

Undertaking # 28

MPI to provide the actual loss ratios for private passenger for the years 2004 to 2012, inclusive.

RESPONSE:

Actual Loss Ratio for Private Passenger Class

Loss Ins Year	Actual Total Losses	Actual Total Premium	Actual Loss Ratio
2004	367,627,668	514,407,988	71.47%
2005	370,179,594	546,178,031	67.78%
2006	415,715,333	569,475,717	73.00%
2007	427,112,160	592,904,534	72.04%
2008	406,698,957	620,602,184	65.53%
2009	397,735,660	648,298,934	61.35%
2010	464,546,890	671,010,213	69.23%
2011	448,634,358	690,284,214	64.99%
2012	482,281,660	680,305,745	70.89%
TOTAL	3,780,532,281	5,533,467,561	68.32%

The above table represents the estimated ultimate loss ratios for private passenger vehicles as of February 28, 2013. The following information should be considered when assessing the historical loss ratios:

- Inclusion of "pool" (i.e. loss transfer) claims costs would increase the loss ratio by approximately 6.25% (see Volume II Ratemaking, section RM.4, page 33 of the 2014 Rate Application).
- Inclusion of claims expenses would increase the loss ratio by approximately 18.60% (see Volume II Ratemaking, section RM.4, page 36 of the 2014 Rate Application)

- Historical premiums do not reflect rebates, which totaled over \$515 million between the 2004 and 2012 rating years
- Estimated ultimate PIPP claims costs were changed significantly in 2010. These adjustments did not impact rates until the 2012 policy year.