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**Undertaking #32**

MPI to provide the relativity analysis or outcomes for the other rating variables, and compare those to the existing relativities, i.e., to present the full results by rating variable, and then to compare it to the relativities that underlie the General Rate Application.

**RESPONSE:**

Figure 1 compares the rate group relativities from the DSR pricing analysis (see [DSR Appendix 1](#)) to the rate group relativities for passenger vehicles and light trucks used to derive rates. Figure 2 provides a visual representation of this comparison. While there are differences in the relativities by rate group, the three rate lines are relatively close to each other.

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**Figure 1 Rate Group Relativity**

Line No.	Rate Group	Passenger Vehicle Relativity (a)	Light Truck Relativity (a)	Merit Eligible Vehicle Relativity (b)
1	0	0.6675	0.6520	0.5826
2	1	0.7284	0.7214	0.7146
3	2	0.7497	0.7596	0.7247
4	3	0.7697	0.7801	0.7367
5	4	0.7901	0.7921	0.7507
6	5	0.8107	0.8058	0.7667
7	6	0.8301	0.8210	0.7847
8	7	0.8502	0.8372	0.8046
9	8	0.8703	0.8558	0.8266
10	9	0.8901	0.8722	0.8505
11	10	0.9091	0.8973	0.8764
12	11	0.9222	0.9218	0.9043
13	12	0.9455	0.9469	0.9342
14	13	0.9710	0.9722	0.9661
15	14	1.0000	1.0000	1.0000
16	15	1.0470	1.0313	1.0359
17	16	1.0954	1.0604	1.0737
18	17	1.1433	1.0931	1.1135
19	18	1.1939	1.1259	1.1553
20	19	1.2418	1.1628	1.1992
21	20	1.2919	1.2036	1.2449
22	21	1.3421	1.2484	1.2927
23	22	1.3912	1.2973	1.3425
24	23	1.4410	1.3456	1.3942
25	24	1.4911	1.3957	1.4480
26	25	1.5415	1.4497	1.5037
27	26	1.5929	1.5022	1.5614
28	27	1.6436	1.5697	1.6211
29	28	1.6944	1.6306	1.6828
30	29	1.7450	1.6994	1.7465
31	30	1.7949	1.7841	1.8121
32	31	1.8446	1.8582	1.8797
33	32	1.8942	1.9344	1.9494
34	33	1.9436	2.0112	2.0210
35	34	1.9928	2.0915	2.0946
36	35	2.1365	2.1820	2.1702
37	36	2.2270	2.2367	2.2478
38	37	2.2841	2.3187	2.3273
39	38	2.3426	2.4037	2.4089
40	39	2.4026	2.4918	2.4924
41	40	2.4642	2.5831	2.5779

42 Notes:

43 (a) Per Part VI, RM Appendix 1

44 (b) Based on the merit eligible passenger vehicles and light trucks used  
45 in the DSR analysis per Part VI, DSR Appendix 1

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**Figure 2 Rate Group Relativity**

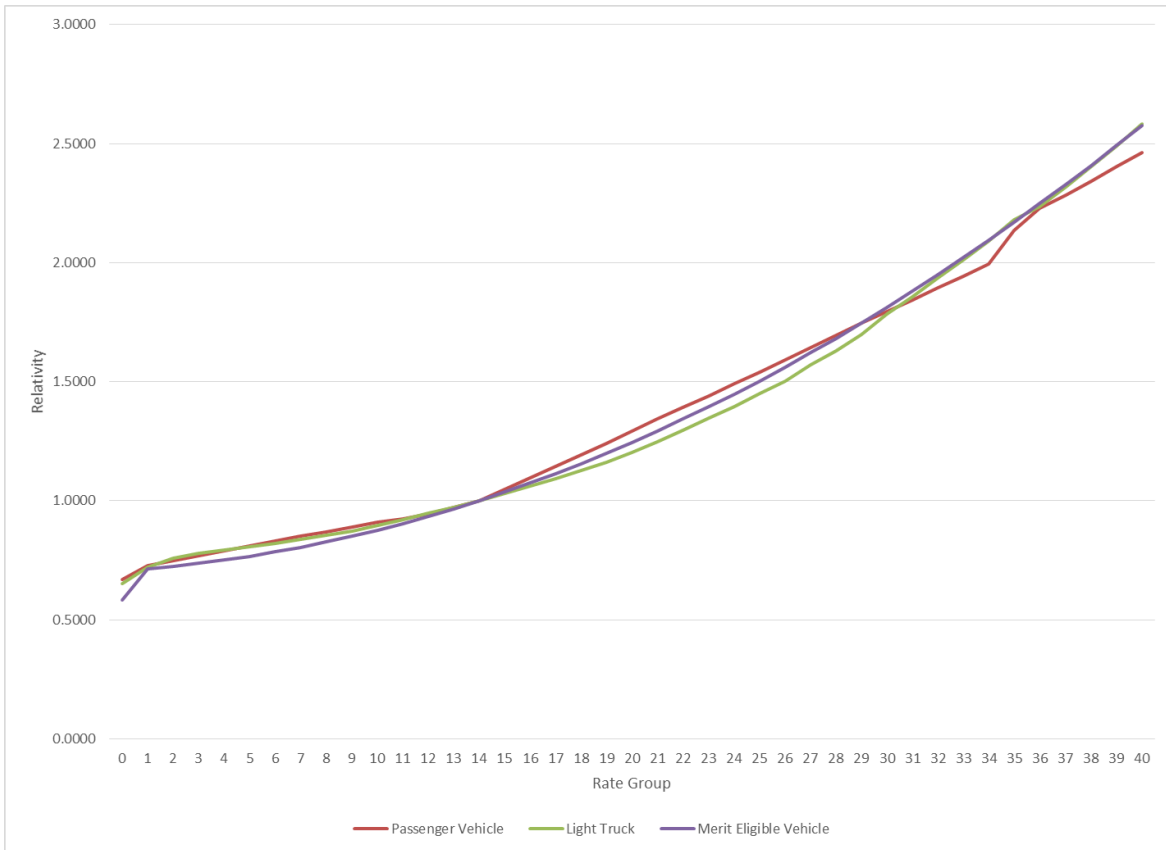


Figure 3 compares the territory relativities from the DSR pricing analysis (see [DSR Appendix 1](#)) to the territory relativities for the Private Passenger major class. The comparison to the Private Passenger major class is because all the merit eligible passenger vehicles and light trucks used in the DSR pricing analysis are in that major class, and reflect almost 99% (= 801,088 / 812,577) of total vehicles in that major class.

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**Figure 3 Territory Relativity**

Line No.	Territory	Private	Merit Eligible Vehicle Relativity (b)		
		Passenger Relativity (a)	Colli, Comp, PD & BI	PIPP	Overall
1	1	1.0575	1.0224	0.8840	0.9932
2	2	0.9189	0.9748	1.1481	1.0151
3	3	0.9555	0.9418	0.6461	0.8495
4	4	0.9199	0.8848	0.8791	0.8609
5	5	1.0749	1.0173	1.2086	1.0459

- 6 Notes:  
 7 (a) Balanced Raw Relativity per RM Appendix 9, Table 15  
 8 (b) Based on the merit eligible passenger vehicles and light trucks used  
 9 in the DSR analysis per DSR Appendix 1

Figure 4 compares the insurance use relativities from the DSR pricing analysis (see DSR Appendix 1) to the insurance use relativities used to derive rates.

**Figure 4 Insurance Use Relativity**

Line No.	Insurance Use	Passenger	Light Truck Relativity (a)	Merit Eligible Vehicle Relativity (b)		
		Vehicle Relativity (a)		Colli, Comp, PD & BI	PIPP	Overall
1	All Purpose	1.1518	1.0232	1.0589	0.9844	1.0405
2	Farming All Purpose		0.7524	0.9387	0.8370	0.9076
3	Fishing All Purpose		0.8505	1.2019	0.1759	0.9116
4	Pleasure	0.8659	0.7149	0.9106	1.0333	0.9425
5	Farm Passenger Vehicle	0.8250		0.9130	1.3474	0.9719

- 6 Notes:  
 7 (a) Balanced Raw Relativity per RM Appendix 9, Table 15  
 8 (b) Based on the merit eligible passenger vehicles and light trucks used  
 9 in the DSR analysis per DSR Appendix 1

The territory and insurance use relativities presented in Figure 3 and Figure 4 are not directly comparable. Figure 5 presents the differences in the methodology when deriving these relativities.

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**Figure 5 Comparison of Methodology**

Line	Relativites Used to Derive Rates	Relativites from the DSR Analysis
1	Two rating variables used in the minimum bias procedure - territory and insurance use	Five rating variables used in the minimum bias procedure - territory, insurance use, rate group, DSR level and vehicle type
3	Minimum bias procedure ran using all loss costs	Minimum bias procedure ran separately for PIPP loss costs and for other than PIPP (Collision, Comprehensive, Property Damage and Bodily Injury) loss costs
4		
5		
6	Serious Losses adjusted to reflect the 10-year average	No adjustment for Serious Losses