

1 **Information Request PUB-FA-18:** *In response to PUB-FA-16 Facility Association indicates that the*  
2 *five-year average reported pure loss ratio for taxi business in statistical territory codes 005 and 006 is*  
3 *39% and 43% respectively. It also indicates that the five-year average reported pure loss ratio for taxi*  
4 *business in statistical territory codes 004 and 007 is 232% and 182% respectively. What consideration*  
5 *has or will Facility Association give to establishing a separate base rate for statistical territory codes*  
6 *005 and 006 reflecting actual loss experience in those territories, separate from a base rate for*  
7 *statistical territory codes 004 and 007?*

8 **FA Response:**

9 At the current time, Facility Association's taxi base rates for the optional physical damage coverages  
10 (collision, comprehensive, and specified perils) are derived by application of a multiplicative factor to  
11 premium derived based on private passenger rates, and as such are subject to separate base rates for the  
12 statistical territories. The current (effective June 1, 2014) private passenger base rates by rating territory  
13 are shown in the table below.

TERR	stat territories	Coll.	Comp.	S.P.
1	004	123.23	69.04	20.19
2	005 & 007	98.82	46.29	12.21
3	006	127.10	57.56	15.49

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15 However, at the current time, Facility Association does not differentiate base rates for third party  
16 liability<sup>1</sup>, accident benefits, or uninsured automobile. Facility Association would not be opposed to such  
17 distinction, so long as the overall rate level proposed is achieved. Such a change would require  
18 additional implementation effort at the Servicing Carriers with respect to modifying and testing rating  
19 algorithms.

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<sup>1</sup> Third party liability rates for taxis are separated into "road hazard" and "passenger hazard", with the latter further differentiated between bodily injury and property damage.