

October 29, 2020

2021 GENERAL RATE APPLICATION
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MPI to advise the proportion of its book of business that will be affected to a greater extent than the overall .18 percent increase with respect to maximum insured value.

RESPONSE:

Figure 1 below shows the rate groups by vehicle type which saw an increase in Basic loss costs resulting from the increase in maximum insured value from \$50,000 to \$70,000. The increase in Basic loss costs was determined based on a claim-by-claim review for accident years 2015 to 2019. Figure 1 also shows the number of vehicles in those rate groups per the Rate Model.

Figure 1 Rate Groups with Increase in Basic Loss Costs

Line No.	Vehicle Type	Affected Rate Groups	Unit Count
1	Passenger Vehicle	16, 20, 25, 27 to 38, 40	424,100
2	Light Truck	20, 30 to 38, 40	88,333
3	Heavy Truck	1 to 4, 6 to 17	36,958
4	Bus	13	2,116
5	Motorcycle	9	286
6	Motorhome	10	1,114
7	Trailer	13	3,107
8	Total		556,014

The increase in Basic loss costs was included prior to the determination of the rate line (by vehicle type) per *Ratemaking, RM3.2*.