

October 17, 2023

**Undertaking #004**

MPI to provide what the credibility would translate to given the number of earned units in PPV Vehicles for Hire

**RESPONSE:**

Using the methodology described in RC.4 Relativities – Territorial and Insurance Use, the credibility is determined using the formula  $\frac{N}{N+K}$ , where N is the 5-year earned units and the constant K is equal to 60,000. The credibility is subjected to a minimum of 10%.

RC.4 Appendix 4 – Table 13 – New Relativity Calculation presents the assigned credibilities by insurance use.

The credibility for Passenger Vehicle-for-Hire (Passenger Vehicle) is 10%, and the credibility for Passenger Vehicle-for-Hire (Truck 4,499 kg or less GVW) is 10%.