

Questions of clarification with respect to Exhibits 97 and 61 and TC(MPI) 2-2.

Per CAC(MPI) 1-88 a capital release of 5% meant a return of about \$55 million to policy holders.

We then asked how much of that \$55 million would be returned to taxis by way of rebate.

In TC(MPI) 2-2 c) the response was:

Please see Figure 2 below, which provides an estimate of the capital release for Taxicab VFH based on the rate model population of vehicles as of November 1, 2020 and 2022 proposed rates. The estimate in Figure 2 is hypothetical, and assumes the same percentage of the capital release for the 2022 rating year as for rating year 2021. MPI does not apply for a capital release for the 2022 rating year.

Figure 2 Estimated Capital Release Dollars for Taxicab VFH

For a total \$273,293 related to a \$55 million rebate.

In TC(MPI) 2-2 (d) the response was:

d) Per CAC (MPI) 1-88, "MPI is forecasting a rebate of \$202.8M (ProFormas Chapter, page 7), which is approximately 3.7 times the amount of a 5% capital release". Assuming the rebate of \$202.8M is unchanged, MPI estimates that Taxicab VFH will receive \$1.0 million (i.e. $\$273,293 * 3.7$) as a result of the rebate.

1. \$202.8 Million results in a multiple of approximately 3.7
2. If there is a \$202.8 release the calculation is approximately, $3.7 * 273,293 = \$1,011,184$
3. If there is a total of \$60 million plus a further \$53 million release, the total additional release is \$113 million.
4. $\$113 \text{ million} / \202.8 million is approximately 56%
5. Then the total estimated additional release to Taxis is in the range of $56% * \$1,011,184 = \$566,263$.
6. There are 609 taxi units per Exhibit 16 (undertaking 10) therefore the total additional release to taxis related to the \$113 million, on average would be $\$566,263 / 609 = \text{approx. } \930 per unit .

Exhibit 61 (Undertaking 10) at scenario b) provides the detail of the additional capital rebate available to taxis if the \$60 million transfer to DVA was reversed and instead rebated through Basic. The total scenario b) additional rebate for \$60 million is \$298,138.

Exhibit 97 provides details of the increased DVA fees to taxis (3 scenarios). Each of the 3 scenarios assumes that the proposed \$53 million transfer to DVA would not occur (see assumption 4).

1. Does the (b) calculation reflect the refund amounts to taxis which corresponds to a \$60 million rebate?
2. What are the additional amounts which would be rebated to taxis which corresponds to a further \$53 million rebate?
3. Confirm that the calculations in this are approximately correct. Provide a further updated figure to Undertaking 10 for the calculation with respect to \$53 as updated assumption called (c) for both the additional capital rebate and the average capital rebate per territory.