



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

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

2016-04-26

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

Dear Ms. Hepburn:

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

Enclosed are Information Requests PUB-FA-001 to PUB-FA-013 regarding the above-noted matter.

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

Yours truly,

Cheryl Blundon  
Board Secretary

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Enclosure  
ecc. Facility Association  
General e-mail: [mail@facilityassociation.com](mailto:mail@facilityassociation.com)

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

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

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**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION**

**PUB-FA-001 to PUB-FA-013**

**Issued: April 26, 2016**

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1 **PUB-FA-001** Please complete the following table for FA's Taxi class of business:

	Average TPL Premium	Total Average Premium	Proposed Increase	Approved Increase
Prior to August 1, 2013			n/a	n/a
As of August 1, 2013				
As of September 1, 2015				
As of June 1, 2016				
Current Proposal				n/a

2 **PUB-FA-002** FA's average commission for Taxi business will increase to approximately  
 3 \$471 based on the proposed changes in the current filing. This represents  
 4 an increase of approximately 283% when compared to the average  
 5 commission of \$123 prior to the August 1, 2013 rate change.  
 6 Notwithstanding the Plan of Operation, please explain why such a large  
 7 increase in commissions during this period is reasonable and justified.  
 8

9 **PUB-FA-003** Given the large increases in FA Taxi premiums since August 1, 2013, was  
 10 a cap on the dollar amount of commissions considered by FA? If not, why  
 11 not?  
 12

13 **PUB-FA-004** Does FA have a cap on its dollar commission rate for any lines of business  
 14 in any province? If so, under what conditions?  
 15

16 **PUB-FA-005** FA's Servicing Carrier operating costs and fees (for policy handling and  
 17 processing) will increase to approximately \$785 based on the proposed  
 18 changes in the current filing. This represents an increase of approximately  
 19 283% when compared to the average servicing carrier operating costs and  
 20 fees of \$205 prior to the August 1, 2013 rate change. Notwithstanding the  
 21 Plan of Operation, please explain why such a large increase in Servicing  
 22 Carrier operating costs and fees during this period is reasonable and  
 23 justified. In the response, please detail any specific changes to process or  
 24 workload which have contributed to the increased expense.  
 25

26 **PUB-FA-006** What were the actual FA Taxi Servicing Carrier operating costs and fees  
 27 for 2012, 2013, 2014 and 2015?  
 28

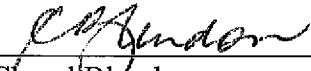
29 **PUB-FA-007** Given the large increases in FA Taxi premiums since August 1, 2013, was  
 30 a cap on the dollar amount of Servicing Carrier operating costs and fees  
 31 considered by FA? If not, why not?  
 32

33 **PUB-FA-008** Does FA apply a cap on Servicing Carrier operating costs and fees for any  
 34 lines of business in any province? If so, under what conditions?

- 1 **PUB-FA-009** Please explain what consideration FA has given to the impact that large  
2 increases to expenses calculated on a percent of premium basis will have  
3 on Taxi policyholders.  
4
- 5 **PUB-FA-010** Please provide the total average premium for FA Private Passenger  
6 business in NL for 2012, 2013, 2014 and 2015.  
7
- 8 **PUB-FA-011** Please provide the average dollar commissions charged for FA Private  
9 Passenger business in NL for 2012, 2013, 2014 and 2015.  
10
- 11 **PUB-FA-012** Please provide the average dollar Servicing Carrier operating costs and  
12 fees charged for FA Private Passenger business in NL for 2012, 2013,  
13 2014 and 2015.  
14
- 15 **PUB-FA-013** Please explain any differences in underwriting, policy processing, claims  
16 handling or any other costs that exists for a Servicing Carrier placing FA  
17 Private Passenger business versus FA Taxi business.

**DATED** at St. John's, Newfoundland this 26<sup>th</sup> day of April 2016.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per   
Cheryl Blundon  
Board Secretary