

NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

NOTICE OF APPLICATION

Facility Association
Application for an Increase in
Automobile Insurance Rates for Taxis

On March 31, 2022 Facility Association (Facility) filed an application with the Newfoundland and Labrador Board of Commissioners of Public Utilities seeking approval of increased automobile insurance rates on a territory basis for its Taxi class of business, to be effective 100 days post approval for new business and renewals.

Facility proposed a total overall average rate increase of +10.0% varying by coverage. Facility's proposed rate changes and alternative rate indications calculated by the Board's actuarial consultant, Oliver Wyman, are as follows:

Coverage	Facility Proposals	Oliver Wyman Indications
Third Party Liability	+10.6%	-5.9%
Direct Compensation Property Damage	+10.6%	-5.9%
Uninsured Auto	+11.9%	+37.2%
Accident Benefits	+8.9%	+37.1%
Collision	+7.3%	+9.6%
Comprehensive	+17.8%	+19.5%
Specified Perils	-34.6%	-28.4%
Total – All Coverages	+10.0%	-0.8%

Facility's proposed rates include a profit provision in its Taxi rates for the first time in this province. The inclusion of profit in Facility's rates is accepted in all the other jurisdictions where it operates and was accepted by the Board for private passenger rates in Order No. A.I. 48(2021). The profit provision proposed by Facility is 6.0% of premium which is consistent with the Board's benchmark profit provision for insurers. Oliver Wyman's alternate indications also include a profit provision of 6.0% of premium but reflect different assumptions with respect to loss trends.

A copy of the application and related information can be found on the Board's website at www.pub.nl.ca, and can be requested from the Board Secretary or viewed at the Board offices between the hours of 8:30 a.m. to 12:30 p.m. and 1:30 p.m. to 4:00 p.m., Monday through Friday.

Interested persons who wish to participate in this application should contact the Board Secretary no later than **3:00 p.m., Wednesday, August 10, 2022.**

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Dated at St. John's, Newfoundland and Labrador, this 23rd day of July, 2022.