

## Interrogatories #1

<b>Prepared for:</b>	Newfoundland and Labrador Board of Commissioners of Public Utilities (Board)
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<b>Date:</b>	October 2, 2019
<b>Company:</b>	Facility Association (FA)
<b>Filing Type:</b>	Category 2 Filing
<b>Vehicle Type:</b>	Taxi
<b>Proposed Effective Dates:</b>	June 1, 2020, for new business June 1, 2020, for renewal business

### General

1. In the prior FA filing, as described in Board Order A.I. 3- 2019, the Board decided upon the following issues regarding FA's application:
  - A. Complement of credibility based on net trend.
  - B. Recognition of net finance fee revenues at a rate of 0.75% of premiums.
  - C. Alternative HST adjustment factors for bodily injury and accident benefits.
    - 1.1. Using the alternate overall rate indication of +3.9% (based on a cost of capital of 0% and return on investment of 2.8%) as the starting point, provide the rate indications using the same assumptions as Board Order A.I. 3- 2019 for each of items A and B listed above, separately.
    - 1.2. Using the alternate overall rate Indication of +3.9% (based on a cost of capital of 0% and return on investment of 2.8%) as the starting point, provide the rate indications using the same assumptions as Board Order A.I. 3- 2019 for the combination of items A and B listed above.
2. Provide alternate rate indications (relative to the proposed +3.9% indication) substituting the Board's Guideline loss trend rates, and no other changes in assumptions.
3. In the FA's prior filing re-submission based on the Board's Order (dated April 10, 2019), the credibility weighted projected loss ratio for in Worksheet C-1, row 10 for TPL was 74.1%. However, in the current filing, the prior filing credibility weighted

loss ratio for TPL in worksheet C-2, row 2 is 78.3%; which is the same as the original filing estimate.

- 3.1. Explain why the re-submission credibility projected loss ratios were not used in C-2, row 2.
- 3.2. Provide the alternate rate indications (relative to the proposed +3.9% indication) by using the prior projected loss ratios (from worksheet C-1, row 10) based on the April 10, 2019 re-submission in this filing in worksheet C-2, row 2.
4. Provide the alternate rate indications (relative to the proposed +3.9% indication) based on combining questions #1.2, 2 and 3.2 above, and no other changes in assumptions.
5. In Board Order 3-2019, the Board directed FA to provide support for its finance fee revenues. The Board stated, "Future rate applications from Facility should include finance fee revenue with supporting information." Does FA have information to provide to support the finance fee revenues?