

1 **Public Utilities Board PUB-FA-6:** *Please provide a detailed description of the increase in Servicing*
2 *Carrier activities and cost to write and process Taxis that would justify an increase in this expense item*
3 *on a per vehicle basis as a result of the current application.*

4 **FA Response to PUB-FA-6:**

5 As previously noted, Servicing Carriers are not compensated on a transaction basis. Rather, Servicing
6 Carrier compensation levels have historically been set on a reasonably consistent basis across
7 jurisdictions and specifically are not set at a rating class basis. It is our understanding that the level is
8 established so as to provide for the overall costs incurred by Servicing Carriers and measured or
9 considered over the longer term. It is also our understanding that the mandated compensation reflects
10 not just Servicing Carrier performance that can be directly related to specific activities (for example
11 underwriting, rating, policy management, fleet management, broker management), but also captures
12 costs associated with technology, accounting and reporting, audit, and general management/oversight
13 expenses.