction and business segment (being private passenger and non-private passenger). Specifically, public vehicle specific results for the FARM are not valued separately. For the purposes of this rate analysis, non-private passenger valuation results are deemed to be a reasonable proxy for development for public vehicles on the assumption that claims reporting patterns will be similar.

This approach allows for recognition that the valuation process considers alternative methods and assumptions in establishing the final selected ultimate level for indemnity amounts – specifically, while the link ratio method is one of the methods used in the valuation process, it is not the only method. Consideration is given to estimates of ultimate based on various methodologies, with final selected valuation ultimate taking into consideration the strengths and weaknesses of the various methodologies and associated estimates. Appendix A (Part 1) (following the text part of Section 2) contains the loss development analyses for **non-private passenger business segment** based on Facility Association experience as at June 30, 2016.

Section 2.b.2. **Claim Count Development**

The FARM non-private passenger business segment⁵ valuation by coverage as at June 30, 2016 was used as the basis to estimate claim counts at ultimate, where the underlying data used for FA’s valuation includes both individually rated and fleet rated vehicles. Claim Count Development Factors (“CDFs”) are calculated as the ratio of the valuation selected ultimate claim counts to recorded claim counts (as at June 30, 2016) for each accident year. (Please see Indication Exhibit E-2 for the selected CDF calculation.)

This approach allows for recognition that the valuation process considers alternate methods and assumptions in establishing the final selected ultimate level for claim counts – specifically, while the link ratio method is one of the methods used in the valuation process, it is not the only method. Consideration is given to estimates of ultimate based on various methodologies, with final selected valuation ultimate taking into consideration the strengths and weaknesses of the various methodologies and associated estimates. Appendix A (Part 2) (following the text part of Section 2) contains the claim count development analyses for **non-private passenger business segment** based on Facility Association experience as at June 30, 2016.

Section 2.b.3. **Loss Trend**

Appendix B contains the loss development, claim count development, and trend analyses for Commercial Vehicles based on Industry experience as at December 31, 2015⁶, where the underlying data used for FA’s valuation includes both individually rated and fleet rated vehicles. The trend analysis determines our “best-fit” estimate of historical claims frequency and severity (“trend structure”), and will include the impact of legislative / regulatory / “product reform” changes to the extent reflected in the actual and modeled (fitted) data, or imposed on the model through specific coefficient selection (if applicable).

Trend Period

The effective date assumed in determining the rate indications is October 1, 2017 for both new business and renewals, and we assume that the rates are to be in effect for a 12-month period (the “projection period”). Losses are trended from the average accident date of each accident period in the experience period to the average accident date of the projection period (September 30, 2018 as derived below).

⁶ A separate trend analysis for public vehicle experience is not currently undertaken. It is assumed that commercial vehicle trends are a reasonable proxy for public vehicle trends.

B. Proposed Rate Program Effective Dates and # Months in effect

	new business	renewals	average	
% split	14.1%	85.9%	[5]	FA download facility (weighted avg 2011-2013 pol yrs)
rate program effective dates	01-Oct-2017	01-Oct-2017	01-Oct-2017	[6] assumption, with average based on [5]
# mths future rates in effect:	12.0		30-Sep-2018	[7] => generates last effective date for rate program
average written date in effective period:			01-Apr-2018	[8] = average of [6] & [7]

C. Proposed Rate Program Policy Terms

	6	12	total	
policy term mths:				
% split	1.0%	99.0%	[9]	FA download facility
first possible accident date:	01-Oct-2017	01-Oct-2017	[10]	= [6]
last possible accident date:	30-Mar-2019	30-Sep-2019	[11]	= [7] + policy term in mths
average accident date:	01-Jul-2018	01-Oct-2018	30-Sep-2018	[12] = total average based on [9]

Trend Analysis

The trend analysis utilizes Industry data to take advantage of the greater inherent stability of the larger body of data. It is assumed that the factors that affect industry loss costs similarly affect the Facility Association. Industry data is made available semi-annually for private passenger, commercial, and motorcycle separately. We believe it is reasonable to assume taxi experience will experience similar trends as commercial. We summarize this analysis in Indication Exhibit D-5 and supporting data is included in Appendix B.

Appendix B contains our trend analysis based on Industry NL Commercial Vehicle experience as at December 31, 2015. We conducted the trend analysis by sub-coverage. We did not incorporate a credibility procedure in the trend analysis due to the nature of the approach taken. We included accident periods from 1996-H1 to 2015-H2 as our actual results. Consideration was given within the analysis to exclude certain data points (deemed potential influential “outliers” or, where actual frequency and/or severity was zero, as zero data points are not able to be fitted using the exponential regression method we use), where deemed appropriate.

Our trend analysis was completed on an indemnity-only basis, as this best reflects the Servicing Carrier compensation model with respect to claims services. In contrast, the PUB published benchmark trends are based on indemnity plus expenses. We believe that it is reasonable to suspect trend models selected on indemnity plus expenses could be significantly different than indemnity alone. For instance, over time, insurers may change the level of outsourced claims adjudication; claimant use of legal counsel may change over time, resulting in more or less external resources required by an insurer to adjudicate claims; times of product reform may require additional external expertise and resources during “learning phases” as insurers (and claimants) learn to work within the system; as well, during product reforms, there may be more rigorous litigation early on until such time as appropriate precedents are established. This is discussed along with a general discussion of differences in methodologies in Appendix E (a reproduction of Facility Association’s response to the Oliver Wyman Draft Benchmark Trend Analysis of Newfoundland & Labrador Industry Commercial Vehicles as at December 31, 2015).

Although our exhibits include loss cost, our trend analyses were performed on frequency and severity separately, with the resulting model results combined to generate loss cost trend structure models.

Our “trend analysis” approach is really a process of modeling the latest 40 accident half years of experience using regression, from which we project into the immediate future for the purposes of putting claims experience on-level. This approach is not confined to “trend”, but rather takes into consideration any changes that we can

identify that explain the historical results, or which will help explain future results (where product changes are expected to occur in the future). Using all of the available experience reduces the impact of small sample sizes, and generally improves parameter estimation and estimation stability over time. Using all 40 data points available also allows for a more direct comparison of competing model fit metrics, as well as forcing the analyst to make explicit their view on where results “change” (either scalar or slope) and if any data point is to be excluded, but be explicit about this as well.

Having fitted values for each experience period as well as for each future period allows us to use the ratio of these values to adjust actual historical experience to “on-level” directly, without having to apply multiple “trend factors” or “reform factors” etc.

Our process starts with the model structure selected with our previous analysis – this is analyzed with respect to updated valuation results and the replacement of the older period(s) that have been dropped off with the more recent periods (for example, the December 2015 data had 1995-H2 drop off and 2015-H2 added). Our second standard model structure for review is a “reform period” structure – that is, we look at a model constructed to reflect various “reform” periods that apply to the jurisdiction (we do this for each coverage – even if it is not necessarily clear that a reform would impact the coverage – the statistics will tell us what the data says). After these two primary models, we will use residual analysis to determine other various models to consider, if any. Model selection compares various fit statistics etc. from competing models, and may also take into consideration other factors. For example, we prefer simpler models to complex models; if period changes are “close to” reform periods, we prefer to follow reform periods; we generally prefer to have frequency and severity period selections aligned, etc. Seasonality is a parameter we consider through our modeling process. Proposed model selections are discussed with the Appointed Actuary and Facility Association Actuarial Committee prior to final selection.

It is also important to note that we do not “keep” every model structure that is analyzed – part of the analysis is to test for statistical significance (and we use a 5% significance as our general cutoff) – if a preliminary model structure has a parameter that is not statistically significant, we eliminate that parameter – that is, we generally only keep models where the parameters are statistically significant.

We model the experience using different time periods where statistical tests/review of results support such (e.g. periods aligned with product reforms as previously discussed). When split this way, scalar coefficients (i.e. one-time impacts that “shift” lines up or down) and trend coefficients (i.e. slope of the line) would reflect our view of “best fits” of changes between periods. We always considered using a single “all periods” set, as well as a default set aligned with product reform as previously indicated. From there, other periods were considered as deemed appropriate from our review of the results (mainly through residual analysis as indicated above).

In common vernacular, “past” trends reflect selected models of the data up to the last period available (in this case, December 31, 2015), whereas “future” trends reflect selected model projections beyond the last period available. Given our approach to allowing regressions on various periods, a clear-cut definition of “past trend” (generally referring to the slope coefficient) is not necessarily readily available. In an attempt to simplify the discussion, where there are two or more periods included in our final selected model applicable to the most recent ten (10) accident periods (i.e. most recent five accident years), we consider the “past trend” as the slope associated with the second-most-recent period up to the valuation date. Where this is the case, we consider the “future trend” to begin at the start of the most recent period selected. Otherwise, we maintain the “standard” definitions of when the past ends and the future starts.

For each sub-coverage in Appendix B (Part 1), we present three charts comparing actual frequency, severity and loss cost values to the fitted values. We used “adjusted R^2 ”, which takes into account the number of parameters used by a particular model, in addition to the fit measure, to reduce the likelihood of “over-fitting” the model

with parameters with little predictive power. Where all periods are included in models, those model fits can be directly compared (i.e. it is appropriate to compare adjusted R² fits of models where the models have used the same data points). Otherwise, caution needs to be taken in comparing model fits.

We also include the “design matrix” for the models in the exhibits for Appendix B. An example design matrix is shown below.

Chart Periods	Exclude Data Point (y)?	Explanatory Variables (Xi)										Frequency Values					
		Season	All Years	Trend Periods based on average accident date where scalar present								Outcome (ultimate from valuation)	Fitted Model	Fitted Model Residual	Selected Model	Selected Model Residual	
				Scalar 1	Trend 1	Scalar 2	Trend 2	Scalar 3	Trend 3	Scalar 4	Trend 4						
		0	1	1	1	1	1	1	1	1	1	1	=> use "1" to include variable, "0" if not				
'96H1		0	1996.25	-	-	-	-	-	-	-	-	-	4.2929	5.6079	(1.3150)	5.6079	(1.3150)
'96H2		1	1996.75	-	-	-	-	-	-	-	-	-	5.0785	5.8164	(0.7379)	5.8164	(0.7379)
'97H1		0	1997.25	-	-	-	-	-	-	-	-	-	7.9804	6.0326	1.9478	6.0326	1.9478
'97H2		1	1997.75	-	-	-	-	-	-	-	-	-	7.5518	6.2569	1.2949	6.2569	1.2949
'98H1		0	1998.25	-	-	-	-	-	-	-	-	-	6.6487	6.4895	0.1592	6.4895	0.1592
'98H2		1	1998.75	-	-	-	-	-	-	-	-	-	6.3764	6.7308	(0.3544)	6.7308	(0.3544)
'99H1		0	1999.25	-	-	-	-	-	-	-	-	-	6.4756	6.9810	(0.5054)	6.9810	(0.5054)
'99H2		1	1999.75	-	-	-	-	-	-	-	-	-	6.4357	7.2406	(0.8049)	7.2406	(0.8049)
'00H1		0	2000.25	-	-	-	-	-	-	-	-	-	6.7309	7.5098	(0.7789)	7.5098	(0.7789)
'00H2		1	2000.75	-	-	-	-	-	-	-	-	-	9.7971	7.7890	2.0081	7.7890	2.0081
'01H1		0	2001.25	-	-	-	-	-	-	-	-	-	11.7625	8.0785	3.6840	8.0785	3.6840
'01H2		1	2001.75	-	-	-	-	-	-	-	-	-	7.1216	8.3789	(1.2573)	8.3789	(1.2573)
'02H1		0	2002.25	-	-	-	-	-	-	-	-	-	8.9091	8.6904	0.2187	8.6904	0.2187
'02H2		1	2002.75	-	-	-	-	-	-	-	-	-	8.1611	9.0134	(0.8523)	9.0134	(0.8523)
'03H1		0	2003.25	-	-	-	-	-	-	-	-	-	11.3335	9.3485	1.9850	9.3485	1.9850
'03H2		1	2003.75	-	-	-	-	-	-	-	-	-	7.2318	9.6961	(2.4643)	9.6961	(2.4643)
'04H1		0	2004.25	1.00	2004.25	-	-	-	-	-	-	-	7.2623	6.6275	0.6348	6.6275	0.6348
'04H2		1	2004.75	1.00	2004.75	-	-	-	-	-	-	-	6.5107	6.5406	(0.0299)	6.5406	(0.0299)
'05H1		0	2005.25	1.00	2005.25	-	-	-	-	-	-	-	5.9904	6.4549	(0.4645)	6.4549	(0.4645)
'05H2		1	2005.75	1.00	2005.75	-	-	-	-	-	-	-	6.6266	6.3703	0.2563	6.3703	0.2563
'06H1		0	2006.25	1.00	2006.25	-	-	-	-	-	-	-	5.9897	6.2868	(0.2971)	6.2868	(0.2971)
'06H2		1	2006.75	1.00	2006.75	-	-	-	-	-	-	-	5.5685	6.2044	(0.6359)	6.2044	(0.6359)
'07H1		0	2007.25	1.00	2007.25	-	-	-	-	-	-	-	5.6510	6.1231	(0.4721)	6.1231	(0.4721)
'07H2		1	2007.75	1.00	2007.75	-	-	-	-	-	-	-	6.7651	6.0428	0.7223	6.0428	0.7223
'08H1		0	2008.25	1.00	2008.25	0.5130	-	-	-	-	-	-	6.4766	5.9636	0.5130	5.9636	0.5130
'08H2		1	2008.75	1.00	2008.75	-	-	-	-	-	-	-	5.7195	5.8854	(0.1659)	5.8854	(0.1659)
'09H1		0	2009.25	1.00	2009.25	-	-	-	-	-	-	-	5.8593	5.8083	0.0510	5.8083	0.0510
'09H2		1	2009.75	1.00	2009.75	-	-	-	-	-	-	-	6.6205	5.7322	0.8883	5.7322	0.8883
'10H1		0	2010.25	1.00	2010.25	-	-	-	-	-	-	-	4.9451	5.6570	(0.7119)	5.6570	(0.7119)
'10H2		1	2010.75	-	-	1.00	2010.75	-	-	-	-	-	5.5424	5.9125	(0.3701)	5.9125	(0.3701)
'11H1		0	2011.25	-	-	1.00	2011.25	-	-	-	-	-	5.8664	5.6377	0.2287	5.6377	0.2287
'11H2		1	2011.75	-	-	1.00	2011.75	-	-	-	-	-	6.0273	5.3757	0.6516	5.3757	0.6516
'12H1		0	2012.25	-	-	1.00	2012.25	-	-	-	-	-	4.6868	5.1258	(0.4390)	5.1258	(0.4390)
'12H2		1	2012.75	-	-	-	-	1.00	2012.75	-	-	-	5.9102	5.9102	0.0000	5.9102	0.0000
'13H1		0	2013.25	-	-	-	-	1.00	2013.25	-	-	-	6.2055	6.2055	(0.0000)	6.2055	(0.0000)
'13H2		1	2013.75	-	-	-	-	-	-	1.00	2013.75	-	5.6887	5.6748	0.0139	5.6748	0.0139
'14H1		0	2014.25	-	-	-	-	-	-	-	1.00	2014.25	5.8551	5.5167	0.3384	5.5167	0.3384
'14H2		1	2014.75	-	-	-	-	-	-	-	1.00	2014.75	4.8678	5.3630	(0.4952)	5.3630	(0.4952)
'15H1		0	2015.25	-	-	-	-	-	-	-	1.00	2015.25	5.2420	5.2136	0.0284	5.2136	0.0284
'15H2		1	2015.75	-	-	-	-	-	-	-	1.00	2015.75	5.2201	5.0694	0.1507	5.0694	0.1507
'16H1		0	2016.25	-	-	-	-	-	-	-	1.00	2016.25	4.9272	4.9272	0.0000	4.9272	0.0000
'16H2		1	2016.75	-	-	-	-	-	-	-	1.00	2016.75	4.7899	4.7899	0.0000	4.7899	0.0000
'17H1		0	2017.25	-	-	-	-	-	-	-	1.00	2017.25	4.6565	4.6565	0.0000	4.6565	0.0000
'17H2		1	2017.75	-	-	-	-	-	-	-	1.00	2017.75	4.5268	4.5268	0.0000	4.5268	0.0000
'18H1		0	2018.25	-	-	-	-	-	-	-	1.00	2018.25	4.4007	4.4007	0.0000	4.4007	0.0000
'18H2		1	2018.75	-	-	-	-	-	-	-	1.00	2018.75	4.2781	4.2781	0.0000	4.2781	0.0000
'19H1		0	2019.25	-	-	-	-	-	-	-	1.00	2019.25	4.1589	4.1589	0.0000	4.1589	0.0000
'19H2		1	2019.75	-	-	-	-	-	-	-	1.00	2019.75	4.0430	4.0430	0.0000	4.0430	0.0000
'20H1		0	2020.25	-	-	-	-	-	-	-	1.00	2020.25	3.9304	3.9304	0.0000	3.9304	0.0000
'20H2		1	2020.75	-	-	-	-	-	-	-	1.00	2020.75	3.8209	3.8209	0.0000	3.8209	0.0000
'21H1		0	2021.25	-	-	-	-	-	-	-	1.00	2021.25	3.7144	3.7144	0.0000	3.7144	0.0000

The row immediately below the column title row is used to indicate whether that particular column’s values were used as parameters in the model (“0” for no, “1” for yes). In the above case, “seasonality was not included, but an all year’s trend and 4 other “additional” time periods were selected, having both a “scalar” parameter and a “trend” parameter. An exponential regression using the selected parameters against the “response” variable (in this case, our selected ultimates for frequency) is performed to estimate coefficients for each parameter. We would then consider removing any parameters where the associated coefficient was deemed to be not significantly significant. Fitted model residual cells and corresponding chart period cells that are highlighted in green shade indicate that the fitted value is more than 2 standard errors from the actual “response” value (i.e. a residual analysis check).

Individual data points may be excluded – these data exclusions would be indicated in the design matrix table above via a “y” placed under the column “Exclude Data Point (y)?”. In the example above, there are no data exclusions.

Finally, actual data in the above ends at '15H2, but we project forward to '21H1, based on the model's parameters and associated coefficients. The selected model may have different parameter coefficients than the regression fitted model (for example, we may superimpose a scalar change or trend rate on the model).

The following table summarizes the selected annual past and future loss trend rates by coverage and sub-coverage:

Coverage or Subcoverage	FA Loss Trend Model Summary - Current						Past and Future Trend Cut-Off Date
	Loss Cost		Frequency		Severity		
	Past	Future	Past	Future	Past	Future	
Third Party Liability							
TPL BI	3.5%	3.5%	0.0%	0.0%	3.5%	3.5%	Dec. 31, 2015
TPL PD	2.1%	2.1%	0.0%	0.0%	2.1%	2.1%	Dec. 31, 2015
Accident Benefits							
Accident Benefits (indivis)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Freq: Dec. 31, 2015/ Sev: Jun. 30, 2011
Uninsured Automobile	8.1%	8.1%	0.0%	0.0%	8.1%	8.1%	Jun. 30, 2015
Other Coverages							
Collision	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Dec. 31, 2015
Comprehensive	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Dec. 31, 2015
Specified Perils	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Dec. 31, 2015

The resulting trend structure model for TPL in total is derived directly from the trend structure models of each sub-coverage, by simply summing the modeled loss costs of each sub-coverage. The table below shows the total modeled loss cost for TPL (in the column titled "TPL (indivisible)"), along with the modeled loss cost for each sub-coverage.

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)
2006	457.81	159.13	-	616.94
2007	473.74	162.40	-	636.14
2008	490.20	165.74	-	655.94
2009	507.26	169.15	-	676.41
2010	524.89	172.64	-	697.53
2011	543.15	176.17	-	719.32
2012	562.04	179.79	-	741.83
2013	581.59	183.49	-	765.08
2014	601.81	187.25	-	789.06
2015	622.75	191.12	-	813.87
2016	644.40	195.03	-	839.43
2017	666.82	199.05	-	865.87
2018	690.01	203.14	-	893.15
2019	714.01	207.32	-	921.33
2020	738.84	211.58	-	950.42

The "past" trend period for TPL ends at 2015-H2, so the implied annualized past loss cost trend rate (3.1%) can be estimated as the ratio of any two adjacent accident loss costs for accident years 2015 and prior – for example, using 2013 over 2012 ($765.08/741.83-1 =$ approximately 3.1%). Similarly, the implied annualized future loss cost trend (3.2%) can be estimated as the ratio of any two adjacent accident loss costs for accident years 2016 and later – for example, using 2018 over 2017 ($893.15/865.87-1 =$ approximately 3.2%). In this case, the combined "trend" rate will be increasing over time, as BI has a higher trend rate (3.5%) than PD (2.1%) and so the combined TPL trend will rise over time toward the higher BI trend rate of 3.5%.

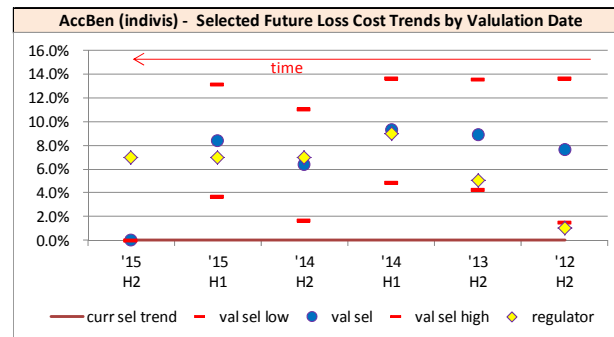
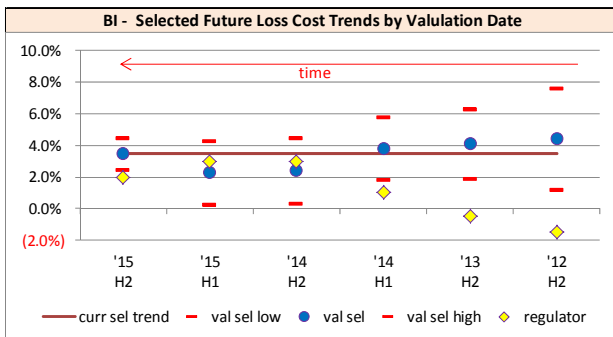
It is also instructive to compare how the "trend rate" selections have changed between those used in the March 2016 filing compared with the current updated selections, as the former were based on Industry data as at December 31, 2014 whereas this analysis is based on selections using Industry data as at December 31, 2015. We have also included a comparison of NL PUB loss cost trend rates at December 31, 2014 and December 31, 2015. Facility Association proposed rate changes are based on NL PUB loss cost trends at Dec. 31, 2015.

Coverage or Subcoverage	FA Selected Loss Cost Trend Rates			NL PUB Selected Loss Cost Trend Rates			NL PUB Selected less FA Selected		
	2014-H2	2015-H2	pt chg	2014-H2	2015-H2	pt chg	2014-H2	2015-H2	pt chg
TPL BI	2.4%	3.5%	1.1%	3.0%	2.0%	(1.0%)	0.6%	(1.5%)	(2.1%)
Std error:	2.1%	1.0%							
TPL PD	3.1%	2.1%	(1.0%)	3.0%	2.0%	(1.0%)	(0.1%)	(0.1%)	0.0%
Std error:	2.1%	1.3%							
Accident Benefit	6.4%	0.0%	(6.4%)	7.0%	7.0%	0.0%	0.6%	7.0%	6.4%
Std error:	4.7%	0.0%							
Uninsured Automobile	11.5%	8.1%	(3.4%)	7.0%	7.0%	0.0%	(4.5%)	(1.1%)	3.4%
Std error:	4.6%	3.5%							
Collision	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Std error:	0.0%	0.0%							
Comprehensive	1.4%	0.0%	(1.4%)	1.5%	0.0%	(1.5%)	0.1%	0.0%	(0.1%)
Std error:	3.1%	0.0%							
Specified Perils	0.0%	0.0%	0.0%	1.5%	0.0%	(1.5%)	1.5%	0.0%	(1.5%)
Std error:	0.0%	0.0%							

We consider three things as being clear when we consider the preceding table:

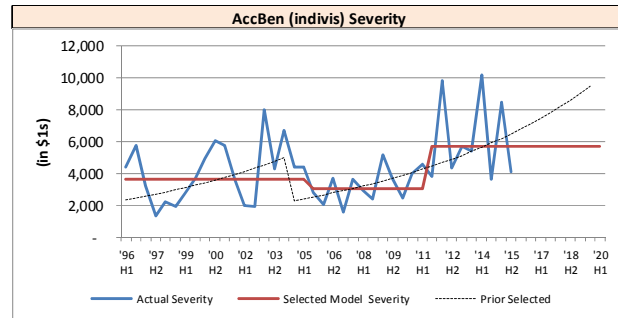
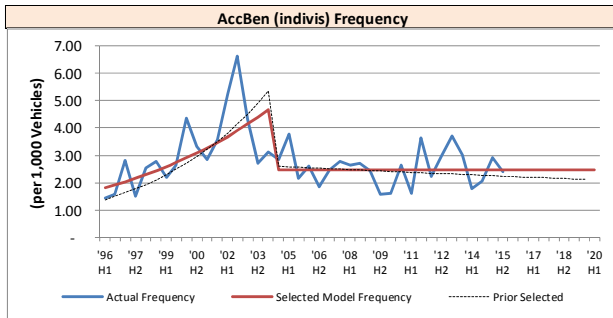
- i. Facility Association’s selected trend rates changes vary by coverage, with some increasing, some decreasing, and some remaining unchanged;
- ii. the PUB’s selected trend rates have only decreased or remained unchanged;
- iii. the biggest differences between FA’s selections and the PUB’s are for BI (difference of 1.5 points, where FA is higher) and AccBen (difference of 6.4 points, where FA is lower)

The charts below track the selections of future loss cost trend rates over time (with time moving from right to left in the charts). For BI (chart on left), the FA selected future trend rates have been reasonably consistent, and the current estimate of 3.5% falls within a standard error of each of the previous selections, suggesting that the updated selection is not statistically different from prior selections. In contrast, the PUB selected future trend rate has moved considerably throughout the various valuations, and has been within a standard error of the FA selection only twice during the period captured. The current selection of 2.0% is statistically different from the FA selection, as it is outside of one standard error of our selection.

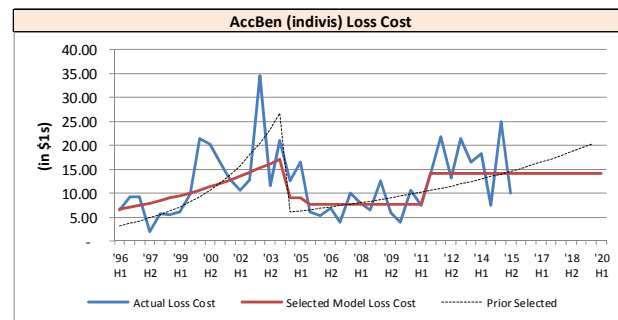


For AccBen, the FA selected future trends were historically consistent and were not statistically different from one another up until this latest analysis, where the selected future trend rate at 0.0% indicates FA no longer sees a relationship between loss cost and time for this coverage (as such, there is no “standard error” band as there is effectively no parameter). There were two drivers of this change. First, our updated selection for past/future frequency moved the trend from -1.3% to 0.0%. This reflected the impact of updated data, but also put the trend in line with the frequency trend for BI and CL (the coverage frequencies are correlated as one would expect, as

claims derive from accidents). Second, the severity trend structure selected differed from the previous selection to reflect what we believe now to be a structural change between 2005-H1 and 2005-H2 and between 2011-H1 and 2011-H2 (we have not attempted to determine a “cause” of this change), as opposed to our previous selection of 2 periods (with the change occurring between 2004-H1 and 2004-H2).



As a result, the loss cost trend structure reflects the updates above, so that the latest period is from 2011-H2 onward, and the loss cost past/future trend from this point is 0.0%.



Detailed discussion by coverage is presented in the sections that follow.

Third Party Liability – Bodily Injury (TPL BI)

For TPL BI frequency, we believe the best split to be two periods (1996-H1 to 2004-H1; 2004-H2 and beyond), with the “past trend” ending at 2015-H2 and “future trend” starting at 2016-H1. Seasonality was excluded as the p-value indicated it was not significant. There were no data exclusions. The adjusted R^2 of the regression analysis was **0.4845**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.4845**.

For TPL BI severity, we believe the best split to be two periods (1996-H1 to 2004-H1, 2004-H2 and beyond), with the “past trend” ending at 2015-H2 and “future trend” starting at 2016-H1. Seasonality was included as the p-value indicated it was significant. There were 3 data exclusions (all of the data exclusions related to the initial 1996-H1 to 2004-H1 period, where the exclusions were based on residual analysis). The adjusted R^2 of the regression analysis was **0.4235**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.4235**.

Third Party Liability – Property Damage (TPL PD)

For TPL PD frequency, we believe the best split to be two periods (1996-H1 to 2004-H1; 2004-H2 and beyond), with the “past trend” ending at 2015-H2 and “future trend” starting at 2016-H1. Seasonality was included as the p-value indicated it was significant. There was one data exclusion based on residual analysis. The adjusted R^2 of the regression analysis was **0.6789**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.6789**.

For TPL PD severity, we believe the best split to be two periods (1996-H1 to 2004-H1; 2004-H2 and beyond), with the “past trend” ending at 2015-H2 and “future trend” starting at 2016-H1. Seasonality was not included as the p-value indicated it was not significant. There was one data exclusion based on residual analysis. The adjusted R^2 of the regression analysis was **0.7333**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.7333**.

Accident Benefits (AccBen)

For AccBen frequency, we believe the best split to be two periods (1996-H1 to 2004-H1; 2004-H2 and beyond), with the “past trend” ending at 2015-H2 and “future trend” starting at 2016-H1. Seasonality was not included as p-value indicated it was not significant. There were no data exclusions. The adjusted R^2 of the regression analysis was **0.3395**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.3395**.

For AccBen severity, we believe the best split to be three periods (1996-H1 to 2005-H1, 2005-H2 to 2011-H1, 2011-H2 and beyond), with the “past trend” ending at 2015-H2 and “future trend” starting at 2016-H1. Seasonality was not included as the p-value indicated it was not significant. There were no data exclusions. The adjusted R^2 of the regression analysis was **0.1837**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.1837**.

Uninsured Automobile (UA)

For UA frequency, we believe the best split to be one period (1996-H1 and beyond), with the “past trend” ending at 2015-H2 and “future trend” starting at 2016-H1. Seasonality was not included as p-value indicated it was not significant. There was one data exclusion based on the residual analysis and 5 data exclusions due to “0” value data points to allow exponential curve fitting. Our model indicated that there was no relationship between frequency and time (i.e. the best fit of frequency is the average frequency over the period, and the “trend” is 0.0%). As such, R^2 values are not calculated.

For UA severity, we believe the best split to be one period (1996-H1 and beyond), with the “past trend” ending at 2015-H2 and “future trend” starting at 2016-H1. Seasonality was included as the p-value indicated it was significant. There were 4 data exclusions based on the residual analysis and 4 data exclusions due to “0” value data points to allow exponential curve fitting. The adjusted R^2 of the regression analysis was **0.2895**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.2895**.

Underinsured Motorist (UM)

While the trend analysis was carried out for UM, the discussion has been omitted here, since Facility Association does not offer UM for the Public Vehicle class.

Collision (CL)

For CL frequency, we believe the best split to be one period (1996-H1 and beyond), with the “past trend” ending 2015-H2 and “future trend” starting 2016-H1. Seasonality was not included as the p-value indicated it was not significant. There were no data exclusions. Our model indicated that there was no relationship between frequency and time (i.e. the best fit of frequency is the average frequency over the period, and the “trend” is 0.0%). As such R^2 values are not calculated.

For CL severity, we believe the best split to be one period (1996-H1 and beyond), with the “past trend” ending 2015-H2 and “future trend” starting 2016-H1. Seasonality was included as significant based on p-value. There was one data exclusion based on the residual analysis. The adjusted R^2 of the regression analysis was **0.0751**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.0751**.

Comprehensive (CM)

For CM frequency, we believe the best split to be two periods (1996-H1 to 2004-H1; 2004-H2 and beyond), with the “past trend” ending 2015-H2 and “future trend” starting 2016-H1. Seasonality was included as significant based on p-value. There were no data exclusions. The adjusted R^2 of the regression analysis was **0.7664**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.7664**.

For CM severity, we believe the best split to be two periods (1996-H1 to 2004-H1; 2004-H2 and beyond), with the “past trend” ending 2015-H2 and “future trend” starting 2016-H1. Seasonality was included as the p-value indicated it was significant. There were no data exclusions. The adjusted R^2 of the regression analysis was **0.7275**, and as the fitted was taken as the selected model, the adjusted R^2 of the selected model was **0.7275**.

Specified Perils (SP)

For SP frequency, we believe the best split to be one period (1996-H1 and beyond), with the “past trend” ending 2015-H2 and “future trend” starting 2016-H1. Seasonality was not included as the p-value indicated it was not significant. There were 2 data exclusions based on the residual and 6 data exclusions due to “0” value data points to allow exponential curve fitting. Our model indicated that there was no relationship between frequency and time (i.e. the best fit of frequency is the average frequency over the period, and the “trend” is 0.0%). As such, R^2 values are not calculated.

For SP severity, we believe the best split to be one time period (1996-H1 and beyond), with the “past trend” ending 2015-H2 and “future trend” starting 2016-H1. Seasonality was not included as the p-value indicated it was not significant. There were 8 data exclusions due to “0” value data points to allow exponential curve fitting. The adjusted R^2 of the regression analysis was **0.2569**, but rather than take the fitted trend (rate was 13.3%), we opted to select a trend of 0.0% (and model the severity “fit” over the period to be equal to the average); on this basis, R^2 values are not calculated.

All Perils (AP)

While the trend analysis was carried out for AP, the discussion has been omitted here as Facility Association no longer offers this as a stand-alone coverage.

Section 2.b.4. Treatment of Large Losses

As large loss information is not available, there is no specific procedure for estimating and accounting for the impact of large losses (as per the previous analyses).

Section 2.b.5. Catastrophe (or Excess Claim) Procedure

As catastrophe information is not available, there is no specific procedure for estimating and accounting for the impact of catastrophes on any coverages or sub-coverages (as per the previous analyses).

Section 2.b.6. Other Adjustments to Losses – HST Adjustment

HST was implemented on January 1, 2008 and Facility Association’s Taxi indications are based on the experience of 2011 to 2015; as such, no specific additional HST adjustment is needed.

Section 2.c. Allocated Loss Adjustment Expenses (“ALAE”)

We do not consider there to be ALAE as applicable to Facility Association, due to the nature of how Servicing Carriers are compensated for providing claims adjudication and management services. All such costs are considered “ULAE” as described in Section 2.d. Unallocated Loss Adjustment Expenses (“ULAE”).

Section 2.d. Unallocated Loss Adjustment Expenses (“ULAE”)

Facility Association has, in accordance with the Plan of Operation, a compensation arrangement with its Servicing Carriers in relation to their compensation for providing services related to managing, adjudicating, settling, and reporting claims on behalf of Facility Association, including managing any associated salvage, subrogation, and structured settlements. This arrangement consists of two components:

- a **claims service fee**, determined as a percentage of earned premium on a sliding scale basis driven off the indemnity loss ratio (see Section 2.d.1); and
- reimbursement for **certain specific allowed claims adjustment expenses** (see Section 2.d.2).

Section 2.d.1. ULAE - Servicing Carrier’s Claims Expenses

The total **claims expenses** by accident year paid to Servicing Carriers consists of an initial fee (paid monthly as a percentage of earned premium) and a three subsequent “retroactive” adjustments (first after 1 year, after 3 years and finally after 5 years) to account for estimated claim activity variances from the “base line” estimate relative to premium.

For Newfoundland & Labrador, the initial claim fee of 10.0% of earned premium (associated with an indemnity loss ratio of 67.5%) is paid to Servicing Carriers. The retroactive claims fee is calculated by subtracting from the initial fee an estimated “final” fee calculated as:

- a base rate of 3.25%, PLUS
- the estimated 72-month recorded indemnity loss ratio divided by 10, SUBJECT TO
 - a minimum ratio of 9.0% (associated with an indemnity loss ratio of 57.5% or lower); and
 - a maximum ratio of 16.0% (associated with an indemnity loss ratio of 127.5% or higher).

As this fee is directly related to the indemnity loss ratio, any change in rates will affect its projected value. In determining the rate indication, the initial claims fee is set at 10.0% as per above, and a separate “retroactive claims fee adjustment” is determined iteratively to reflect the recorded indemnity loss ratio expected at 72 months based on indicated rate changes, where the appropriate premium in that ratio is based on the applicable projected rate level. A higher proposed rate level will result in higher premium which will result in a lower projected recorded indemnity loss ratio as at 72 months which will result in a lower claims fee as a ratio to premium; alternatively, a lower proposed rate level will result in lower premium which will result in a higher projected recorded indemnity loss ratio as at 72 months which will result in a higher claims fee as a ratio to premium. This iterative approach properly reflects the sliding scale nature of the claims fee arrangement as set out in the FA Plan of Operation. The recorded indemnity level at 72 months is estimated from an estimated ratio of IBNR to ultimate at age 72 months (all coverages combined). It is assumed that at the time the first retroactive fee adjustment occurs, the valuation estimate (including the IBNR at 72 months) is a “best estimate”, and no subsequent adjustments will be required. As the initial adjustment occurs after 1 year, the retroactive claims fee adjustment is discounted 1 year.

This expense is treated the same as the indemnity loss ratio in the estimation of the rate indication.

Section 2.d.2. **ULAE – Allowed Claims Adjustment Expenses (a.k.a. “excess legal fee”)**

The **allowed claims adjustment expenses** by accident year is akin to allocated loss adjustment expense (“ALAE”), except that under the current reporting and allocation methodology, the expense is summed at the jurisdiction and accident year level, and is allocated by business segment (private passenger and non-private passenger) by earned premium.

The Facility Association’s Claims Guide (available on Facility Association’s portal under the “Manuals” section) provides a list of directly reimbursable claims expenses, separated by “category”, with category I being for Tort expenses (first party legal and listed professional fees) and category II for Ontario Accident Benefits Expenses. As described in the Facility Association’s Claims Guide:

Category I - Tort

*The Facility Association will reimburse the Servicing Carrier in **all jurisdictions** for **first party legal fees** resulting from any one claim occurrence subject to the \$10,000 deductible. The Facility Association will reimburse the Servicing Carrier in **all jurisdictions** for **Professional consulting fees** resulting from any one claim occurrence; it is no longer subject to the \$10,000 deductible, effective July 1, 2004.*

Category II – Ontario Accident Benefits Expenses invoiced after October 1, 1994

The Facility Association will reimburse Servicing Carriers for professional consulting fees in Category II as listed in the following schedule on Ontario claims occurring under OMPP, Bill 164, Bill 158 and (Bill 198 or any subsequent legislation) under the Accident Benefits section of the auto policy. Such expenses will not be subject to the \$10,000 deductible.

The allowed claims adjustment expenses are estimated from the latest valuation as a percentage of ultimate indemnity. These expenses apply to Third Party Liability coverages only for Category I and Accident Benefits in Ontario only for Category II (hence, Category II are not applicable to Newfoundland & Labrador).

This expense is treated as a percentage loading applicable to the indemnity loss ratio in the estimation of the rate indication, as applicable by coverage. For Newfoundland & Labrador, this expense applies to TPL only.

Based on the 2015 Appointed Actuary Report Exhibit B.12.1, the 2015 selected excess legal and Professional Fees ratio as percentage of total earned premium was 1.32%. This expense is converted to a percentage loading applicable to the indemnity loss ratio in the estimation of the rate indication, as applicable by coverage (1.6% loading for TPL of non-ppv). The table below is an excerpt from the Indication Exhibit C-1 which shows how this ratio is converted to a percentage of ultimate claim amounts for non-private passenger.

excess legal as percent of TPL indemnity is AA Report = [ratio as % of total coverages EP] x [latest yr total coverages EP] / [latest yr TPL expected indemnity]
 where ratio to EP from excess legal exhibit, and latest yr EP and TPL expected indemnity from a priori exhibit

		TPL		
2015 AA Rpt	Exh B.12.1	Exh B.8.6	Projected EP	Exh B.5.6.1
	pg 1 selected - cat I	prov, year	Adjustment	pg 1, col [5]
	excess ratio % total EP	2015 all coverage EP	2015 all coverage EP	2015 TPL expected indemnity
1.6%	=	1.32%	x	6,527,092
			x	1,000
			/	5,336,000

The Appendix D, page 2 of 11 provides the detailed excess legal information from FARM AA Report Final – 2015.

Section 2.e. Premium

Premium information is used to calculate current average rate levels and as weights in the calculation of weighted average changes in average rate levels. The latter premium is the latest 12-month written premium available in the “AIX” data, adjusted for any applicable subsequent rate changes.

Section 2.e.1. On-Level Adjustments

Under the loss ratio approach for determining rate level indications, the earned premium for each accident period and applicable coverage are brought to the current rate level as summarized in Indication Exhibit D-3a (earned premium on-level factor) and Indication Exhibit D-3b (written premium on-level factor).

Facility Association maintains a history of rate changes by jurisdiction, major rating class, coverage, and effective date. This data is accumulated to estimate rate level indices to allow comparison of relative rate levels at different points in time. Relative “written” and “earned” rate level factors are determined by accident year from this data, which are then applied to written and earned premium from the Facility Association AIX data to obtain on-level written and earned premium. The detailed Facility Association Newfoundland & Labrador Taxi rate change history is summarized in the table below:

RATE CHANGES	Effective Dates			AccBen/UA		Other			TOTAL (MUST BE COMPLETED!)		
	Status	New Bus.	Renewals	TPL (indivis)	AccBen (indivis)	UA	UM	CL		CM	SP
approved	May 1, 1987	May 1, 1987						3.4%	3.4%	3.4%	0.2%
approved	Jul 1, 1990	Jul 1, 1990						13.6%	17.1%	9.7%	0.8%
approved	Nov 1, 1991	Nov 1, 1991						2.5%	19.6%	18.6%	0.7%
approved	Jul 1, 1992	Jul 1, 1992						-	-	-	-
approved	May 1, 1993	May 1, 1993						(7.0%)	(0.5%)	16.8%	0.2%
approved	Sep 1, 1994	Sep 1, 1994						-	0.9%	30.6%	0.7%
approved	Feb 1, 1996	Feb 1, 1996						(33.5%)	(24.0%)	7.7%	(0.9%)
approved	May 1, 1997	May 1, 1997						(10.6%)	(5.5%)	0.4%	(0.3%)
approved	May 1, 2002	May 1, 2002						(0.2%)	(30.2%)	(33.1%)	(1.1%)
approved	Sep 1, 2003	Sep 1, 2003						(11.5%)	(17.0%)	(23.1%)	(1.0%)
approved	Aug 1, 2004	Aug 1, 2004						(31.6%)	(19.0%)	(16.0%)	(1.4%)
approved	Aug 1, 2005	Aug 1, 2005						(5.0%)	(5.0%)	(5.0%)	(0.3%)
approved	Feb 1, 2006	Feb 1, 2006						-	-	-	-
approved	Jun 1, 2010	Jun 1, 2010						(13.1%)	(29.8%)	(35.9%)	(1.8%)
approved	Jan 1, 2012	Jan 1, 2012						-	-	-	-
approved	Aug 1, 2013	Aug 1, 2013	50.0%	100.0%	100.0%						49.7%
approved	Jan 1, 2014	Jan 1, 2014						(10.0%)	(10.0%)	(10.0%)	(0.7%)
approved	Jun 1, 2014	Jun 1, 2014						(13.1%)	11.1%	(24.5%)	(0.6%)
deemed approved	Jun 1, 2014	Jun 1, 2014						23.0%	-	-	0.8%
deemed approved	Jun 1, 2015	Jun 1, 2015						-	-	-	-
approved	Sep 1, 2015	Sep 1, 2015	17.4%	129.1%	136.5%			(9.4%)	1.3%	1.3%	19.3%
deemed approved	Nov 1, 2015	Nov 1, 2015						(0.1%)	(0.3%)	(5.1%)	(0.1%)
approved	Jun 1, 2016	Jun 1, 2016	27.4%	81.6%	131.3%			(27.2%)	(18.4%)	19.2%	28.9%
approved	Nov 1, 2016	Nov 1, 2016						3.1%	2.7%	4.3%	0.2%
approved	Mar 1, 2017	Mar 1, 2017	24.6%	42.2%	50.9%	-		(9.4%)	(2.0%)	(1.3%)	25.7%

Section 2.e.2. Premium Trend

Premium trend has been included for the changes over time (“drift”) in limit, deductible, and vehicle rate group. The combined calculation is determined in Indication Exhibit D-4a.

Limit drift is applied to TPL to account for shifting policy limits over time, as shown in Indication Exhibit D-4b.

Deductible drift is applied to CL, CM, and SP to account for shifting policy deductibles over time, as shown in Indication Exhibit D-4c.

Vehicle rate group drift is applied to CL, CM, and SP to account for shifting of vehicle rate groups over time, as shown in Indication Exhibit D-4d. Since the physical damage coverage for taxi is fully dependent on the Private Passenger rates, the rate group drift for taxi is assumed to be similar to the Private Passenger rate group drift. (see Appendix D, pages 8 to 11).

Section 2.e.3. **Other Adjustments**

No other adjustments are made.

Section 2.f. **Other Expenses**

Expense assumptions are outlined in Indication Exhibit G-1. The expense assumptions are provided below as a percentage of premiums, derived from the Facility Association Plan of Operation, effective December 2012, and the December 2015 Facility Association Participation Report for Newfoundland & Labrador. “Fixed” expenses are those that do not vary directly with premium or rate levels, but instead vary more closely with exposures (i.e. vehicle counts) – examples include the cost of motor vehicle reports and per-vehicle health levies. These expenses are converted to a percentage of “current rate level” premium and handled similar to loss ratios in the rate indication process. In contrast, “Variable” expenses have a direct relationship with premium – examples include commissions and premium taxes. By their nature, “Variable” expenses are expressed as a percentage of premium as a loading in the rate indication process. Expense assumptions derived from Facility Association experience are based on non-private passenger business segment amounts.

Section 2.f.1. **Exposure Variable Expenses, excluding claims fess (Fixed)**

The following tables show the fixed expenses as percentages of premium at current rate levels for Taxi:

Fixed Expenses as % of Premium for NL PUB - TX		
Category	Fixed Expense	
	for TPL [1]	for Other Coverages [2]
	Exh G-1, column [A]	Exh G-1, column [A]
Driver Record Abstracts	1.34%	
Bad Debt	-	-
Central Office	2.50%	2.50%
Health & Other Levy	-	
Total	3.84%	2.50%

Detail supporting the fixed expense provisions is provided in Indication Exhibit G-1, with additional detail provided in Indication Exhibit G-2.

The Driver Record Abstracts expense assumption is estimated from actual expenses incurred (including applicable taxes) for obtaining the following “Driver Record Abstract” reports:

- “AutoPlus” reports to obtain new business applicant’s insurance policy and claims history (per vehicle basis), and
- Motor Vehicle Reports (MVRs) to obtain up-to-date information related to individual drivers (i.e. a “true” driver record abstract) requested on all policies – that is, both new business and renewals.

The current costs for obtaining these reports (including associated taxes) are provided in the table below:

Jurisdiction:	AutoPlus			MVR			
	Cost	Tax	Total	Cost	Fee	Tax	Total
NL	6.25	1.15	7.19	17.00			17.00

As “AutoPlus” applies only to new business (and is already on a “per vehicle” basis), the “average” per vehicle cost for AutoPlus is adjusted for the anticipated ratio of new business to renewal vehicles.

“MVR” costs above (which are on a “per driver” basis) are converted to a “per vehicle” basis based on the assumed number of drivers / reports required over a 12-month period (if a new driver is added to an in-force policy mid-term, that new driver’s MVR will be obtained). Please see Appendix D, page 7 of 11 for details on this conversion.

The sum of the two projected “per vehicle” costs then represents the total per-vehicle projected costs for Driver Record Abstract reports. For Taxis, this sum is estimated at \$69.69 per vehicle (Appendix D, page 7 of 11) and this fixed cost per vehicle is converted to a percentage of current on-level TPL premium in Indication Exhibit G-1 rows [24] to [26].

Section 2.f.2. Premium Variable Expenses, excluding claims fees (Variable)

The following expenses are expressed as a percentage of premiums and are treated as variable expenses for TX:

Variable Expenses as % of Premium for NL PUB - TX			
Category	Variable Expense		
	for TPL	for Other Coverages	
	[1]	[2]	
	Exh G-1, column [A]	Exh G-1, column [A]	
Commission	6.00%	6.00%	
Premium tax	5.00%	5.00%	
Servicing carrier operating cost	9.00%	9.00%	
Servicing carrier fees	1.00%	1.00%	
Premium finance admin expense	-	-	
GISA Levy (% of ALL COVERAGES premium)	0.06%	0.06%	
Rate Regulatory Levy (where it is % of ALL COVERAGES premium)	0.13%	0.13%	
Health Levy (where it is % of ALL COVERAGES premium)	-	-	
Total	21.19%	21.19%	

Detail supporting the variable expense provisions is provided in Indication Exhibit G-1, with additional detail presented in Indication Exhibit G-2.

We include a provision for the GISA levy. We have confirmed with IBC that the GISA’s annual industry assessment is determined using DWP obtained from annual returns (P&C-1 and P&C-22 as applicable). As these amounts include FARM DWP allocated to members, FARM premium attracts the levy and therefore a provision for such is appropriate.

Similarly, we include a provision for the Rate Regulatory Levy based on NL PUB “**2014-2015 Automobile Insurance Annual Report**” that is the most recent available report when FA’s indications are completed. Again, our understanding is that the assessment is based on DWP obtained from annual returns (P&C-1 and P&C-22 as applicable). As these amounts include FARM DWP allocated to members, FARM premium attracts the levy and therefore a provision for such is appropriate.

Premium Financing Fees and Associated Administrative Expenses

Because Service Carriers are responsible for the financial arrangements with policyholders, Facility Association does not receive any revenue nor incur any costs nor account for any capital associated with financing of insurance premiums. As result, no provision for revenue, costs, and capital associated with premium financing is included in the determination of rate level need, which is consistent with the current practice of these amounts being incurred /retained / funded by the Servicing Carriers.

We understand the general rationale for regulators requiring inclusion of premium financing fees as an expense offset in insurer rate applications, as those insurers are usually unable to separate out the administrative costs associated with offering premium financing. As such, to ignore such fees within those rate filings would imply that those insurers would recover premium financing administration expenses both directly from financing fees charged to policyholders, and indirectly through an expense provision embedded in their rates (i.e. the expense provision embedded in those rates include a loading for administration expenses associated with offering premium financing).

However, this rationale does not apply to Facility Association. As Facility Association does not directly offer policyholders premium financing, Facility Association's administration expenses do not include any expenses related to offering premium financing. Any premium financing offered to Facility Association's policyholders is offered by Facility Association's Servicing Carriers directly, and any fee collected would offset any associated administration expense incurred by those applicable Servicing Carriers. To reflect premium financing fees as an offset to expenses that are not incurred by Facility Association creates the "opposite" of the double-dipping concern a regulator might have in relation to other insurers, as described in the preceding paragraph. That is, Facility Association would be required to recognize and "offset" the fee revenue it does not collect in relation to administrative expenses it does not incur. This effectively means that Facility Association is not allowed to account for all of the administrative expenses it does expect to incur through the provision of automobile insurance.

Section 2.g. Profit Provision and Return on Investment

Section 2.g.1. Profit Provision

The Facility Association overall target indication reflects a target after-tax return on equity of 12% (as provided by the Facility Association Board of Directors), capital required based on a ratio of premium-to-surplus ratio of 2:1, along with an income tax rate assumption (30.0%) and a before-tax return on investment (net of expenses) assumption of 0.47% as estimated based on estimated future cash flows and investment returns. However, management's proposal is based on an assumption of 0% cost of capital and 2.8% before-tax return on investment, as per management's understanding of regulatory constraint related to these returns.

Section 2.g.2. Premium Delay

Premium is assumed to be collected with a 1.6-month delay, in keeping with the Facility Association's Plan of Operation, where the delay reflects the allowed delay between broker collection of premium from the ultimate policyholder, to submission to the applicable Servicing Carrier, to ultimate deposit into the applicable Facility Association bank account. This estimated delay does NOT take into account any "delays" related to premium financing – that is, we assume that all premium proceeds are transferred to Facility Association as if they were single, full term payments.

Please see Appendix D, page 11 of 11 for the calculation of the delay assumption, and Indication Exhibit G-1 for impact of the delay assumption on premium / expenses.

Section 2.g.3. **Return on Investment / Discount Rate Considerations**

Losses are assumed to be paid in the middle of the year. Loss payment patterns are determined from the Facility Association quarterly development exhibit as of June 30, 2016 and are summarized in Indication Exhibit F-2.

The net discount rate of interest 0.47% as the Facility Association actuarial assumption⁷ was selected giving consideration to several factors, including:

- Recent (October 31, 2016) Bank of Canada selected marketable bonds average yields for 1-3 year, 3-5 year, 5-10 year and over 10 year
- Recent (October 31, 2016) Bank of Canada selected treasury bill yields for 3 months
- Average investment duration based on the claim payment patterns
- Estimated investment expenses

Please see Indication Exhibit H-1 for additional detail.

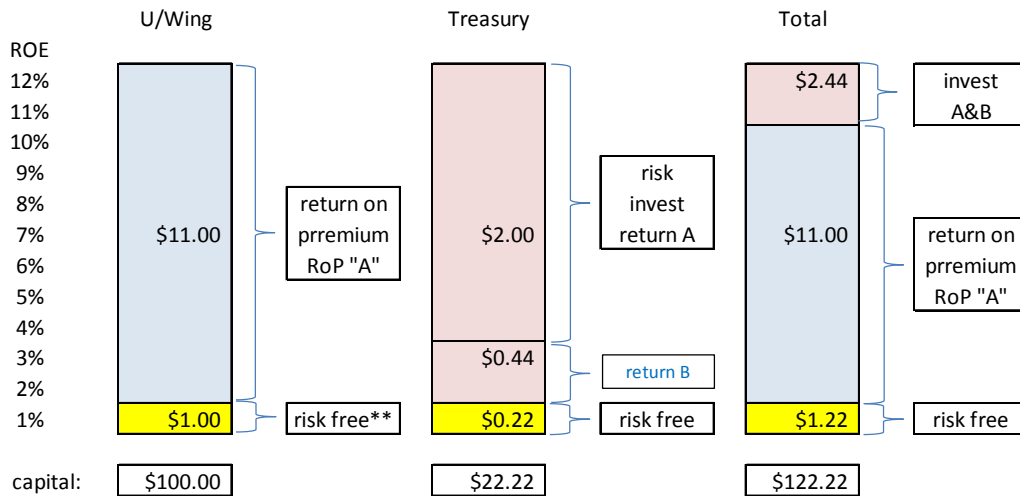
In late June 2005, the Facility Association Board of Directors authorized the transfer going forward to member companies of funds not required to meet Facility Association's short term cash flow needs, thus allowing member companies to invest these funds based upon their own investment plans and policies.

This change in Facility Association's cash management plan was implicitly considered in the selection of the discount rate. Member companies may hold invested assets other than the "risk-free" (that is, free-of-default-risk) portfolio we considered, and may then generate a return that is different than the risk-free return we have assumed. To the extent that members hold "riskier" investments and are able to generate a higher return over the longer as a results, those members would be required to hold more capital to reflect the risk embedded in the value of the asset. Our capital level is assumed to be consistent with a risk-free portfolio of assets.

It is FA's view that any investment return in excess of a "free-of-default-risk" return generated on funds supporting the insurance operations should ipso facto be to the benefit of the capital provider and not to insurance policyholders. The capital provided is a buffer to ensure that policyholders are more likely to be provided the protection (i.e. paid indemnification for insured events) where it turns out that the premium collected (and the investment returns on the associated cash flows) are insufficient to meet the full cash flow requirements. We call this the "performance obligation guarantee".

The policyholder does not provide the capital, nor is the policyholder exposed to the downside risk of investment returns in securities other than "free-of-default-risk" return. As such, it is FA's position that the policyholder should not benefit from returns on policyholder provided funds and/or capital in excess of "free-of-default-risk" return. We display this in the diagram below:

⁷ While this is the Facility Association actuarial assumption, the proposed rates reflect the regulatory floor imposed on the ROI assumption (that is, the ROI assumption must be no lower than 2.8%, which we understand is pre-tax and net of investment expenses).



$$\$22.22 = \$2 / (12\% - 3\%)$$

*return on premium reflects both underwriting profit and investment returns on policyholder funds at a free-of-default-risk

**risk-free here refers to "free-of-default-risk"

risk investment return A is the additional 2% risk return on \$100 initial capital via over risk free (1%)

risk investment return B is the additional 2% risk return on \$22.22 "additional" capital via over risk free (1%)

\$22.22 "additional" capital set so that \$2 of additional risk return on \$100 initial capital generates a 9% return (9% being difference between target ROE of 12% and total investment return of 3% when risk return included)

In the diagram, capital is provided to underwriting to support issuance of policies, with the capital investment return provided to underwriting at the "free-of-default-risk" return rate (and it is assumed that policyholder funds will likewise be invested at "free-of-default-risk" returns). We have assumed here a target ROE (where "equity" is synonymous with "capital") of 12%, and a "free-of-default-risk" investment return of 1%. In order to get the 12% ROE, the total return on capital provided by policyholder funds (from both underwriting income and investment income) would need to be 11% (and is referred to in the diagram as "return on premium RoP "A"), with the remaining 1% target return on capital being provided by investment return on that capital (for ease, we've also included the associated dollar amounts, assuming \$100 of capital required to support the underwriting operations).

As a separate function, "treasury"⁸, is responsible for actual investment activity on all invested funds and would be likewise charged with a target return of 12% ROE, where the "capital" is required to support any investment in **other than** "free-of-default-risk" securities.

As an example, in choosing to assume a higher level of investment risk, invested capital supporting the underwriting operation could be invested at 3%⁹ instead of 1%, but risking:

⁸ In the specific case of FA, "underwriting" is at FA, while "treasury" or "investment" is at the member company level where the capital is actually maintained and invested.

⁹ Provided as an example.

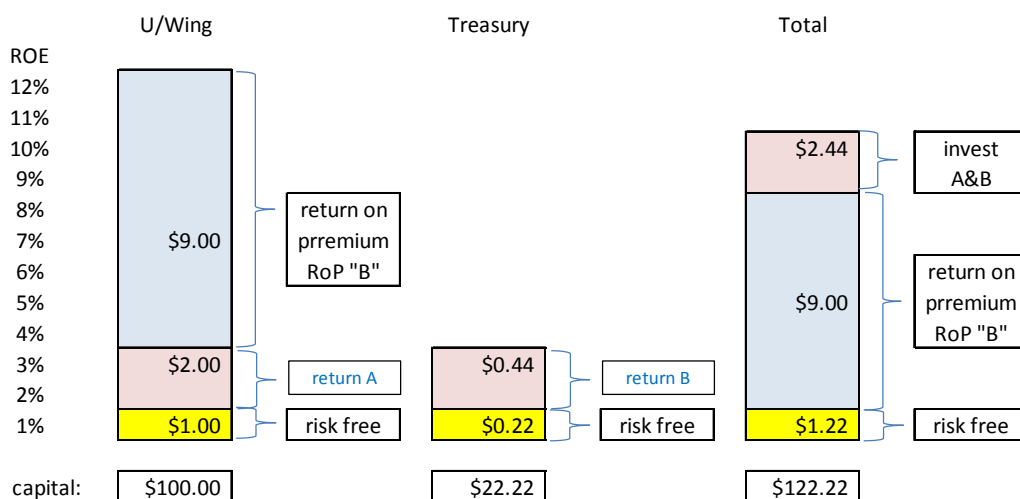
- liquidity (i.e. having to liquidate capital at an investment loss to meet unfunded cash obligations)
- reinvestment (i.e. as securities mature and need to be reinvested, they are reinvested at lower yields)
- default (or a “credit event” i.e. security issuers default in whole or in part on coupons and/or principal when they come due)
- other market/credit risks.

Assuming policyholder funds are invested “free-of-default-risk”¹⁰, but capital is invested in risk-assets that generate a 3% total return, the 3% return on the initial \$100 of capital would generate an additional \$2 of return over the \$1 return generated at “free-of-default-risk”. Treasury would consider then the amount of “additional” capital that would be required to support this additional return. Assuming the additional capital would also be invested at 3%, so long as the additional capital required is no more than $\$2 / (12\% - 3\%)$ or \$22.22, it would make sense for treasury to make the investment (they would get \$2 of additional return on the initial \$100, plus $3\% \times \$22.22$ or \$0.66 for a total return of \$2.66 on \$22.22 of capital, for a return of 12%).

On the other hand, if the capital required to support the investment at 3% is more than \$22.22, the company would be better off giving access to that \$22.22 capital to underwriting to write more insurance (generating at 12% ROE).

Note that under this scenario, underwriting has no vested interest in the investment activities, specifically whether or not investment risk activities are taken (so long as it is properly capitalized to reflect the inherent riskiness of the activity relative to the firms overall risk appetite, tolerance, and limits).

If, instead, the \$2 of additional risk-return on invested capital were to accrue to the benefit of the policyholder (in the form of lower premium), the diagram above would instead look like the one shown below:



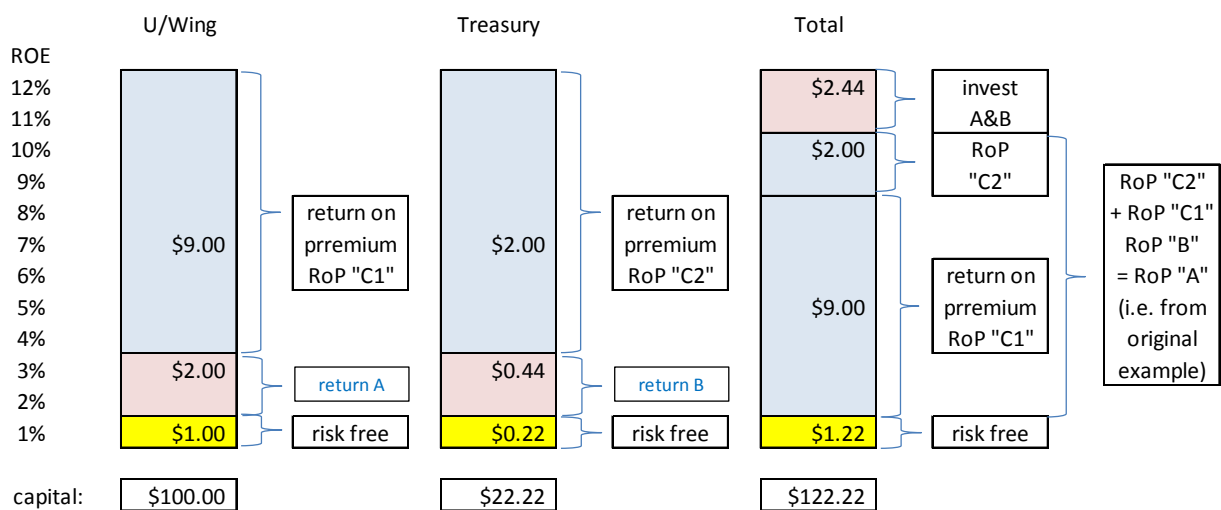
¹⁰ We make this assumption to simplify the discussion – otherwise, we have to introduce how much of the original return on premium is generated from underwriting profit and how much from investment income on policyholder funds, and for the latter, we need to make an assumption regarding the average duration of the policyholder funds. This is all doable, but risks losing the message in the detail.

Under this scenario, treasury is unable to capture the investment risk return on the initial capital of \$100 (while it is captured as part of “underwriting’s return”, it is in fact given to the policyholder in the form of lower premium¹¹). Note that here, the underwriters would have a vested interest in treasury’s investment activity, as more “risky” activity will allow underwriting to reduce premium’s charged – but all of the additional risk is borne by treasury (here, it would be underwriting putting pressure on treasury to increase yield that would potentially be problematic for an insurer – note that this is not an issue for FA as FA’s mission is to be as small as possible).

Also note, importantly, that under this scenario, the company in total does not meet its overall 12% ROE target (it gets to 10%). Again, this is because part of its overall return was “given” to the policyholder.

Under this scenario (and assuming management can keep underwriting from pressuring treasury), the optimum strategy is NOT to invest the capital supporting underwriting at 3%, but instead give the additional \$22.22 of capital to underwriting to write more business at the 12% ROE, ensuring that the total \$122.22 would generate the target 12% ROE (again, this doesn’t directly apply to FA as FA’s mission is to be as small as possible).

Alternatively (and again, this wouldn’t apply to FA), management could have treasury seek the additional “rent” from the policyholder as indicated below:



The above is a simple “re-package” of the original scenario, although it is, in our view, more convoluted and makes it more difficult to see clearly “who owns what”. In addition, this approach could not apply to FA, as treasury (i.e. members) would not be able to extract the “rent” from the FA policyholders.

The same argument applies if one were to expand the investment in non-free-of-default-risk investments to policyholder funds. This would require additional capital by treasury to support as discussed above where only capital was invested in non-free-of-default-risk investments.

¹¹ For ease of discussion, we ignore here that all else equal, offering lower premium to the policyholder for the same underwriting risk would require more capital to be provided to support underwriting. Capital to support underwriting is the amount required to guarantee performance of the insurance obligation to a set level of probability. In our initial case, the funding available to support the guarantee consisted of the initial \$100 of capital plus the \$12 expected return on that capital (i.e. \$112 in total). These funds would be associated with a specific probability of fulfilling the performance guarantee. If less premium is charged, the “return” will be less than \$12 so that the total funding available would be less than \$112. To maintain the performance guarantee probability, additional capital would be required to make up the funding shortfall to get it back to the \$112 target level.

In addition to the above discussion as relates to the use of a “free-of-default-risk” return as being appropriate, it is also important to emphasize that rate making is a forward looking (i.e. prospective) exercise. As such, investment yields achieved historically do not imply the levels that will be achieved going forward (notwithstanding the fact that the historic yields earned by the industry were not strictly based on “free-of-default-risk” securities). We believe the best estimate of prospective yields are “current yields” available.

While we selected a net return on investment / discount rate of 0.47% based on current risk-free yields, management has based the proposed rate change on an indication based on an assumption of a 2.8% return on investment, being the lowest level within the PUB published benchmark range.

Section 2.h. **Credibility**

Section 2.h.1. **Credibility Standard**

Credibility is assigned on the basis of estimated ultimate number of claim counts over the years that are given non-zero weight in our rate indication. This total is then applied to the traditional square root formula.

The Facility Association’s full credibility standards used in this analysis are as follows:

Coverage	FA Actuarial Standard
TPL	3,246
BI	2,164
PD	1,082
DCPD	1,082
AccBen	2,164
UA	2,164
UM	2,164
CL	1,082
CM	1,082
SP	1,082
AP	1,082

The selected credibility standards remain unchanged from our prior three filings (March 2014, May 2015, and March 2016). However, there was a change in the full credibility standards introduced with these filings in relation to the 2013 filing. The PUB’s decision in relation to these filings rejected the change in the full credibility standards on the basis of a lack of support for the change.

Support was provided in our May 2015 and March 2016 filings and has been re-produced here, along with some additional detail. We believe this supports our selections.

The 2013 full credibility standards were selected by Facility Association’s former external actuarial services provider (Eckler) based on a study they completed in 2004 using 2003 Atlantic Commercial Vehicle data. In this study, for each coverage/sub-coverage, a measure of severity volatility (the ratio of severity variance to the square of the mean severity) was estimated for each of 3 accident years (1999 to 2001) for each coverage/sub-coverage. The by-coverage/sub-coverage severity volatility measures were averaged over the 3 accident years and this average was compared to the same average for collision coverage (where collision was taken as the “base” coverage and assigned a full credibility claim count level of 1,082). The relative selected levels from this study by coverage/sub-coverage were as indicated below:

coverage / sub-coverage	selected 1,082 multiplier
bodily injury	2
property damage	3
third party liability	5
collision	1
comprehensive	3

Accident benefits, uninsured automobile, and underinsured motorist coverages were assigned the same level as bodily injury (i.e. 2 times), and specified perils was assigned the same level as comprehensive (i.e. 3 times).

As indicated above, third party liability being set at 5 times 1,082 was driven by the selected multiplier for property damage (which at 3 times seems counterintuitive in relation to multipliers for bodily injury and collision). The multiplier used in relation to the PUB’s published benchmark for PD and CM is 1 suggesting that the PUB would also view a multiplier of 3 as being “high” relative to their own published benchmark, and we fully would agree with this.

During 2013, the credibility standards across all jurisdictions and rating classes were reviewed, including those used in NL. As the Atlantic provinces standards were based on Eckler studies (separately for PPV and CV), whereas no other jurisdictions were similarly supported, we reviewed the Eckler study in some detail to determine whether or not the study should be updated, particularly in light of the “unusual” results indicated above where PD and CM were given higher multiples than what were viewed as the “intuitive” factors (being 1 for both). Our conclusion was that the study should NOT be updated, and the results from the study should be abandoned for the following reasons:

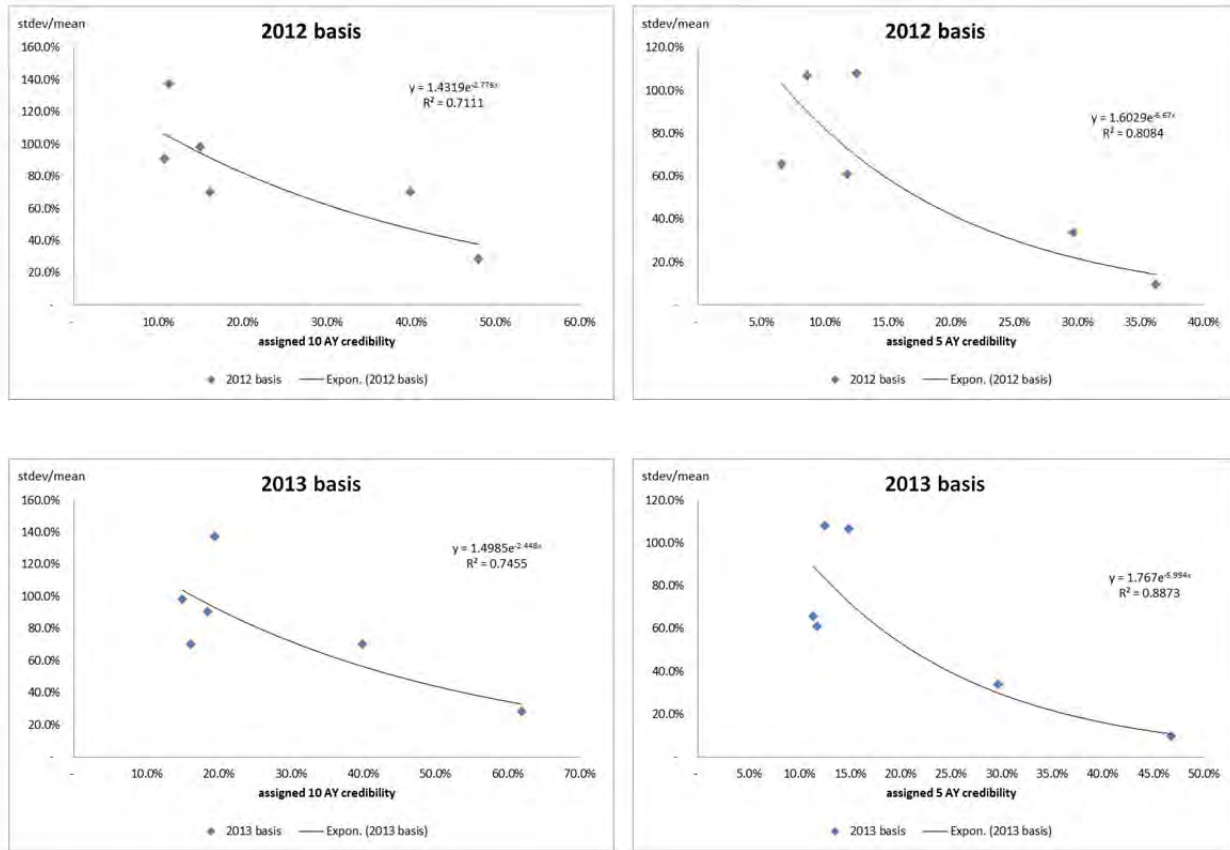
- The original Eckler study used accident years 1999 to 2001 inclusive, as at December 31, 2003. At that time, the coverage provided by the third party liability (“TPL”) coverages (bodily injury and property damage) were generally consistent across the Atlantic provinces and hence it would be reasonable to conclude that TPL claims across those provinces are random instances from a single “population” of such claims. However, product reforms introduced across each of these jurisdictions around 2004 and subsequent makes this assumption less convincing, particularly with respect to NL which adopted reforms that were significantly different than the other jurisdictions.
- Individual claims were not available – claims aggregated by size had to be used – this reduces the effectiveness of the study (and requires additional assumptions about the claims variation within the size bands).
- In order to combine accident years for the report, “trends” would have to be applied. In order to eliminate this issue, each accident year is viewed separately. However, this raises two additional issues: there are too few claims in each accident year (more on this later) and it is then assumed that the coefficient of variation is a constant (that is, variance is proportional to the mean in a linear way) - if this assumption is not correct, it may be appropriate to transform the data prior to the analysis.
- Another implicit assumption is that changes in limits purchased (for TPL) and deductible levels (for collision / comprehensive / specified perils / all perils) is consistent overall and by jurisdiction and rating class. Changes in these levels will have an impact on both the mean and the variance of the samples.

- As previously discussed, the original Eckler study's result for property damage did not make intuitive sense. The vast majority of property damage claims under TPL result for damage to the third party's vehicle. In comparison, collision claims reflect damage to the at-fault driver's vehicle. In both cases, claims reflect vehicle damage. It is not intuitively clear why it would be assessed that the severity coefficient of variation (the measure used in the study to reflect the volatility – it is simply the severity's estimated variance divided by the estimated mean) would be 3 times that of collision, as it is all vehicular damage. Further, the resulting multiplier was higher than that determined for BI. The results do not make intuitive sense. As previously discussed, the PUB's own benchmark multiplier is 1, which is aligned with our intuitive position.
- Similarly, the Eckler study indicated that comprehensive (again, vehicle damage) severity coefficient of variation was 3 times collision. This simply does not intuitive sense now to FA. As previously discussed, the PUB's own benchmark multiplier is 1, which is aligned with our intuitive position.
- The underlying rationale for this approach (using the coefficient of variation) relies on the Central Limit Theorem (i.e. the law of large numbers) that the distribution of observed severity can be approximated by a normal distribution, if the number of claims is sufficiently large. Numerous studies have found that claims severity does not follow a normal distribution, so the underlying assumption is not valid.
- Even ignoring the above (i.e. let's assume that claims severity does follow a normal distribution), the Central Limit Theorem then applies for sufficiently large number of claims. Our view is that the number claims available and used in the original study are not sufficiently high in order to adequately assess the "population" coefficient of variation. Put another way, when taking samples from a population, the sample will have a higher variance (i.e. volatility) than the population it is drawn from.
- Finally, and tied to the above, the original Eckler study indicated a higher number of claims needed for "full credibility" than is available for any individual accident year. For example, the "base coverage" collision is determined by OW to need 1,082 claims for "full credibility", yet none of the individual accident years had this many claims (and therefore would not be considered "fully credible"). Again, if the 3 accident years were to be combined (so that the total number of claims in a "single" study were greater than 1,082), trend would need to be applied, and differences in limits / deductibles accounted for.

All of these considerations (as well as others) led to FA's decision not to update the study, and instead select full credibility levels we felt provide an appropriate and reasonable balance between the FA experience (at the rating class level) and the complement of credibility FA intended to use. Further, it was decided to update all full credibility standards in all jurisdictions and all rating classes to the same level, with coverages / sub-coverages set at a "long tailed" coverage level of 2 times, or a "short-tailed" coverage level of 1 times. In relation to the Eckler study, this reduced the property damage, comprehensive, and specified perils multipliers from 3 times to 1 times. This, in our view, makes more intuitive sense than the prior selections and makes our change from the previous "non-intuitive" result to a more reasonable and intuitive result.

In response to the above arguments presented in relation to our 2015 Taxi rate filing, OW attempted to update the Eckler study using more recent data. That study, in our view, is not valid for the reasons we indicated above. Further, the OW study did not separately analyze BI and PD, but instead modeled BI and PD combined as TPL. This did not replicate the Eckler study. No rationale for this was provided. Further, the OW study did not address any other coverage (like CM) and so was incomplete. The study also did not attempt to address differences in coverage post 2004 reforms in the Atlantic provinces, or any of the other issues indicated above, that, in our view, negate any results or conclusions that can be drawn from the study.

As previously indicated, the Eckler study used the ratio of severity variance to the square of the mean severity as the measure of volatility. A similar but alternate volatility measure is the ratio of standard deviation to the mean (commonly referred to as the Coefficient of Variance or “CV”). As the credibility is effectively applied at a loss cost level, we reviewed the relationship between this alternate volatility measure (using on-level loss costs) and the assigned credibility using the “2012 basis”¹² levels (first two charts below) and the current “2013 basis” levels (second two charts below) for our 2013 and 2014 studies. The left charts use 10 accident years and the right use 5 accident years. We fitted an exponential curve to these results. The associated fits (as measured by the R² value) show a better fit in both cases (i.e. if we use 10 accident years or 5 accident years) with the 2013 basis.



We believe that our alternate measure (CV) as fitted and shown in our charts above is a valid alternative and we believe supports our position and change. Explicitly, the credibility standards determined by the 2003 Eckler study are no longer supported nor used by FA.

The reduced multipliers have the impact of giving more weight to the actual experience. Where the projected loss ratio based on experience is lower than the “credibility complement” projected loss ratio, the updated full credibility levels will result in a lower indication than if the change was not made. Similarly, if the projected loss ratio based on experience is higher than the “credibility complement” projected loss ratio, the updated full credibility levels will result in a higher indication. Finally, if the experience period had no claims or if the

¹² For the purposes of this discussion, “2012 basis” refers to the full credibility standards used in rate filings prior to 2013 and as completed by Eckler on behalf of Facility Association. The “2013 basis” reflects the basis introduced and used subsequently.

projected loss ratio based on experience was the same as the “credibility complement” projected loss ratio, the updated credibility levels would have no impact on the indications.

During the 2014 rate review cycle, Facility Association completed 166 rate reviews across various jurisdictions, rating classes, and rating types. Focusing on the impact of the change in full credibility for third party liability, we have estimated that in 25% of reviews, the change had no impact on the indication and in 55% of the reviews, the change resulted in a lower indication than if the change was not made. In the remaining 20% of reviews, the change resulted in a higher indication (see summary below):

Estimated Impact of reducing the full credibility claim count for BI, in relation to the 2014 rating cycle indications – all jurisdictions

summary of impacts:	zero	41	24.7%
	lower ind	92	55.4%
	higher ind	33	19.9%
total # of reviews:		166	

This clearly shows that the overall impact of the change is favourable to Facility Association policyholders. With respect to Newfoundland & Labrador reviews during the 2014 rate review cycle, 18 reviews were completed. Of these, the change was estimated to have no impact on 22% of the reviews (with respect to TPL indications), and 39% of reviews resulted in lower indications and 39% resulted in higher indications (see table below). Again, clearly, this shows that the change is unbiased in this jurisdiction.

Estimated Impact of reducing the full credibility claim count for BI, in relation to the 2014 rating cycle indications – Newfoundland & Labrador only

summary of impacts:	zero	4	22.2%
	lower ind	7	38.9%
	higher ind	7	38.9%
total # of reviews:		18	

Finally, based on the 2013 and 2014 rate review cycles, Facility Association submitted 20 rate filings requiring full actuarial support in 6 of the 9 jurisdictions we operate in, which have been decided upon by the applicable regulatory body (8 in Ontario, 4 in Alberta, 2 in Newfoundland & Labrador, 1 in New Brunswick, 4 in Nova Scotia, and 1 in Prince Edward Island). The change in full credibility levels has been accepted in all of these submissions, bar the two submissions in Newfoundland & Labrador.

In addition to the above, Facility Association has filed more than 70 rate changes requiring actuarial support for various rating classes and jurisdictions since the change was implemented, and there have been no issues related to this change in other jurisdictions, other than a 2015 taxi filing in Nova Scotia where we presented sufficient evidence to the staff to support the position that this change was not “biased” to generate higher rate indications (and were subsequently accepted by the regulator).

The credibility determined for each coverage is summarized in Indication Exhibit E-1.

Section 2.h.2. **Credibility - Complement of Credibility**

To the extent that Facility Association’s experience by coverage used in the process described in the previous section is not deemed fully “credible” (due to a lack of claims, by count, estimated in the experience period

used), a “complement” projected on-level loss ratio is required to augment the projected ratio. The “complement” used is either:

- the estimated credibility weighted target nominal indemnity loss ratio from prior analysis, adjusted by the rate change approved by the regulator and projected forward to the future policy period via premium and claims trends (projecting forward the loss ratio from prior filing); or
- an estimated loss ratio determined assuming that the current rates underlying the “expiring” policy term are adequate in relation to the allowed return for Facility Association (being a 0% cost of capital basis for Newfoundland & Labrador) and an assumption set applicable to the “expiring” term, and projected forward to the future policy period via premium and claims trends (projecting forward the loss ratio underlying current rates).

The former is used where Facility Association has submitted a rate filing within the last two-to-three calendar years for the rating class under consideration. Where it is has been more than two-to-three calendar years, the implicit assumption is that the “expiring” policy term rates were deemed “adequate” (relative to the allowed return) at the last rate review, eliminating the need to submit a rate filing.

For Newfoundland & Labrador Taxi, as a rate filing was last submitted in March of 2016, the former approach (projecting forward the loss ratio from prior analysis) was undertaken.

The balance of credibility approach promotes stability between successive rate reviews, while allowing for appropriate recognition of a changing environment.

While management supports the Facility Association actuarial approach and assumption, management’s proposed rate change is based on the indication that uses the FA’s projected loss ratio from the March 2016 rate filing as complement.

The detailed calculation of complement of credibility is shown in Indication Exhibit C-2 and Indication Exhibit C-3.

Section 2.i. Other Adjustments

There are no other adjustments.

Section 2.j. Summary Rate Level Indications

The table below summarizes the rate indications and the proposed rate changes. The proposed rate changes are based on an indication assuming a 2.8% ROI and 0.0% cost of capital.

Summary of Rate Level Indications for NL PUB - TX				
	FA Indication with Target after-tax ROE 12.00%	FA Indication with Cost of Capital 0.00%	Alternate Indication Based on 0% Cost of Capital and 2.8% ROI	Proposed Rate Change
	[1]	[2]	[3]	[4]
	Exh C-1, column [M], row [22]	Exh C-1, column [M], row [30]	Exh C-1, column [M], row [35]	Exh C-1, column [M], row [35]
Coverage				
Third Party Liability	58.3%	40.9%	-	-
Accident Benefits	45.7%	29.6%	22.8%	22.8%
Uninsured Automobile	82.2%	62.1%	53.7%	53.7%
Underinsured Motorist	n/a	n/a	n/a	n/a
Collision	3.5%	(7.9%)	(9.3%)	(9.3%)
Comp	0.9%	(10.2%)	(11.8%)	(11.8%)
Specified Perils	6.4%	(5.3%)	(7.0%)	(7.0%)
All Perils	n/a	n/a	n/a	n/a
Total	56.6%	39.4%	29.7%	29.7%

The derivation of the rate changes is summarized in Indication Exhibit C-1 and described in the sections below.

Section 2.j.1. Projected Loss Ratio (indemnity only, nominal) Underlying Current Rates

As described in Section 2.h.2, an estimated loss ratio is determined based on the results of our prior filed indication, (taking into account our indicated change and the actual approved change), projected forward to the future policy period via premium and claims trends (detailed calculation is provided in Indication Exhibit C-2).

Section 2.j.2. Projected Loss Ratio (indemnity only, nominal) Based on FA Experience

The projected loss ratio based on Facility Association experience is calculated as the ultimate trended losses divided by the FA earned premium at current rate level (the detailed calculation is provided in Indication Exhibit D-1).

As described in Section 2.e, earned premium and ultimate indemnity amounts for the most recent 5 accident years are adjusted by on-level factors and trended forward to the future policy period. Ultimate indemnity amount projection factors are determined from the selected loss trend models to reflect the loss trend, seasonality, impact of the product reforms, and other changes as indicated by the data. The detailed loss adjustment factors are described in Section 2.b.3.

Section 2.j.3. Credibility-Weighted Projected Loss Ratio (indemnity only, nominal)

This is calculated as a credibility-weighted average of the projected loss ratio underlying current rates and the projected loss ratio based on Facility Association experience. Credibility weights are determined in Indication Exhibit E-1.

Section 2.j.4. Discounted Projected Loss Ratios

Coverage-level credibility weighted projected loss ratios (adjusted to include excess legal fee as appropriate) are adjusted to an estimated “discounted” basis via application of discount factors based on the selected yield curve and on the projected claim emergence pattern (the latter allowing for variation by coverage), resulting in discounted projected loss ratios (indemnity & excess legal) at the coverage level. Indication Exhibit F-1 shows a detailed calculation of the discount rate and Indication Exhibit F-2 shows a detailed calculation of the discount factor by coverage.

Section 2.j.5. Expenses and Capital

Expenses are classified as either fixed or variable as per Indication Exhibit G-2.

The amount of capital required to support policies written during the future rating period under consideration is derived based on an assumed 2:1 premium to surplus ratio, where premium is consistent with the Facility Association Board of Directors target return. Capital assumptions are shown in Indication Exhibit H-1.

Section 2.j.6. Rate Indication

The overall indication by coverage is calculated by subtracting 1 from the ratio below:

$$\frac{\text{discounted projected indemnity and excess legal} + \text{discounted fixed expenses}}{\text{discounted premium} - \text{discounted variable expenses} - \text{discounted service carrier claims fees adjustment} - \text{cost of capital}}$$

Overall rate indication calculations are shown in Indication Exhibit C-1.

Section 2.k. Territory Indications**Section 2.k.1. Indicated Differentials**

Not applicable.

Section 2.k.2. Off-balance

No off-balance is required.

Section 2.l. Classification/Limit of Liability/Deductible or Other Rate Differential Indications**Section 2.l.1. Indicated Differentials**

Not applicable.

Section 2.l.2. Off-balance

No off-balance is required.

Indication Exhibits – FA Assumptions

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh A-1

dcst rate: 0.47%

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh A-1
 Page 1 of 1

Analysis Summary (NB eff 1-Oct-2017; RN eff 1-Oct-2017)	Third Party Liability	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
Indication Summary													
FA Average Written Premium, Rolling 12, \$\$ Exh C-1, row [3]	2,917	-	-	-	2,917	104	29	-	1,030	336	118	1,388	3,204
Indicated target rate change (12.0% ROE, leverage 2.0) Exh C-1, row [22]	58.3%	58.3%	58.3%	58.3%	58.3%	45.7%	82.2%	-	3.5%	0.9%	6.4%	(0.3%)	56.6%
AWP dollar change for Indicated target rate change (12.0% ROE, leverage 2.0) Exh C-1, row [24]	3,037	-	-	-	3,037	208	145	-	28	3	11	(4)	3,357
Indicated Average Written Premium	5,954	-	-	-	5,954	312	174	-	1,058	339	129	1,385	6,561
Rate change selected by FA Exh C-1, row [35]	-	30.7%	30.7%	30.7%	30.7%	22.8%	53.7%	-	(9.3%)	(11.8%)	(7.0%)	(12.7%)	29.7%
FA Assumptions except RoI; Alternate rate change basis (0.0% Cost of Capital, leverage 1.80), RoI at 2.8% (NL PUB minimum)													
AWP dollar change for Rate change selected by FA Exh C-1, row [37]	-	-	-	-	1,599	104	95	-	(74)	(40)	(12)	(148)	1,762
Selected Average Written Premium	2,917	-	-	-	4,516	208	124	-	956	296	106	1,240	4,966
Alternate rate change basis (0.0% Cost of Capital, leverage 1.80) Exh C-1, row [30]	40.9%	40.9%	40.9%	40.9%	40.9%	29.6%	62.1%	-	(7.9%)	(10.2%)	(5.3%)	(11.3%)	39.4%
AWP dollar change for Alternate rate change basis (0.0% Cost of Capital, lever: Exh C-1, row [32])	2,131	-	-	-	2,131	135	109	-	(63)	(34)	(9)	(132)	2,337
Average Written Premium @ Alternate Return Assumption capped	5,048	-	-	-	5,048	239	138	-	967	302	109	1,256	5,541
Prior Indication, filed changes, and approved changes													
Indicated Rate Change (12% ROE)	79.7%	79.7%	79.7%	79.7%	79.7%	92.0%	115.3%	-	(3.9%)	10.5%	16.7%	3.9%	79.6%
Filed Rate Change	24.6%	24.6%	24.6%	24.6%	24.6%	42.2%	50.9%	-	(9.4%)	(2.0%)	(1.3%)	(6.9%)	25.7%
Approved Effective Date: Mar 1, 2017 (NB & RN) - major rate change		24.6%	24.6%	24.6%	24.6%	42.2%	50.9%	-	(9.4%)	(2.0%)	(1.3%)	(6.9%)	25.7%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh B-1

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh B-1
 Page 1 of 1

Rate Program Parameters

A. In relation to Current ("Expiring") Rates

estimated average written date, prior analysis:	01-Apr-2017	[1]	estimated from prior analysis
estimated premium trend period (days) between analyses:	365	[2]	= [8]-[1]
estimated average accident date, prior analysis:	30-Sep-2017	[3]	estimated from prior analysis
estimated claims trend period (days) between analyses:	365	[4]	= [12]-[3]

B. Proposed Rate Program Effective Dates and # Months in effect

	new business	renewals	average	
% split	14.1%	85.9%		[5]
rate program effective dates	01-Oct-2017	01-Oct-2017	01-Oct-2017	[6]
# mths future rates in effect:	12.0		30-Sep-2018	[7]
average written date in effective period:			01-Apr-2018	[8]

FA download facility (weighted avg 2011-2013 pol yrs)
 assumption, with average based on [5]
 => generates last effective date for rate program
 = average of [6] & [7]

C. Proposed Rate Program Policy Terms

policy term mths:	6	12	total	
% split	1.0%	99.0%		[9]
first possible accident date:	01-Oct-2017	01-Oct-2017		[10]
last possible accident date:	30-Mar-2019	30-Sep-2019		[11]
average accident date:	01-Jul-2018	01-Oct-2018	30-Sep-2018	[12]

FA download facility
 =[6]
 =[7]+policy term in mths
 = total average based on [9]

D. Rate Analysis Trend Basis

USER TO SELECT BASIS FOR PROJECTED LOSS RATIO FOR CREDIBILITY COMPLEMENT:

Select A or B: A where: A FA Selected Trend Models (Exh D-5b)
 B Regulatory Benchmark Trends (Exh D-5b (ALT))

Resulting Selection Information:

type: **FA Selected**
 market: **INDUSTRY**
 rating class: **CV**
 as at: **31-Dec-15**

E. Data Summary

FA Experience: FA	AIX	[13]	AU11
as at:	31-Dec-2015	[14]	
Loss Development Factors (LDFs): FA non-PPV	val data	[15]	as per FA valuation, FARM
as at:	30-Jun-2016	[16]	compared to recorded @ 31-Dec-2015
Claims Development Factors (CDFs): FA non-PPV	val data	[17]	as per FA valuation, FARM
as at:	30-Jun-2016	[18]	compared to recorded @ 31-Dec-2015
Trends: Industry	AIX	[19]	AU70 as per FA analysis, Industry
as at:	31-Dec-2015	[20]	
Exposure & Premium for Drift Calculations: FA	apps db, AIX	[21]	rate group drift from download facility,
as at:	31-Dec-2015	[22]	limit and ded from AU11
Rate Level Factors: FA	internal	[23]	as per internal records
as at:	31-Oct-2016	[24]	..\\..\\..\\..\\..\\..\\rate changes\FARM\summaries ove
Expenses: FA	internal	[25]	as per Participation Reports at cal year-end
as at:	31-Dec-2015	[26]	

FA Indications - Page 4 of 34

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-1

experience	2006	-	2011	20.0%
accident yr	2007	-	2012	20.0%
weights	2008	-	2013	20.0%
used in	2009	-	2014	20.0%
indications	2010	-	2015	20.0%

RN eff date:
 Oct 1 2017
 dcst rate:
 0.47%

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Trend Basis
 type: FA Selected
 market: INDUSTRY
 rating class: CV
 as at: 31-Dec-15

Exh C-1
 Page 1 of 2

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	TPPL (Indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
Facility Association Exposures & Premium	FA AIX as at: Dec 31 2015												
[1] FA Written Exposures, Rolling 12	782	-	-	-	782	673	784	-	70	121	217	2	784
[2] FA Written Premium, Rolling 12	2,280,282	-	-	-	2,280,282	69,678	22,902	-	72,115	40,688	25,632	2,198	2,513,495
[3] FA Average Written Premium, Rolling 12, \$s	2,917	-	-	-	2,917	104	29	-	1,030	336	118	1,388	3,204
[4] FA Written Premium @ Current Rates, Projected to Future Period	4,073,013	-	-	-	4,073,013	306,114	138,002	-	55,687	40,784	36,739	1,848	4,652,187
[5] FA Avg Written Premium @ Current Rates, Projected to Future Period, \$s	5,210	-	-	-	5,210	455	176	-	796	337	169	1,167	5,931
[6] Premium distribution @ current rates	87.55%	-	-	-	87.55%	6.58%	2.97%	-	1.20%	0.88%	0.79%	0.04%	100.01%
Updated Projected Loss Ratio (indemnity only, nominal) @ Current Rates	Exh C-2, row [14]												
[7] Updated projected loss ratio (indemnity only, nominal), prior analysis	89.9%	89.9%	89.9%	89.9%	89.9%	83.2%	95.1%	-	58.1%	62.5%	64.6%	61.2%	88.8%
Projected Loss Ratio (indemnity only, nominal) based on FA experience	Exh D-1, col [17]												
[8] FA projected ultimate loss ratio (indemnity only, nominal)	96.9%	96.9%	96.9%	96.9%	96.9%	98.2%	237.1%	-	74.3%	46.6%	48.3%	20.2%	100.0%
Credibility-Weighted Projected Loss Ratio (indemnity only, nominal)	Exh E-1, col [8]												
[9] FA experience credibility		49.8%	49.8%	49.8%	49.8%	32.3%	11.0%	-	19.7%	17.7%	9.1%	5.3%	
[10] Credibility-weighted projected loss ratio (indemnity only, nominal)	93.4%	93.4%	93.4%	93.4%	93.4%	88.0%	110.7%	-	61.3%	59.7%	63.1%	59.0%	92.6%
Projected Loss Ratio (indemnity & excess legal, discounted @ 0.47%)	Exh F-2 (re-wghted)												
[11] Loss discount factor	0.9825	0.9825	0.9825	0.9825	0.9825	0.9872	0.9872	0.9810	0.9952	0.9948	0.9948	0.9952	0.9833
[12] Credibility-weighted projected loss ratio (indemnity only, discounted)	91.8%	91.8%	91.8%	91.8%	91.8%	86.9%	109.3%	-	61.0%	59.4%	62.8%	58.7%	91.1%
[13] excess legal as % indemnity	1.6%	1.6%	1.6%	1.6%	1.6%	-	-	-	-	-	-	-	1.4%
[14] Cred-wght'd projected loss ratio (indemnity & excess legal, discounted)	93.3%	93.3%	93.3%	93.3%	93.3%	86.9%	109.3%	-	61.0%	59.4%	62.8%	58.7%	92.4%
Discounted Revenue, Expenses and Capital Costs	Exh G-1, col[C], row[3]												
[15] Revenue discount factor	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994
[16] Total discounted fixed expenses, as % of current on-level premium	3.84%	3.84%	3.84%	3.84%	3.84%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.67%
[17] Discounted effective commission ratio (based on Indicated rate level change)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
[18] Total discounted variable expenses prem tax, S.C. non-claims fees, as % of premium	15.18%	15.18%	15.18%	15.18%	15.18%	15.18%	15.18%	15.18%	15.18%	15.18%	15.18%	15.18%	15.18%
[19] Discounted variable S.C. initial claims fee, as % of premium	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%
[20] Retroactive claims fee adjustment (discounted), as % of premium @ target rate	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)	(0.90%)
[21] Target Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%
Rate Indications	Exh H-1, row[15]												
[22] Indicated target rate change (12.0% ROE, leverage 2.0)	58.3%	58.3%	58.3%	58.3%	58.3%	45.7%	82.2%	-	3.5%	0.9%	6.4%	(0.3%)	56.6%
[23] Avg WP @ Indicated target rate change (12.0% ROE, leverage 2.0)	8,247	-	-	-	8,247	663	321	-	824	340	180	1,164	9,288
[24] AWP dollar change for Indicated target rate change (12.0% ROE, leverage 2.0)	3,037	-	-	-	3,037	208	145	-	28	3	11	(4)	3,357
[25] nominal indemnity LR for Indicated target rate change (12.0% ROE, leverage 2.0)	59.0%	59.0%	59.0%	59.0%	59.0%	60.4%	60.8%	-	59.2%	59.2%	59.3%	59.2%	59.1%
[26] nominal excess legal LR for Indicated target rate change (12.0% ROE, leverage 2.0)	0.9%	0.9%	0.9%	0.9%	0.9%	-	-	-	-	-	-	-	0.8%
[27] discounted commission as % of premium, based on alternate target	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
[28] Retroactive claims fee adjustment (discounted), based on alternate target	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)	(0.15%)
[29] Alternate basis Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	-	-	-	-	-	-	-	-	-	-	-	-	-
[30] Alternate rate change basis (0.0% Cost of Capital, leverage 1.80)	40.9%	40.9%	40.9%	40.9%	40.9%	29.6%	62.1%	-	(7.9%)	(10.2%)	(5.3%)	(11.3%)	39.4%
[31] Avg WP @ Alternate rate change basis (0.0% Cost of Capital, leverage 1.80)	7,341	-	-	-	7,341	590	285	-	733	303	160	1,035	8,268
[32] AWP dollar change for Alternate rate change basis (0.0% Cost of Capital, leverage 1.80)	2,131	-	-	-	2,131	135	109	-	(63)	(34)	(9)	(132)	2,337
[33] nominal indemnity LR for Alternate rate change basis (0.0% Cost of Capital, leverage 1.80)	66.3%	66.3%	66.3%	66.3%	66.3%	67.9%	68.3%	-	66.6%	66.5%	66.6%	66.5%	66.4%
[34] nominal excess legal LR for Alternate rate change basis (0.0% Cost of Capital, leverage 1.80)	1.1%	1.1%	1.1%	1.1%	1.1%	-	-	-	-	-	-	-	0.9%
[35] Rate change selected by FA	FA Assumptions except RoI; Alternate rate change basis (0.0% Cost of Capital, leverage 1.80), RoI at 2.8% (NL PUB minimum)												
[36] Avg WP @ Rate change selected by FA	5,210	-	-	-	6,809	559	271	-	722	297	157	1,019	7,693
[37] AWP dollar change for Rate change selected by FA	-	-	-	-	1,599	104	95	-	(74)	(40)	(12)	(148)	1,762
[38] Annualized Prem chg for Rate change selected by FA	1,250,415	-	-	-	1,250,415	69,794	74,107	-	(5,179)	(4,813)	(2,572)	(235)	1,381,517
[39] nominal indemnity LR for Rate change selected by FA	93.4%	71.5%	71.5%	71.5%	71.5%	71.7%	72.0%	-	67.6%	67.7%	67.8%	67.6%	71.4%
[40] nominal excess legal LR for Rate change selected by FA	1.5%	1.1%	1.1%	1.1%	1.1%	-	-	-	-	-	-	-	1.0%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-1

experience	2006	-	2011	20.0%
accident yr	2007	-	2012	20.0%
weights	2008	-	2013	20.0%
used in	2009	-	2014	20.0%
indications	2010	-	2015	20.0%

RN eff date:
 Oct 1 2017
 dcst rate:
 0.47%

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Trend Basis
 type: FA Selected
 market: INDUSTRY
 rating class: CV
 as at: 31-Dec-15

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
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
[IBNR as % ultimate] as per Exh D-1: 0.7%	(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[41]+[72 mth LR]/10	=row[41]:col [H] s.t. max / min, cols [D] & [E]	= [H]-[C]	=1/(1+disc rate)	= [I]*[J]
[41] Retroactive claims fee adjustment at 12.0% ROE	58.7%	67.5%	10.0%	9.0%	16.0%	3.3%	9.1%	9.1%	(0.9%)	0.9953	(0.90%)
[42] Retroactive claims fee adjustment at Alternate Target	65.9%	67.5%	10.0%	9.0%	16.0%	3.3%	9.8%	9.8%	(0.2%)	0.9953	(0.20%)
[43] Retroactive claims fee adjustment on Selected Rate Change	70.9%	67.5%	10.0%	9.0%	16.0%	3.3%	10.3%	10.3%	0.3%	0.9953	0.30%

Goal seek to 0.0%, on col[B], row[20]	[L]
	-
	(0.05%)

Notes:

[72mth LR] = Recorded Claims Ratio @ 72 months*(1-[IBNR as % ultimate])

- 1
- 2 See also Bulletin "All-Canada SC2004-02" issued on Jan. 7, 2004

3 excess legal as percent of TPL indemnity is AA Report = [ratio as % of total coverages EP] x [latest yr total coverages EP] / [latest yr TPL expected indemnity] where ratio to EP from excess legal exhibit, and latest yr EP and TPL expected indemnity from a priori exhibit

TPL				
2015 AA Rpt	Exh B.12.1	Exh B.8.6	Projected EP	Exh B.5.6.1
	pg 1 selected - cat I	prov, year	Adjustment	pg 1, col [5]
	excess ratio % total EP	2015 all coverage EP	2015 all coverage EP	2015 TPL expected indemnity
1.6%	=	1.32% x	6,527,092 x	1,000 / 5,336,000

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-2

Rate level factor exhibit

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh C-2
 Page 1 of 1

Derivation of Loss Ratios Underlying Current (i.e. "Expiring") Rates

Basis: last submitted rate filing	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	Exh C-3 (option 1), row [6]	87.84%	-	-	-	87.84%	5.71%	3.65%	-	1.25%	0.80%	0.48%	0.27%	100.00%
[2] Projected ultimate loss ratio (nominal), prior to rate adjustment	Exh C-3 (option 1), row [10]	108.6%	108.60%	108.60%	108.60%	108.60%	118.30%	132.90%	-	57.70%	66.80%	70.60%	62.60%	108.8%
[3] FA Written Rate Level Factor from last submitted filing	Prior Filing Exh C-2, row [26]		2.2435	2.2435	2.2435	2.2435	8.3209	10.9405	1.0000	0.2104	0.2694	0.4548	0.230	
[4] FA Written Rate Level Factor - current	=[26]		2.7954	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683	0.2210	
[5] Estimated impact of subsequent rate changes	=[4]/[3]-1	24.6%	24.6%	24.6%	24.6%	24.6%	42.2%	50.9%	-	(6.7%)	0.7%	3.0%	(3.9%)	25.8%
[6] Reform adjustment factors for changes not considered in prior analysis in its projection to average accident date	as needed		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.000	
[7] loss ratio (nominal) at current rates	=[2]*[6]/[1]+ [5]	87.2%	87.2%	87.2%	87.2%	87.2%	83.2%	88.1%	-	61.8%	66.3%	68.5%	65.1%	86.4%
[8] Modeled loss cost projected to average accident date, prior analysis	Exh D-5a		-	-	-	872.61	28.30	8.13	0.68	258.13	179.72	64.58	231.99	
[9] Modeled loss cost projected to average accident date, current analysis	Exh D-5a		-	-	-	900.11	28.30	8.78	0.68	258.13	179.72	64.58	231.99	
[10] indemnity projection factor between average accident date underlying current rates and future average accident date	=[9]/[8]	1.0320	1.0315	1.0315	1.0315	1.0315	1.0000	1.0800	1.0000	1.0000	1.0000	1.0000	1.0000	1.0310
[11] annualized indemnity change	=[10]^(365/Exh B-1, row [4])-1	3.2%	3.2%	3.2%	3.2%	3.2%	-	8.0%	-	-	-	-	-	3.1%
[12] annualized premium trend factor	1+Exh D-4a, Total Drift	1.0010	1.0010	1.0010	1.0010	1.0010	1.0000	1.0000	1.0000	1.0643	1.0608	1.0608	1.0643	1.0030
[13] premium trend period in days (change in avg written date between rate programs)	Exh B-1, row [2]	365	365	365	365	365	365	365	365	365	365	365	365	365
[14] projected indemnity loss ratio (nominal) at current rates	=[7]*[10]/([12]^(13)/365)	89.9%	89.9%	89.9%	89.9%	89.9%	83.2%	95.1%	-	58.1%	62.5%	64.6%	61.2%	88.9%

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 2015													
[15]	20151	434	-	-	-	434	375	437	-	39	70	127	2	437
[16]	20152	348	-	-	-	348	298	347	(1)	31	51	91	-	348
[17]	TOTAL	782	-	-	-	782	673	784	(1)	70	121	217	2	784
FA Written Premium, Rolling 12	FA AIX as at: Dec 31 2015													
[18]	20151	1,201,609	-	-	-	1,201,609	28,566	9,161	-	41,417	22,263	14,769	2,198	1,319,983
[19]	20152	1,078,673	-	-	-	1,078,673	41,112	13,741	(25)	30,698	18,425	10,863	-	1,193,487
[20]	TOTAL	2,280,282	-	-	-	2,280,282	69,678	22,902	(25)	72,115	40,688	25,632	2,198	2,513,470
FA Average Written Premium, Rolling 12, \$s														
[21]	20151	2,771	-	-	-	2,771	76	21	-	1,064	319	117	1,388	3,019
[22]	20152	3,098	-	-	-	3,098	138	40	25	988	360	120	-	3,428
[23]	TOTAL	2,917	-	-	-	2,917	104	29	25	1,030	336	118	1,388	3,204

Most Current 12-Months Exposure and Premium Adjusted to Current Rate Level

(\$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														
[24]	20151		1.5000	1.5000	1.5000	1.5000	2.0000	2.0000	1.0000	0.3194	0.3267	0.3968	0.3220	
[25]	20152		1.6565	1.6565	1.6565	1.6565	3.5478	3.6365	1.0000	0.3013	0.3291	0.3945	0.3110	
[26]	last available mth: 31-Dec-19		2.7954	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683	0.2210	
FA Written Premium @ Current Rates, Rolling 12														
[27]	20151	= [18]*[26]/[24]	2,239,319	-	-	2,239,319	169,001	75,620	-	25,467	18,481	17,430	1,509	2,546,827
[28]	20152	= [19]*[26]/[25]	1,820,297	-	-	1,820,297	137,113	62,382	(25)	20,010	15,183	12,895	-	2,067,855
[29]	TOTAL		4,059,616	-	-	4,059,616	306,114	138,002	(25)	45,477	33,664	30,325	1,509	4,614,682
FA Average Written Premium @ Current Rates, Rolling 12, \$s														
[30]	20151		5,165	-	-	5,165	451	173	-	654	265	138	953	5,825
[31]	20152		5,228	-	-	5,228	459	180	25	644	296	142	-	5,939
[32]	TOTAL		5,193	-	-	5,193	455	176	25	650	278	139	953	5,883

Most Current 12-Months Exposure and Premium @ Current Rate Level, Projected to Future Avg Written 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
[33]	Premium Trend Factors to 01-Apr-2018	AY 2015	1.0033	1.0033	1.0000	1.0033	1.0000	1.0000	1.0000	1.2245	1.2115	1.2115	1.2245	
[34]	FA Written Premium @ Current Rates, Projected to Future Period	= [29]*[33]	4,073,013	-	-	4,073,013	306,114	138,002	(25)	55,687	40,784	36,739	1,848	4,652,162
[35]	FA Avg Written Premium @ Current Rates, Projected to Future Period, \$s	= [34]/[17]	5,210	-	-	5,210	455	176	25	796	337	169	1,167	5,931

FA Indications - Page 7 of 34

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-3 (option 1)

DIRECT < COPY-PASTE VALUE > FROM Exh C-1 of last submitted rate filing
 Project ID: NL-2016Q1-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh C-3 (option 1)
 Page 1 of 2

..\\proj 2016 Q1\01a indication (coverage)\01e NL 2016 Q1 TX indications - coverage v05.xlsx

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 2014												
[1] FA Written Exposures, Rolling 12	771				771	641	785	-	53	115	222	11	785
[2] FA Written Premium, Rolling 12	2,171,672				2,171,672	51,049	17,011	-	61,208	34,085	24,873	13,452	2,373,350
[3] FA Average Written Premium, Rolling 12, \$s	2,816				2,816	80	22	-	1,153	297	112	1,281	3,023
[4] FA Written Premium @ Current Rates, Projected to Future Period	3,269,210				3,269,210	212,387	135,739	-	46,492	29,683	17,856	10,233	3,721,600
[5] FA Avg Written Premium @ Current Rates, Projected to Future Period, \$s	4,239				4,239	332	173	-	876	258	81	975	4,740
[6] Premium distribution @ current rates	87.84%	-	-	-	87.84%	5.71%	3.65%	-	1.25%	0.80%	0.48%	0.27%	100.00%
[7] Updated Projected Loss Ratio (indemnity only, nominal) @ Current Rates	101.7%	101.7%	101.7%	101.7%	101.7%	99.9%	92.5%	-	62.1%	67.9%	72.6%	64.7%	100.3%
[8] Projected Loss Ratio (indemnity only, nominal) based on FA experience	116.1%	116.1%	116.1%	116.1%	116.1%	160.4%	429.0%	-	32.1%	61.3%	51.5%	24.4%	128.0%
[9] Credibility-Weighted Projected Loss Ratio (indemnity only, nominal)	108.6%	108.6%	108.6%	108.6%	108.6%	118.3%	132.9%	-	57.7%	66.8%	70.6%	62.6%	108.8%
[10] Updated projected loss ratio (indemnity only, nominal), prior analysis													
[11] Exh C-2, row [14]													
[12] Exh D-1, col [17]													
[13] Exh E-1, col [8]		48.1%	48.1%	48.1%	48.1%	30.4%	12.0%	-	14.6%	16.4%	9.6%	5.3%	
[14] Exh E-1, col [8]		48.1%	48.1%	48.1%	48.1%	30.4%	12.0%	-	14.6%	16.4%	9.6%	5.3%	
[15] Exh F-2, (re-wghted)	0.9857	0.9857	0.9857	0.9857	0.9857	0.9901	0.9901	0.9846	0.9962	0.9955	0.9955	0.9962	0.9864
[16] Exh F-2, (re-wghted)	107.0%	107.0%	107.0%	107.0%	107.0%	117.1%	131.6%	-	57.5%	66.5%	70.3%	62.4%	107.2%
[17] Exh F-2, (re-wghted)	1.4%	1.4%	1.4%	1.4%	1.4%	-	-	-	-	-	-	-	1.2%
[18] Exh F-2, (re-wghted)	108.5%	108.5%	108.5%	108.5%	108.5%	117.1%	131.6%	-	57.5%	66.5%	70.3%	62.4%	108.6%
[19] Exh G-1, col[C], row[3]	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995
[20] Exh G-1, col[C], row[30] for TPL, otherwise row[21]	3.21%	3.21%	3.21%	3.21%	3.21%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	3.09%
[21] Exh G-1, col[C], row[5]	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
[22] Exh G-1, col[C], row[17] for TPL, otherwise row[15]	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%
[23] Exh G-1, col[C], row[18]	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%
[24] Exh H-1, row[15]	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)
[25] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[26] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[27] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[28] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[29] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[30] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[31] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[32] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[33] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[34] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[35] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[36] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[37] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[38] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[39] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[40] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[41] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[42] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[43] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[44] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[45] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[46] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[47] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[48] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[49] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[50] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[51] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[52] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[53] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[54] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[55] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[56] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[57] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[58] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[59] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[60] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[61] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[62] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[63] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[64] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[65] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[66] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[67] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[68] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[69] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[70] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[71] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[72] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[73] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[74] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[75] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
[76] Exh H-1, row[15]	8.26%	8.26%	8.26%	8.26%	8.2								

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-3 (option 1)

DIRECT < COPY-PASTE VALUE > FROM Exh C-1 of last submitted rate filing

Project ID: NL-2016Q1-TX

..\proj 2016 Q1\01a indication (coverage)\01e NL 2016 Q1 TX indications - coverage v05.xlsx

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh C-3 (option 1)
 Page 2 of 2

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
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
[IBNR as % ultimate] as per Exh D-1: -0.7%	(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[40]+[72 mth LR]/10	=row[40]:col [H] s.t. max / min, cols [D] & [E]	=[H]-[C]	=1/(1+disc rate)	=[I]*[J]
[40] Retroactive claims fee adjustment at 12.0% ROE	61.0%	67.5%	10.0%	9.0%	16.0%	3.3%	9.4%	9.4%	(0.6%)	0.9961	(0.60%)
[41] Retroactive claims fee adjustment at Alternate Target	68.4%	67.5%	10.0%	9.0%	16.0%	3.3%	10.1%	10.1%	0.1%	0.9961	0.10%
[42] Retroactive claims fee adjustment on Selected Rate Change	87.2%	67.5%	10.0%	9.0%	16.0%	3.3%	12.0%	12.0%	2.0%	0.9961	1.99%

Goal seek to 0.0%, on col[B], row[20]
[L]
0.02%
-

Notes:

[72mth LR] = Recorded Claims Ratio @ 72 months*(1-[IBNR as % ultimate])

1

2 See also Bulletin "All-Canada SC2004-02" issued on Jan. 7, 2004

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-1

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-1
 Page 1 of 2

FA Experience Projected Provincial Loss Ratio (Indemnity Only)

as at: 31-Dec-2015		FA Experience							Earned Premium On-Level			Ultimate Indemnity On-Level					Trended Ultimate Loss Ratio		Accident Year Weight	
Coverage	AY	Earned Exposure (excl trailers)	Earned Premium	Avg Earned Premium	Recorded Indemnity	Loss Development Factor	Ultimate Indemnity	Ultimate Loss Ratio	Ultimate Loss Costs	Earned Premium Rate On-Level Factor	Rating Characteristic Drift Factor	On-Level Earned Premium	Large Loss Load (%)	Catastrophe Adjustment Load (%)	Other Adjustments / Loads (%)	Loss Cost Projection Factor	Trended Ultimate Losses	Trended Ultimate Loss Ratio	Accident Year Weight	
		(1s)	(\$1s)	(\$1s)	(\$1s)	[5]	(\$1s)	[7]	(\$1s)	[9]	[10]	(\$1s)	[12]	[13]	[14]	[15]	[16]	[17]	[18]	
		[1]	[2]	[3]	[4]	Exh D-2, Section C.	[6]	[7]	[8]	Exh D-3a	Exh D-4a	[11]	input	input	input	FA Selected Trend Models (Exh D-5b)	[16]	[16]/[11]	input	
				=[2]/[1]	FA AIX		=[4]*[5]	=[6]/[2]	=[6]/[1]								=[6]*(1+[12])*(1+[13])*(1+[14])*[15]			
TOTAL																				
	2006	573	1,272,025	2,220	1,529,738		1,529,738	120.3%	2,669.70			3,682,630					2,441,545	66.3%		
	2007	663	1,290,663	1,947	2,217,261		2,408,159	186.6%	3,632.22			3,728,696					3,450,993	92.6%		
	2008	725	1,412,456	1,948	2,388,733		2,362,568	167.3%	3,258.71			4,100,527					3,307,574	80.7%		
	2009	764	1,516,679	1,985	2,520,358		2,520,358	166.2%	3,298.90			4,378,900					3,469,884	79.2%		
	2010	780	1,565,401	2,007	3,216,086		3,239,929	207.0%	4,153.76			4,494,689					4,254,025	94.6%		
	2011	793	1,587,985	2,003	3,594,184		3,602,098	226.8%	4,542.37			4,599,800					4,604,589	100.1%	20.0%	
	2012	816	1,676,159	2,054	4,773,281		4,976,739	296.9%	6,098.94			4,822,335					5,925,230	122.9%	20.0%	
	2013	852	1,857,181	2,180	3,333,181		3,464,015	186.5%	4,065.75			5,102,758					4,096,136	80.3%	20.0%	
	2014	820	2,394,633	2,920	3,274,881		3,797,464	158.6%	4,631.05			4,934,485					4,415,301	89.5%	20.0%	
	2015	795	2,441,126	3,071	3,193,478		4,496,330	184.2%	5,655.76			4,714,264					4,944,191	104.9%	20.0%	
	Total/Wtd Avg.	7,581	17,014,308	2,244	30,041,181		32,397,398	190.4%	4,273.50			44,559,084					40,909,468	99.5%	100.0%	
TPL (indivisible)																				
TPL (indivis)	2006	573	1,172,997	2,047	1,280,890	1.0000	1,280,890	109.2%	2,235.41	2.7981	1.0123	3,322,534	-	-	-	1.4590	1,868,819	56.2%	-	
	2007	663	1,188,137	1,792	2,109,375	1.0905	2,300,273	193.6%	3,469.49	2.7981	1.0113	3,362,093	-	-	-	1.4150	3,254,886	96.8%	-	
	2008	725	1,301,390	1,795	2,230,303	0.9868	2,200,863	169.1%	3,035.67	2.7981	1.0103	3,678,926	-	-	-	1.3722	3,020,024	82.1%	-	
	2009	764	1,391,046	1,821	2,283,000	1.0000	2,283,000	164.1%	2,988.22	2.7981	1.0093	3,928,484	-	-	-	1.3307	3,037,988	77.3%	-	
	2010	780	1,430,390	1,834	3,074,942	1.0078	3,098,927	216.6%	3,972.98	2.7981	1.0083	4,035,594	-	-	-	1.2904	3,998,855	99.1%	-	
	2011	793	1,462,352	1,844	3,131,221	1.0032	3,141,241	214.8%	3,961.21	2.7981	1.0073	4,121,677	-	-	-	1.2513	3,930,635	95.4%	20.0%	
	2012	816	1,532,990	1,879	4,124,378	1.0506	4,333,072	282.7%	5,310.14	2.7981	1.0063	4,316,483	-	-	-	1.2134	5,257,750	121.8%	20.0%	
	2013	852	1,686,983	1,980	2,985,243	1.0345	3,088,234	183.1%	3,624.69	2.6725	1.0053	4,532,357	-	-	-	1.1765	3,633,307	80.2%	20.0%	
	2014	820	2,185,608	2,665	2,659,061	1.2018	3,195,660	146.2%	3,897.15	1.9752	1.0043	4,335,576	-	-	-	1.1407	3,645,289	84.1%	20.0%	
	2015	795	2,225,223	2,799	2,725,310	1.4115	3,846,775	172.9%	4,838.71	1.8495	1.0033	4,129,131	-	-	-	1.1060	4,254,533	103.0%	20.0%	
	Total/Wtd Avg.	7,581	15,577,116	2,055	26,603,723		28,768,935	184.7%	3,794.87			39,762,855					35,902,086	96.9%	100.0%	
AccBen (indivisible)																				
AccBen (indivis)	2006	414	17,651	43	78,412	1.0000	78,412	444.2%	189.40	11.8323	1.0000	208,852	-	-	-	1.8521	145,227	69.5%	-	
	2007	457	18,274	40	42,457	1.0000	42,457	232.3%	92.90	11.8323	1.0000	216,223	-	-	-	1.8521	78,635	36.4%	-	
	2008	519	22,140	43	120,873	1.0000	120,873	545.9%	232.90	11.8323	1.0000	261,967	-	-	-	1.8521	223,869	85.5%	-	
	2009	553	23,279	42	100,912	1.0000	100,912	433.5%	182.48	11.8323	1.0000	275,444	-	-	-	1.8521	186,899	67.9%	-	
	2010	582	23,208	40	92,124	1.0000	92,124	396.9%	158.29	11.8323	1.0000	274,604	-	-	-	1.8521	170,623	62.1%	-	
	2011	611	24,277	40	247,283	1.0119	250,226	1,030.7%	409.54	11.8323	1.0000	287,253	-	-	-	1.2988	324,994	113.1%	20.0%	
	2012	639	25,385	40	539,836	0.9903	534,600	2,106.0%	836.62	11.8323	1.0000	300,363	-	-	-	1.0000	534,600	178.0%	20.0%	
	2013	693	30,167	44	134,188	1.1642	156,222	517.9%	225.43	10.8196	1.0000	326,395	-	-	-	1.0000	156,222	47.9%	20.0%	
	2014	682	49,100	72	126,606	0.8695	110,084	224.2%	161.41	6.4530	1.0000	316,842	-	-	-	1.0000	110,084	34.7%	20.0%	
	2015	675	55,589	82	227,032	1.6009	363,456	653.8%	538.45	5.5637	1.0000	309,281	-	-	-	1.0000	363,456	117.5%	20.0%	
	Total/Wtd Avg.	5,825	289,070	50	1,709,723		1,849,366	639.8%	317.49			2,777,224					2,294,609	98.2%	100.0%	
Uninsured Automobile																				
UA	2006	570	4,027	7	160,134	1.0000	160,134	3,976.5%	280.94	16.5092	1.0000	66,483	-	-	-	2.6053	417,197	627.5%	-	
	2007	662	4,050	6	37,028	1.0000	37,028	914.3%	55.93	16.5092	1.0000	66,862	-	-	-	2.4055	89,071	133.2%	-	
	2008	719	4,667	6	15,326	1.2137	18,601	398.6%	25.87	16.5092	1.0000	77,048	-	-	-	2.2284	41,450	53.8%	-	
	2009	758	5,162	7	102,310	1.0000	102,310	1,982.0%	134.97	16.5092	1.0000	85,220	-	-	-	2.0610	210,861	247.4%	-	
	2010	776	5,266	7	39,573	0.9964	39,431	748.8%	50.81	16.5092	1.0000	86,937	-	-	-	1.9046	75,100	86.4%	-	
	2011	793	5,362	7	186,322	0.9729	181,273	3,380.7%	228.59	16.5092	1.0000	88,522	-	-	-	1.7631	319,602	361.0%	20.0%	
	2012	816	5,532	7	37,865	1.0000	37,865	684.5%	46.40	16.5092	1.0000	91,329	-	-	-	1.6289	61,678	67.5%	20.0%	
	2013	854	7,749	9	167,722	1.0257	172,032	2,220.1%	201.44	15.0962	1.0000	116,980	-	-	-	1.5060	259,080	221.5%	20.0%	
	2014	826	16,178	20	424,744	1.0059	427,250	2,640.9%	517.25	9.0037	1.0000	145,662	-	-	-	1.3937	595,458	408.8%	20.0%	
	2015	804	18,197	23	115,489	1.2003	138,621	761.8%	172.41	7.7366	1.0000	140,783	-	-	-	1.2893	178,724	126.9%	20.0%	
	Total/Wtd Avg.	7,578	76,190	10	1,286,513		1,314,545	1,725.4%	173.47			965,826					2,248,221	237.1%	100.0%	

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-1

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-1
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FA Experience Projected Provincial Loss Ratio (Indemnity Only)

as at: 31-Dec-2015		FA Experience							Earned Premium On-Level			Ultimate Indemnity On-Level					Trended Ultimate Loss Ratio		
Coverage	AY	Earned Exposure (excl trailers)	Earned Premium	Avg Earned Premium	Recorded Indemnity	Loss Development Factor	Ultimate Indemnity	Ultimate Loss Ratio	Ultimate Loss Costs	Earned Premium Rate On-Level Factor	Rating Characteristic Drift Factor	On-Level Earned Premium	Large Loss Load (%)	Catastrophe Adjustment Load (%)	Other Adjustments / Loads (%)	Loss Cost Projection Factor	Trended Ultimate Losses	Ultimate Loss Ratio	Accident Year Weight
		(1s)	(\$1s)	(\$1s)	(5s)	(5)	(6)	(7)	(\$1s)	(9)	(10)	(\$1s)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
		FA AIX	FA AIX	= [2]/[1]	FA AIX	Exh D-2, Section C.	= [4]*[5]	= [6]/[2]	= [6]/[1]	Exh D-3a	Exh D-4a	= [2]*[9]*[10]	input	input	input	FA Selected Trend Models (Exh D-5b)	= [6]*(1+[12])*(1+[13])*[14]*[15]	= [16]/[11]	input
Collision																			
CL	2006	27	31,499	1,167	4,282	1.0000	4,282	13.6%	158.59	0.5095	2.1455	34,433	-	-	-	1.0000	4,282	12.4%	-
	2007	24	29,936	1,247	9,821	1.0000	9,821	32.8%	409.21	0.5141	2.0159	31,025	-	-	-	1.0000	9,821	31.7%	-
	2008	27	35,099	1,300	11,450	1.0000	11,450	32.6%	424.07	0.5141	1.8941	34,178	-	-	-	1.0000	11,450	33.5%	-
	2009	21	32,294	1,538	1,870	1.0000	1,870	5.8%	89.05	0.5141	1.7800	29,552	-	-	-	1.0000	1,870	6.3%	-
	2010	28	39,255	1,402	-	1.0000	-	-	-	0.5270	1.6722	34,593	-	-	-	1.0000	-	-	-
	2011	36	43,999	1,222	11,380	1.0000	11,380	25.9%	316.11	0.5845	1.5711	40,405	-	-	-	1.0000	11,380	28.2%	20.0%
	2012	46	57,659	1,253	4,810	1.0000	4,810	8.3%	104.57	0.5916	1.4762	50,355	-	-	-	1.0000	4,810	9.6%	20.0%
	2013	49	60,424	1,233	16,908	0.9868	16,685	27.6%	340.51	0.5916	1.3873	49,592	-	-	-	1.0000	16,685	33.6%	20.0%
	2014	51	65,370	1,282	29,723	1.0000	29,723	45.5%	582.80	0.6170	1.3032	52,562	-	-	-	1.0000	29,723	56.5%	20.0%
	2015	64	68,991	1,078	110,888	1.1538	127,943	185.4%	1,999.11	0.6213	1.2245	52,487	-	-	-	1.0000	127,943	243.8%	20.0%
	Total/Wtd Avg.	373	464,526	1,245	201,132		217,964	46.9%	584.35			409,182					217,964	74.3%	100.0%
Comp																			
CM	2006	51	15,158	297	301	1.0000	301	2.0%	5.90	0.5773	2.0607	18,033	-	-	-	1.0000	301	1.7%	-
	2007	49	16,229	331	2,312	1.0000	2,312	14.2%	47.18	0.5826	1.9426	18,367	-	-	-	1.0000	2,312	12.6%	-
	2008	46	16,090	350	2,086	1.0000	2,086	13.0%	45.35	0.5826	1.8312	17,166	-	-	-	1.0000	2,086	12.2%	-
	2009	52	21,392	411	17,353	1.0000	17,353	81.1%	333.71	0.5826	1.7266	21,519	-	-	-	1.0000	17,353	80.6%	-
	2010	62	24,008	387	2,052	1.0000	2,052	8.5%	33.10	0.6169	1.6273	24,101	-	-	-	1.0000	2,052	8.5%	-
	2011	67	19,150	286	1,866	1.0000	1,866	9.7%	27.85	0.8024	1.5341	23,573	-	-	-	1.0000	1,866	7.9%	20.0%
	2012	79	22,343	283	34,001	1.0000	34,001	152.2%	430.39	0.8299	1.4461	26,814	-	-	-	1.0000	34,001	126.8%	20.0%
	2013	100	28,908	289	8,085	1.0000	8,085	28.0%	80.85	0.8299	1.3635	32,711	-	-	-	1.0000	8,085	24.7%	20.0%
	2014	115	33,299	290	25,924	1.0000	25,924	77.9%	225.43	0.8596	1.2851	36,784	-	-	-	1.0000	25,924	70.5%	20.0%
	2015	127	40,213	317	1,382	0.9419	1,302	3.2%	10.25	0.8368	1.2115	40,767	-	-	-	1.0000	1,302	3.2%	20.0%
	Total/Wtd Avg.	748	236,790	317	95,362		95,282	40.2%	127.38			259,835					95,282	46.6%	100.0%
Specified Perils																			
SP	2006	164	29,892	182	5,719	1.0000	5,719	19.1%	34.87	0.5094	2.0607	31,378	-	-	-	1.0000	5,719	18.2%	-
	2007	224	32,516	145	10,786	1.0000	10,786	33.2%	48.15	0.5141	1.9426	32,473	-	-	-	1.0000	10,786	33.2%	-
	2008	219	31,706	145	8,695	1.0000	8,695	27.4%	39.70	0.5141	1.8312	29,849	-	-	-	1.0000	8,695	29.1%	-
	2009	254	42,622	168	14,913	1.0000	14,913	35.0%	58.71	0.5141	1.7266	37,833	-	-	-	1.0000	14,913	39.4%	-
	2010	249	41,744	168	7,395	1.0000	7,395	17.7%	29.70	0.5510	1.6273	37,429	-	-	-	1.0000	7,395	19.8%	-
	2011	241	30,887	128	16,112	1.0000	16,112	52.2%	66.85	0.7672	1.5341	36,353	-	-	-	1.0000	16,112	44.3%	20.0%
	2012	235	29,843	127	32,391	1.0000	32,391	108.5%	137.83	0.8020	1.4461	34,611	-	-	-	1.0000	32,391	93.6%	20.0%
	2013	231	29,306	127	15,038	1.1145	16,760	57.2%	72.55	0.8020	1.3635	32,047	-	-	-	1.0000	16,760	52.3%	20.0%
	2014	220	27,075	123	-	1.5941	-	-	-	0.8824	1.2851	30,702	-	-	-	1.0000	-	-	20.0%
	2015	227	25,640	113	13,377	1.3630	18,233	71.1%	80.32	1.1475	1.2115	35,645	-	-	-	1.0000	18,233	51.2%	20.0%
	Total/Wtd Avg.	2,264	321,231	142	124,426		131,004	40.8%	57.86			338,320					131,004	48.3%	100.0%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-2

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-2
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Loss Development Factors

Val Market: FARM Val Jurisdiction: NL Val Business Segment: non-PVV

as at: 30-Jun-2016

A. Selected Ultimate Indemnity by Minor Coverage Type

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
(\$1s)	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	=sum([1]to[3])	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation
2006	1,499,055	391,038	-	1,890,093	93,279	42,214	-	-	-	135,493	160,134	-	52,425	126,062	107,028	86,489
2007	3,336,883	501,261	-	3,838,144	59,929	37,375	2,000	1,000	-	100,304	39,019	-	86,000	83,114	80,996	89,814
2008	2,812,640	371,054	-	3,183,694	127,209	32,856	-	1,000	-	161,065	49,800	-	100,812	20,439	32,767	46,266
2009	2,531,941	464,019	-	2,995,960	119,184	44,748	-	-	-	163,932	102,310	-	65,577	96,295	29,002	18,724
2010	3,651,484	459,985	-	4,111,469	135,990	173,118	13,000	1,000	-	323,108	237,097	500,150	36,290	7,541	37,965	69,890
2011	3,874,237	739,195	-	4,613,432	203,518	113,471	-	1,000	-	321,775	241,543	-	52,393	289,554	149,787	35,728
2012	5,922,857	616,406	-	6,539,263	622,157	201,403	426,984	-	-	622,270	37,865	1,000	176,944	134,406	139,454	50,445
2013	3,416,864	515,622	-	3,932,486	3,801,464	164,042	33,042	10,000	1,000	242,256	183,722	5,000	176,134	70,920	68,131	37,462
2014	4,034,933	748,214	-	4,783,147	3,236,684	743,406	3,980,090	149,167	95,871	214,808	472,494	10,000	125,130	81,905	59,028	21,534
2015	4,838,060	857,431	-	5,695,491	3,252,141	783,005	4,035,146	445,312	60,541	811,412	184,292	19,000	278,013	125,929	105,681	494,385

diagonal: 31-Dec-2015

B. Recorded Indemnity by Minor Coverage Type

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]
(\$1s)	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	=sum([17]to [19])	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data
2006	1,499,055	391,038	-	1,890,093	93,279	42,214	-	-	-	135,493	160,134	-	52,425	126,062	107,028	86,489
2007	3,018,330	501,261	-	3,519,591	59,929	37,375	2,000	1,000	-	100,304	39,019	-	86,000	83,114	80,996	89,814
2008	2,855,312	371,054	-	3,226,366	127,209	32,856	-	1,000	-	161,065	41,032	14,000	100,812	20,439	32,767	46,266
2009	2,531,941	464,019	-	2,995,960	119,184	44,748	-	-	-	163,932	102,310	-	65,577	96,295	29,002	18,724
2010	3,619,834	459,985	-	4,079,819	135,990	173,118	13,000	1,000	-	323,108	237,955	500,150	36,290	7,541	37,965	69,890
2011	3,859,524	739,195	-	4,598,719	203,518	113,471	-	1,000	-	317,989	248,279	-	52,393	289,554	149,787	35,728
2012	5,602,103	622,054	-	6,224,157	622,157	201,403	426,984	-	-	628,387	37,865	-	176,944	134,406	139,454	50,445
2013	3,275,842	525,622	-	3,801,464	3,801,464	164,042	33,042	10,000	1,000	208,084	179,122	-	178,484	70,920	61,131	37,462
2014	3,236,684	743,406	-	3,980,090	3,236,684	743,406	3,980,090	149,167	95,871	247,038	469,744	-	125,130	81,905	37,028	21,534
2015	3,252,141	783,005	-	4,035,146	3,252,141	783,005	4,035,146	445,312	60,541	506,853	153,534	-	240,953	133,693	77,536	531,139

C. Implied Loss Development Factor

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]
	=if(or([5]=0,[7]=0),[36],[1]/[8])=0,[36],[2]/[9])=0,[36],[3]/[17])	=if(or([5]=0,[18])=0,[18])	=if(or([5]=0,[19])=0,[19])	=([4]/[20])	=if(or([5]=0,[21])=0,[42],[5]/[2])=0,[42],[6]/[3])=0,[42],[7]/[4])=0,[42],[8]/[5])=0,[42],[9]/[25])	=if(or([5]=0,[22])=0,[42],[5]/[2])=0,[42],[6]/[3])=0,[42],[7]/[4])=0,[42],[8]/[5])=0,[42],[9]/[25])	=if(or([5]=0,[23])=0,[42],[5]/[2])=0,[42],[6]/[3])=0,[42],[7]/[4])=0,[42],[8]/[5])=0,[42],[9]/[25])	=if(or([5]=0,[24])=0,[42],[5]/[2])=0,[42],[6]/[3])=0,[42],[7]/[4])=0,[42],[8]/[5])=0,[42],[9]/[25])	=if(or([5]=0,[25])=0,[42],[5]/[2])=0,[42],[6]/[3])=0,[42],[7]/[4])=0,[42],[8]/[5])=0,[42],[9]/[25])	=([10]/[26])	=if([27]=0,[42],[11]/[27])	=if([28]=0,[33],[12]/[28])	=([13]/[29])	=([14]/[30])	=([15]/[31])	=([16]/[32])
2006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2007	1.1055	1.0000	1.0905	1.0905	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.1055	1.0000	1.0000	1.0000	1.0000
2008	0.9851	1.0000	0.9868	0.9868	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.2137	-	1.0000	1.0000	1.0000	1.0000
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2010	1.0087	1.0000	1.0078	1.0078	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9964	1.0000	1.0000	1.0000	1.0000	1.0000
2011	1.0038	1.0000	1.0032	1.0032	1.0119	1.0119	1.0119	1.0119	1.0119	1.0119	0.9729	1.0038	1.0000	1.0000	1.0000	1.0000
2012	1.0573	0.9909	1.0506	1.0506	0.9903	0.9903	0.9903	0.9903	0.9903	0.9903	1.0000	1.0573	1.0000	1.0000	1.0000	1.0000
2013	1.0430	0.9810	1.0345	1.0345	1.1642	1.1642	1.1642	1.1642	1.1642	1.1642	1.0257	1.0430	0.9868	1.0000	1.1145	1.0000
2014	1.2466	1.0065	1.2018	1.2018	0.8695	0.8695	0.8695	0.8695	0.8695	0.8695	1.0059	1.2466	1.0000	1.0000	1.5941	1.0000
2015	1.4877	1.0951	1.4115	1.4115	1.6009	1.6009	1.6009	1.6009	1.6009	1.6009	1.2003	1.4877	1.1538	0.9419	1.3630	0.9308

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-3a

Jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-3a
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Summary - Earned Premium On-level Factors

Earned Premium as at: 31-Dec-2015
 (\$1s) unless otherwise indicated

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	=sum([1] to [16])
2006	-	-	-	17,651	4,027	-	31,499	15,158	29,892	1,172,997	-	-	-	-	-	801	1,272,025
2007	-	-	-	18,274	4,050	-	29,936	16,229	32,516	1,188,137	-	-	-	-	-	1,521	1,290,663
2008	-	-	-	22,140	4,667	-	35,099	16,090	31,706	1,301,390	-	-	-	-	-	1,364	1,412,456
2009	-	-	-	23,279	5,162	-	32,294	21,392	42,622	1,391,046	-	-	-	-	-	884	1,516,679
2010	-	-	-	23,208	5,266	-	39,255	24,008	41,744	1,430,390	-	-	-	-	-	1,530	1,565,401
2011	-	-	-	24,277	5,362	-	43,999	19,150	30,887	1,462,352	-	-	-	-	-	1,958	1,587,985
2012	-	-	-	25,385	5,532	-	57,659	22,343	29,843	1,532,990	-	-	-	-	-	2,407	1,676,159
2013	-	-	-	30,167	7,749	-	60,424	28,908	29,306	1,686,983	-	-	-	-	-	13,644	1,857,181
2014	-	-	-	49,100	16,178	-	65,370	33,299	27,075	2,185,608	-	-	-	-	-	18,003	2,394,633
2015	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126
2016	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126
2017	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126
2018	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126
2019	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126

Earned Rate Indices - 12 month policies

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]
	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	=prior AY Index *(1+[2] AY chg)	=20	=20	=20	=20	=20	=2/3*[23] +1/3*[24]	=average([25] to)
2006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3855	0.4698	0.9194	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4140	0.9762
2007	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9760
2008	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9765
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3950	0.9711
2010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3727	0.4396	0.8499	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3370	0.9652
2011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3360	0.3380	0.6104	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3300	0.9597
2012	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3320	0.3268	0.5839	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3300	1.0009
2013	1.0468	1.0468	1.0468	1.0936	1.0936	1.0000	0.3320	0.3268	0.5839	1.0470	1.0936	1.0936	1.0936	1.0936	1.0936	0.3300	1.3644
2014	1.4168	1.4168	1.4168	1.8336	1.8336	1.0000	0.3183	0.3155	0.5307	1.4166	1.8336	1.8336	1.8336	1.8336	1.8336	0.3170	1.4629
2015	1.5128	1.5128	1.5128	2.1267	2.1339	1.0000	0.3161	0.3241	0.4081	1.5129	2.1267	2.1267	2.1267	2.1267	2.1267	0.3190	1.7915
2016	1.7863	1.7863	1.7863	4.6383	5.2123	1.0000	0.2820	0.3181	0.4015	1.7867	4.6383	4.6383	4.6383	4.6383	4.6383	0.2940	2.5124
2017	2.4037	2.4037	2.4037	9.2799	12.4361	1.0000	0.2140	0.2775	0.4585	2.4049	9.2799	9.2799	9.2799	9.2799	9.2799	0.2350	2.9494
2018	2.7877	2.7877	2.7877	11.7831	16.4312	1.0000	0.1967	0.2713	0.4684	2.7897	11.7831	11.7831	11.7831	11.7831	11.7831	0.2220	2.9587
2019	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.2210	

as per file on Oct 31, 2016

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-3a

Jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-3a
 Page 2 of 2

Summary - Earned Premium On-level Factors

Estimated Earned Rate Change

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Earned Rate Change
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[34]
	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	=average([41] to [35])	= [36]	= [36]	= [36]	= [36]	= [36]	=average([39] to [40])	= col[33], % AY chg
2006				0.0%	0.0%	0.0%	(0.9%)	(0.9%)	(0.9%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(0.9%)	(0.1%)
2007	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2009	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2010	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(2.4%)	(5.6%)	(6.7%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(4.0%)	(0.3%)
2011	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(9.8%)	(23.1%)	(28.2%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(16.5%)	(1.1%)
2012	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(1.2%)	(3.3%)	(4.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(2.3%)	(0.2%)
2013	4.7%	4.7%	4.7%	9.4%	9.4%	0.0%	0.0%	0.0%	0.0%	4.7%	9.4%	9.4%	9.4%	9.4%	9.4%	0.0%	4.5%
2014	35.3%	35.3%	35.3%	67.7%	67.7%	0.0%	(4.1%)	(3.5%)	(9.1%)	35.3%	67.7%	67.7%	67.7%	67.7%	67.7%	(3.8%)	33.8%
2015	6.8%	6.8%	6.8%	16.0%	16.4%	0.0%	(0.7%)	2.7%	(23.1%)	6.8%	16.0%	16.0%	16.0%	16.0%	16.0%	1.0%	6.5%
2016	18.1%	18.1%	18.1%	118.1%	144.3%	0.0%	(10.8%)	(1.9%)	(1.6%)	18.1%	118.1%	118.1%	118.1%	118.1%	118.1%	(6.4%)	19.9%
2017	34.6%	34.6%	34.6%	100.1%	138.6%	0.0%	(24.1%)	(12.8%)	14.2%	34.6%	100.1%	100.1%	100.1%	100.1%	100.1%	(18.5%)	34.1%
2018	16.0%	16.0%	16.0%	27.0%	32.1%	0.0%	(8.1%)	(2.2%)	2.2%	16.0%	27.0%	27.0%	27.0%	27.0%	27.0%	(5.2%)	15.2%
2019	0.3%	0.3%	0.3%	0.4%	0.5%	0.0%	(0.2%)	0.0%	0.0%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	(0.1%)	0.3%

Earned Premium Rate On-Level Factor to 2019

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[49]
	= [17], [AY 2019]/AY	= [18], [AY 2019]/AY	= [19], [AY 2019]/AY	= [20], [AY 2019]/AY	= [21], [AY 2019]/AY	= [22], [AY 2019]/AY	= [23], [AY 2019]/AY	= [24], [AY 2019]/AY	= [25], [AY 2019]/AY	= [26], [AY 2019]/AY	= [27], [AY 2019]/AY	= [28], [AY 2019]/AY	= [29], [AY 2019]/AY	= [30], [AY 2019]/AY	= [31], [AY 2019]/AY	= [32], [AY 2019]/AY	= [33], [AY 2019]/AY
2006	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5095	0.5773	0.5094	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5338	3.0308
2007	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.0315
2008	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.0315
2009	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.0299
2010	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5270	0.6169	0.5510	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5595	3.0468
2011	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5845	0.8024	0.7672	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.6558	3.0654
2012	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5916	0.8299	0.8020	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.6697	3.0829
2013	2.6704	2.6704	2.6704	10.8196	15.0962	1.0000	0.5916	0.8299	0.8020	2.6725	10.8196	10.8196	10.8196	10.8196	10.8196	0.6697	2.9560
2014	1.9730	1.9730	1.9730	6.4530	9.0037	1.0000	0.6170	0.8596	0.8824	1.9752	6.4530	6.4530	6.4530	6.4530	6.4530	0.6972	2.1685
2015	1.8478	1.8478	1.8478	5.5637	7.7366	1.0000	0.6213	0.8368	1.1475	1.8495	5.5637	5.5637	5.5637	5.5637	5.5637	0.6928	2.0225
2016	1.5649	1.5649	1.5649	2.5510	3.1674	1.0000	0.6965	0.8526	1.1664	1.5661	2.5510	2.5510	2.5510	2.5510	2.5510	0.7517	1.6515
2017	1.1630	1.1630	1.1630	1.2750	1.3275	1.0000	0.9178	0.9773	1.0214	1.1635	1.2750	1.2750	1.2750	1.2750	1.2750	0.9404	1.1776
2018	1.0028	1.0028	1.0028	1.0042	1.0047	1.0000	0.9985	0.9996	0.9998	1.0030	1.0042	1.0042	1.0042	1.0042	1.0042	0.9955	1.0032
2019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-3b

Jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-3b
 Page 1 of 2

Summary - Written Premium On-level Factors

Written Premium as at: 31-Dec-2015
 (\$1s) unless otherwise indicated

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	=sum([1] to [16])
2006	-	-	-	17,884	3,931	-	31,723	13,856	31,602	1,163,673	-	-	-	-	-	1,697	1,264,366
2007	-	-	-	19,153	4,204	-	29,604	16,155	31,438	1,201,270	-	-	-	-	-	1,632	1,303,456
2008	-	-	-	24,558	5,151	-	38,494	19,141	34,913	1,402,037	-	-	-	-	-	595	1,524,889
2009	-	-	-	22,588	5,298	-	31,645	23,907	47,379	1,442,506	-	-	-	-	-	971	1,574,294
2010	-	-	-	23,411	5,284	-	39,378	21,151	35,271	1,445,074	-	-	-	-	-	2,481	1,572,050
2011	-	-	-	25,098	5,460	-	50,086	19,359	30,383	1,490,987	-	-	-	-	-	822	1,622,195
2012	-	-	-	25,941	5,556	-	62,707	26,203	28,474	1,543,316	-	-	-	-	-	5,638	1,697,835
2013	-	-	-	40,183	12,330	-	62,264	32,541	29,667	1,955,306	-	-	-	-	-	20,118	2,152,409
2014	-	-	-	51,399	17,095	-	63,561	35,397	24,879	2,189,834	-	-	-	-	-	13,218	2,395,383
2015	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632	2,280,282	-	-	-	-	-	2,198	2,513,470
2016	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632	2,280,282	-	-	-	-	-	2,198	2,513,470
2017	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632	2,280,282	-	-	-	-	-	2,198	2,513,470
2018	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632	2,280,282	-	-	-	-	-	2,198	2,513,470
2019	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632	2,280,282	-	-	-	-	-	2,198	2,513,470

Written Rate Indices - 12 month policies

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]
	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	=prior AY Index *(1+[26] AY chg)	=[20]	=[20]	=[20]	=[20]	=[20]	=2/3*[23] +1/3*[24]	=average([25] to)
2006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9756
2007	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9765
2008	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9754
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9764
2010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3511	0.3798	0.7088	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3610	0.9679
2011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3320	0.3268	0.5839	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3300	0.9632
2012	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3320	0.3268	0.5839	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3300	0.9557
2013	1.2066	1.2066	1.2066	1.4131	1.4131	1.0000	0.3320	0.3268	0.5839	1.2070	1.4131	1.4131	1.4131	1.4131	1.4131	0.3300	1.1566
2014	1.5000	1.5000	1.5000	2.0000	2.0000	1.0000	0.3104	0.3125	0.4529	1.5003	2.0000	2.0000	2.0000	2.0000	2.0000	0.3110	1.4480
2015	1.5700	1.5700	1.5700	2.6925	2.7322	1.0000	0.3113	0.3278	0.3958	1.5708	2.6925	2.6925	2.6925	2.6925	2.6925	0.3170	1.5431
2016	2.0338	2.0338	2.0338	6.6960	8.2414	1.0000	0.2453	0.2967	0.4253	2.0342	6.6960	6.6960	6.6960	6.6960	6.6960	0.2620	2.1226
2017	2.6979	2.6979	2.6979	11.2118	15.5252	1.0000	0.2000	0.2722	0.4694	2.6994	11.2118	11.2118	11.2118	11.2118	11.2118	0.2240	2.9164
2018	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.2210	3.0306
2019	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.2210	3.0306

as per file on Oct 31, 2016

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-3b

Jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-3b
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Summary - Written Premium On-level Factors

Estimated Written Rate Change

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Written Rate Change
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[34]
	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	=average([41] to [35])	= [36]	= [36]	= [36]	= [36]	= [36]	=average([39] to [40])	= col[33], % AY chg
2006				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2008		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2009		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2010		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(8.1%)	(18.4%)	(22.2%)	0.0%	0.0%	0.0%	0.0%	0.0%	(13.3%)	(1.0%)
2011		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(5.4%)	(14.0%)	(17.6%)	0.0%	0.0%	0.0%	0.0%	0.0%	(9.7%)	(0.7%)
2012		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2013		20.7%	20.7%	20.7%	41.3%	41.3%	0.0%	0.0%	0.0%	20.7%	41.3%	41.3%	41.3%	41.3%	41.3%	0.0%	19.8%
2014		24.3%	24.3%	24.3%	41.5%	41.5%	0.0%	(6.5%)	(4.4%)	(22.4%)	24.3%	41.5%	41.5%	41.5%	41.5%	(5.5%)	22.9%
2015		4.7%	4.7%	4.7%	34.6%	36.6%	0.0%	0.3%	4.9%	(12.6%)	4.7%	34.6%	34.6%	34.6%	34.6%	2.6%	5.5%
2016		29.5%	29.5%	29.5%	148.7%	201.6%	0.0%	(21.2%)	(9.5%)	7.5%	29.5%	148.7%	148.7%	148.7%	148.7%	(15.4%)	32.0%
2017		32.7%	32.7%	32.7%	67.4%	88.4%	0.0%	(18.5%)	(8.3%)	10.4%	32.7%	67.4%	67.4%	67.4%	67.4%	(13.4%)	31.8%
2018		3.6%	3.6%	3.6%	5.5%	6.3%	0.0%	(1.8%)	(0.4%)	(0.2%)	3.6%	5.5%	5.5%	5.5%	5.5%	(1.1%)	3.4%
2019		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Written Premium Rate On-Level Factor to 2019

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[49]
	= [17], [AY 2019]/AY	= [18], [AY 2019]/AY	= [19], [AY 2019]/AY	= [20], [AY 2019]/AY	= [21], [AY 2019]/AY	= [22], [AY 2019]/AY	= [23], [AY 2019]/AY	= [24], [AY 2019]/AY	= [25], [AY 2019]/AY	= [26], [AY 2019]/AY	= [27], [AY 2019]/AY	= [28], [AY 2019]/AY	= [29], [AY 2019]/AY	= [30], [AY 2019]/AY	= [31], [AY 2019]/AY	= [32], [AY 2019]/AY	= [33], [AY 2019]/AY
2006	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.1064
2007	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.1035
2008	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.1070
2009	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.1039
2010	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5594	0.7141	0.6607	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.6122	3.1311
2011	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5916	0.8299	0.8020	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.6697	3.1464
2012	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5916	0.8299	0.8020	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.6697	3.1711
2013	2.3168	2.3168	2.3168	8.3733	11.6830	1.0000	0.5916	0.8299	0.8020	2.3170	8.3733	8.3733	8.3733	8.3733	8.3733	0.6697	2.6203
2014	1.8636	1.8636	1.8636	5.9162	8.2546	1.0000	0.6327	0.8678	1.0340	1.8640	5.9162	5.9162	5.9162	5.9162	5.9162	0.7106	2.0930
2015	1.7805	1.7805	1.7805	4.3945	6.0425	1.0000	0.6309	0.8273	1.1832	1.7804	4.3945	4.3945	4.3945	4.3945	4.3945	0.6972	1.9640
2016	1.3745	1.3745	1.3745	1.7671	2.0032	1.0000	0.8007	0.9141	1.1011	1.3748	1.7671	1.7671	1.7671	1.7671	1.7671	0.8435	1.4278
2017	1.0361	1.0361	1.0361	1.0553	1.0634	1.0000	0.9820	0.9963	0.9977	1.0360	1.0553	1.0553	1.0553	1.0553	1.0553	0.9866	1.0392
2018	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4a

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4a
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Summary - Premium Trend Factors

as at: 31-Dec-2015

Average written date in effective period **01-Apr-2018**

Premium Trend Factors to 01-Apr-2018

Year		Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	All Perils
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
2006		1.0123	1.0123	1.0000	1.0000	1.0000	1.0000	2.1455	2.0607	2.0607	1.0123	2.1455
2007		1.0113	1.0113	1.0000	1.0000	1.0000	1.0000	2.0159	1.9426	1.9426	1.0113	2.0159
2008		1.0103	1.0103	1.0000	1.0000	1.0000	1.0000	1.8941	1.8312	1.8312	1.0103	1.8941
2009		1.0093	1.0093	1.0000	1.0000	1.0000	1.0000	1.7800	1.7266	1.7266	1.0093	1.7800
2010		1.0083	1.0083	1.0000	1.0000	1.0000	1.0000	1.6722	1.6273	1.6273	1.0083	1.6722
2011		1.0073	1.0073	1.0000	1.0000	1.0000	1.0000	1.5711	1.5341	1.5341	1.0073	1.5711
2012		1.0063	1.0063	1.0000	1.0000	1.0000	1.0000	1.4762	1.4461	1.4461	1.0063	1.4762
2013		1.0053	1.0053	1.0000	1.0000	1.0000	1.0000	1.3873	1.3635	1.3635	1.0053	1.3873
2014		1.0043	1.0043	1.0000	1.0000	1.0000	1.0000	1.3032	1.2851	1.2851	1.0043	1.3032
2015		1.0033	1.0033	1.0000	1.0000	1.0000	1.0000	1.2245	1.2115	1.2115	1.0033	1.2245

Annual Drift												
Limit Drift	Exh D-4b	0.10%	0.10%				-				0.10%	
Ded Drift	Exh D-4c			-				0.50%	(0.30%)	(0.30%)		0.50%
RG Drift	Exh D-4d			-	-			5.90%	6.40%	6.40%		5.90%
Total Drift	=(1+Limit Drift)*(1+Ded Drift)*(1+RG Drift)-1	0.10%	0.10%	-	-	-	-	6.43%	6.08%	6.08%	0.10%	6.43%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4b

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4b
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Limit Drift

		Facility Association									
		Written Exposures					Distribution by Limit (in \$ms)				
Limit (in \$ms)	Current Differential	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
	rate manual	FA AIX	FA AIX	FA AIX	FA AIX	FA AIX	= [2] as % total for [2]	= [3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]
Third Party Liability (TPL)											
\$0.2	1.000	44	42	33	25	18	100.0%	100.0%	100.0%	100.0%	100.0%
\$0.3	1.042	-	-	-	-	-	-	-	-	-	-
\$0.5	1.110	29	20	28	33	35	100.0%	100.0%	100.0%	100.0%	100.0%
\$1.0	1.220	722	750	794	709	717	100.0%	100.0%	100.0%	100.0%	100.0%
\$2.0	1.386	8	6	8	14	12	100.0%	100.0%	100.0%	100.0%	100.0%
over \$2.0 up to \$5.0	1.519	-	-	-	-	-	-	-	-	-	-
other	1.703	-	-	-	-	-	-	-	-	-	-
Total		803	819	863	780	782	100.0%	100.0%	100.0%	100.0%	100.0%
	Average	0.950	0.954	0.963	0.971	0.974					
Weighted Average Differential:		1.206	1.207	1.210	1.211	1.212					
Annual Change:			0.1%	0.2%	0.1%	0.1%					
			geometric average change, last 4 years		0.1%						
			geometric average change, last 3 years		0.1%						
			Selected annual Drift		0.1%	selected geometric average change, last 4 years					

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4c

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4c
 Page 1 of 1

Deductible Drift

		Facility Association									
		Written Exposures					Distribution by Deductible				
Deductible	Current Differential	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
	rate manual	FA AIX	FA AIX	FA AIX	FA AIX	FA AIX	= [2] as % total for [2]	= [3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]

Collision

\$0	1.149	-	-	-	-	-	-	-	-	-	-
\$100	1.149	-	-	-	-	-	-	-	-	-	-
\$250	1.149	2	(1)	-	1	(1)	4.4%	(1.2%)	-	1.7%	(1.2%)
\$300	1.000	-	-	-	-	-	-	-	-	-	-
\$500	1.000	21	35	27	32	44	53.5%	68.9%	57.5%	58.9%	63.1%
\$1,000	0.828	3	4	11	14	20	8.1%	8.6%	23.1%	26.0%	27.9%
over \$1,000	0.747	14	12	9	7	7	34.0%	23.7%	19.5%	13.4%	10.2%
Total		40	51	46	55	70	100.0%	100.0%	100.0%	100.0%	100.0%
Average Deductible		869	782	810	760	745					
Weighted Average Differential:		0.907	0.924	0.911	0.924	0.924					
Annual Change:			1.9%	(1.4%)	1.4%						
			geometric average change, last 4 years			0.5%					
			geometric average change, last 3 years			-					
			Selected annual Drift			0.5%	selected geometric average change, last 4 years				

Comprehensive

\$0	1.086	-	-	-	-	-	-	-	-	-	-
\$100	1.086	10	9	14	9	4	14.8%	9.7%	13.0%	7.4%	3.1%
\$250	1.086	27	37	46	45	15	38.1%	41.2%	41.4%	37.4%	12.5%
\$300	1.000	-	-	-	-	-	-	-	-	-	-
\$500	1.000	13	28	36	55	90	18.6%	31.4%	32.3%	45.7%	74.7%
\$1,000	0.926	2	3	4	3	4	2.6%	3.7%	3.8%	2.7%	3.3%
over \$1,000	0.889	18	13	11	8	8	25.9%	14.1%	9.5%	6.7%	6.5%
Total		70	91	110	120	121	100.0%	100.0%	100.0%	100.0%	100.0%
Average Deductible		617	517	459	457	538					
Weighted Average Differential:		1.015	1.025	1.033	1.029	1.004					
Annual Change:			1.0%	0.8%	(0.4%)	(2.4%)					
			geometric average change, last 4 years			(0.3%)					
			geometric average change, last 3 years			(0.7%)					
			Selected annual Drift			(0.3%)	selected geometric average change, last 4 years				

Specified Perils

\$0	1.086	0	-	-	-	-	0.1%	-	-	-	-
\$100	1.086	18	15	8	10	3	7.6%	6.4%	3.7%	4.5%	1.3%
\$250	1.086	147	148	154	161	126	62.3%	64.8%	67.9%	72.5%	57.9%
\$300	1.000	-	-	-	-	-	-	-	-	-	-
\$500	1.000	13	25	34	31	73	5.3%	11.2%	15.1%	14.1%	33.5%
\$1,000	0.926	(0)	-	2	2	1	-	-	0.7%	0.8%	0.6%
over \$1,000	0.889	58	40	28	18	15	24.7%	17.6%	12.5%	8.1%	6.7%
Total		236	228	226	222	217	100.0%	100.0%	100.0%	100.0%	100.0%
Average Deductible		560	489	444	386	420					
Weighted Average Differential:		1.033	1.042	1.047	1.057	1.043					
Annual Change:			0.9%	0.5%	1.0%	(1.3%)					
			geometric average change, last 4 years			0.3%					
			geometric average change, last 3 years			0.1%					
			Selected annual Drift			(0.3%)	equal comp				

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4d

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4d
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Derivation of Average Rate Group Differentials

Rate Group	MSRP differential [1]	CLEAR differential [2]	Distribution by Rate Group											
			2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	
			[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	
Current Differentials	Current Differentials	Internal Data	Internal Data	Internal Data	Internal Data	Internal Data	=[3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]	= [7] as % total for [7]	= [8] as % total for [8]		
Collision														
1	0.300	0.300												
2	0.395	0.395												
3	0.495	0.495												
4	0.595	0.595												
5	0.695	0.695												
6	0.795	0.795												
7	0.895	0.895												
8	0.995	0.995												
9	1.095	1.095												
10	1.195	1.195												
11	1.295	1.295												
12	1.395	1.395												
13	1.495	1.495												
14	1.595	1.595												
15	1.695	1.695												
16	1.795	1.795												
17	1.895	1.895												
18	1.995	1.995												
19	2.095	2.095												
20	2.195	2.195												
21	2.295	2.295												
22	2.395	2.395												
23	2.495	2.495												
24	2.595	2.595												
25	2.695	2.695												
26	2.795	2.795												
27	2.895	2.895												
28	2.995	2.995												
29	3.145	3.145												
30	3.345	3.345												
31	3.545	3.545												
32	3.745	3.745												
33	3.945	3.945												
34	4.145	4.145												
35	4.345	4.345												
36	4.545	4.545												
37	4.745	4.745												
38	4.945	4.945												
39	5.145	5.145												
40	5.345	5.345												
41	5.545	5.545												
42	5.745	5.745												
43	5.945	5.945												
44	6.145	6.145												
45	6.345	6.345												
46	6.545	6.545												
47	6.745	6.745												
48	6.945	6.945												
49	7.145	7.145												
50	7.345	7.345												
51	7.545	7.545												
total			-	-	-	-	-	-	-	-	-	-	-	
Average Rate Group			-	-	-	-	-	-	-	-	-	-	-	
weighted average differential			-	-	-	-	-	-	-	-	-	-	-	
annual change			-	-	-	-	-	-	-	-	-	-	-	
geometric average change, last 4 years														
geometric average change, last 3 years														
selected annual drift:														
													5.9% assume the RG drift is the same as PPV RG drift	

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4d

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4d
 Page 3 of 4

Derivation of Average Rate Group Differentials

Rate Group	MSRP differential [1]	CLEAR differential [2]	Distribution by Rate Group										
			2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
			[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]
Current Differentials	Current Differentials	Internal Data	Internal Data	Internal Data	Internal Data	Internal Data	=[3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]	= [7] as % total for [7]	= [8] as % total for [8]	
Comprehensive													
1	0.300	0.300						-	-	-	-	-	-
2	0.395	0.395						-	-	-	-	-	-
3	0.495	0.495						-	-	-	-	-	-
4	0.595	0.595						-	-	-	-	-	-
5	0.695	0.695						-	-	-	-	-	-
6	0.795	0.795						-	-	-	-	-	-
7	0.895	0.895						-	-	-	-	-	-
8	0.995	0.995						-	-	-	-	-	-
9	1.095	1.095						-	-	-	-	-	-
10	1.195	1.195						-	-	-	-	-	-
11	1.295	1.295						-	-	-	-	-	-
12	1.395	1.395						-	-	-	-	-	-
13	1.495	1.495						-	-	-	-	-	-
14	1.595	1.595						-	-	-	-	-	-
15	1.695	1.695						-	-	-	-	-	-
16	1.795	1.795						-	-	-	-	-	-
17	1.895	1.895						-	-	-	-	-	-
18	1.995	1.995						-	-	-	-	-	-
19	2.095	2.095						-	-	-	-	-	-
20	2.195	2.195						-	-	-	-	-	-
21	2.295	2.295						-	-	-	-	-	-
22	2.395	2.395						-	-	-	-	-	-
23	2.495	2.495						-	-	-	-	-	-
24	2.595	2.595						-	-	-	-	-	-
25	2.695	2.695						-	-	-	-	-	-
26	2.795	2.795						-	-	-	-	-	-
27	2.895	2.895						-	-	-	-	-	-
28	2.995	2.995						-	-	-	-	-	-
29	3.145	3.145						-	-	-	-	-	-
30	3.345	3.345						-	-	-	-	-	-
31	3.545	3.545						-	-	-	-	-	-
32	3.745	3.745						-	-	-	-	-	-
33	3.945	3.945						-	-	-	-	-	-
34	4.145	4.145						-	-	-	-	-	-
35	4.345	4.345						-	-	-	-	-	-
36	4.545	4.545						-	-	-	-	-	-
37	4.745	4.745						-	-	-	-	-	-
38	4.945	4.945						-	-	-	-	-	-
39	5.145	5.145						-	-	-	-	-	-
40	5.345	5.345						-	-	-	-	-	-
41	5.545	5.545						-	-	-	-	-	-
42	5.745	5.745						-	-	-	-	-	-
43	5.945	5.945						-	-	-	-	-	-
44	6.145	6.145						-	-	-	-	-	-
45	6.345	6.345						-	-	-	-	-	-
46	6.545	6.545						-	-	-	-	-	-
47	6.745	6.745						-	-	-	-	-	-
48	6.945	6.945						-	-	-	-	-	-
49	7.145	7.145						-	-	-	-	-	-
50	7.345	7.345						-	-	-	-	-	-
51	7.545	7.545						-	-	-	-	-	-
total			-	-	-	-	-	-	-	-	-	-	-
	Average Rate Group		-	-	-	-	-	-	-	-	-	-	-
	weighted average differential		-	-	-	-	-	-	-	-	-	-	-
	annual change		-	-	-	-	-	-	-	-	-	-	-
								geometric average change, last 4 years					
								geometric average change, last 3 years					
								selected annual drift:	6.4%	assume the RG drift is the same as PPV RG drift			

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4d

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4d
 Page 4 of 4

Derivation of Average Rate Group Differentials

Rate Group	MSRP differential [1]	CLEAR differential [2]	Distribution by Rate Group												
			2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015		
			[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]		
Current Differentials	Current Differentials	Internal Data	Internal Data	Internal Data	Internal Data	Internal Data	=[3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]	= [7] as % total for [7]	= [8] as % total for [8]			
Specified Perils															
1	0.300	0.300					-	-	-	-	-	-	-		
2	0.395	0.395					-	-	-	-	-	-	-		
3	0.495	0.495					-	-	-	-	-	-	-		
4	0.595	0.595					-	-	-	-	-	-	-		
5	0.695	0.695					-	-	-	-	-	-	-		
6	0.795	0.795					-	-	-	-	-	-	-		
7	0.895	0.895					-	-	-	-	-	-	-		
8	0.995	0.995					-	-	-	-	-	-	-		
9	1.095	1.095					-	-	-	-	-	-	-		
10	1.195	1.195					-	-	-	-	-	-	-		
11	1.295	1.295					-	-	-	-	-	-	-		
12	1.395	1.395					-	-	-	-	-	-	-		
13	1.495	1.495					-	-	-	-	-	-	-		
14	1.595	1.595					-	-	-	-	-	-	-		
15	1.695	1.695					-	-	-	-	-	-	-		
16	1.795	1.795					-	-	-	-	-	-	-		
17	1.895	1.895					-	-	-	-	-	-	-		
18	1.995	1.995					-	-	-	-	-	-	-		
19	2.095	2.095					-	-	-	-	-	-	-		
20	2.195	2.195					-	-	-	-	-	-	-		
21	2.295	2.295					-	-	-	-	-	-	-		
22	2.395	2.395					-	-	-	-	-	-	-		
23	2.495	2.495					-	-	-	-	-	-	-		
24	2.595	2.595					-	-	-	-	-	-	-		
25	2.695	2.695					-	-	-	-	-	-	-		
26	2.795	2.795					-	-	-	-	-	-	-		
27	2.895	2.895					-	-	-	-	-	-	-		
28	2.995	2.995					-	-	-	-	-	-	-		
29	3.145	3.145					-	-	-	-	-	-	-		
30	3.345	3.345					-	-	-	-	-	-	-		
31	3.545	3.545					-	-	-	-	-	-	-		
32	3.745	3.745					-	-	-	-	-	-	-		
33	3.945	3.945					-	-	-	-	-	-	-		
34	4.145	4.145					-	-	-	-	-	-	-		
35	4.345	4.345					-	-	-	-	-	-	-		
36	4.545	4.545					-	-	-	-	-	-	-		
37	4.745	4.745					-	-	-	-	-	-	-		
38	4.945	4.945					-	-	-	-	-	-	-		
39	5.145	5.145					-	-	-	-	-	-	-		
40	5.345	5.345					-	-	-	-	-	-	-		
41	5.545	5.545					-	-	-	-	-	-	-		
42	5.745	5.745					-	-	-	-	-	-	-		
43	5.945	5.945					-	-	-	-	-	-	-		
44	6.145	6.145					-	-	-	-	-	-	-		
45	6.345	6.345					-	-	-	-	-	-	-		
46	6.545	6.545					-	-	-	-	-	-	-		
47	6.745	6.745					-	-	-	-	-	-	-		
48	6.945	6.945					-	-	-	-	-	-	-		
49	7.145	7.145					-	-	-	-	-	-	-		
50	7.345	7.345					-	-	-	-	-	-	-		
51	7.545	7.545					-	-	-	-	-	-	-		
total			-	-	-	-	-	-	-	-	-	-	-		
Average Rate Group			-	-	-	-	-	-	-	-	-	-	-		
weighted average differential			-	-	-	-	-	-	-	-	-	-	-		
annual change			-	-	-	-	-	-	-	-	-	-	-		
geometric average change, last 4 years															
geometric average change, last 3 years															
selected annual drift:													6.4% used comprehensive		

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-5a

type: FA Selected
 market: INDUSTRY
 rating class: CV
 as at: 31-Dec-15

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-5a
 Page 1 of 1

Summary - Loss Cost Projection Factors

Loss Cost Projection Factors to 30-Sep-2018

As per Exh D-5b

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
	Exh D-5b, column [35]	Exh D-5b, column [36]	Exh D-5b, column [37]	Exh D-5b, column [38]	Exh D-5b, column [39]	Exh D-5b, column [40]	Exh D-5b, column [41]	Exh D-5b, column [42]	Exh D-5b, column [43]
2006	1.5202	1.2830	1.2830	1.8521	2.6053	1.0000	1.0000	1.0000	1.0000
2007	1.4690	1.2572	1.2572	1.8521	2.4055	1.0000	1.0000	1.0000	1.0000
2008	1.4197	1.2319	1.2319	1.8521	2.2284	1.0000	1.0000	1.0000	1.0000
2009	1.3720	1.2070	1.2070	1.8521	2.0610	1.0000	1.0000	1.0000	1.0000
2010	1.3259	1.1826	1.1826	1.8521	1.9046	1.0000	1.0000	1.0000	1.0000
2011	1.2813	1.1589	1.1589	1.2988	1.7631	1.0000	1.0000	1.0000	1.0000
2012	1.2382	1.1356	1.1356	1.0000	1.6289	1.0000	1.0000	1.0000	1.0000
2013	1.1966	1.1127	1.1127	1.0000	1.5060	1.0000	1.0000	1.0000	1.0000
2014	1.1564	1.0904	1.0904	1.0000	1.3937	1.0000	1.0000	1.0000	1.0000
2015	1.1175	1.0683	1.0683	1.0000	1.2893	1.0000	1.0000	1.0000	1.0000

TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
Exh D-5b, column [44]	Exh D-5b, column [45]	Exh D-5b, column [46]	Exh D-5b, column [47]	Exh D-5b, column [48]	Exh D-5b, column [49]	Exh D-5b, column [50]	Exh D-5b, column [51]
1.4590	-	-	-	-	-	1.0000	1.4790
1.4150	-	-	-	-	-	1.0000	1.4425
1.3722	-	-	-	-	-	1.0000	1.4090
1.3307	-	-	-	-	-	1.0000	1.3683
1.2904	-	-	-	-	-	1.0000	1.3229
1.2513	-	-	-	-	-	1.0000	1.2721
1.2134	-	-	-	-	-	1.0000	1.2221
1.1765	-	-	-	-	-	1.0000	1.1802
1.1407	-	-	-	-	-	1.0000	1.1382
1.1060	-	-	-	-	-	1.0000	1.0965

Modeled Loss Cost

As per Exh D-5b

(1s) unless otherwise indicated

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils
	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]
	LC Model Output	LC Model Output	LC Model Output	LC Model Output + sum([28] to [32])	LC Model Output	LC Model Output	LC Model Output	LC Model Output	LC Model Output
2006	457.81	159.13	-	15.28	3.37	0.68	258.13	179.72	64.58
2007	473.74	162.40	-	15.28	3.65	0.68	258.13	179.72	64.58
2008	490.20	165.74	-	15.28	3.94	0.68	258.13	179.72	64.58
2009	507.26	169.15	-	15.28	4.26	0.68	258.13	179.72	64.58
2010	524.89	172.64	-	15.28	4.61	0.68	258.13	179.72	64.58
2011	543.15	176.17	-	21.79	4.98	0.68	258.13	179.72	64.58
2012	562.04	179.79	-	28.30	5.39	0.68	258.13	179.72	64.58
2013	581.59	183.49	-	28.30	5.83	0.68	258.13	179.72	64.58
2014	601.81	187.25	-	28.30	6.30	0.68	258.13	179.72	64.58
2015	622.75	191.12	-	28.30	6.81	0.68	258.13	179.72	64.58
2016	644.40	195.03	-	28.30	7.37	0.68	258.13	179.72	64.58
2017	666.82	199.05	-	28.30	7.97	0.68	258.13	179.72	64.58
2018	690.01	203.14	-	28.30	8.61	0.68	258.13	179.72	64.58
2019	714.01	207.32	-	28.30	9.31	0.68	258.13	179.72	64.58
2020	738.84	211.58	-	28.30	10.07	0.68	258.13	179.72	64.58

TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
[27]	[28]	[29]	[30]	[31]	[32]	[33]	[34]
=sum([18] to [20])	LC Model Output	LC Model Output	LC Model Output	LC Model Output	LC Model Output	=2/3*[24] + 1/3*[25]	average using FARM exposures
616.94	-	-	-	-	-	231.99	677.98
636.14	-	-	-	-	-	231.99	695.11
655.94	-	-	-	-	-	231.99	711.63
676.41	-	-	-	-	-	231.99	732.80
697.53	-	-	-	-	-	231.99	757.98
719.32	-	-	-	-	-	231.99	788.20
741.83	-	-	-	-	-	231.99	820.50
765.08	-	-	-	-	-	231.99	849.57
789.06	-	-	-	-	-	231.99	880.92
813.87	-	-	-	-	-	231.99	914.47
839.43	-	-	-	-	-	231.99	940.59
865.87	-	-	-	-	-	231.99	967.64
893.15	-	-	-	-	-	231.99	995.57
921.33	-	-	-	-	-	231.99	1,024.45
950.42	-	-	-	-	-	231.99	1,054.31

@ projected avg accident date:

As per Exh D-5b

prior analysis																	
30-Sep-2017	672.55	200.06	-	28.30	8.13	0.68	258.13	179.72	64.58	872.61	-	-	-	-	-	231.99	974.54
weights by AY:		2017	75.3%	2018	24.7%												
current analysis																	
30-Sep-2018	695.94	204.17	-	28.30	8.78	0.68	258.13	179.72	64.58	900.11	-	-	-	-	-	231.99	1,002.70
weights by AY:		2018	75.3%	2019	24.7%												

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-5b

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-5b
 Page 1 of 2

Summary - Loss Cost Projection Factors (BASED ON FA SELECTED MODELS)

Earned Exposure (excl trailers) FARM as at: 31-Dec-2015

Trend Major Rating Class: CV Trend Minor Rating Class: CV

(1s) unless otherwise indicated																	
Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	=max([1] to [3])+[10]
2006	-	-	-	414	570	-	27	51	164	573	-	-	-	-	-	-	573
2007	-	-	-	457	662	-	24	49	224	663	-	-	-	-	-	1	663
2008	-	-	-	519	719	-	27	46	219	725	-	-	-	-	-	1	725
2009	-	-	-	553	758	-	21	52	254	764	-	-	-	-	-	1	764
2010	-	-	-	582	776	-	28	62	249	780	-	-	-	-	-	1	780
2011	-	-	-	611	793	-	36	67	241	793	-	-	-	-	-	2	793
2012	-	-	-	639	816	-	46	79	235	816	-	-	-	-	-	2	816
2013	-	-	-	693	854	-	49	100	231	852	-	-	-	-	-	8	852
2014	-	-	-	682	826	-	51	115	220	820	-	-	-	-	-	12	820
2015	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2016	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2017	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2018	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2019	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2020	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795

Modeled Loss Cost INDUSTRY as at: 31-Dec-2015

(1s) unless otherwise indicated																	
Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]	[34]
	LC Model Output	LC Model Output	LC Model Output	LC Model Output + sum([28] to [32])	LC Model Output	LC Model Output	LC Model Output	LC Model Output	LC Model Output	=sum([18] to [20])	LC Model Output	LC Model Output	LC Model Output	LC Model Output	LC Model Output	=2/3*[24] + 1/3*[25]	average using FARM exposures
2006	457.81	159.13	-	15.28	3.37	0.68	258.13	179.72	64.58	616.94	-	-	-	-	-	231.99	677.98
2007	473.74	162.40	-	15.28	3.65	0.68	258.13	179.72	64.58	636.14	-	-	-	-	-	231.99	695.11
2008	490.20	165.74	-	15.28	3.94	0.68	258.13	179.72	64.58	655.94	-	-	-	-	-	231.99	711.63
2009	507.26	169.15	-	15.28	4.26	0.68	258.13	179.72	64.58	676.41	-	-	-	-	-	231.99	732.80
2010	524.89	172.64	-	15.28	4.61	0.68	258.13	179.72	64.58	697.53	-	-	-	-	-	231.99	757.98
2011	543.15	176.17	-	21.79	4.98	0.68	258.13	179.72	64.58	719.32	-	-	-	-	-	231.99	788.20
2012	562.04	179.79	-	28.30	5.39	0.68	258.13	179.72	64.58	741.83	-	-	-	-	-	231.99	820.50
2013	581.59	183.49	-	28.30	5.83	0.68	258.13	179.72	64.58	765.08	-	-	-	-	-	231.99	849.57
2014	601.81	187.25	-	28.30	6.30	0.68	258.13	179.72	64.58	789.06	-	-	-	-	-	231.99	880.92
2015	622.75	191.12	-	28.30	6.81	0.68	258.13	179.72	64.58	813.87	-	-	-	-	-	231.99	914.47
2016	644.40	195.03	-	28.30	7.37	0.68	258.13	179.72	64.58	839.43	-	-	-	-	-	231.99	940.59
2017	666.82	199.05	-	28.30	7.97	0.68	258.13	179.72	64.58	865.87	-	-	-	-	-	231.99	967.64
2018	690.01	203.14	-	28.30	8.61	0.68	258.13	179.72	64.58	893.15	-	-	-	-	-	231.99	995.57
2019	714.01	207.32	-	28.30	9.31	0.68	258.13	179.72	64.58	921.33	-	-	-	-	-	231.99	1,024.45
2020	738.84	211.58	-	28.30	10.07	0.68	258.13	179.72	64.58	950.42	-	-	-	-	-	231.99	1,054.31

@ projected avg accident date:

prior analysis																	
30-Sep-2017	672.55	200.06	-	28.30	8.13	0.68	258.13	179.72	64.58	872.61	-	-	-	-	-	231.99	974.54

weights by AY: 2017 75.3% 2018 24.7%

current analysis																	
30-Sep-2018	695.94	204.17	-	28.30	8.78	0.68	258.13	179.72	64.58	900.11	-	-	-	-	-	231.99	1,002.70

weights by AY: 2018 75.3% 2019 24.7%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-5b

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-5b
 Page 2 of 2

Summary - Loss Cost Projection Factors (BASED ON FA SELECTED MODELS)

Loss Cost Projection Factors to 30-Sep-2018

Accident Year	Bodily Injury [35]	Property Damage [36]	DCPD [37]	AccBen (indivisible) [38]	Uninsured Automobile [39]	Underinsured Motorist [40]	Collision [41]	Comp [42]	Specified Perils [43]	TPL (indivisible) [44]	Medical Expenses [45]	Disability Income [46]	Death Benefits [47]	Funeral Expenses [48]	Supp. AccBen [49]	All Perils [50]	Total [51]
	=[18], [@ proj date]/AY	=[19], [@ proj date]/AY	=[20], [@ proj date]/AY	=[21], [@ proj date]/AY	=[22], [@ proj date]/AY	=[23], [@ proj date]/AY	=[24], [@ proj date]/AY	=[25], [@ proj date]/AY	=[26], [@ proj date]/AY	=[27], [@ proj date]/AY	=[28], [@ proj date]/AY	=[29], [@ proj date]/AY	=[30], [@ proj date]/AY	=[31], [@ proj date]/AY	=[32], [@ proj date]/AY	=[33], [@ proj date]/AY	=[34], [@ proj date]/AY
2006	1.5202	1.2830	1.2830	1.8521	2.6053	1.0000	1.0000	1.0000	1.0000	1.4590	-	-	-	-	-	1.0000	1.4790
2007	1.4690	1.2572	1.2572	1.8521	2.4055	1.0000	1.0000	1.0000	1.0000	1.4150	-	-	-	-	-	1.0000	1.4425
2008	1.4197	1.2319	1.2319	1.8521	2.2284	1.0000	1.0000	1.0000	1.0000	1.3722	-	-	-	-	-	1.0000	1.4090
2009	1.3720	1.2070	1.2070	1.8521	2.0610	1.0000	1.0000	1.0000	1.0000	1.3307	-	-	-	-	-	1.0000	1.3683
2010	1.3259	1.1826	1.1826	1.8521	1.9046	1.0000	1.0000	1.0000	1.0000	1.2904	-	-	-	-	-	1.0000	1.3229
2011	1.2813	1.1589	1.1589	1.2988	1.7631	1.0000	1.0000	1.0000	1.0000	1.2513	-	-	-	-	-	1.0000	1.2721
2012	1.2382	1.1356	1.1356	1.0000	1.6289	1.0000	1.0000	1.0000	1.0000	1.2134	-	-	-	-	-	1.0000	1.2221
2013	1.1966	1.1127	1.1127	1.0000	1.5060	1.0000	1.0000	1.0000	1.0000	1.1765	-	-	-	-	-	1.0000	1.1802
2014	1.1564	1.0904	1.0904	1.0000	1.3937	1.0000	1.0000	1.0000	1.0000	1.1407	-	-	-	-	-	1.0000	1.1382
2015	1.1175	1.0683	1.0683	1.0000	1.2893	1.0000	1.0000	1.0000	1.0000	1.1060	-	-	-	-	-	1.0000	1.0965

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh E-1

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh E-1
 Page 1 of 2

Calculation of Credibility Assigned to Facility Association Experience

as at: 31-Dec-2015

Accident Year	Earned Exposure (excl trailers) [1]	Accident Year Weight [2]	Recorded Claim Count [3]	FA Claim Dev. Factor [4]	Ultimate Claim Count [5]	Adjusted Claim Count [6]	Full Credibility Standard [7]	Credibility [8]	
	FA AIX	Exh D-1, col [18]	FA AIX	=Exh E-2, Section C	= [3] * [4]	=0 where [2]=0, otherwise [5]	judgement	=min(100%, [6]/[7]^(1/2))	
TPL (indivisible)									
TPL (indivis)	2006	573	-	103	1.0000	103	-		
	2007	663	-	131	1.0000	131	-		
	2008	725	-	118	1.0000	118	-		
	2009	764	-	133	1.0000	133	-		
	2010	780	-	128	1.0000	128	-		
	2011	793	20.0%	164	1.0000	164	164		
	2012	816	20.0%	153	0.9958	152	152		
	2013	852	20.0%	138	0.9949	137	137		
	2014	820	20.0%	173	0.9939	172	172		
	2015	795	20.0%	168	1.0758	181	181		
	Total/Wtd Avg.	7,581	100.00%	1,409		1,419	806	3,246	49.8%
AccBen (indivisible)									
AccBen (indivis)	2006	414	-	34	1.0000	34	-		
	2007	457	-	22	1.0000	22	-		
	2008	519	-	41	1.0000	41	-		
	2009	553	-	37	1.0000	37	-		
	2010	582	-	26	1.0000	26	-		
	2011	611	20.0%	48	1.0000	48	48		
	2012	639	20.0%	42	1.0000	42	42		
	2013	693	20.0%	44	0.9806	43	43		
	2014	682	20.0%	45	0.9248	42	42		
	2015	675	20.0%	50	1.0191	51	51		
	Total/Wtd Avg.	5,825	100.00%	389		386	226	2,164	32.3%
Uninsured Automobile									
UA	2006	570	-	7	1.0000	7	-		
	2007	662	-	5	1.0000	5	-		
	2008	719	-	3	1.0000	3	-		
	2009	758	-	8	1.0000	8	-		
	2010	776	-	5	1.0000	5	-		
	2011	793	20.0%	5	0.9981	5	5		
	2012	816	20.0%	3	0.9902	3	3		
	2013	854	20.0%	8	0.8699	7	7		
	2014	826	20.0%	8	0.9753	8	8		
	2015	804	20.0%	4	0.6964	3	3		
	Total/Wtd Avg.	7,578	100.00%	56		54	26	2,164	11.0%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh E-1
 Page 2 of 2

Exh E-1

Calculation of Credibility Assigned to Facility Association Experience

as at: 31-Dec-2015

Accident Year	Earned Exposure (excl trailers)	Accident Year Weight	Recorded Claim Count	FA Claim Dev. Factor	Ultimate Claim Count	Adjusted Claim Count	Full Credibility Standard	Credibility	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	
	FA AIX	Exh D-1, col [18]	FA AIX	=Exh E-2, Section C	= [3]*[4]	=0 where [2]=0, otherwise [5]	judgement	=min(100%, [6]/[7]^(1/2))	
Collision									
CL	2006	27	-	1	1.0000	1	-		
	2007	24	-	2	1.0000	2	-		
	2008	27	-	3	1.0000	3	-		
	2009	21	-	1	1.0000	1	-		
	2010	28	-	2	1.0000	2	-		
	2011	36	20.0%	2	1.0000	2	2		
	2012	46	20.0%	6	1.0000	6	6		
	2013	49	20.0%	7	1.0000	7	7		
	2014	51	20.0%	7	1.0000	7	7		
	2015	64	20.0%	20	0.9774	20	20		
Total/Wtd Avg.		373	100.00%	51		51	42	1,082	19.7%
Comp									
CM	2006	51	-	1	1.0000	1	-		
	2007	49	-	6	1.0000	6	-		
	2008	46	-	1	1.0000	1	-		
	2009	52	-	3	1.0000	3	-		
	2010	62	-	3	1.0000	3	-		
	2011	67	20.0%	4	1.0000	4	4		
	2012	79	20.0%	7	1.0000	7	7		
	2013	100	20.0%	8	1.0000	8	8		
	2014	115	20.0%	8	1.0000	8	8		
	2015	127	20.0%	7	0.9584	7	7		
Total/Wtd Avg.		748	100.00%	48		48	34	1,082	17.7%
Specified Perils									
SP	2006	164	-	1	1.0000	1	-		
	2007	224	-	2	1.0000	2	-		
	2008	219	-	2	1.0000	2	-		
	2009	254	-	3	1.0000	3	-		
	2010	249	-	2	1.0000	2	-		
	2011	241	20.0%	1	1.0000	1	1		
	2012	235	20.0%	4	1.0000	4	4		
	2013	231	20.0%	3	1.0000	3	3		
	2014	220	20.0%	-	1.0000	-	-		
	2015	227	20.0%	1	1.0000	1	1		
Total/Wtd Avg.		2,264	100.00%	19		19	9	1,082	9.1%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh E-2

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh E-2
 Page 1 of 1

Claim Count Development Factors

Val Market: FARM

Val Jurisdiction: NL

Val Business Segment: non-PPV

as at: 30-Jun-2016

A. Selected Ultimate Claim Count by Minor Coverage Type

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	=sum([1]to[3])	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation + sum([5]to[9])	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	=2/3*[13] + 1/3*[14]
2006	49	111	-	160						44	7	-	11	17	7	7
2007	75	129	-	204						40	6	-	15	15	6	8
2008	63	109	-	172						56	7	-	17	10	9	4
2009	70	128	-	198						52	9	-	11	17	6	6
2010	66	124	-	190						44	6	1	15	9	6	5
2011	75	166	-	241						68	7	-	15	28	7	7
2012	88	148	-	236						59	3	-	20	21	12	6
2013	71	125	-	196						61	8	-	20	27	7	3
2014	73	159	-	233						55	9	-	16	20	4	6
2015	72	161	-	233						70	5	-	30	19	6	7

diagonal: 31-Dec-2015

B. LTD Recorded Claim Count by Minor Coverage Type

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]
	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	=sum([17]to [19])	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data + sum([21]to[25])	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	=2/3*[29] + 1/3*[30]
2006	49	111	-	160	32	12	-	-	-	44	7	-	11	17	7	7
2007	75	129	-	204	28	10	1	1	-	40	6	-	15	15	6	8
2008	63	109	-	172	37	18	-	1	-	56	7	1	17	10	9	4
2009	70	128	-	198	39	13	-	-	-	52	9	-	11	17	6	6
2010	66	124	-	190	32	10	1	1	-	44	6	1	15	9	6	5
2011	75	166	-	241	52	15	-	1	-	68	7	-	15	28	7	7
2012	89	148	-	237	45	14	-	-	-	59	3	-	20	21	12	6
2013	71	126	-	197	51	9	1	1	-	62	9	-	20	27	7	3
2014	74	160	-	234	46	12	-	2	-	60	9	-	16	20	4	6
2015	66	151	-	217	56	12	-	1	-	69	7	-	31	20	6	7

C. Implied Claim Count Development Factor (CCDF)

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]
	=if(or([5]=0,[17]=0),[36],[1]/[17])	=if(or([5]=0,[8]=0),[36],[2]/[18])	=if(or([5]=0,[9]=0),[36],[3]/[19])	=if(or([5]=0,[4]=0),[20]/[36])	=if(or([5]=0,[21]=0),[42],[5]/[21])	=if(or([5]=0,[22]=0),[42],[6]/[22])	=if(or([5]=0,[23]=0),[42],[7]/[23])	=if(or([5]=0,[24]=0),[42],[8]/[24])	=if(or([5]=0,[25]=0),[42],[9]/[25])	=([10]/[26])	=if([27]=0,[42],[11]/[27])	=if([28]=0,[33],[12]/[28])	=([13]/[29])	=([14]/[30])	=([15]/[31])	=([16]/[32])
2006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2007	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2008	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	1.0000	1.0000	1.0000	1.0000
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9017	1.0000	1.0000	1.0000	1.0000
2011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9981	1.0000	1.0000	1.0000	1.0000	1.0000
2012	0.9888	1.0000	0.9958	0.9958	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9902	0.9888	1.0000	1.0000	1.0000	1.0000
2013	1.0000	0.9921	0.9949	0.9949	0.9806	0.9806	0.9806	0.9806	0.9806	0.9806	0.8699	1.0000	1.0000	1.0000	1.0000	1.0000
2014	0.9910	0.9952	0.9939	0.9939	0.9248	0.9248	0.9248	0.9248	0.9248	0.9248	0.9753	0.9910	1.0000	1.0000	1.0000	1.0000
2015	1.0960	1.0670	1.0758	1.0758	1.0191	1.0191	1.0191	1.0191	1.0191	1.0191	0.6964	1.0960	0.9774	0.9584	1.0000	0.9929

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh F-1

**Interest Rate Selection for Discount and Cost of Capital Calculations
 Based on Canadian Treasury and Canada Bonds Yields**

Year	Historical Yields				
	91-day [1]	1-3 yr [2]	3-5 yr [3]	5-10 yr [4]	10+ yr [5]
2006	4.10	4.07	4.10	4.18	4.30
2007	4.22	4.22	4.21	4.25	4.34
2008	2.41	2.66	2.96	3.36	4.04
2009	0.35	1.21	2.15	2.84	3.89
2010	0.60	1.48	2.21	2.88	3.66
2011	0.92	1.38	1.85	2.47	3.21
2012	0.98	1.12	1.30	1.63	2.33
2013	0.97	1.12	1.48	1.99	2.72
2014	0.91	1.05	1.38	1.87	2.60
2015	0.50	0.53	0.66	1.19	2.02
5-yr avg					
2006-2010	2.34	2.73	3.13	3.50	4.05
2011-2015	0.86	1.04	1.33	1.83	2.58
5-yr std dev					
2006-2010	1.85	1.40	0.99	0.68	0.28
2011-2015	0.20	0.31	0.43	0.47	0.45

Above from the Canadian Institute of Actuary
 Report on Canadian Economic Statistics, 1924-2015, Table 4A

Current Risk Free Yields (basis points)						wgtd avg
10/31/2016	0.50	0.56	0.62	0.94	1.68	0.62
weights:	9.0%	49.0%	29.0%	13.0%	0.0%	
avg maturity:	3.2 years	(weighted based on claims payment patterns)				
	580	3,307	1,942	907	23	6,759

BoC at 2016-10-31 <http://www.bankofcanada.ca/rates/interest-rates>

Selected Gross Yield: 0.62%
Investment Expenses (rounded): 0.15%
Selected Net Yield: 0.47%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh F-2
 Page 1 of 2

Exh F-2

Present Value Factors - Claim Amounts - Facility Association

Discount Rate 0.47%

Accident Year Estimated Payment Pattern by Development Age																	Val Market: FARM	Val Jurisdiction: NL	Val Business Segment: non-PPV	as at: Jun 30, 2016
Development Age	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	Present Value Factor			
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[15]			
	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	=[10]	=[1]	Emergence Model Output	Emergence Model Output	=[14]	=[13]	$\frac{= (1 + \text{dsct rate})^{-1 * ((\text{dev'l age} - 6) / 12)}}{}$			
12	1.5%	61.7%	100.0%	8.9%	100.0%	100.0%	100.0%	100.0%	100.0%	17.4%	17.4%	1.5%	96.8%	88.9%	88.9%	96.8%	0.9977			
24	14.3%	32.7%	-	16.5%	-	-	-	-	-	34.8%	34.8%	14.3%	3.2%	11.1%	11.1%	3.2%	0.9930			
36	27.9%	3.4%	-	24.9%	-	-	-	-	-	24.8%	24.8%	27.9%	-	-	-	-	0.9883			
48	25.3%	0.5%	-	22.3%	-	-	-	-	-	9.0%	9.0%	25.3%	-	-	-	-	0.9837			
60	12.8%	0.5%	-	11.3%	-	-	-	-	-	9.0%	9.0%	12.8%	-	-	-	-	0.9791			
72	5.3%	0.5%	-	4.7%	-	-	-	-	-	2.6%	2.6%	5.3%	-	-	-	-	0.9745			
84	7.7%	0.5%	-	6.8%	-	-	-	-	-	1.2%	1.2%	7.7%	-	-	-	-	0.9700			
96	4.3%	0.2%	-	3.8%	-	-	-	-	-	1.2%	1.2%	4.3%	-	-	-	-	0.9654			
108	0.8%	-	-	0.7%	-	-	-	-	-	-	-	0.8%	-	-	-	-	0.9609			
120	0.1%	-	-	0.1%	-	-	-	-	-	-	-	0.1%	-	-	-	-	0.9564			
132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9520			
144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9475			
156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9431			
168	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9387			
180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9343			
192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9299			
204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9255			
216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9212			
228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9169			
240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9126			
252	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9084			
264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9041			
276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8999			
288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8957			
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%				

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh F-2
 Page 2 of 2

Exh F-2

Present Value Factors - Claim Amounts - Facility Association

Discount Rate 0.47%

Policy Year Estimated Payment Pattern by Development Age

Development Age	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	Present Value Factor
	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[30]
	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	=(1+[dsct rate])^-1* ((dev\ age)-6)/12
12	0.5%	30.7%	50.0%	4.3%	50.0%	50.0%	50.0%	50.0%	50.0%	8.7%	8.7%	0.5%	48.4%	44.4%	44.4%	48.4%	0.9977
24	7.9%	47.2%	50.0%	12.7%	50.0%	50.0%	50.0%	50.0%	50.0%	26.1%	26.1%	7.9%	50.0%	50.0%	50.0%	50.0%	0.9930
36	21.1%	18.1%	-	20.7%	-	-	-	-	-	29.8%	29.8%	21.1%	1.6%	5.6%	5.6%	1.6%	0.9883
48	26.6%	2.0%	-	23.6%	-	-	-	-	-	16.9%	16.9%	26.6%	-	-	-	-	0.9837
60	19.1%	0.5%	-	16.8%	-	-	-	-	-	9.0%	9.0%	19.1%	-	-	-	-	0.9791
72	9.1%	0.5%	-	8.0%	-	-	-	-	-	5.8%	5.8%	9.1%	-	-	-	-	0.9745
84	6.5%	0.5%	-	5.8%	-	-	-	-	-	1.9%	1.9%	6.5%	-	-	-	-	0.9700
96	6.0%	0.4%	-	5.3%	-	-	-	-	-	1.2%	1.2%	6.0%	-	-	-	-	0.9654
108	2.6%	0.1%	-	2.3%	-	-	-	-	-	0.6%	0.6%	2.6%	-	-	-	-	0.9609
120	0.5%	-	-	0.4%	-	-	-	-	-	-	-	0.5%	-	-	-	-	0.9564
132	0.1%	-	-	0.1%	-	-	-	-	-	-	-	0.1%	-	-	-	-	0.9520
144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9475
156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9431
168	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9387
180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9343
192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9299
204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9255
216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9212
228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9169
240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9126
252	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9084
264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9041
276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8999
288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8957
300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8915
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
PV factor	0.9810	0.9930	0.9954	0.9825	0.9954	0.9954	0.9954	0.9954	0.9954	0.9872	0.9872	0.9810	0.9952	0.9948	0.9948	0.9952	

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh G-1
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Exh G-1

Development of Present Value Factors - Premium and Expense

Assuming 0.47% Annual Rate of Return

		Percentage of Premium			
		Nominal	Discount Factor	Discounted	
		[A]	[B]	[C]	
				= [A]*[B]	
Revenue					
[1]	Premium	100.00	0.9994	99.94	assumed collection delay, in mths: 1.6 based on the premium lag analysis
[2]	Finance Fee	-	0.9994	-	n/a
[3]	Total Revenue	100.00		99.94	= [1]+[2]
Effective Commission Ratios					
[4]	estimated @ current rates	6.00	0.9994	6.00	Exh G-2 row [3]
[5]	at indicated target rate change	6.00	0.9994	6.00	- okay verifies commission ratio correct with Exh G-2 row [3]
[6]	at indicated rate change & alternate target	6.00	0.9994	6.00	- okay verifies commission ratio correct with Exh G-2 row [3]
[7]	at proposed rates	6.00	0.9994	6.00	- okay verifies commission ratio correct with Exh G-2 row [3]
Premium Variable Expenses, premium tax and S.C. non-claims fees					
[8]	Premium tax	5.00	0.9994	5.00	Premium and Fire Tax Rate - 2016 (per IBC legal bulletin)
[9]	Servicing carrier operating cost	9.00	0.9994	8.99	Plan of Operation, Article IX, 2(a)
[10]	Servicing carrier fees	1.00	0.9994	1.00	Plan of Operation, Article IX, 2(a)
[11]	Premium finance admin expenses	-	0.9994	-	n/a
[12]	GISA Levy (% of ALL COVERAGES premium)	0.06	0.9994	0.06	= [33]
[13]	Rate Regulatory Levy (where it is % of ALL COVERAGES premium)	0.13	0.9994	0.13	= [36]
[14]	Health Levy (where it is % of ALL COVERAGES premium)		0.9994	-	as applicable
[15]	Total Premium Variable Expenses, premium tax and S.C. non-claims fees, other than TPL	15.19		15.18	= sum of rows [8] thru [14]
[16]	Health Levy (where it is % of TPL ONLY)		0.9994	-	as applicable
[17]	Total Premium Variable Expenses, premium tax and S.C. non-claims fees, TPL ONLY	15.19		15.18	= [15]+[16]
Premium Variable Expenses, Servicing Carrier Initial Claims Fee					
[18]	Servicing carrier claims fee reimbursement ratio	10.00	0.9953	9.95	Accounting & Statistical Manual, Chapter 7.4 avg earned mth: 12
Fixed Expense					
[19]	Bad Debt	-	0.9994	-	per FA finance
[20]	Central Office	2.50	0.9994	2.50	Exh G-2 row [7]
[21]	Total Fixed Expense (used directly for other than TPL)	2.50		2.50	= [19]+[20]
[22]	TPL Written Exposures	782			Exh C-2 row [17]
[23]	On-level TPL Written Premium (\$1s)	4,059,616			Exh C-2 row [29]
[24]	Driver Record Abstracts	69.69			Driver Record Abstracts Analysis
[25]	Driver Record Abstracts Cost (total in \$s)	54,480			= [22]*[24]
[26]	Driver Record Abstracts as % of premium	1.34	0.9994	1.34	= 100*[25]/[23]
[27]	Health Levy per earned vehicle				Health Levy Analysis
[28]	Health Levy Cost (total in \$s)	-			= [22]*[27]
[29]	Health Levy (where it is per vehicle), as % of premium	-	0.9994	-	= 100*[28]/[23]
[30]	Total Fixed Expense (used directly for TPL ONLY)	3.84		3.84	= [21]+[26]+[29]
Support for GISA and Rate Regulator Levies					
[31]	GISA Cost	10,463,846			Total Expense from the GISA 2014 Annual Directors Report
[32]	Industry Annual Written Premium (\$1,000s)	17,599,280			2014 Industry AU11 AIX (Country-wide)
[33]	GISA Levy as % of premium	0.06	0.9994	0.06	= 100*[31]/[32]
[34]	Rate Regulator Annual Industry Levy Cost (total in \$s)	507,748			2014-2015 Annual Report - NLPUB
[35]	Industry Annual Written Premium (\$1,000s)	396,353			2014 Industry AU11 AIX (NL)
[36]	Rate Regulator Levy as % of premium	0.13	0.9994	0.13	= 100*[34]/[35]

2014 Industry AU11 AIX	
Written Premium (\$000s)	
TOTAL	17,599,280
ON	12,149,838
AB	3,944,474
Atlantics	1,446,229

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh G-2

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh G-2
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Expense Assumptions - Selections

			jurisdiction code: 075					business segment: N				
			2015	2014	2013	2012	2011	Total	Last 3 complete Years	Last 2 complete Years	Selected	
[1]	Written Premium	Participation Rpt	6,687,052	6,452,306	6,376,174	5,681,761	5,570,217	30,767,510	19,515,532	13,139,358		
[2]	Agents Commissions	Participation Rpt	491,707	479,481	483,176	432,985	432,799	2,320,148	1,454,364	971,188		
[3]	Agents Commissions as a % of Premium	= [2]/[1]	7.35%	7.43%	7.58%	7.62%	7.77%	7.54%	7.45%	7.39%	6.00%	plan of operation, wghted avg
[4]	On-level to current rates	Exh D-3b, col [49]	1.9640	2.0930	2.6203	3.1711	3.1464					
[5]	On-level Written Premium	= [1]*[4]	13,133,370	13,504,676	16,707,489	18,017,432	17,526,131	78,889,098	43,345,535	26,638,046		
[6]	Administration Expense	Participation Rpt	185,332	147,014	131,299	112,878	183,385	759,908	463,645	332,346		
[7]	Administration Expense as a % of On-level W Premium	= [6]/[5]	2.77%	2.28%	2.06%	1.99%	3.29%	2.47%	2.38%	2.53%	2.50%	Last 2 complete Years, rounded

Non-PPV AY Written Premium by Minor Rating Class

as at:	AU11 Data					Market: FA					2015		commission ratio		
	2015	2014	2013	2012	2011	Individual	Fleet	Individual	Fleet	weighted					
12/31/2015	CV	1,132,651	1,146,357	1,154,637	1,225,112	1,231,562	1,084,584	48,067	10.0%	7.5%	9.9%				
	IU	456,939	453,164	563,521	426,249	532,627	409,730	47,209	6.0%	6.0%	6.0%				
	PuBus	335,996	335,504	332,452	284,681	267,866	192,355	143,641	6.0%	6.0%	6.0%				
	PrBus-STR-MPA	88,158	132,473	173,447	141,425	109,257	88,718	(560)	10.0%	7.5%	10.0%				
	SBus	331,965	242,613	265,995	228,486	212,223	89,704	242,261	10.0%	7.5%	8.2%				
	HCCBus	15,423	11,319	14,315	20,034	21,465	15,423	-	10.0%	7.5%	10.0%				
	TX	2,513,470	2,395,383	2,152,409	1,697,835	1,622,195	2,060,675	452,795	6.0%	6.0%	6.0%				
	FU	-	-	-	-	-	-	-	10.0%	7.5%	10.0%				
	AM	15,853	12,486	34,740	37,522	38,628	15,853	-	10.0%	7.5%	10.0%				
	MC	1,099,578	1,092,232	1,097,747	1,049,039	962,073	1,099,578	-	7.5%	7.5%	7.5%				
	ATV	213,672	196,304	166,018	144,215	106,045	213,672	-	7.5%	7.5%	7.5%				
	SV	94,922	95,124	89,577	82,670	79,946	94,922	-	7.5%	7.5%	7.5%				
	HV	2,961	2,111	1,677	1,861	1,976	2,961	-	11.0%	7.5%	11.0%				
	MH	21,383	15,254	19,616	25,778	19,076	21,383	-	11.0%	7.5%	11.0%				
	TH	1,095	1,197	1,026	5,718	10,347	1,095	-	11.0%	7.5%	11.0%				
	GA	309,241	244,074	253,814	266,512	287,247	309,241	-	10.0%	7.5%	10.0%				
	NO	581	1,713	1,458	1,951	2,543	581	-	10.0%	7.5%	10.0%				
	DP	1,606	-	1,388	-	50	1,606	-	10.0%	7.5%	10.0%				
	Total	6,635,494	6,377,308	6,323,837	5,639,088	5,505,126	5,702,081	933,413							

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh H-1
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Exh H-1

Target Return & Alternate Return Assumptions

Assumptions		Selected	Source / Formula
Target Return & Capital Level			
[1]	Target after-tax ROE	12.0%	as directed by FA Board of Directors
[2]	Target Leverage Ratio (i.e. premium to equity)	2.00	actuarial assumption
Income Tax			
[3]	corporate income tax rate	30.0%	PwC Insurance Industry Key tax rates and updates (2016-06)
[4]	net-of-income tax factor	70.0%	=100%-[3]
Investment Return			
[5]	pre-tax investment return	0.47%	Exh F-1
[6]	after-tax investment return	0.33%	=[4]*[5]
Variable expense ratio			
[7]	variable expense ratio (discounted) - TPL	15.18%	Exh G-1, row [17] column [C]
[8]	Target weight - TPL	6,447,580	Exh C-1, for TPL - row [4] *(1+row[[22])
[9]	variable expense ratio (discounted) - other than TPL	15.18%	Exh G-1, row [15] column [C]
[10]	Target weight - other than TPL	837,168	Exh C-1, other than TPL - row [4] *(1+row[[22])
[11]	variable expense ratio (discounted) - all coverage weighted basis	15.18%	=[(7)*[8]+[9]*[10]]/([8]+[10])
[12]	net-of-variable expense factor	84.82%	=100%-[11]
Calculations			
[13]	Target pre-tax ROE	17.14%	=[1]/[4]
[14]	return required from operations (underwriting and investment income on policyholder funds) as a percentage of equity to meet Target pre-tax ROE	16.67%	=[13]-[5]
[15]	Target Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	8.34%	=[14]/[2]
Indication Alternate to be based on:			
[16]	Cost of Capital	0.00%	as selected (or through default); after-tax other than Return on Premium (which is pre-tax)
[17]	implied Alternate basis Leverage Ratio (i.e. premium to equity)	1.80	=[2]-([1]-([16]+[6]))/([12]*[4])
[18]	Alternate basis after-tax ROE	0.33%	=[16]+[6]
[19]	Alternate basis pre-tax ROE	0.47%	=[18]/[4]
[20]	return required from operations (underwriting and investment income on policyholder funds) as a percentage of equity to meet Alternate basis pre-tax ROE	0.00%	=[19]-[5]
[21]	Alternate basis Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	0.00%	=[20]/[17]

Indication Exhibits – Alternative Assumptions

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh A-1

dcst rate: 2.80%

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh A-1
 Page 1 of 1

Analysis Summary (NB eff 1-Oct-2017; RN eff 1-Oct-2017)	Third Party Liability	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
Indication Summary													
FA Average Written Premium, Rolling 12, \$\$ Exh C-1, row [3]	2,917	-	-	-	2,917	104	29	-	1,030	336	118	1,388	3,204
Indicated target rate change (12.0% ROE, leverage 2.0) Exh C-1, row [22]	44.5%	44.5%	44.5%	44.5%	44.5%	35.8%	69.9%	-	0.3%	(2.4%)	2.9%	(3.4%)	43.4%
AWP dollar change for Indicated target rate change (12.0% ROE, leverage 2.0) Exh C-1, row [24]	2,318	-	-	-	2,318	163	123	-	2	(8)	5	(40)	2,574
Indicated Average Written Premium	5,235	-	-	-	5,235	267	152	-	1,032	328	123	1,348	5,778
Rate change selected by FA Exh C-1, row [35]	-	30.7%	30.7%	30.7%	30.7%	22.8%	53.7%	-	(9.3%)	(11.8%)	(7.0%)	(12.7%)	29.7%
FA Assumptions except Rol; Alternate rate change basis (0.0% Cost of Capital, leverage 1.80), Rol at 2.8% (NL PUB minimum)													
AWP dollar change for Rate change selected by FA Exh C-1, row [37]	-	-	-	-	1,599	104	95	-	(74)	(40)	(12)	(148)	1,762
Selected Average Written Premium	2,917	-	-	-	4,516	208	124	-	956	296	106	1,240	4,966
Alternate rate change basis (0.0% Cost of Capital, leverage 1.83) Exh C-1, row [30]	30.7%	30.7%	30.7%	30.7%	30.7%	22.8%	53.7%	-	(9.3%)	(11.8%)	(7.0%)	(12.7%)	29.7%
AWP dollar change for Alternate rate change basis (0.0% Cost of Capital, lever: Exh C-1, row [32])	1,599	-	-	-	1,599	104	95	-	(74)	(40)	(12)	(148)	1,762
Average Written Premium @ Alternate Return Assumption capped	4,516	-	-	-	4,516	208	124	-	956	296	106	1,240	4,966
Prior Indication, filed changes, and approved changes													
Indicated Rate Change (12% ROE)	79.7%	79.7%	79.7%	79.7%	79.7%	92.0%	115.3%	-	(3.9%)	10.5%	16.7%	3.9%	79.6%
Filed Rate Change	24.6%	24.6%	24.6%	24.6%	24.6%	42.2%	50.9%	-	(9.4%)	(2.0%)	(1.3%)	(6.9%)	25.7%
Approved Effective Date: Mar 1, 2017 (NB & RN) - major rate change		24.6%	24.6%	24.6%	24.6%	42.2%	50.9%	-	(9.4%)	(2.0%)	(1.3%)	(6.9%)	25.7%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh B-1

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh B-1
 Page 1 of 1

Rate Program Parameters

A. In relation to Current ("Expiring") Rates

estimated average written date, prior analysis:	01-Apr-2017	[1]	estimated from prior analysis
estimated premium trend period (days) between analyses:	365	[2]	= [8]-[1]
estimated average accident date, prior analysis:	30-Sep-2017	[3]	estimated from prior analysis
estimated claims trend period (days) between analyses:	365	[4]	= [12]-[3]

B. Proposed Rate Program Effective Dates and # Months in effect

	new business	renewals	average	
% split	14.1%	85.9%		[5]
rate program effective dates	01-Oct-2017	01-Oct-2017	01-Oct-2017	[6]
# mths future rates in effect:	12.0		30-Sep-2018	[7]
average written date in effective period:			01-Apr-2018	[8]

FA download facility (weighted avg 2011-2013 pol yrs)
 assumption, with average based on [5]
 => generates last effective date for rate program
 = average of [6] & [7]

C. Proposed Rate Program Policy Terms

policy term mths:	6	12	total	
% split	1.0%	99.0%		[9]
first possible accident date:	01-Oct-2017	01-Oct-2017		[10]
last possible accident date:	30-Mar-2019	30-Sep-2019		[11]
average accident date:	01-Jul-2018	01-Oct-2018	30-Sep-2018	[12]

FA download facility
 =[6]
 =[7]+policy term in mths
 = total average based on [9]

D. Rate Analysis Trend Basis

USER TO SELECT BASIS FOR PROJECTED LOSS RATIO FOR CREDIBILITY COMPLEMENT:

Select A or B: A where: A FA Selected Trend Models (Exh D-5b)
 B Regulatory Benchmark Trends (Exh D-5b (ALT))

Resulting Selection Information:

type: **FA Selected**
 market: **INDUSTRY**
 rating class: **CV**
 as at: **31-Dec-15**

E. Data Summary

FA Experience: FA	AIX	[13]	AU11
as at:	31-Dec-2015	[14]	
Loss Development Factors (LDFs): FA non-PPV	val data	[15]	as per FA valuation, FARM
as at:	30-Jun-2016	[16]	compared to recorded @ 31-Dec-2015
Claims Development Factors (CDFs): FA non-PPV	val data	[17]	as per FA valuation, FARM
as at:	30-Jun-2016	[18]	compared to recorded @ 31-Dec-2015
Trends: Industry	AIX	[19]	AU70 as per FA analysis, Industry
as at:	31-Dec-2015	[20]	
Exposure & Premium for Drift Calculations: FA	apps db, AIX	[21]	rate group drift from download facility,
as at:	31-Dec-2015	[22]	limit and ded from AU11
Rate Level Factors: FA	internal	[23]	as per internal records
as at:	31-Oct-2016	[24]	..\\..\\..\\..\\rate changes\FARM\summaries ove
Expenses: FA	internal	[25]	as per Participation Reports at cal year-end
as at:	31-Dec-2015	[26]	

Alternative Indications - Page 4 of 34

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-1

experience	2006	-	2011	20.0%
accident yr	2007	-	2012	20.0%
weights	2008	-	2013	20.0%
used in	2009	-	2014	20.0%
indications	2010	-	2015	20.0%

RN eff date:
 Oct 1 2017
 dcst rate:
 2.80%

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Trend Basis
 type: FA Selected
 market: INDUSTRY
 rating class: CV
 as at: 31-Dec-15

Exh C-1
 Page 1 of 2

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	TPPL (Indivisible)	Accident Benefits	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils	TOTAL
Facility Association Exposures & Premium	FA AIX as at: Dec 31 2015												
[1] FA Written Exposures, Rolling 12	782	-	-	-	782	673	784	-	70	121	217	2	784
[2] FA Written Premium, Rolling 12	2,280,282	-	-	-	2,280,282	69,678	22,902	-	72,115	40,688	25,632	2,198	2,513,495
[3] FA Average Written Premium, Rolling 12, \$s	2,917	-	-	-	2,917	104	29	-	1,030	336	118	1,388	3,204
[4] FA Written Premium @ Current Rates, Projected to Future Period	4,073,013	-	-	-	4,073,013	306,114	138,002	-	55,687	40,784	36,739	1,848	4,652,187
[5] FA Avg Written Premium @ Current Rates, Projected to Future Period, \$s	5,210	-	-	-	5,210	455	176	-	796	337	169	1,167	5,931
[6] Premium distribution @ current rates	87.55%	-	-	-	87.55%	6.58%	2.97%	-	1.20%	0.88%	0.79%	0.04%	100.01%
Updated Projected Loss Ratio (indemnity only, nominal) @ Current Rates													
[7] Updated projected loss ratio (indemnity only, nominal), prior analysis	89.9%	89.9%	89.9%	89.9%	89.9%	83.2%	95.1%	-	58.1%	62.5%	64.6%	61.2%	88.8%
Projected Loss Ratio (indemnity only, nominal) based on FA experience													
[8] FA projected ultimate loss ratio (indemnity only, nominal)	96.9%	96.9%	96.9%	96.9%	96.9%	98.2%	237.1%	-	74.3%	46.6%	48.3%	20.2%	100.0%
Credibility-Weighted Projected Loss Ratio (indemnity only, nominal)													
[9] FA experience credibility		49.8%	49.8%	49.8%	49.8%	32.3%	11.0%	-	19.7%	17.7%	9.1%	5.3%	
[10] Credibility-weighted projected loss ratio (indemnity only, nominal)	93.4%	93.4%	93.4%	93.4%	93.4%	88.0%	110.7%	-	61.3%	59.7%	63.1%	59.0%	92.6%
Projected Loss Ratio (indemnity & excess legal, discounted @ 2.80%)													
[11] Loss discount factor	0.9024	0.9024	0.9024	0.9024	0.9024	0.9275	0.9275	0.8943	0.9720	0.9699	0.9699	0.9720	0.9068
[12] Credibility-weighted projected loss ratio (indemnity only, discounted)	84.3%	84.3%	84.3%	84.3%	84.3%	81.6%	102.7%	-	59.6%	57.9%	61.2%	57.3%	83.9%
[13] excess legal as % indemnity	1.6%	1.6%	1.6%	1.6%	1.6%	-	-	-	-	-	-	-	1.4%
[14] Cred-wght'd projected loss ratio (indemnity & excess legal, discounted)	85.6%	85.6%	85.6%	85.6%	85.6%	81.6%	102.7%	-	59.6%	57.9%	61.2%	57.3%	85.1%
Discounted Revenue, Expenses and Capital Costs													
[15] Revenue discount factor	0.9963	0.9963	0.9963	0.9963	0.9963	0.9963	0.9963	0.9963	0.9963	0.9963	0.9963	0.9963	0.9963
[16] Total discounted fixed expenses, as % of current on-level premium	3.83%	3.83%	3.83%	3.83%	3.83%	2.49%	2.49%	2.49%	2.49%	2.49%	2.49%	2.49%	3.66%
[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	15.14%	15.14%	15.14%	15.14%	15.14%	15.14%	15.14%	15.14%	15.14%	15.14%	15.14%	15.14%	15.14%
[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	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)	(0.29%)
[21] Target Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%
Rate Indications													
[22] Indicated target rate change (12.0% ROE, leverage 2.0)	44.5%	44.5%	44.5%	44.5%	44.5%	35.8%	69.9%	-	0.3%	(2.4%)	2.9%	(3.4%)	43.4%
[23] Avg WP @ Indicated target rate change (12.0% ROE, leverage 2.0)	7,528	-	-	-	7,528	618	299	-	798	329	174	1,127	8,505
[24] AWP dollar change for Indicated target rate change (12.0% ROE, leverage 2.0)	2,318	-	-	-	2,318	163	123	-	2	(8)	5	(40)	2,574
[25] nominal indemnity LR for Indicated target rate change (12.0% ROE, leverage 2.0)	64.6%	64.6%	64.6%	64.6%	64.6%	64.8%	65.2%	-	61.1%	61.2%	61.3%	61.1%	64.6%
[26] nominal excess legal LR for Indicated target rate change (12.0% ROE, leverage 2.0)	1.0%	1.0%	1.0%	1.0%	1.0%	-	-	-	-	-	-	-	0.9%
[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	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%
[29] Alternate basis Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	-	-	-	-	-	-	-	-	-	-	-	-	-
[30] Alternate rate change basis (0.0% Cost of Capital, leverage 1.83)	30.7%	30.7%	30.7%	30.7%	30.7%	22.8%	53.7%	-	(9.3%)	(11.8%)	(7.0%)	(12.7%)	29.7%
[31] Avg WP @ Alternate rate change basis (0.0% Cost of Capital, leverage 1.83)	6,809	-	-	-	6,809	559	271	-	722	297	157	1,019	7,693
[32] AWP dollar change for Alternate rate change basis (0.0% Cost of Capital, leverage 1.83)	1,599	-	-	-	1,599	104	95	-	(74)	(40)	(12)	(148)	1,762
[33] nominal indemnity LR for Alternate rate change basis (0.0% Cost of Capital, leverage 1.83)	71.5%	71.5%	71.5%	71.5%	71.5%	71.7%	72.0%	-	67.6%	67.7%	67.8%	67.6%	71.4%
[34] nominal excess legal LR for Alternate rate change basis (0.0% Cost of Capital, leverage 1.83)	1.1%	1.1%	1.1%	1.1%	1.1%	-	-	-	-	-	-	-	1.0%
[35] Rate change selected by FA													
FA Assumptions except RoI; Alternate rate change basis (0.0% Cost of Capital, leverage 1.80), RoI at 2.8% (NL PUB minimum)		30.7%	30.7%	30.7%	30.7%	22.8%	53.7%	-	(9.3%)	(11.8%)	(7.0%)	(12.7%)	29.7%
[36] Avg WP @ Rate change selected by FA	5,210	-	-	-	6,809	559	271	-	722	297	157	1,019	7,693
[37] AWP dollar change for Rate change selected by FA	-	-	-	-	1,599	104	95	-	(74)	(40)	(12)	(148)	1,762
[38] Annualized Prem chg for Rate change selected by FA	1,250,415	-	-	-	1,250,415	69,794	74,107	-	(5,179)	(4,813)	(2,572)	(235)	1,381,517
[39] nominal indemnity LR for Rate change selected by FA	93.4%	71.5%	71.5%	71.5%	71.5%	71.7%	72.0%	-	67.6%	67.7%	67.8%	67.6%	71.4%
[40] nominal excess legal LR for Rate change selected by FA	1.5%	1.1%	1.1%	1.1%	1.1%	-	-	-	-	-	-	-	1.0%

Alternative Indications - Page 5 of 34

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-1

experience	2006	-	2011	20.0%
accident yr	2007	-	2012	20.0%
weights	2008	-	2013	20.0%
used in	2009	-	2014	20.0%
indications	2010	-	2015	20.0%

RN eff date:
 Oct 1 2017
 dcst rate:
 2.80%

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Trend Basis
 type: FA Selected
 market: INDUSTRY
 rating class: CV
 as at: 31-Dec-15

Exh C-1
 Page 2 of 2

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
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
[IBNR as % ultimate] as per Exh D-1: 0.7%	(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[41]+[72 mth LR]/10	=row[41]:col [H] s.t. max / min, cols [D] & [E]	=[H]-[C]	=1/(1+disc rate)	=[I]*[J]
[41] Retroactive claims fee adjustment at 12.0% ROE	64.1%	67.5%	10.0%	9.0%	16.0%	3.3%	9.7%	9.7%	(0.3%)	0.9728	(0.29%)
[42] Retroactive claims fee adjustment at Alternate Target	70.9%	67.5%	10.0%	9.0%	16.0%	3.3%	10.3%	10.3%	0.3%	0.9728	0.29%
[43] Retroactive claims fee adjustment on Selected Rate Change	70.9%	67.5%	10.0%	9.0%	16.0%	3.3%	10.3%	10.3%	0.3%	0.9728	0.29%

Goal seek to 0.0%, on col[B], row[20]	[L]

Notes:
 1 [72mth LR] = Recorded Claims Ratio @ 72 months*(1-[IBNR as % ultimate])
 2 See also Bulletin "All-Canada SC2004-02" issued on Jan. 7, 2004
 3 excess legal as percent of TPL indemnity is AA Report = [ratio as % of total coverages EP] x [latest yr total coverages EP] / [latest yr TPL expected indemnity]
 where ratio to EP from excess legal exhibit, and latest yr EP and TPL expected indemnity from a priori exhibit

TPL				
2015 AA Rpt	Exh B.12.1	Exh B.8.6	Projected EP	Exh B.5.6.1
	pg 1 selected - cat I	prov, year	Adjustment	pg 1, col [5]
	excess ratio % total EP	2015 all coverage EP	2015 all coverage EP	2015 TPL expected indemnity
1.6%	=	1.32% x	6,527,092 x	1,000 / 5,336,000

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-2

Rate level factor exhibit

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh C-2
 Page 1 of 1

Derivation of Loss Ratios Underlying Current (i.e. "Expiring") Rates

Basis: last submitted rate filing	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	Exh C-3 (option 1), row [6]	87.84%	-	-	-	87.84%	5.71%	3.65%	-	1.25%	0.80%	0.48%	0.27%	100.00%
[2] Projected ultimate loss ratio (nominal), prior to rate adjustment	Exh C-3 (option 1), row [10]	108.6%	108.60%	108.60%	108.60%	108.60%	118.30%	132.90%	-	57.70%	66.80%	70.60%	62.60%	108.8%
[3] FA Written Rate Level Factor from last submitted filing	Prior Filing Exh C-2, row [26]		2.2435	2.2435	2.2435	2.2435	8.3209	10.9405	1.0000	0.2104	0.2694	0.4548	0.230	
[4] FA Written Rate Level Factor - current	= [26]		2.7954	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683	0.2210	
[5] Estimated impact of subsequent rate changes	=[4]/[3]-1	24.6%	24.6%	24.6%	24.6%	24.6%	42.2%	50.9%	-	(6.7%)	0.7%	3.0%	(3.9%)	25.8%
[6] Reform adjustment factors for changes not considered in prior analysis in its projection to average accident date	as needed		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.000	
[7] loss ratio (nominal) at current rates	=[2]*[6]/[1]+ [5]	87.2%	87.2%	87.2%	87.2%	87.2%	83.2%	88.1%	-	61.8%	66.3%	68.5%	65.1%	86.4%
[8] Modeled loss cost projected to average accident date, prior analysis	Exh D-5a		-	-	-	872.61	28.30	8.13	0.68	258.13	179.72	64.58	231.99	
[9] Modeled loss cost projected to average accident date, current analysis	Exh D-5a		-	-	-	900.11	28.30	8.78	0.68	258.13	179.72	64.58	231.99	
[10] indemnity projection factor between average accident date underlying current rates and future average accident date	= [9]/[8]	1.0320	1.0315	1.0315	1.0315	1.0315	1.0000	1.0800	1.0000	1.0000	1.0000	1.0000	1.0000	1.0310
[11] annualized indemnity change	= [10]^(365/Exh B-1, row [4])-1	3.2%	3.2%	3.2%	3.2%	3.2%	-	8.0%	-	-	-	-	-	3.1%
[12] annualized premium trend factor	1+Exh D-4a, Total Drift	1.0010	1.0010	1.0010	1.0010	1.0010	1.0000	1.0000	1.0000	1.0643	1.0608	1.0608	1.0643	1.0030
[13] premium trend period in days (change in avg written date between rate programs)	Exh B-1, row [2]	365	365	365	365	365	365	365	365	365	365	365	365	365
[14] projected indemnity loss ratio (nominal) at current rates	=[7]*[10]/([12]^(13)/365)	89.9%	89.9%	89.9%	89.9%	89.9%	83.2%	95.1%	-	58.1%	62.5%	64.6%	61.2%	88.9%

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 2015													
[15] 20151		434	-	-	-	434	375	437	-	39	70	127	2	437
[16] 20152		348	-	-	-	348	298	347	(1)	31	51	91	-	348
[17] TOTAL		782	-	-	-	782	673	784	(1)	70	121	217	2	784
FA Written Premium, Rolling 12	FA AIX as at: Dec 31 2015													
[18] 20151		1,201,609	-	-	-	1,201,609	28,566	9,161	-	41,417	22,263	14,769	2,198	1,319,983
[19] 20152		1,078,673	-	-	-	1,078,673	41,112	13,741	(25)	30,698	18,425	10,863	-	1,193,487
[20] TOTAL		2,280,282	-	-	-	2,280,282	69,678	22,902	(25)	72,115	40,688	25,632	2,198	2,513,470
FA Average Written Premium, Rolling 12, \$s														
[21] 20151		2,771	-	-	-	2,771	76	21	-	1,064	319	117	1,388	3,019
[22] 20152		3,098	-	-	-	3,098	138	40	25	988	360	120	-	3,428
[23] TOTAL		2,917	-	-	-	2,917	104	29	25	1,030	336	118	1,388	3,204

Most Current 12-Months Exposure and Premium Adjusted to Current Rate Level

(\$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														
[24] 20151			1.5000	1.5000	1.5000	1.5000	2.0000	2.0000	1.0000	0.3194	0.3267	0.3968	0.3220	
[25] 20152			1.6565	1.6565	1.6565	1.6565	3.5478	3.6365	1.0000	0.3013	0.3291	0.3945	0.3110	
[26] last available mth: 31-Dec-19			2.7954	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683	0.2210	
FA Written Premium @ Current Rates, Rolling 12														
[27] 20151	= [18]*[26]/[24]	2,239,319	-	-	-	2,239,319	169,001	75,620	-	25,467	18,481	17,430	1,509	2,546,827
[28] 20152	= [19]*[26]/[25]	1,820,297	-	-	-	1,820,297	137,113	62,382	(25)	20,010	15,183	12,895	-	2,067,855
[29] TOTAL		4,059,616	-	-	-	4,059,616	306,114	138,002	(25)	45,477	33,664	30,325	1,509	4,614,682
FA Average Written Premium @ Current Rates, Rolling 12, \$s														
[30] 20151		5,165	-	-	-	5,165	451	173	-	654	265	138	953	5,825
[31] 20152		5,228	-	-	-	5,228	459	180	25	644	296	142	-	5,939
[32] TOTAL		5,193	-	-	-	5,193	455	176	25	650	278	139	953	5,883

2/3 CL, 1/3 CM

Most Current 12-Months Exposure and Premium @ Current Rate Level, Projected to Future Avg Written 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
[33] Premium Trend Factors to 01-Apr-2018	AY 2015		1.0033	1.0033	1.0000	1.0033	1.0000	1.0000	1.0000	1.2245	1.2115	1.2115	1.2245	
[34] FA Written Premium @ Current Rates, Projected to Future Period	= [29]*[33]	4,073,013	-	-	-	4,073,013	306,114	138,002	(25)	55,687	40,784	36,739	1,848	4,652,162
[35] FA Avg Written Premium @ Current Rates, Projected to Future Period, \$s	= [34]/[17]	5,210	-	-	-	5,210	455	176	25	796	337	169	1,167	5,931

Alternative Indications - Page 7 of 34

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-3 (option 1)

DIRECT < COPY-PASTE VALUE > FROM Exh C-1 of last submitted rate filing
 Project ID: NL-2016Q1-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh C-3 (option 1)
 Page 1 of 2

..\\proj 2016 Q1\01a indication (coverage)\01e NL 2016 Q1 TX indications - coverage v05.xlsx

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 2014												
[1] FA Written Exposures, Rolling 12	771				771	641	785	-	53	115	222	11	785
[2] FA Written Premium, Rolling 12	2,171,672				2,171,672	51,049	17,011	-	61,208	34,085	24,873	13,452	2,373,350
[3] FA Average Written Premium, Rolling 12, \$s	2,816				2,816	80	22	-	1,153	297	112	1,281	3,023
[4] FA Written Premium @ Current Rates, Projected to Future Period	3,269,210				3,269,210	212,387	135,739	-	46,492	29,683	17,856	10,233	3,721,600
[5] FA Avg Written Premium @ Current Rates, Projected to Future Period, \$s	4,239				4,239	332	173	-	876	258	81	975	4,740
[6] Premium distribution @ current rates	87.84%	-	-	-	87.84%	5.71%	3.65%	-	1.25%	0.80%	0.48%	0.27%	100.00%
Updated Projected Loss Ratio (indemnity only, nominal) @ Current Rates													
[7] Updated projected loss ratio (indemnity only, nominal), prior analysis	101.7%	101.7%	101.7%	101.7%	101.7%	99.9%	92.5%	-	62.1%	67.9%	72.6%	64.7%	100.3%
Projected Loss Ratio (indemnity only, nominal) based on FA experience													
[8] FA projected ultimate loss ratio (indemnity only, nominal)	116.1%	116.1%	116.1%	116.1%	116.1%	160.4%	429.0%	-	32.1%	61.3%	51.5%	24.4%	128.0%
Credibility-Weighted Projected Loss Ratio (indemnity only, nominal)													
[9] FA experience credibility		48.1%	48.1%	48.1%	48.1%	30.4%	12.0%	-	14.6%	16.4%	9.6%	5.3%	
[10] Credibility-weighted projected Loss Ratio (indemnity only, nominal)	108.6%	108.6%	108.6%	108.6%	108.6%	118.3%	132.9%	-	57.7%	66.8%	70.6%	62.6%	108.8%
Projected Loss Ratio (indemnity & excess legal, discounted @ 0.39%)													
[11] Loss discount factor	0.9857	0.9857	0.9857	0.9857	0.9857	0.9901	0.9901	0.9846	0.9962	0.9955	0.9955	0.9962	0.9864
[12] Credibility-weighted projected loss ratio (indemnity only, discounted)	107.0%	107.0%	107.0%	107.0%	107.0%	117.1%	131.6%	-	57.5%	66.5%	70.3%	62.4%	107.2%
[13] excess legal as % indemnity	1.4%	1.4%	1.4%	1.4%	1.4%	-	-	-	-	-	-	-	1.2%
[14] Cred-wght'd projected loss ratio (indemnity & excess legal, discounted)	108.5%	108.5%	108.5%	108.5%	108.5%	117.1%	131.6%	-	57.5%	66.5%	70.3%	62.4%	108.6%
Discounted Revenue, Expenses and Capital Costs													
[15] Revenue discount factor	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995	0.9995
[16] Total discounted fixed expenses, as % of current on-level premium	3.21%	3.21%	3.21%	3.21%	3.21%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	3.09%
[17] Discounted effective commission ratio (based on Indicated rate level change)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
[18] Total discounted variable expenses prem tax, S.C. non-claims fees, as % of premium	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%
[19] Discounted variable S.C. initial claims fee, as % of premium	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%	9.96%
[20] Retroactive claims fee adjustment (discounted), as % of premium @ target rate	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)	(0.62%)
[21] Target Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
Rate Indications													
[22] Indicated target rate change (12.0% ROE, leverage 2.0)	79.7%	79.7%	79.7%	79.7%	79.7%	92.0%	115.3%	-	(3.9%)	10.5%	16.7%	3.9%	79.6%
[23] Avg WP @ Indicated target rate change (12.0% ROE, leverage 2.0)	7,617	-	-	-	7,617	637	372	-	842	285	95	1,013	8,513
[24] AWP dollar change for Indicated target rate change (12.0% ROE, leverage 2.0)	3,378	-	-	-	3,378	305	199	-	(34)	27	14	38	3,773
[25] nominal indemnity LR for Indicated target rate change (12.0% ROE, leverage 2.0)	60.4%	60.4%	60.4%	60.4%	60.4%	61.6%	61.7%	-	60.0%	60.5%	60.5%	60.3%	60.6%
[26] nominal excess legal LR for Indicated target rate change (12.0% ROE, leverage 2.0)	0.8%	0.8%	0.8%	0.8%	0.8%	-	-	-	-	-	-	-	0.7%
[27] discounted commission as % of premium, based on alternate target	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
[28] Retroactive claims fee adjustment (discounted), based on alternate target	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
[29] Alternate basis Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	-	-	-	-	-	-	-	-	-	-	-	-	-
[30] Alternate rate change basis (0.0% Cost of Capital, leverage 1.81)	60.3%	60.3%	60.3%	60.3%	60.3%	71.2%	92.0%	-	(14.3%)	(1.4%)	4.0%	(7.3%)	60.2%
[31] Avg WP @ Alternate rate change basis (0.0% Cost of Capital, leverage 1.81)	6,795	-	-	-	6,795	568	332	-	751	254	84	904	7,593
[32] AWP dollar change for Alternate rate change basis (0.0% Cost of Capital, leverage 1.81)	2,556	-	-	-	2,556	236	159	-	(125)	(4)	3	(71)	2,853
[33] nominal indemnity LR for Alternate rate change basis (0.0% Cost of Capital, leverage 1.81)	67.7%	67.7%	67.7%	67.7%	67.7%	69.1%	69.2%	-	67.3%	67.7%	67.9%	67.5%	67.9%
[34] nominal excess legal LR for Alternate rate change basis (0.0% Cost of Capital, leverage 1.81)	0.9%	0.9%	0.9%	0.9%	0.9%	-	-	-	-	-	-	-	0.8%
[35] Rate change selected by FA	24.6%	24.6%	24.6%	24.6%	24.6%	42.2%	50.9%	-	(9.4%)	(2.0%)	(1.3%)	(6.9%)	25.7%
[36] Avg WP @ Rate change selected by FA	5,282	-	-	-	5,282	472	261	-	794	253	80	908	5,958
[37] AWP dollar change for Rate change selected by FA	1,043	-	-	-	1,043	140	88	-	(82)	(5)	(1)	(67)	1,218
[38] nominal indemnity LR for Rate change selected by FA	87.2%	87.2%	87.2%	87.2%	87.2%	83.2%	88.1%	-	63.7%	68.2%	71.5%	67.2%	86.6%
[39] nominal excess legal LR for Rate change selected by FA	1.2%	1.2%	1.2%	1.2%	1.2%	-	-	-	-	-	-	-	1.0%

Alternative Indications - Page 8 of 34

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh C-3 (option 1)

DIRECT < COPY-PASTE VALUE > FROM Exh C-1 of last submitted rate filing
 Project ID: NL-2016Q1-TX
 ..\proj 2016 Q1\01a indication (coverage)\01e NL 2016 Q1 TX indications - coverage v05.xlsx

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh C-3 (option 1)
 Page 2 of 2

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
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
[IBNR as % ultimate] as per Exh D-1: -0.7%	(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[40]+[72 mth LR]/10	=row[40]:col [H] s.t. max / min, cols [D] & [E]	=[H]-[C]	=1/(1+disc rate)	=[I]*[J]
[40] Retroactive claims fee adjustment at 12.0% ROE	61.0%	67.5%	10.0%	9.0%	16.0%	3.3%	9.4%	9.4%	(0.6%)	0.9961	(0.60%)
[41] Retroactive claims fee adjustment at Alternate Target	68.4%	67.5%	10.0%	9.0%	16.0%	3.3%	10.1%	10.1%	0.1%	0.9961	0.10%
[42] Retroactive claims fee adjustment on Selected Rate Change	87.2%	67.5%	10.0%	9.0%	16.0%	3.3%	12.0%	12.0%	2.0%	0.9961	1.99%

Goal seek to 0.0%, on col[B], row[20]
[L]
0.02%
-

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

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-1

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-1
 Page 1 of 2

FA Experience Projected Provincial Loss Ratio (Indemnity Only)

as at: 31-Dec-2015		FA Experience							Earned Premium On-Level			Ultimate Indemnity On-Level					Trended Ultimate Loss Ratio		Accident Year Weight	
Coverage	AY	Earned Exposure (excl trailers)	Earned Premium	Avg Earned Premium	Recorded Indemnity	Loss Development Factor	Ultimate Indemnity	Ultimate Loss Ratio	Ultimate Loss Costs	Earned Premium Rate On-Level Factor	Rating Characteristic Drift Factor	On-Level Earned Premium	Large Loss Load (%)	Catastrophe Adjustment Load (%)	Other Adjustments / Loads (%)	Loss Cost Projection Factor	Trended Ultimate Losses	Trended Ultimate Loss Ratio	Accident Year Weight	
		(1s)	(\$1s)	(\$1s)	(\$1s)	[5]	(\$1s)	[7]	(\$1s)	[9]	[10]	(\$1s)	[12]	[13]	[14]	[15]	[16]	[17]	[18]	
		[1]	[2]	[3]	[4]	Exh D-2, Section C.	[6]	[7]	[8]	Exh D-3a	Exh D-4a	=[2]*[9]*[10]	input	input	input	FA Selected Trend Models (Exh D-5b)	=[6]*(1+[12])*(1+[13])*(1+[14])*[15]	= [16]/[11]	input	
TOTAL																				
	2006	573	1,272,025	2,220	1,529,738		1,529,738	120.3%	2,669.70			3,682,630					2,441,545	66.3%		
	2007	663	1,290,663	1,947	2,217,261		2,408,159	186.6%	3,632.22			3,728,696					3,450,993	92.6%		
	2008	725	1,412,456	1,948	2,388,733		2,362,568	167.3%	3,258.71			4,100,527					3,307,574	80.7%		
	2009	764	1,516,679	1,985	2,520,358		2,520,358	166.2%	3,298.90			4,378,900					3,469,884	79.2%		
	2010	780	1,565,401	2,007	3,216,086		3,239,929	207.0%	4,153.76			4,494,689					4,254,025	94.6%		
	2011	793	1,587,985	2,003	3,594,184		3,602,098	226.8%	4,542.37			4,599,800					4,604,589	100.1%	20.0%	
	2012	816	1,676,159	2,054	4,773,281		4,976,739	296.9%	6,098.94			4,822,335					5,925,230	122.9%	20.0%	
	2013	852	1,857,181	2,180	3,333,181		3,464,015	186.5%	4,065.75			5,102,758					4,096,136	80.3%	20.0%	
	2014	820	2,394,633	2,920	3,274,881		3,797,464	158.6%	4,631.05			4,934,485					4,415,301	89.5%	20.0%	
	2015	795	2,441,126	3,071	3,193,478		4,496,330	184.2%	5,655.76			4,714,264					4,944,191	104.9%	20.0%	
	Total/Wtd Avg.	7,581	17,014,308	2,244	30,041,181		32,397,398	190.4%	4,273.50			44,559,084					40,909,468	99.5%	100.0%	
TPL (indivisible)																				
TPL (indivis)	2006	573	1,172,997	2,047	1,280,890	1.0000	1,280,890	109.2%	2,235.41	2.7981	1.0123	3,322,534	-	-	-	1.4590	1,868,819	56.2%	-	
	2007	663	1,188,137	1,792	2,109,375	1.0905	2,300,273	193.6%	3,469.49	2.7981	1.0113	3,362,093	-	-	-	1.4150	3,254,886	96.8%	-	
	2008	725	1,301,390	1,795	2,230,303	0.9868	2,200,863	169.1%	3,035.67	2.7981	1.0103	3,678,926	-	-	-	1.3722	3,020,024	82.1%	-	
	2009	764	1,391,046	1,821	2,283,000	1.0000	2,283,000	164.1%	2,988.22	2.7981	1.0093	3,928,484	-	-	-	1.3307	3,037,988	77.3%	-	
	2010	780	1,430,390	1,834	3,074,942	1.0078	3,098,927	216.6%	3,972.98	2.7981	1.0083	4,035,594	-	-	-	1.2904	3,998,855	99.1%	-	
	2011	793	1,462,352	1,844	3,131,221	1.0032	3,141,241	214.8%	3,961.21	2.7981	1.0073	4,121,677	-	-	-	1.2513	3,930,635	95.4%	20.0%	
	2012	816	1,532,990	1,879	4,124,378	1.0506	4,333,072	282.7%	5,310.14	2.7981	1.0063	4,316,483	-	-	-	1.2134	5,257,750	121.8%	20.0%	
	2013	852	1,686,983	1,980	2,985,243	1.0345	3,088,234	183.1%	3,624.69	2.6725	1.0053	4,532,357	-	-	-	1.1765	3,633,307	80.2%	20.0%	
	2014	820	2,185,608	2,665	2,659,061	1.2018	3,195,660	146.2%	3,897.15	1.9752	1.0043	4,335,576	-	-	-	1.1407	3,645,289	84.1%	20.0%	
	2015	795	2,225,223	2,799	2,725,310	1.4115	3,846,775	172.9%	4,838.71	1.8495	1.0033	4,129,131	-	-	-	1.1060	4,254,533	103.0%	20.0%	
	Total/Wtd Avg.	7,581	15,577,116	2,055	26,603,723		28,768,935	184.7%	3,794.87			39,762,855					35,902,086	96.9%	100.0%	
AccBen (indivisible)																				
AccBen (indivis)	2006	414	17,651	43	78,412	1.0000	78,412	444.2%	189.40	11.8323	1.0000	208,852	-	-	-	1.8521	145,227	69.5%	-	
	2007	457	18,274	40	42,457	1.0000	42,457	232.3%	92.90	11.8323	1.0000	216,223	-	-	-	1.8521	78,635	36.4%	-	
	2008	519	22,140	43	120,873	1.0000	120,873	545.9%	232.90	11.8323	1.0000	261,967	-	-	-	1.8521	223,869	85.5%	-	
	2009	553	23,279	42	100,912	1.0000	100,912	433.5%	182.48	11.8323	1.0000	275,444	-	-	-	1.8521	186,899	67.9%	-	
	2010	582	23,208	40	92,124	1.0000	92,124	396.9%	158.29	11.8323	1.0000	274,604	-	-	-	1.8521	170,623	62.1%	-	
	2011	611	24,277	40	247,283	1.0119	250,226	1,030.7%	409.54	11.8323	1.0000	287,253	-	-	-	1.2988	324,994	113.1%	20.0%	
	2012	639	25,385	40	539,836	0.9903	534,600	2,106.0%	836.62	11.8323	1.0000	300,363	-	-	-	1.0000	534,600	178.0%	20.0%	
	2013	693	30,167	44	134,188	1.1642	156,222	517.9%	225.43	10.8196	1.0000	326,395	-	-	-	1.0000	156,222	47.9%	20.0%	
	2014	682	49,100	72	126,606	0.8695	110,084	224.2%	161.41	6.4530	1.0000	316,842	-	-	-	1.0000	110,084	34.7%	20.0%	
	2015	675	55,589	82	227,032	1.6009	363,456	653.8%	538.45	5.5637	1.0000	309,281	-	-	-	1.0000	363,456	117.5%	20.0%	
	Total/Wtd Avg.	5,825	289,070	50	1,709,723		1,849,366	639.8%	317.49			2,777,224					2,294,609	98.2%	100.0%	
Uninsured Automobile																				
UA	2006	570	4,027	7	160,134	1.0000	160,134	3,976.5%	280.94	16.5092	1.0000	66,483	-	-	-	2.6053	417,197	627.5%	-	
	2007	662	4,050	6	37,028	1.0000	37,028	914.3%	55.93	16.5092	1.0000	66,862	-	-	-	2.4055	89,071	133.2%	-	
	2008	719	4,667	6	15,326	1.2137	18,601	398.6%	25.87	16.5092	1.0000	77,048	-	-	-	2.2284	41,450	53.8%	-	
	2009	758	5,162	7	102,310	1.0000	102,310	1,982.0%	134.97	16.5092	1.0000	85,220	-	-	-	2.0610	210,861	247.4%	-	
	2010	776	5,266	7	39,573	0.9964	39,431	748.8%	50.81	16.5092	1.0000	86,937	-	-	-	1.9046	75,100	86.4%	-	
	2011	793	5,362	7	186,322	0.9729	181,273	3,380.7%	228.59	16.5092	1.0000	88,522	-	-	-	1.7631	319,602	361.0%	20.0%	
	2012	816	5,532	7	37,865	1.0000	37,865	684.5%	46.40	16.5092	1.0000	91,329	-	-	-	1.6289	61,678	67.5%	20.0%	
	2013	854	7,749	9	167,722	1.0257	172,032	2,220.1%	201.44	15.0962	1.0000	116,980	-	-	-	1.5060	259,080	221.5%	20.0%	
	2014	826	16,178	20	424,744	1.0059	427,250	2,640.9%	517.25	9.0037	1.0000	145,662	-	-	-	1.3937	595,458	408.8%	20.0%	
	2015	804	18,197	23	115,489	1.2003	138,621	761.8%	172.41	7.7366	1.0000	140,783	-	-	-	1.2893	178,724	126.9%	20.0%	
	Total/Wtd Avg.	7,578	76,190	10	1,286,513		1,314,545	1,725.4%	173.47			965,826					2,248,221	237.1%	100.0%	

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-1

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-1
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FA Experience Projected Provincial Loss Ratio (Indemnity Only)

as at: 31-Dec-2015		FA Experience							Earned Premium On-Level			Ultimate Indemnity On-Level					Trended Ultimate Loss Ratio		
Coverage	AY	Earned Exposure (excl trailers)	Earned Premium	Avg Earned Premium	Recorded Indemnity	Loss Development Factor	Ultimate Indemnity	Ultimate Loss Ratio	Ultimate Loss Costs	Earned Premium Rate On-Level Factor	Rating Characteristic Drift Factor	On-Level Earned Premium	Large Loss Load (%)	Catastrophe Adjustment Load (%)	Other Adjustments / Loads (%)	Loss Cost Projection Factor	Trended Ultimate Losses	Ultimate Loss Ratio	Accident Year Weight
		(1s)	(\$1s)	(\$1s)	(\$1s)	[5]	(\$1s)	[7]	(\$1s)	[9]	[10]	(\$1s)	[12]	[13]	[14]	[15]	[16]	[17]	[18]
		[1]	[2]	[3]	[4]	Exh D-2, Section C.	[6]	[7]	[8]	Exh D-3a	Exh D-4a	[11]	input	input	input	FA Selected Trend Models (Exh D-5b)	[16]	[16]/[11]	input
				=[2]/[1]	FA AIX		=[4]*[5]	=[6]/[2]	=[6]/[1]			=[2]*[9]*[10]					=[6]*(1+[12])*(1+[13])*[14]*[15]		
Collision																			
CL	2006	27	31,499	1,167	4,282	1.0000	4,282	13.6%	158.59	0.5095	2.1455	34,433	-	-	-	1.0000	4,282	12.4%	-
	2007	24	29,936	1,247	9,821	1.0000	9,821	32.8%	409.21	0.5141	2.0159	31,025	-	-	-	1.0000	9,821	31.7%	-
	2008	27	35,099	1,300	11,450	1.0000	11,450	32.6%	424.07	0.5141	1.8941	34,178	-	-	-	1.0000	11,450	33.5%	-
	2009	21	32,294	1,538	1,870	1.0000	1,870	5.8%	89.05	0.5141	1.7800	29,552	-	-	-	1.0000	1,870	6.3%	-
	2010	28	39,255	1,402	-	1.0000	-	-	-	0.5270	1.6722	34,593	-	-	-	1.0000	-	-	-
	2011	36	43,999	1,222	11,380	1.0000	11,380	25.9%	316.11	0.5845	1.5711	40,405	-	-	-	1.0000	11,380	28.2%	20.0%
	2012	46	57,659	1,253	4,810	1.0000	4,810	8.3%	104.57	0.5916	1.4762	50,355	-	-	-	1.0000	4,810	9.6%	20.0%
	2013	49	60,424	1,233	16,908	0.9868	16,685	27.6%	340.51	0.5916	1.3873	49,592	-	-	-	1.0000	16,685	33.6%	20.0%
	2014	51	65,370	1,282	29,723	1.0000	29,723	45.5%	582.80	0.6170	1.3032	52,562	-	-	-	1.0000	29,723	56.5%	20.0%
	2015	64	68,991	1,078	110,888	1.1538	127,943	185.4%	1,999.11	0.6213	1.2245	52,487	-	-	-	1.0000	127,943	243.8%	20.0%
	Total/Wtd Avg.	373	464,526	1,245	201,132		217,964	46.9%	584.35			409,182					217,964	74.3%	100.0%
Comp																			
CM	2006	51	15,158	297	301	1.0000	301	2.0%	5.90	0.5773	2.0607	18,033	-	-	-	1.0000	301	1.7%	-
	2007	49	16,229	331	2,312	1.0000	2,312	14.2%	47.18	0.5826	1.9426	18,367	-	-	-	1.0000	2,312	12.6%	-
	2008	46	16,090	350	2,086	1.0000	2,086	13.0%	45.35	0.5826	1.8312	17,166	-	-	-	1.0000	2,086	12.2%	-
	2009	52	21,392	411	17,353	1.0000	17,353	81.1%	333.71	0.5826	1.7266	21,519	-	-	-	1.0000	17,353	80.6%	-
	2010	62	24,008	387	2,052	1.0000	2,052	8.5%	33.10	0.6169	1.6273	24,101	-	-	-	1.0000	2,052	8.5%	-
	2011	67	19,150	286	1,866	1.0000	1,866	9.7%	27.85	0.8024	1.5341	23,573	-	-	-	1.0000	1,866	7.9%	20.0%
	2012	79	22,343	283	34,001	1.0000	34,001	152.2%	430.39	0.8299	1.4461	26,814	-	-	-	1.0000	34,001	126.8%	20.0%
	2013	100	28,908	289	8,085	1.0000	8,085	28.0%	80.85	0.8299	1.3635	32,711	-	-	-	1.0000	8,085	24.7%	20.0%
	2014	115	33,299	290	25,924	1.0000	25,924	77.9%	225.43	0.8596	1.2851	36,784	-	-	-	1.0000	25,924	70.5%	20.0%
	2015	127	40,213	317	1,382	0.9419	1,302	3.2%	10.25	0.8368	1.2115	40,767	-	-	-	1.0000	1,302	3.2%	20.0%
	Total/Wtd Avg.	748	236,790	317	95,362		95,282	40.2%	127.38			259,835					95,282	46.6%	100.0%
Specified Perils																			
SP	2006	164	29,892	182	5,719	1.0000	5,719	19.1%	34.87	0.5094	2.0607	31,378	-	-	-	1.0000	5,719	18.2%	-
	2007	224	32,516	145	10,786	1.0000	10,786	33.2%	48.15	0.5141	1.9426	32,473	-	-	-	1.0000	10,786	33.2%	-
	2008	219	31,706	145	8,695	1.0000	8,695	27.4%	39.70	0.5141	1.8312	29,849	-	-	-	1.0000	8,695	29.1%	-
	2009	254	42,622	168	14,913	1.0000	14,913	35.0%	58.71	0.5141	1.7266	37,833	-	-	-	1.0000	14,913	39.4%	-
	2010	249	41,744	168	7,395	1.0000	7,395	17.7%	29.70	0.5510	1.6273	37,429	-	-	-	1.0000	7,395	19.8%	-
	2011	241	30,887	128	16,112	1.0000	16,112	52.2%	66.85	0.7672	1.5341	36,353	-	-	-	1.0000	16,112	44.3%	20.0%
	2012	235	29,843	127	32,391	1.0000	32,391	108.5%	137.83	0.8020	1.4461	34,611	-	-	-	1.0000	32,391	93.6%	20.0%
	2013	231	29,306	127	15,038	1.1145	16,760	57.2%	72.55	0.8020	1.3635	32,047	-	-	-	1.0000	16,760	52.3%	20.0%
	2014	220	27,075	123	-	1.5941	-	-	-	0.8824	1.2851	30,702	-	-	-	1.0000	-	-	20.0%
	2015	227	25,640	113	13,377	1.3630	18,233	71.1%	80.32	1.1475	1.2115	35,645	-	-	-	1.0000	18,233	51.2%	20.0%
	Total/Wtd Avg.	2,264	321,231	142	124,426		131,004	40.8%	57.86			338,320					131,004	48.3%	100.0%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-2

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-2
 Page 1 of 1

Loss Development Factors

Val Market: FARM Val Jurisdiction: NL Val Business Segment: non-PVV

as at: 30-Jun-2016

A. Selected Ultimate Indemnity by Minor Coverage Type

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
(\$1s)	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	=sum([1]to[3])	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation
2006	1,499,055	391,038	-	1,890,093						135,493	160,134	-	52,425	126,062	107,028	86,489
2007	3,336,883	501,261	-	3,838,144						100,304	39,019	-	86,000	83,114	80,996	89,814
2008	2,812,640	371,054	-	3,183,694						161,065	49,800	-	100,812	20,439	32,767	46,266
2009	2,531,941	464,019	-	2,995,960						163,932	102,310	-	65,577	96,295	29,002	18,724
2010	3,651,484	459,985	-	4,111,469						323,108	237,097	500,150	36,290	7,541	37,965	69,890
2011	3,874,237	739,195	-	4,613,432						321,775	241,543	-	52,393	289,554	149,787	35,728
2012	5,922,857	616,406	-	6,539,263						622,270	37,865	1,000	176,944	134,406	139,454	50,445
2013	3,416,864	515,622	-	3,932,486						242,256	183,722	5,000	176,134	70,920	68,131	37,462
2014	4,034,933	748,214	-	4,783,147						214,808	472,494	10,000	125,130	81,905	59,028	21,534
2015	4,838,060	857,431	-	5,695,491						811,412	184,292	19,000	278,013	125,929	105,681	494,385

diagonal: 31-Dec-2015

B. Recorded Indemnity by Minor Coverage Type

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]
(\$1s)	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	=sum([17]to [19])	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data
2006	1,499,055	391,038	-	1,890,093	93,279	42,214	-	-	-	135,493	160,134	-	52,425	126,062	107,028	86,489
2007	3,018,330	501,261	-	3,519,591	59,929	37,375	2,000	1,000	-	100,304	39,019	-	86,000	83,114	80,996	89,814
2008	2,855,312	371,054	-	3,226,366	127,209	32,856	-	1,000	-	161,065	41,032	14,000	100,812	20,439	32,767	46,266
2009	2,531,941	464,019	-	2,995,960	119,184	44,748	-	-	-	163,932	102,310	-	65,577	96,295	29,002	18,724
2010	3,619,834	459,985	-	4,079,819	135,990	173,118	13,000	1,000	-	323,108	237,955	500,150	36,290	7,541	37,965	69,890
2011	3,859,524	739,195	-	4,598,719	203,518	113,471	-	1,000	-	317,989	248,279	-	52,393	289,554	149,787	35,728
2012	5,602,103	622,054	-	6,224,157	201,403	426,984	-	-	-	628,387	37,865	-	176,944	134,406	139,454	50,445
2013	3,275,842	525,622	-	3,801,464	164,042	33,042	10,000	1,000	-	208,084	179,122	-	178,484	70,920	61,131	37,462
2014	3,236,684	743,406	-	3,980,090	149,167	95,871	-	2,000	-	247,038	469,744	-	125,130	81,905	37,028	21,534
2015	3,252,141	783,005	-	4,035,146	445,312	60,541	-	1,000	-	506,853	153,534	-	240,953	133,693	77,536	531,139

C. Implied Loss Development Factor

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]
	=if([or]([5]=0,[1 7])=0,[36],[1]/[8]=0,[36],[2]/[9]=0,[36],[3]/[17])	=if([or]([5]=0,[1 8])=0,[36],[1]/[8]=0,[36],[2]/[9]=0,[36],[3]/[18])	=if([or]([5]=0,[1 9])=0,[36],[1]/[8]=0,[36],[2]/[9]=0,[36],[3]/[19])	=([4]/[20])	=if([or]([5]=0,[2 1]=0,[42],[5]/[2]=0,[42],[6]/[3]=0,[42],[7]/[4]=0,[42],[8]/[5]=0,[42],[9]/[21])	=if([or]([5]=0,[2 2])=0,[42],[5]/[2]=0,[42],[6]/[3]=0,[42],[7]/[4]=0,[42],[8]/[5]=0,[42],[9]/[22])	=if([or]([5]=0,[2 3])=0,[42],[5]/[2]=0,[42],[6]/[3]=0,[42],[7]/[4]=0,[42],[8]/[5]=0,[42],[9]/[23])	=if([or]([5]=0,[2 4])=0,[42],[5]/[2]=0,[42],[6]/[3]=0,[42],[7]/[4]=0,[42],[8]/[5]=0,[42],[9]/[24])	=if([or]([5]=0,[2 5])=0,[42],[5]/[2]=0,[42],[6]/[3]=0,[42],[7]/[4]=0,[42],[8]/[5]=0,[42],[9]/[25])	=([10]/[26])	=if([27]=0,[42],[11]/[27])	=if([28]=0,[33],[12]/[28])	=([13]/[29])	=([14]/[30])	=([15]/[31])	=([16]/[32])
2006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2007	1.1055	1.0000	1.0905	1.0905	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.1055	1.0000	1.0000	1.0000	1.0000
2008	0.9851	1.0000	0.9868	0.9868	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.2137	-	1.0000	1.0000	1.0000	1.0000
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2010	1.0087	1.0000	1.0078	1.0078	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9964	1.0000	1.0000	1.0000	1.0000	1.0000
2011	1.0038	1.0000	1.0032	1.0032	1.0119	1.0119	1.0119	1.0119	1.0119	1.0119	0.9729	1.0038	1.0000	1.0000	1.0000	1.0000
2012	1.0573	0.9909	1.0506	1.0506	0.9903	0.9903	0.9903	0.9903	0.9903	0.9903	1.0000	1.0573	1.0000	1.0000	1.0000	1.0000
2013	1.0430	0.9810	1.0345	1.0345	1.1642	1.1642	1.1642	1.1642	1.1642	1.1642	1.0257	1.0430	0.9868	1.0000	1.1145	1.0000
2014	1.2466	1.0065	1.2018	1.2018	0.8695	0.8695	0.8695	0.8695	0.8695	0.8695	1.0059	1.2466	1.0000	1.0000	1.5941	1.0000
2015	1.4877	1.0951	1.4115	1.4115	1.6009	1.6009	1.6009	1.6009	1.6009	1.6009	1.2003	1.4877	1.1538	0.9419	1.3630	0.9308

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-3a

Jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-3a
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Summary - Earned Premium On-level Factors

Earned Premium as at: 31-Dec-2015
 (\$1s) unless otherwise indicated

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	=sum([1] to [16])
2006	-	-	-	17,651	4,027	-	31,499	15,158	29,892	1,172,997	-	-	-	-	-	801	1,272,025
2007	-	-	-	18,274	4,050	-	29,936	16,229	32,516	1,188,137	-	-	-	-	-	1,521	1,290,663
2008	-	-	-	22,140	4,667	-	35,099	16,090	31,706	1,301,390	-	-	-	-	-	1,364	1,412,456
2009	-	-	-	23,279	5,162	-	32,294	21,392	42,622	1,391,046	-	-	-	-	-	884	1,516,679
2010	-	-	-	23,208	5,266	-	39,255	24,008	41,744	1,430,390	-	-	-	-	-	1,530	1,565,401
2011	-	-	-	24,277	5,362	-	43,999	19,150	30,887	1,462,352	-	-	-	-	-	1,958	1,587,985
2012	-	-	-	25,385	5,532	-	57,659	22,343	29,843	1,532,990	-	-	-	-	-	2,407	1,676,159
2013	-	-	-	30,167	7,749	-	60,424	28,908	29,306	1,686,983	-	-	-	-	-	13,644	1,857,181
2014	-	-	-	49,100	16,178	-	65,370	33,299	27,075	2,185,608	-	-	-	-	-	18,003	2,394,633
2015	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126
2016	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126
2017	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126
2018	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126
2019	-	-	-	55,589	18,197	(1)	68,991	40,213	25,640	2,225,223	-	-	-	-	-	7,274	2,441,126

Earned Rate Indices - 12 month policies

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]
	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	=prior AY Index *(1+[2] AY chg)	=20	=20	=20	=20	=20	=2/3*[23] +1/3*[24]	=average([25] to)
2006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3855	0.4698	0.9194	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4140	0.9762
2007	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9760
2008	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9765
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3950	0.9711
2010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3727	0.4396	0.8499	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3370	0.9652
2011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3360	0.3380	0.6104	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3300	0.9597
2012	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3320	0.3268	0.5839	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3300	1.0009
2013	1.0468	1.0468	1.0468	1.0936	1.0936	1.0000	0.3320	0.3268	0.5839	1.0470	1.0936	1.0936	1.0936	1.0936	1.0936	0.3300	1.3644
2014	1.4168	1.4168	1.4168	1.8336	1.8336	1.0000	0.3183	0.3155	0.5307	1.4166	1.8336	1.8336	1.8336	1.8336	1.8336	0.3170	1.4629
2015	1.5128	1.5128	1.5128	2.1267	2.1339	1.0000	0.3161	0.3241	0.4081	1.5129	2.1267	2.1267	2.1267	2.1267	2.1267	0.3190	1.7915
2016	1.7863	1.7863	1.7863	4.6383	5.2123	1.0000	0.2820	0.3181	0.4015	1.7867	4.6383	4.6383	4.6383	4.6383	4.6383	0.2940	2.5124
2017	2.4037	2.4037	2.4037	9.2799	12.4361	1.0000	0.2140	0.2775	0.4585	2.4049	9.2799	9.2799	9.2799	9.2799	9.2799	0.2350	2.9494
2018	2.7877	2.7877	2.7877	11.7831	16.4312	1.0000	0.1967	0.2713	0.4684	2.7897	11.7831	11.7831	11.7831	11.7831	11.7831	0.2220	2.9587
2019	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.2210	2.9587

as per file on Oct 31, 2016

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-3a

Jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-3a
 Page 2 of 2

Summary - Earned Premium On-level Factors

Estimated Earned Rate Change

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Earned Rate Change
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[34]
	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	=average([41] to [35])	=[36]	=[36]	=[36]	=[36]	=[36]	=average([39] to [40])	= col[33], % AY chg
2006				0.0%	0.0%	0.0%	(0.9%)	(0.9%)	(0.9%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(0.9%)	(0.1%)
2007	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2009	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2010	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(2.4%)	(5.6%)	(6.7%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(4.0%)	(0.3%)
2011	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(9.8%)	(23.1%)	(28.2%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(16.5%)	(1.1%)
2012	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(1.2%)	(3.3%)	(4.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(2.3%)	(0.2%)
2013	4.7%	4.7%	4.7%	9.4%	9.4%	0.0%	0.0%	0.0%	0.0%	4.7%	9.4%	9.4%	9.4%	9.4%	9.4%	0.0%	4.5%
2014	35.3%	35.3%	35.3%	67.7%	67.7%	0.0%	(4.1%)	(3.5%)	(9.1%)	35.3%	67.7%	67.7%	67.7%	67.7%	67.7%	(3.8%)	33.8%
2015	6.8%	6.8%	6.8%	16.0%	16.4%	0.0%	(0.7%)	2.7%	(23.1%)	6.8%	16.0%	16.0%	16.0%	16.0%	16.0%	1.0%	6.5%
2016	18.1%	18.1%	18.1%	118.1%	144.3%	0.0%	(10.8%)	(1.9%)	(1.6%)	18.1%	118.1%	118.1%	118.1%	118.1%	118.1%	(6.4%)	19.9%
2017	34.6%	34.6%	34.6%	100.1%	138.6%	0.0%	(24.1%)	(12.8%)	14.2%	34.6%	100.1%	100.1%	100.1%	100.1%	100.1%	(18.5%)	34.1%
2018	16.0%	16.0%	16.0%	27.0%	32.1%	0.0%	(8.1%)	(2.2%)	2.2%	16.0%	27.0%	27.0%	27.0%	27.0%	27.0%	(5.2%)	15.2%
2019	0.3%	0.3%	0.3%	0.4%	0.5%	0.0%	(0.2%)	0.0%	0.0%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	(0.1%)	0.3%

Earned Premium Rate On-Level Factor to 2019

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[49]
	= [17], [AY 2019]/AY	= [18], [AY 2019]/AY	= [19], [AY 2019]/AY	= [20], [AY 2019]/AY	= [21], [AY 2019]/AY	= [22], [AY 2019]/AY	= [23], [AY 2019]/AY	= [24], [AY 2019]/AY	= [25], [AY 2019]/AY	= [26], [AY 2019]/AY	= [27], [AY 2019]/AY	= [28], [AY 2019]/AY	= [29], [AY 2019]/AY	= [30], [AY 2019]/AY	= [31], [AY 2019]/AY	= [32], [AY 2019]/AY	= [33], [AY 2019]/AY
2006	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5095	0.5773	0.5094	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5338	3.0308
2007	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.0315
2008	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.0315
2009	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.0299
2010	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5270	0.6169	0.5510	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.5595	3.0468
2011	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5845	0.8024	0.7672	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.6558	3.0654
2012	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5916	0.8299	0.8020	2.7981	11.8323	11.8323	11.8323	11.8323	11.8323	0.6697	3.0829
2013	2.6704	2.6704	2.6704	10.8196	15.0962	1.0000	0.5916	0.8299	0.8020	2.6725	10.8196	10.8196	10.8196	10.8196	10.8196	0.6697	2.9560
2014	1.9730	1.9730	1.9730	6.4530	9.0037	1.0000	0.6170	0.8596	0.8824	1.9752	6.4530	6.4530	6.4530	6.4530	6.4530	0.6972	2.1685
2015	1.8478	1.8478	1.8478	5.5637	7.7366	1.0000	0.6213	0.8368	1.1475	1.8495	5.5637	5.5637	5.5637	5.5637	5.5637	0.6928	2.0225
2016	1.5649	1.5649	1.5649	2.5510	3.1674	1.0000	0.6965	0.8526	1.1664	1.5661	2.5510	2.5510	2.5510	2.5510	2.5510	0.7517	1.6515
2017	1.1630	1.1630	1.1630	1.2750	1.3275	1.0000	0.9178	0.9773	1.0214	1.1635	1.2750	1.2750	1.2750	1.2750	1.2750	0.9404	1.1776
2018	1.0028	1.0028	1.0028	1.0042	1.0047	1.0000	0.9985	0.9996	0.9998	1.0030	1.0042	1.0042	1.0042	1.0042	1.0042	0.9955	1.0032
2019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-3b

Jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-3b
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Summary - Written Premium On-level Factors

Written Premium as at: 31-Dec-2015
 (\$1s) unless otherwise indicated

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data
2006	-	-	-	17,884	3,931	-	31,723	13,856	31,602
2007	-	-	-	19,153	4,204	-	29,604	16,155	31,438
2008	-	-	-	24,558	5,151	-	38,494	19,141	34,913
2009	-	-	-	22,588	5,298	-	31,645	23,907	47,379
2010	-	-	-	23,411	5,284	-	39,378	21,151	35,271
2011	-	-	-	25,098	5,460	-	50,086	19,359	30,383
2012	-	-	-	25,941	5,556	-	62,707	26,203	28,474
2013	-	-	-	40,183	12,330	-	62,264	32,541	29,667
2014	-	-	-	51,399	17,095	-	63,561	35,397	24,879
2015	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632
2016	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632
2017	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632
2018	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632
2019	-	-	-	69,678	22,902	(25)	72,115	40,688	25,632

TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	=sum([1] to [16])
1,163,673	-	-	-	-	-	1,697	1,264,366
1,201,270	-	-	-	-	-	1,632	1,303,456
1,402,037	-	-	-	-	-	595	1,524,889
1,442,506	-	-	-	-	-	971	1,574,294
1,445,074	-	-	-	-	-	2,481	1,572,050
1,490,987	-	-	-	-	-	822	1,622,195
1,543,316	-	-	-	-	-	5,638	1,697,835
1,955,306	-	-	-	-	-	20,118	2,152,409
2,189,834	-	-	-	-	-	13,218	2,395,383
2,280,282	-	-	-	-	-	2,198	2,513,470
2,280,282	-	-	-	-	-	2,198	2,513,470
2,280,282	-	-	-	-	-	2,198	2,513,470
2,280,282	-	-	-	-	-	2,198	2,513,470

Written Rate Indices - 12 month policies

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils
	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]
	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit
2006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110
2007	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110
2008	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3820	0.4655	0.9110
2010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3511	0.3798	0.7088
2011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3320	0.3268	0.5839
2012	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3320	0.3268	0.5839
2013	1.2066	1.2066	1.2066	1.4131	1.4131	1.0000	0.3320	0.3268	0.5839
2014	1.5000	1.5000	1.5000	2.0000	2.0000	1.0000	0.3104	0.3125	0.4529
2015	1.5700	1.5700	1.5700	2.6925	2.7322	1.0000	0.3113	0.3278	0.3958
2016	2.0338	2.0338	2.0338	6.6960	8.2414	1.0000	0.2453	0.2967	0.4253
2017	2.6979	2.6979	2.6979	11.2118	15.5252	1.0000	0.2000	0.2722	0.4694
2018	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683
2019	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.1964	0.2712	0.4683

TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]
=prior AY Index *(1+[42] AY chg)	= [20]	= [20]	= [20]	= [20]	= [20]	= 2/3*[23] + 1/3*[24]	= average([25] to)
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9756
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9765
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9754
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.4100	0.9764
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3610	0.9679
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3300	0.9632
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.3300	0.9557
1.2070	1.4131	1.4131	1.4131	1.4131	1.4131	0.3300	1.1566
1.5003	2.0000	2.0000	2.0000	2.0000	2.0000	0.3110	1.4480
1.5708	2.6925	2.6925	2.6925	2.6925	2.6925	0.3170	1.5431
2.0342	6.6960	6.6960	6.6960	6.6960	6.6960	0.2620	2.1226
2.6994	11.2118	11.2118	11.2118	11.2118	11.2118	0.2240	2.9164
2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.2210	3.0306
2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.2210	3.0306

as per file on Oct 31, 2016

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-3b

Jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-3b
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Summary - Written Premium On-level Factors

Estimated Written Rate Change

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Written Rate Change
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[34]
	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	Rate Level Exhibit	=average([41] to [35])	= [36]	= [36]	= [36]	= [36]	= [36]	=average([39] to [40])	= col[33], % AY chg
2006				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2009	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2010	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(8.1%)	(18.4%)	(22.2%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(13.3%)	(1.0%)
2011	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(5.4%)	(14.0%)	(17.6%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(9.7%)	(0.7%)
2012	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2013	20.7%	20.7%	20.7%	41.3%	41.3%	0.0%	0.0%	0.0%	0.0%	20.7%	41.3%	41.3%	41.3%	41.3%	41.3%	0.0%	19.8%
2014	24.3%	24.3%	24.3%	41.5%	41.5%	0.0%	(6.5%)	(4.4%)	(22.4%)	24.3%	41.5%	41.5%	41.5%	41.5%	41.5%	(5.5%)	22.9%
2015	4.7%	4.7%	4.7%	34.6%	36.6%	0.0%	0.3%	4.9%	(12.6%)	4.7%	34.6%	34.6%	34.6%	34.6%	34.6%	2.6%	5.5%
2016	29.5%	29.5%	29.5%	148.7%	201.6%	0.0%	(21.2%)	(9.5%)	7.5%	29.5%	148.7%	148.7%	148.7%	148.7%	148.7%	(15.4%)	32.0%
2017	32.7%	32.7%	32.7%	67.4%	88.4%	0.0%	(18.5%)	(8.3%)	10.4%	32.7%	67.4%	67.4%	67.4%	67.4%	67.4%	(13.4%)	31.8%
2018	3.6%	3.6%	3.6%	5.5%	6.3%	0.0%	(1.8%)	(0.4%)	(0.2%)	3.6%	5.5%	5.5%	5.5%	5.5%	5.5%	(1.1%)	3.4%
2019	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Written Premium Rate On-Level Factor to 2019

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]	[49]
	= [17], [AY 2019]/AY	= [18], [AY 2019]/AY	= [19], [AY 2019]/AY	= [20], [AY 2019]/AY	= [21], [AY 2019]/AY	= [22], [AY 2019]/AY	= [23], [AY 2019]/AY	= [24], [AY 2019]/AY	= [25], [AY 2019]/AY	= [26], [AY 2019]/AY	= [27], [AY 2019]/AY	= [28], [AY 2019]/AY	= [29], [AY 2019]/AY	= [30], [AY 2019]/AY	= [31], [AY 2019]/AY	= [32], [AY 2019]/AY	= [33], [AY 2019]/AY
2006	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.1064
2007	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.1035
2008	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.1070
2009	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5141	0.5826	0.5141	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.5390	3.1039
2010	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5594	0.7141	0.6607	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.6122	3.1311
2011	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5916	0.8299	0.8020	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.6697	3.1464
2012	2.7954	2.7954	2.7954	11.8323	16.5092	1.0000	0.5916	0.8299	0.8020	2.7966	11.8323	11.8323	11.8323	11.8323	11.8323	0.6697	3.1711
2013	2.3168	2.3168	2.3168	8.3733	11.6830	1.0000	0.5916	0.8299	0.8020	2.3170	8.3733	8.3733	8.3733	8.3733	8.3733	0.6697	2.6203
2014	1.8636	1.8636	1.8636	5.9162	8.2546	1.0000	0.6327	0.8678	1.0340	1.8640	5.9162	5.9162	5.9162	5.9162	5.9162	0.7106	2.0930
2015	1.7805	1.7805	1.7805	4.3945	6.0425	1.0000	0.6309	0.8273	1.1832	1.7804	4.3945	4.3945	4.3945	4.3945	4.3945	0.6972	1.9640
2016	1.3745	1.3745	1.3745	1.7671	2.0032	1.0000	0.8007	0.9141	1.1011	1.3748	1.7671	1.7671	1.7671	1.7671	1.7671	0.8435	1.4278
2017	1.0361	1.0361	1.0361	1.0553	1.0634	1.0000	0.9820	0.9963	0.9977	1.0360	1.0553	1.0553	1.0553	1.0553	1.0553	0.9866	1.0392
2018	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4a

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4a
 Page 1 of 1

Summary - Premium Trend Factors

as at: 31-Dec-2015

Average written date in effective period **01-Apr-2018**

Premium Trend Factors to 01-Apr-2018

Year		Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	All Perils
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
2006		1.0123	1.0123	1.0000	1.0000	1.0000	1.0000	2.1455	2.0607	2.0607	1.0123	2.1455
2007		1.0113	1.0113	1.0000	1.0000	1.0000	1.0000	2.0159	1.9426	1.9426	1.0113	2.0159
2008		1.0103	1.0103	1.0000	1.0000	1.0000	1.0000	1.8941	1.8312	1.8312	1.0103	1.8941
2009		1.0093	1.0093	1.0000	1.0000	1.0000	1.0000	1.7800	1.7266	1.7266	1.0093	1.7800
2010		1.0083	1.0083	1.0000	1.0000	1.0000	1.0000	1.6722	1.6273	1.6273	1.0083	1.6722
2011		1.0073	1.0073	1.0000	1.0000	1.0000	1.0000	1.5711	1.5341	1.5341	1.0073	1.5711
2012		1.0063	1.0063	1.0000	1.0000	1.0000	1.0000	1.4762	1.4461	1.4461	1.0063	1.4762
2013		1.0053	1.0053	1.0000	1.0000	1.0000	1.0000	1.3873	1.3635	1.3635	1.0053	1.3873
2014		1.0043	1.0043	1.0000	1.0000	1.0000	1.0000	1.3032	1.2851	1.2851	1.0043	1.3032
2015		1.0033	1.0033	1.0000	1.0000	1.0000	1.0000	1.2245	1.2115	1.2115	1.0033	1.2245

Annual Drift												
Limit Drift	Exh D-4b	0.10%	0.10%				-				0.10%	
Ded Drift	Exh D-4c			-				0.50%	(0.30%)	(0.30%)		0.50%
RG Drift	Exh D-4d			-	-			5.90%	6.40%	6.40%		5.90%
Total Drift	=(1+Limit Drift)*(1+Ded Drift)*(1+RG Drift)-1	0.10%	0.10%	-	-	-	-	6.43%	6.08%	6.08%	0.10%	6.43%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4b

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4b
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Limit Drift

		Facility Association									
		Written Exposures					Distribution by Limit (in \$ms)				
Limit (in \$ms)	Current Differential	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
	rate manual	FA AIX	FA AIX	FA AIX	FA AIX	FA AIX	= [2] as % total for [2]	= [3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]
Third Party Liability (TPL)											
\$0.2	1.000	44	42	33	25	18	100.0%	100.0%	100.0%	100.0%	100.0%
\$0.3	1.042	-	-	-	-	-	-	-	-	-	-
\$0.5	1.110	29	20	28	33	35	100.0%	100.0%	100.0%	100.0%	100.0%
\$1.0	1.220	722	750	794	709	717	100.0%	100.0%	100.0%	100.0%	100.0%
\$2.0	1.386	8	6	8	14	12	100.0%	100.0%	100.0%	100.0%	100.0%
over \$2.0 up to \$5.0	1.519	-	-	-	-	-	-	-	-	-	-
other	1.703	-	-	-	-	-	-	-	-	-	-
Total		803	819	863	780	782	100.0%	100.0%	100.0%	100.0%	100.0%
	Average	0.950	0.954	0.963	0.971	0.974					
Weighted Average Differential:		1.206	1.207	1.210	1.211	1.212					
Annual Change:			0.1%	0.2%	0.1%	0.1%					
			geometric average change, last 4 years		0.1%						
			geometric average change, last 3 years		0.1%						
			Selected annual Drift		0.1%	selected geometric average change, last 4 years					

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4c

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4c
 Page 1 of 1

Deductible Drift

		Facility Association									
		Written Exposures					Distribution by Deductible				
Deductible	Current Differential	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
	rate manual	FA AIX	FA AIX	FA AIX	FA AIX	FA AIX	= [2] as % total for [2]	= [3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]

Collision

\$0	1.149	-	-	-	-	-	-	-	-	-	-
\$100	1.149	-	-	-	-	-	-	-	-	-	-
\$250	1.149	2	(1)	-	1	(1)	4.4%	(1.2%)	-	1.7%	(1.2%)
\$300	1.000	-	-	-	-	-	-	-	-	-	-
\$500	1.000	21	35	27	32	44	53.5%	68.9%	57.5%	58.9%	63.1%
\$1,000	0.828	3	4	11	14	20	8.1%	8.6%	23.1%	26.0%	27.9%
over \$1,000	0.747	14	12	9	7	7	34.0%	23.7%	19.5%	13.4%	10.2%
Total		40	51	46	55	70	100.0%	100.0%	100.0%	100.0%	100.0%
Average Deductible		869	782	810	760	745					
Weighted Average Differential:		0.907	0.924	0.911	0.924	0.924					
Annual Change:			1.9%	(1.4%)	1.4%						
			geometric average change, last 4 years		0.5%						
			geometric average change, last 3 years		-						
			Selected annual Drift		0.5%	selected geometric average change, last 4 years					

Comprehensive

\$0	1.086	-	-	-	-	-	-	-	-	-	-
\$100	1.086	10	9	14	9	4	14.8%	9.7%	13.0%	7.4%	3.1%
\$250	1.086	27	37	46	45	15	38.1%	41.2%	41.4%	37.4%	12.5%
\$300	1.000	-	-	-	-	-	-	-	-	-	-
\$500	1.000	13	28	36	55	90	18.6%	31.4%	32.3%	45.7%	74.7%
\$1,000	0.926	2	3	4	3	4	2.6%	3.7%	3.8%	2.7%	3.3%
over \$1,000	0.889	18	13	11	8	8	25.9%	14.1%	9.5%	6.7%	6.5%
Total		70	91	110	120	121	100.0%	100.0%	100.0%	100.0%	100.0%
Average Deductible		617	517	459	457	538					
Weighted Average Differential:		1.015	1.025	1.033	1.029	1.004					
Annual Change:			1.0%	0.8%	(0.4%)	(2.4%)					
			geometric average change, last 4 years		(0.3%)						
			geometric average change, last 3 years		(0.7%)						
			Selected annual Drift		(0.3%)	selected geometric average change, last 4 years					

Specified Perils

\$0	1.086	0	-	-	-	-	0.1%	-	-	-	-
\$100	1.086	18	15	8	10	3	7.6%	6.4%	3.7%	4.5%	1.3%
\$250	1.086	147	148	154	161	126	62.3%	64.8%	67.9%	72.5%	57.9%
\$300	1.000	-	-	-	-	-	-	-	-	-	-
\$500	1.000	13	25	34	31	73	5.3%	11.2%	15.1%	14.1%	33.5%
\$1,000	0.926	(0)	-	2	2	1	-	-	0.7%	0.8%	0.6%
over \$1,000	0.889	58	40	28	18	15	24.7%	17.6%	12.5%	8.1%	6.7%
Total		236	228	226	222	217	100.0%	100.0%	100.0%	100.0%	100.0%
Average Deductible		560	489	444	386	420					
Weighted Average Differential:		1.033	1.042	1.047	1.057	1.043					
Annual Change:			0.9%	0.5%	1.0%	(1.3%)					
			geometric average change, last 4 years		0.3%						
			geometric average change, last 3 years		0.1%						
			Selected annual Drift		(0.3%)	equal comp					

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4d

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4d
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Derivation of Average Rate Group Differentials

Rate Group	MSRP differential [1]	CLEAR differential [2]	Distribution by Rate Group												
			2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015		
			[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]		
Current Differentials	Current Differentials	Internal Data	Internal Data	Internal Data	Internal Data	Internal Data	=[3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]	= [7] as % total for [7]	= [8] as % total for [8]			
Collision															
1	0.300	0.300													
2	0.395	0.395													
3	0.495	0.495													
4	0.595	0.595													
5	0.695	0.695													
6	0.795	0.795													
7	0.895	0.895													
8	0.995	0.995													
9	1.095	1.095													
10	1.195	1.195													
11	1.295	1.295													
12	1.395	1.395													
13	1.495	1.495													
14	1.595	1.595													
15	1.695	1.695													
16	1.795	1.795													
17	1.895	1.895													
18	1.995	1.995													
19	2.095	2.095													
20	2.195	2.195													
21	2.295	2.295													
22	2.395	2.395													
23	2.495	2.495													
24	2.595	2.595													
25	2.695	2.695													
26	2.795	2.795													
27	2.895	2.895													
28	2.995	2.995													
29	3.145	3.145													
30	3.345	3.345													
31	3.545	3.545													
32	3.745	3.745													
33	3.945	3.945													
34	4.145	4.145													
35	4.345	4.345													
36	4.545	4.545													
37	4.745	4.745													
38	4.945	4.945													
39	5.145	5.145													
40	5.345	5.345													
41	5.545	5.545													
42	5.745	5.745													
43	5.945	5.945													
44	6.145	6.145													
45	6.345	6.345													
46	6.545	6.545													
47	6.745	6.745													
48	6.945	6.945													
49	7.145	7.145													
50	7.345	7.345													
51	7.545	7.545													
total			-	-	-	-	-	-	-	-	-	-	-		
Average Rate Group			-	-	-	-	-	-	-	-	-	-	-		
weighted average differential			-	-	-	-	-	-	-	-	-	-	-		
annual change			-	-	-	-	-	-	-	-	-	-	-		
geometric average change, last 4 years															
geometric average change, last 3 years															
selected annual drift:															
													5.9% assume the RG drift is the same as PPV RG drift		

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4d

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4d
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Derivation of Average Rate Group Differentials

Rate Group	MSRP differential [1]	CLEAR differential [2]	Distribution by Rate Group												
			2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015		
			[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]		
Current Differentials	Current Differentials	Internal Data	Internal Data	Internal Data	Internal Data	Internal Data	=[3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]	= [7] as % total for [7]	= [8] as % total for [8]			
Comprehensive															
1	0.300	0.300													
2	0.395	0.395													
3	0.495	0.495													
4	0.595	0.595													
5	0.695	0.695													
6	0.795	0.795													
7	0.895	0.895													
8	0.995	0.995													
9	1.095	1.095													
10	1.195	1.195													
11	1.295	1.295													
12	1.395	1.395													
13	1.495	1.495													
14	1.595	1.595													
15	1.695	1.695													
16	1.795	1.795													
17	1.895	1.895													
18	1.995	1.995													
19	2.095	2.095													
20	2.195	2.195													
21	2.295	2.295													
22	2.395	2.395													
23	2.495	2.495													
24	2.595	2.595													
25	2.695	2.695													
26	2.795	2.795													
27	2.895	2.895													
28	2.995	2.995													
29	3.145	3.145													
30	3.345	3.345													
31	3.545	3.545													
32	3.745	3.745													
33	3.945	3.945													
34	4.145	4.145													
35	4.345	4.345													
36	4.545	4.545													
37	4.745	4.745													
38	4.945	4.945													
39	5.145	5.145													
40	5.345	5.345													
41	5.545	5.545													
42	5.745	5.745													
43	5.945	5.945													
44	6.145	6.145													
45	6.345	6.345													
46	6.545	6.545													
47	6.745	6.745													
48	6.945	6.945													
49	7.145	7.145													
50	7.345	7.345													
51	7.545	7.545													
total			-	-	-	-	-	-	-	-	-	-	-		
Average Rate Group			-	-	-	-	-	-	-	-	-	-	-		
weighted average differential			-	-	-	-	-	-	-	-	-	-	-		
annual change			-	-	-	-	-	-	-	-	-	-	-		
geometric average change, last 4 years															
geometric average change, last 3 years															
selected annual drift:															
													6.4% assume the RG drift is the same as PPV RG drift		

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-4d

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-4d
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Derivation of Average Rate Group Differentials

Rate Group	MSRP differential [1]	CLEAR differential [2]	Distribution by Rate Group										
			2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
			[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]
Current Differentials	Current Differentials	Internal Data	Internal Data	Internal Data	Internal Data	Internal Data	=[3] as % total for [3]	= [4] as % total for [4]	= [5] as % total for [5]	= [6] as % total for [6]	= [7] as % total for [7]	= [8] as % total for [8]	
Specified Perils													
1	0.300	0.300						-	-	-	-	-	-
2	0.395	0.395						-	-	-	-	-	-
3	0.495	0.495						-	-	-	-	-	-
4	0.595	0.595						-	-	-	-	-	-
5	0.695	0.695						-	-	-	-	-	-
6	0.795	0.795						-	-	-	-	-	-
7	0.895	0.895						-	-	-	-	-	-
8	0.995	0.995						-	-	-	-	-	-
9	1.095	1.095						-	-	-	-	-	-
10	1.195	1.195						-	-	-	-	-	-
11	1.295	1.295						-	-	-	-	-	-
12	1.395	1.395						-	-	-	-	-	-
13	1.495	1.495						-	-	-	-	-	-
14	1.595	1.595						-	-	-	-	-	-
15	1.695	1.695						-	-	-	-	-	-
16	1.795	1.795						-	-	-	-	-	-
17	1.895	1.895						-	-	-	-	-	-
18	1.995	1.995						-	-	-	-	-	-
19	2.095	2.095						-	-	-	-	-	-
20	2.195	2.195						-	-	-	-	-	-
21	2.295	2.295						-	-	-	-	-	-
22	2.395	2.395						-	-	-	-	-	-
23	2.495	2.495						-	-	-	-	-	-
24	2.595	2.595						-	-	-	-	-	-
25	2.695	2.695						-	-	-	-	-	-
26	2.795	2.795						-	-	-	-	-	-
27	2.895	2.895						-	-	-	-	-	-
28	2.995	2.995						-	-	-	-	-	-
29	3.145	3.145						-	-	-	-	-	-
30	3.345	3.345						-	-	-	-	-	-
31	3.545	3.545						-	-	-	-	-	-
32	3.745	3.745						-	-	-	-	-	-
33	3.945	3.945						-	-	-	-	-	-
34	4.145	4.145						-	-	-	-	-	-
35	4.345	4.345						-	-	-	-	-	-
36	4.545	4.545						-	-	-	-	-	-
37	4.745	4.745						-	-	-	-	-	-
38	4.945	4.945						-	-	-	-	-	-
39	5.145	5.145						-	-	-	-	-	-
40	5.345	5.345						-	-	-	-	-	-
41	5.545	5.545						-	-	-	-	-	-
42	5.745	5.745						-	-	-	-	-	-
43	5.945	5.945						-	-	-	-	-	-
44	6.145	6.145						-	-	-	-	-	-
45	6.345	6.345						-	-	-	-	-	-
46	6.545	6.545						-	-	-	-	-	-
47	6.745	6.745						-	-	-	-	-	-
48	6.945	6.945						-	-	-	-	-	-
49	7.145	7.145						-	-	-	-	-	-
50	7.345	7.345						-	-	-	-	-	-
51	7.545	7.545						-	-	-	-	-	-
total			-	-	-	-	-	-	-	-	-	-	-
Average Rate Group			-	-	-	-	-	-	-	-	-	-	-
weighted average differential			-	-	-	-	-	-	-	-	-	-	-
annual change			-	-	-	-	-	-	-	-	-	-	-
geometric average change, last 4 years													
geometric average change, last 3 years													
selected annual drift:													6.4% used comprehensive

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-5a

type: FA Selected
 market: INDUSTRY
 rating class: CV
 as at: 31-Dec-15

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh D-5a
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Summary - Loss Cost Projection Factors

Loss Cost Projection Factors to 30-Sep-2018

As per Exh D-5b

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
	Exh D-5b, column [35]	Exh D-5b, column [36]	Exh D-5b, column [37]	Exh D-5b, column [38]	Exh D-5b, column [39]	Exh D-5b, column [40]	Exh D-5b, column [41]	Exh D-5b, column [42]	Exh D-5b, column [43]	Exh D-5b, column [44]	Exh D-5b, column [45]	Exh D-5b, column [46]	Exh D-5b, column [47]	Exh D-5b, column [48]	Exh D-5b, column [49]	Exh D-5b, column [50]	Exh D-5b, column [51]
2006	1.5202	1.2830	1.2830	1.8521	2.6053	1.0000	1.0000	1.0000	1.0000	1.4590	-	-	-	-	-	1.0000	1.4790
2007	1.4690	1.2572	1.2572	1.8521	2.4055	1.0000	1.0000	1.0000	1.0000	1.4150	-	-	-	-	-	1.0000	1.4425
2008	1.4197	1.2319	1.2319	1.8521	2.2284	1.0000	1.0000	1.0000	1.0000	1.3722	-	-	-	-	-	1.0000	1.4090
2009	1.3720	1.2070	1.2070	1.8521	2.0610	1.0000	1.0000	1.0000	1.0000	1.3307	-	-	-	-	-	1.0000	1.3683
2010	1.3259	1.1826	1.1826	1.8521	1.9046	1.0000	1.0000	1.0000	1.0000	1.2904	-	-	-	-	-	1.0000	1.3229
2011	1.2813	1.1589	1.1589	1.2988	1.7631	1.0000	1.0000	1.0000	1.0000	1.2513	-	-	-	-	-	1.0000	1.2721
2012	1.2382	1.1356	1.1356	1.0000	1.6289	1.0000	1.0000	1.0000	1.0000	1.2134	-	-	-	-	-	1.0000	1.2221
2013	1.1966	1.1127	1.1127	1.0000	1.5060	1.0000	1.0000	1.0000	1.0000	1.1765	-	-	-	-	-	1.0000	1.1802
2014	1.1564	1.0904	1.0904	1.0000	1.3937	1.0000	1.0000	1.0000	1.0000	1.1407	-	-	-	-	-	1.0000	1.1382
2015	1.1175	1.0683	1.0683	1.0000	1.2893	1.0000	1.0000	1.0000	1.0000	1.1060	-	-	-	-	-	1.0000	1.0965

Modeled Loss Cost

As per Exh D-5b

(1s) unless otherwise indicated

Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]	[34]
	LC Model Output	LC Model Output	LC Model Output	LC Model Output + sum([28] to [32])	LC Model Output	LC Model Output	LC Model Output	LC Model Output	LC Model Output	=sum([18] to [20])	LC Model Output	LC Model Output	LC Model Output	LC Model Output	LC Model Output	=2/3*[24] + 1/3*[25]	average using FARM exposures
2006	457.81	159.13	-	15.28	3.37	0.68	258.13	179.72	64.58	616.94	-	-	-	-	-	231.99	677.98
2007	473.74	162.40	-	15.28	3.65	0.68	258.13	179.72	64.58	636.14	-	-	-	-	-	231.99	695.11
2008	490.20	165.74	-	15.28	3.94	0.68	258.13	179.72	64.58	655.94	-	-	-	-	-	231.99	711.63
2009	507.26	169.15	-	15.28	4.26	0.68	258.13	179.72	64.58	676.41	-	-	-	-	-	231.99	732.80
2010	524.89	172.64	-	15.28	4.61	0.68	258.13	179.72	64.58	697.53	-	-	-	-	-	231.99	757.98
2011	543.15	176.17	-	21.79	4.98	0.68	258.13	179.72	64.58	719.32	-	-	-	-	-	231.99	788.20
2012	562.04	179.79	-	28.30	5.39	0.68	258.13	179.72	64.58	741.83	-	-	-	-	-	231.99	820.50
2013	581.59	183.49	-	28.30	5.83	0.68	258.13	179.72	64.58	765.08	-	-	-	-	-	231.99	849.57
2014	601.81	187.25	-	28.30	6.30	0.68	258.13	179.72	64.58	789.06	-	-	-	-	-	231.99	880.92
2015	622.75	191.12	-	28.30	6.81	0.68	258.13	179.72	64.58	813.87	-	-	-	-	-	231.99	914.47
2016	644.40	195.03	-	28.30	7.37	0.68	258.13	179.72	64.58	839.43	-	-	-	-	-	231.99	940.59
2017	666.82	199.05	-	28.30	7.97	0.68	258.13	179.72	64.58	865.87	-	-	-	-	-	231.99	967.64
2018	690.01	203.14	-	28.30	8.61	0.68	258.13	179.72	64.58	893.15	-	-	-	-	-	231.99	995.57
2019	714.01	207.32	-	28.30	9.31	0.68	258.13	179.72	64.58	921.33	-	-	-	-	-	231.99	1,024.45
2020	738.84	211.58	-	28.30	10.07	0.68	258.13	179.72	64.58	950.42	-	-	-	-	-	231.99	1,054.31

@ projected avg accident date:

As per Exh D-5b

prior analysis																	
30-Sep-2017	672.55	200.06	-	28.30	8.13	0.68	258.13	179.72	64.58	872.61	-	-	-	-	-	231.99	974.54
weights by AY:	2017	75.3%	2018	24.7%													
current analysis																	
30-Sep-2018	695.94	204.17	-	28.30	8.78	0.68	258.13	179.72	64.58	900.11	-	-	-	-	-	231.99	1,002.70
weights by AY:	2018	75.3%	2019	24.7%													

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-5b

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Summary - Loss Cost Projection Factors (BASED ON FA SELECTED MODELS)

Earned Exposure (excl trailers) FARM as at: 31-Dec-2015

Trend Major Rating Class: CV Trend Minor Rating Class: CV

(1s) unless otherwise indicated																	
Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	FARM AIX data	=max([1] to [3])+[10]
2006	-	-	-	414	570	-	27	51	164	573	-	-	-	-	-	-	573
2007	-	-	-	457	662	-	24	49	224	663	-	-	-	-	-	1	663
2008	-	-	-	519	719	-	27	46	219	725	-	-	-	-	-	1	725
2009	-	-	-	553	758	-	21	52	254	764	-	-	-	-	-	1	764
2010	-	-	-	582	776	-	28	62	249	780	-	-	-	-	-	1	780
2011	-	-	-	611	793	-	36	67	241	793	-	-	-	-	-	2	793
2012	-	-	-	639	816	-	46	79	235	816	-	-	-	-	-	2	816
2013	-	-	-	693	854	-	49	100	231	852	-	-	-	-	-	8	852
2014	-	-	-	682	826	-	51	115	220	820	-	-	-	-	-	12	820
2015	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2016	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2017	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2018	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2019	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795
2020	-	-	-	675	804	-	64	127	227	795	-	-	-	-	-	6	795

Modeled Loss Cost INDUSTRY as at: 31-Dec-2015

(1s) unless otherwise indicated																	
Accident Year	Bodily Injury	Property Damage	DCPD	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	All Perils	Total
	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]	[34]
	LC Model Output	LC Model Output	LC Model Output	LC Model Output + sum([28] to [32])	LC Model Output	LC Model Output	LC Model Output	LC Model Output	LC Model Output	=sum([18] to [20])	LC Model Output	LC Model Output	LC Model Output	LC Model Output	LC Model Output	=2/3*[24] + 1/3*[25]	average using FARM exposures
2006	457.81	159.13	-	15.28	3.37	0.68	258.13	179.72	64.58	616.94	-	-	-	-	-	231.99	677.98
2007	473.74	162.40	-	15.28	3.65	0.68	258.13	179.72	64.58	636.14	-	-	-	-	-	231.99	695.11
2008	490.20	165.74	-	15.28	3.94	0.68	258.13	179.72	64.58	655.94	-	-	-	-	-	231.99	711.63
2009	507.26	169.15	-	15.28	4.26	0.68	258.13	179.72	64.58	676.41	-	-	-	-	-	231.99	732.80
2010	524.89	172.64	-	15.28	4.61	0.68	258.13	179.72	64.58	697.53	-	-	-	-	-	231.99	757.98
2011	543.15	176.17	-	21.79	4.98	0.68	258.13	179.72	64.58	719.32	-	-	-	-	-	231.99	788.20
2012	562.04	179.79	-	28.30	5.39	0.68	258.13	179.72	64.58	741.83	-	-	-	-	-	231.99	820.50
2013	581.59	183.49	-	28.30	5.83	0.68	258.13	179.72	64.58	765.08	-	-	-	-	-	231.99	849.57
2014	601.81	187.25	-	28.30	6.30	0.68	258.13	179.72	64.58	789.06	-	-	-	-	-	231.99	880.92
2015	622.75	191.12	-	28.30	6.81	0.68	258.13	179.72	64.58	813.87	-	-	-	-	-	231.99	914.47
2016	644.40	195.03	-	28.30	7.37	0.68	258.13	179.72	64.58	839.43	-	-	-	-	-	231.99	940.59
2017	666.82	199.05	-	28.30	7.97	0.68	258.13	179.72	64.58	865.87	-	-	-	-	-	231.99	967.64
2018	690.01	203.14	-	28.30	8.61	0.68	258.13	179.72	64.58	893.15	-	-	-	-	-	231.99	995.57
2019	714.01	207.32	-	28.30	9.31	0.68	258.13	179.72	64.58	921.33	-	-	-	-	-	231.99	1,024.45
2020	738.84	211.58	-	28.30	10.07	0.68	258.13	179.72	64.58	950.42	-	-	-	-	-	231.99	1,054.31

@ projected avg accident date:

prior analysis																	
30-Sep-2017	672.55	200.06	-	28.30	8.13	0.68	258.13	179.72	64.58	872.61	-	-	-	-	-	231.99	974.54

weights by AY: 2017 75.3% 2018 24.7%

current analysis																	
30-Sep-2018	695.94	204.17	-	28.30	8.78	0.68	258.13	179.72	64.58	900.11	-	-	-	-	-	231.99	1,002.70

weights by AY: 2018 75.3% 2019 24.7%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh D-5b

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Summary - Loss Cost Projection Factors (BASED ON FA SELECTED MODELS)

Loss Cost Projection Factors to 30-Sep-2018

Accident Year	Bodily Injury [35]	Property Damage [36]	DCPD [37]	AccBen (indivisible) [38]	Uninsured Automobile [39]	Underinsured Motorist [40]	Collision [41]	Comp [42]	Specified Perils [43]	TPL (indivisible) [44]	Medical Expenses [45]	Disability Income [46]	Death Benefits [47]	Funeral Expenses [48]	Supp. AccBen [49]	All Perils [50]	Total [51]
	= [18], [@ proj date]/AY	= [19], [@ proj date]/AY	= [20], [@ proj date]/AY	= [21], [@ proj date]/AY	= [22], [@ proj date]/AY	= [23], [@ proj date]/AY	= [24], [@ proj date]/AY	= [25], [@ proj date]/AY	= [26], [@ proj date]/AY	= [27], [@ proj date]/AY	= [28], [@ proj date]/AY	= [29], [@ proj date]/AY	= [30], [@ proj date]/AY	= [31], [@ proj date]/AY	= [32], [@ proj date]/AY	= [33], [@ proj date]/AY	= [34], [@ proj date]/AY
2006	1.5202	1.2830	1.2830	1.8521	2.6053	1.0000	1.0000	1.0000	1.0000	1.4590	-	-	-	-	-	1.0000	1.4790
2007	1.4690	1.2572	1.2572	1.8521	2.4055	1.0000	1.0000	1.0000	1.0000	1.4150	-	-	-	-	-	1.0000	1.4425
2008	1.4197	1.2319	1.2319	1.8521	2.2284	1.0000	1.0000	1.0000	1.0000	1.3722	-	-	-	-	-	1.0000	1.4090
2009	1.3720	1.2070	1.2070	1.8521	2.0610	1.0000	1.0000	1.0000	1.0000	1.3307	-	-	-	-	-	1.0000	1.3683
2010	1.3259	1.1826	1.1826	1.8521	1.9046	1.0000	1.0000	1.0000	1.0000	1.2904	-	-	-	-	-	1.0000	1.3229
2011	1.2813	1.1589	1.1589	1.2988	1.7631	1.0000	1.0000	1.0000	1.0000	1.2513	-	-	-	-	-	1.0000	1.2721
2012	1.2382	1.1356	1.1356	1.0000	1.6289	1.0000	1.0000	1.0000	1.0000	1.2134	-	-	-	-	-	1.0000	1.2221
2013	1.1966	1.1127	1.1127	1.0000	1.5060	1.0000	1.0000	1.0000	1.0000	1.1765	-	-	-	-	-	1.0000	1.1802
2014	1.1564	1.0904	1.0904	1.0000	1.3937	1.0000	1.0000	1.0000	1.0000	1.1407	-	-	-	-	-	1.0000	1.1382
2015	1.1175	1.0683	1.0683	1.0000	1.2893	1.0000	1.0000	1.0000	1.0000	1.1060	-	-	-	-	-	1.0000	1.0965

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh E-1
 Page 1 of 2

Exh E-1

Calculation of Credibility Assigned to Facility Association Experience

as at: 31-Dec-2015

Accident Year	Earned Exposure (excl trailers) [1]	Accident Year Weight [2]	Recorded Claim Count [3]	FA Claim Dev. Factor [4]	Ultimate Claim Count [5]	Adjusted Claim Count [6]	Full Credibility Standard [7]	Credibility [8]	
	FA AIX	Exh D-1, col [18]	FA AIX	=Exh E-2, Section C	= [3]*[4]	=0 where [2]=0, otherwise [5]	judgement	=min(100%, [6]/[7]^(1/2))	
TPL (indivisible)									
TPL (indivis)	2006	573	-	103	1.0000	103	-		
	2007	663	-	131	1.0000	131	-		
	2008	725	-	118	1.0000	118	-		
	2009	764	-	133	1.0000	133	-		
	2010	780	-	128	1.0000	128	-		
	2011	793	20.0%	164	1.0000	164	164		
	2012	816	20.0%	153	0.9958	152	152		
	2013	852	20.0%	138	0.9949	137	137		
	2014	820	20.0%	173	0.9939	172	172		
	2015	795	20.0%	168	1.0758	181	181		
Total/Wtd Avg.		7,581	100.00%	1,409		1,419	806	3,246	49.8%
AccBen (indivisible)									
AccBen (indivis)	2006	414	-	34	1.0000	34	-		
	2007	457	-	22	1.0000	22	-		
	2008	519	-	41	1.0000	41	-		
	2009	553	-	37	1.0000	37	-		
	2010	582	-	26	1.0000	26	-		
	2011	611	20.0%	48	1.0000	48	48		
	2012	639	20.0%	42	1.0000	42	42		
	2013	693	20.0%	44	0.9806	43	43		
	2014	682	20.0%	45	0.9248	42	42		
	2015	675	20.0%	50	1.0191	51	51		
Total/Wtd Avg.		5,825	100.00%	389		386	226	2,164	32.3%
Uninsured Automobile									
UA	2006	570	-	7	1.0000	7	-		
	2007	662	-	5	1.0000	5	-		
	2008	719	-	3	1.0000	3	-		
	2009	758	-	8	1.0000	8	-		
	2010	776	-	5	1.0000	5	-		
	2011	793	20.0%	5	0.9981	5	5		
	2012	816	20.0%	3	0.9902	3	3		
	2013	854	20.0%	8	0.8699	7	7		
	2014	826	20.0%	8	0.9753	8	8		
	2015	804	20.0%	4	0.6964	3	3		
Total/Wtd Avg.		7,578	100.00%	56		54	26	2,164	11.0%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh E-1
 Page 2 of 2

Exh E-1

Calculation of Credibility Assigned to Facility Association Experience

as at: 31-Dec-2015

Accident Year	Earned Exposure (excl trailers) [1]	Accident Year Weight [2]	Recorded Claim Count [3]	FA Claim Dev. Factor [4]	Ultimate Claim Count [5]	Adjusted Claim Count [6]	Full Credibility Standard [7]	Credibility [8]	
	FA AIX	Exh D-1, col [18]	FA AIX	=Exh E-2, Section C	= [3]*[4]	=0 where [2]=0, otherwise [5]	judgement	=min(100%, [6]/[7]^(1/2))	
Collision									
CL	2006	27	-	1	1.0000	1	-		
	2007	24	-	2	1.0000	2	-		
	2008	27	-	3	1.0000	3	-		
	2009	21	-	1	1.0000	1	-		
	2010	28	-	2	1.0000	2	-		
	2011	36	20.0%	2	1.0000	2	2		
	2012	46	20.0%	6	1.0000	6	6		
	2013	49	20.0%	7	1.0000	7	7		
	2014	51	20.0%	7	1.0000	7	7		
	2015	64	20.0%	20	0.9774	20	20		
	Total/Wtd Avg.	373	100.00%	51		51	42	1,082	19.7%
Comp									
CM	2006	51	-	1	1.0000	1	-		
	2007	49	-	6	1.0000	6	-		
	2008	46	-	1	1.0000	1	-		
	2009	52	-	3	1.0000	3	-		
	2010	62	-	3	1.0000	3	-		
	2011	67	20.0%	4	1.0000	4	4		
	2012	79	20.0%	7	1.0000	7	7		
	2013	100	20.0%	8	1.0000	8	8		
	2014	115	20.0%	8	1.0000	8	8		
	2015	127	20.0%	7	0.9584	7	7		
	Total/Wtd Avg.	748	100.00%	48		48	34	1,082	17.7%
Specified Perils									
SP	2006	164	-	1	1.0000	1	-		
	2007	224	-	2	1.0000	2	-		
	2008	219	-	2	1.0000	2	-		
	2009	254	-	3	1.0000	3	-		
	2010	249	-	2	1.0000	2	-		
	2011	241	20.0%	1	1.0000	1	1		
	2012	235	20.0%	4	1.0000	4	4		
	2013	231	20.0%	3	1.0000	3	3		
	2014	220	20.0%	-	1.0000	-	-		
	2015	227	20.0%	1	1.0000	1	1		
	Total/Wtd Avg.	2,264	100.00%	19		19	9	1,082	9.1%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh E-2

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh E-2
 Page 1 of 1

Claim Count Development Factors

Val Market: FARM

Val Jurisdiction: NL

Val Business Segment: non-PPV

as at: 30-Jun-2016

A. Selected Ultimate Claim Count by Minor Coverage Type

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	=sum([1]to[3])	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation + sum([5]to[9])	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	2016 Q2 FARM valuation	=2/3*[13] + 1/3*[14]
2006	49	111	-	160						44	7	-	11	17	7	7
2007	75	129	-	204						40	6	-	15	15	6	8
2008	63	109	-	172						56	7	-	17	10	9	4
2009	70	128	-	198						52	9	-	11	17	6	6
2010	66	124	-	190						44	6	1	15	9	6	5
2011	75	166	-	241						68	7	-	15	28	7	7
2012	88	148	-	236						59	3	-	20	21	12	6
2013	71	125	-	196						61	8	-	20	27	7	3
2014	73	159	-	233						55	9	-	16	20	4	6
2015	72	161	-	233						70	5	-	30	19	6	7

diagonal: 31-Dec-2015

B. LTD Recorded Claim Count by Minor Coverage Type

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]
	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	=sum([17]to [19])	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data + sum([21]to[25])	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	2015 Q4 FARM Data	=2/3*[29] + 1/3*[30]
2006	49	111	-	160	32	12	-	-	-	44	7	-	11	17	7	7
2007	75	129	-	204	28	10	1	1	-	40	6	-	15	15	6	8
2008	63	109	-	172	37	18	-	1	-	56	7	1	17	10	9	4
2009	70	128	-	198	39	13	-	-	-	52	9	-	11	17	6	6
2010	66	124	-	190	32	10	1	1	-	44	6	1	15	9	6	5
2011	75	166	-	241	52	15	-	1	-	68	7	-	15	28	7	7
2012	89	148	-	237	45	14	-	-	-	59	3	-	20	21	12	6
2013	71	126	-	197	51	9	1	1	-	62	9	-	20	27	7	3
2014	74	160	-	234	46	12	-	2	-	60	9	-	16	20	4	6
2015	66	151	-	217	56	12	-	1	-	69	7	-	31	20	6	7

C. Implied Claim Count Development Factor (CCDF)

Accident Year	Bodily Injury	Property Damage	DCPD	TPL (indivisible)	Medical Expenses	Disability Income	Death Benefits	Funeral Expenses	Supp. AccBen	AccBen (indivisible)	Uninsured Automobile	Underinsured Motorist	Collision	Comp	Specified Perils	All Perils
	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]	[47]	[48]
	=if(or([5]=0,[17]=0),[36],[1]/[17])	=if(or([5]=0,[18]=0),[36],[2]/[18])	=if(or([5]=0,[19]=0),[36],[3]/[19])	=4/[20]	=if(or([5]=0,[21]=0),[42],[5]/[21])	=if(or([5]=0,[22]=0),[42],[6]/[22])	=if(or([5]=0,[23]=0),[42],[7]/[23])	=if(or([5]=0,[24]=0),[42],[8]/[24])	=if(or([5]=0,[25]=0),[42],[9]/[25])	=10/[26]	=if([27]=0,[42],[11]/[27])	=if([28]=0,[33],[12]/[28])	=13/[29]	=14/[30]	=15/[31]	=16/[32]
2006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2007	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2008	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	1.0000	1.0000	1.0000	1.0000
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9017	1.0000	1.0000	1.0000	1.0000
2011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9981	1.0000	1.0000	1.0000	1.0000	1.0000
2012	0.9888	1.0000	0.9958	0.9958	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9902	0.9888	1.0000	1.0000	1.0000	1.0000
2013	1.0000	0.9921	0.9949	0.9949	0.9806	0.9806	0.9806	0.9806	0.9806	0.9806	0.8699	1.0000	1.0000	1.0000	1.0000	1.0000
2014	0.9910	0.9952	0.9939	0.9939	0.9248	0.9248	0.9248	0.9248	0.9248	0.9248	0.9753	0.9910	1.0000	1.0000	1.0000	1.0000
2015	1.0960	1.0670	1.0758	1.0758	1.0191	1.0191	1.0191	1.0191	1.0191	1.0191	0.6964	1.0960	0.9774	0.9584	1.0000	0.9929

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh F-1

**Interest Rate Selection for Discount and Cost of Capital Calculations
 Based on Canadian Treasury and Canada Bonds Yields**

Year	Historical Yields				
	91-day [1]	1-3 yr [2]	3-5 yr [3]	5-10 yr [4]	10+ yr [5]
2006	4.10	4.07	4.10	4.18	4.30
2007	4.22	4.22	4.21	4.25	4.34
2008	2.41	2.66	2.96	3.36	4.04
2009	0.35	1.21	2.15	2.84	3.89
2010	0.60	1.48	2.21	2.88	3.66
2011	0.92	1.38	1.85	2.47	3.21
2012	0.98	1.12	1.30	1.63	2.33
2013	0.97	1.12	1.48	1.99	2.72
2014	0.91	1.05	1.38	1.87	2.60
2015	0.50	0.53	0.66	1.19	2.02
5-yr avg					
2006-2010	2.34	2.73	3.13	3.50	4.05
2011-2015	0.86	1.04	1.33	1.83	2.58
5-yr std dev					
2006-2010	1.85	1.40	0.99	0.68	0.28
2011-2015	0.20	0.31	0.43	0.47	0.45

Above from the Canadian Institute of Actuary
 Report on Canadian Economic Statistics, 1924-2015, Table 4A

Current Risk Free Yields (basis points)						wgtd avg
10/31/2016	0.50	0.56	0.62	0.94	1.68	0.62
weights:	9.0%	49.0%	29.0%	13.0%	0.0%	
avg maturity:	3.2 years (weighted based on claims payment patterns)					
	580	3,307	1,942	907	23	6,759

BoC at 2016-10-31 <http://www.bankofcanada.ca/rates/interest-rates>

Selected Gross Yield: 2.95%
Investment Expenses (rounded): 0.15%
Selected Net Yield: 2.80%

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh F-2
 Page 1 of 2

Exh F-2

Present Value Factors - Claim Amounts - Facility Association

Discount Rate 2.80%

Accident Year Estimated Payment Pattern by Development Age																	Val Market: FARM	Val Jurisdiction: NL	Val Business Segment: non-PPV	as at: Jun 30, 2016
Development Age	Bodily Injury [1]	Property Damage [2]	DCPD [3]	TPL (indivisible) [4]	Medical Expenses [5]	Disability Income [6]	Death Benefits [7]	Funeral Expenses [8]	Supp. AccBen [9]	AccBen (indivisible) [10]	Uninsured Automobile [11]	Underinsured Motorist [12]	Collision [13]	Comp [14]	Specified Perils [15]	All Perils [16]	Present Value Factor [15] =(1+[dsct rate])^-1* ((dev\ age)-6)/12			
	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	Emergence Model Output	=[10]	=[1]	Emergence Model Output	Emergence Model Output	=[14]	=[13]				
12	1.5%	61.7%	100.0%	8.9%	100.0%	100.0%	100.0%	100.0%	100.0%	17.4%	17.4%	1.5%	96.8%	88.9%	88.9%	96.8%	0.9863			
24	14.3%	32.7%	-	16.5%	-	-	-	-	-	34.8%	34.8%	14.3%	3.2%	11.1%	11.1%	3.2%	0.9594			
36	27.9%	3.4%	-	24.9%	-	-	-	-	-	24.8%	24.8%	27.9%	-	-	-	-	0.9333			
48	25.3%	0.5%	-	22.3%	-	-	-	-	-	9.0%	9.0%	25.3%	-	-	-	-	0.9079			
60	12.8%	0.5%	-	11.3%	-	-	-	-	-	9.0%	9.0%	12.8%	-	-	-	-	0.8831			
72	5.3%	0.5%	-	4.7%	-	-	-	-	-	2.6%	2.6%	5.3%	-	-	-	-	0.8591			
84	7.7%	0.5%	-	6.8%	-	-	-	-	-	1.2%	1.2%	7.7%	-	-	-	-	0.8357			
96	4.3%	0.2%	-	3.8%	-	-	-	-	-	1.2%	1.2%	4.3%	-	-	-	-	0.8129			
108	0.8%	-	-	0.7%	-	-	-	-	-	-	-	0.8%	-	-	-	-	0.7908			
120	0.1%	-	-	0.1%	-	-	-	-	-	-	-	0.1%	-	-	-	-	0.7692			
132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7483			
144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7279			
156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7081			
168	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6888			
180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6700			
192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6518			
204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6340			
216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6168			
228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6000			
240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5836			
252	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5677			
264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5523			
276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5372			
288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5226			
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%				

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh F-2
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Exh F-2

Present Value Factors - Claim Amounts - Facility Association

Discount Rate 2.80%

Policy Year Estimated Payment Pattern by Development Age

Development Age	Bodily Injury [16]	Property Damage [17]	DCPD [18]	TPL (indivisible) [19]	Medical Expenses [20]	Disability Income [21]	Death Benefits [22]	Funeral Expenses [23]	Supp. AccBen [24]	AccBen (indivisible) [25]	Uninsured Automobile [26]	Underinsured Motorist [27]	Collision [28]	Comp [29]	Specified Perils [30]	All Perils [31]	Present Value Factor [30] =(1+[dsct rate])^{-1* ((devl age)-6)/12}
	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	average of AY % by age	
12	0.5%	30.7%	50.0%	4.3%	50.0%	50.0%	50.0%	50.0%	50.0%	8.7%	8.7%	0.5%	48.4%	44.4%	44.4%	48.4%	0.9863
24	7.9%	47.2%	50.0%	12.7%	50.0%	50.0%	50.0%	50.0%	50.0%	26.1%	26.1%	7.9%	50.0%	50.0%	50.0%	50.0%	0.9594
36	21.1%	18.1%	-	20.7%	-	-	-	-	-	29.8%	29.8%	21.1%	1.6%	5.6%	5.6%	1.6%	0.9333
48	26.6%	2.0%	-	23.6%	-	-	-	-	-	16.9%	16.9%	26.6%	-	-	-	-	0.9079
60	19.1%	0.5%	-	16.8%	-	-	-	-	-	9.0%	9.0%	19.1%	-	-	-	-	0.8831
72	9.1%	0.5%	-	8.0%	-	-	-	-	-	5.8%	5.8%	9.1%	-	-	-	-	0.8591
84	6.5%	0.5%	-	5.8%	-	-	-	-	-	1.9%	1.9%	6.5%	-	-	-	-	0.8357
96	6.0%	0.4%	-	5.3%	-	-	-	-	-	1.2%	1.2%	6.0%	-	-	-	-	0.8129
108	2.6%	0.1%	-	2.3%	-	-	-	-	-	0.6%	0.6%	2.6%	-	-	-	-	0.7908
120	0.5%	-	-	0.4%	-	-	-	-	-	-	-	0.5%	-	-	-	-	0.7692
132	0.1%	-	-	0.1%	-	-	-	-	-	-	-	0.1%	-	-	-	-	0.7483
144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7279
156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7081
168	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6888
180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6700
192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6518
204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6340
216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6168
228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6000
240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5836
252	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5677
264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5523
276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5372
288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5226
300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5084
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
PV factor	0.8943	0.9596	0.9729	0.9024	0.9729	0.9729	0.9729	0.9729	0.9729	0.9275	0.9275	0.8943	0.9720	0.9699	0.9699	0.9720	

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh G-1
 Page 1 of 1

Exh G-1

Development of Present Value Factors - Premium and Expense

Assuming 2.80% Annual Rate of Return

		Percentage of Premium			
		Nominal	Discount Factor	Discounted	
		[A]	[B]	[C]	
				= [A]*[B]	
Revenue					
[1]	Premium	100.00	0.9963	99.63	assumed collection delay, in mths: 1.6 based on the premium lag analysis
[2]	Finance Fee	-	0.9963	-	n/a
[3]	Total Revenue	100.00		99.63	= [1]+[2]
Effective Commission Ratios					
[4]	estimated @ current rates	6.00	0.9963	5.98	Exh G-2 row [3]
[5]	at indicated target rate change	6.00	0.9963	5.98	- okay verifies commission ratio correct with Exh G-2 row [3]
[6]	at indicated rate change & alternate target	6.00	0.9963	5.98	- okay verifies commission ratio correct with Exh G-2 row [3]
[7]	at proposed rates	6.00	0.9963	5.98	- okay verifies commission ratio correct with Exh G-2 row [3]
Premium Variable Expenses, premium tax and S.C. non-claims fees					
[8]	Premium tax	5.00	0.9963	4.98	Premium and Fire Tax Rate - 2016 (per IBC legal bulletin)
[9]	Servicing carrier operating cost	9.00	0.9963	8.97	Plan of Operation, Article IX, 2(a)
[10]	Servicing carrier fees	1.00	0.9963	1.00	Plan of Operation, Article IX, 2(a)
[11]	Premium finance admin expenses	-	0.9963	-	n/a
[12]	GISA Levy (% of ALL COVERAGES premium)	0.06	0.9963	0.06	= [33]
[13]	Rate Regulatory Levy (where it is % of ALL COVERAGES premium)	0.13	0.9963	0.13	= [36]
[14]	Health Levy (where it is % of ALL COVERAGES premium)		0.9963	-	as applicable
[15]	Total Premium Variable Expenses, premium tax and S.C. non-claims fees, other than TPL	15.19		15.14	= sum of rows [8] thru [14]
[16]	Health Levy (where it is % of TPL ONLY)		0.9963	-	as applicable
[17]	Total Premium Variable Expenses, premium tax and S.C. non-claims fees, TPL ONLY	15.19		15.14	= [15]+[16]
Premium Variable Expenses, Servicing Carrier Initial Claims Fee					
[18]	Servicing carrier claims fee reimbursement ratio	10.00	0.9725	9.73	Accounting & Statistical Manual, Chapter 7.4 avg earned mth: 12
Fixed Expense					
[19]	Bad Debt	-	0.9963	-	per FA finance
[20]	Central Office	2.50	0.9963	2.49	Exh G-2 row [7]
[21]	Total Fixed Expense (used directly for other than TPL)	2.50		2.49	= [19]+[20]
[22]	TPL Written Exposures	782			Exh C-2 row [17]
[23]	On-level TPL Written Premium (\$1s)	4,059,616			Exh C-2 row [29]
[24]	Driver Record Abstracts	69.69			Driver Record Abstracts Analysis
[25]	Driver Record Abstracts Cost (total in \$s)	54,480			= [22]*[24]
[26]	Driver Record Abstracts as % of premium	1.34	0.9963	1.34	= 100*[25]/[23]
[27]	Health Levy per earned vehicle				Health Levy Analysis
[28]	Health Levy Cost (total in \$s)	-			= [22]*[27]
[29]	Health Levy (where it is per vehicle), as % of premium	-	0.9963	-	= 100*[28]/[23]
[30]	Total Fixed Expense (used directly for TPL ONLY)	3.84		3.83	= [21]+[26]+[29]
Support for GISA and Rate Regulator Levies					
[31]	GISA Cost	10,463,846			Total Expense from the GISA 2014 Annual Directors Report
[32]	Industry Annual Written Premium (\$1,000s)	17,599,280			2014 Industry AU11 AIX (Country-wide)
[33]	GISA Levy as % of premium	0.06	0.9963	0.06	= 100*[31]/[32]
[34]	Rate Regulator Annual Industry Levy Cost (total in \$s)	507,748			2014-2015 Annual Report - NLPUB
[35]	Industry Annual Written Premium (\$1,000s)	396,353			2014 Industry AU11 AIX (NL)
[36]	Rate Regulator Levy as % of premium	0.13	0.9963	0.13	= 100*[34]/[35]

2014 Industry AU11 AIX Written Premium (\$000s)	
TOTAL	17,599,280
ON	12,149,838
AB	3,944,474
Atlantics	1,446,229

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX
 Exh G-2

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

Exh G-2
 Page 1 of 1

Expense Assumptions - Selections

			jurisdiction code: 075					business segment: N			
			2015	2014	2013	2012	2011	Total	Last 3 complete Years	Last 2 complete Years	Selected
[1]	Written Premium	Participation Rpt	6,687,052	6,452,306	6,376,174	5,681,761	5,570,217	30,767,510	19,515,532	13,139,358	
[2]	Agents Commissions	Participation Rpt	491,707	479,481	483,176	432,985	432,799	2,320,148	1,454,364	971,188	
[3]	Agents Commissions as a % of Premium	= [2]/[1]	7.35%	7.43%	7.58%	7.62%	7.77%	7.54%	7.45%	7.39%	6.00% plan of operation, wghted avg
[4]	On-level to current rates	Exh D-3b, col [49]	1.9640	2.0930	2.6203	3.1711	3.1464				
[5]	On-level Written Premium	= [1]*[4]	13,133,370	13,504,676	16,707,489	18,017,432	17,526,131	78,889,098	43,345,535	26,638,046	
[6]	Administration Expense	Participation Rpt	185,332	147,014	131,299	112,878	183,385	759,908	463,645	332,346	
[7]	Administration Expense as a % of On-level W Premium	= [6]/[5]	2.77%	2.28%	2.06%	1.99%	3.29%	2.47%	2.38%	2.53%	2.50% Last 2 complete Years, rounded

Non-PPV AY Written Premium by Minor Rating Class

as at:	AU11 Data					Market: FA					
	2015	2014	2013	2012	2011	2015		commission ratio			
						Individual	Fleet	Individual	Fleet	weighted	
12/31/2015	CV	1,132,651	1,146,357	1,154,637	1,225,112	1,231,562	1,084,584	48,067	10.0%	7.5%	9.9%
	IU	456,939	453,164	563,521	426,249	532,627	409,730	47,209	6.0%	6.0%	6.0%
	PuBus	335,996	335,504	332,452	284,681	267,866	192,355	143,641	6.0%	6.0%	6.0%
	PrBus-STR-MPA	88,158	132,473	173,447	141,425	109,257	88,718	(560)	10.0%	7.5%	10.0%
	SBus	331,965	242,613	265,995	228,486	212,223	89,704	242,261	10.0%	7.5%	8.2%
	HCCBus	15,423	11,319	14,315	20,034	21,465	15,423	-	10.0%	7.5%	10.0%
	TX	2,513,470	2,395,383	2,152,409	1,697,835	1,622,195	2,060,675	452,795	6.0%	6.0%	6.0%
	FU	-	-	-	-	-	-	-	10.0%	7.5%	10.0%
	AM	15,853	12,486	34,740	37,522	38,628	15,853	-	10.0%	7.5%	10.0%
	MC	1,099,578	1,092,232	1,097,747	1,049,039	962,073	1,099,578	-	7.5%	7.5%	7.5%
	ATV	213,672	196,304	166,018	144,215	106,045	213,672	-	7.5%	7.5%	7.5%
	SV	94,922	95,124	89,577	82,670	79,946	94,922	-	7.5%	7.5%	7.5%
	HV	2,961	2,111	1,677	1,861	1,976	2,961	-	11.0%	7.5%	11.0%
	MH	21,383	15,254	19,616	25,778	19,076	21,383	-	11.0%	7.5%	11.0%
	TH	1,095	1,197	1,026	5,718	10,347	1,095	-	11.0%	7.5%	11.0%
	GA	309,241	244,074	253,814	266,512	287,247	309,241	-	10.0%	7.5%	10.0%
	NO	581	1,713	1,458	1,951	2,543	581	-	10.0%	7.5%	10.0%
	DP	1,606	-	1,388	-	50	1,606	-	10.0%	7.5%	10.0%
	Total	6,635,494	6,377,308	6,323,837	5,639,088	5,505,126	5,702,081	933,413			

Facility Association Residual Market (FARM)
 Jurisdiction: Newfoundland & Labrador
 Vehicle Type: Taxi
 Project ID: NL-2016Q4-TX

jurisdiction (short form): NL
 major rating class: PUB
 minor rating class: TX
 rating type: all

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Exh H-1

Target Return & Alternate Return Assumptions

Assumptions		Selected	Source / Formula
Target Return & Capital Level			
[1]	Target after-tax ROE	12.0%	as directed by FA Board of Directors
[2]	Target Leverage Ratio (i.e. premium to equity)	2.00	actuarial assumption
Income Tax			
[3]	corporate income tax rate	30.0%	PwC Insurance Industry Key tax rates and updates (2016-06)
[4]	net-of-income tax factor	70.0%	=100%-[3]
Investment Return			
[5]	pre-tax investment return	2.80%	Exh F-1
[6]	after-tax investment return	1.96%	=[4]*[5]
Variable expense ratio			
[7]	variable expense ratio (discounted) - TPL	15.14%	Exh G-1, row [17] column [C]
[8]	Target weight - TPL	5,885,504	Exh C-1, for TPL - row [4] *(1+row[[22])
[9]	variable expense ratio (discounted) - other than TPL	15.14%	Exh G-1, row [15] column [C]
[10]	Target weight - other than TPL	785,417	Exh C-1, other than TPL - row [4] *(1+row[[22])
[11]	variable expense ratio (discounted) - all coverage weighted basis	15.14%	=[(7)*[8]+[9]*[10]]/([8]+[10])
[12]	net-of-variable expense factor	84.86%	=100%-[11]
Calculations			
[13]	Target pre-tax ROE	17.14%	=[1]/[4]
[14]	return required from operations (underwriting and investment income on policyholder funds) as a percentage of equity to meet Target pre-tax ROE	14.34%	=[13]-[5]
[15]	Target Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	7.17%	=[14]/[2]
Indication Alternate to be based on:			
[16]	Cost of Capital	0.00%	as selected (or through default); after-tax other than Return on Premium (which is pre-tax)
[17]	implied Alternate basis Leverage Ratio (i.e. premium to equity)	1.83	=[2]-([1]-([16]+[6]))/([12]*[4])
[18]	Alternate basis after-tax ROE	1.96%	=[16]+[6]
[19]	Alternate basis pre-tax ROE	2.80%	=[18]/[4]
[20]	return required from operations (underwriting and investment income on policyholder funds) as a percentage of equity to meet Alternate basis pre-tax ROE	0.00%	=[19]-[5]
[21]	Alternate basis Return on Premium (i.e. pre-tax return from underwriting, including associated investment income, as % of premium)	0.00%	=[20]/[17]