Saskatchewan Auto Fund
Proposal for Rate Adjustment – February 2012

First Round Information Requests
Prepared on Behalf of the Saskatchewan Rate Review Panel

RATES

Rate Comparison – Reference: Application, Pages 6, 7

1. **Please discuss whether there are any differences in benefits and/or coverages between the jurisdictions used in the comparison, and how these, in addition to other cost drivers (e.g. traffic density, weather, vehicle mix, road infrastructure, crime levels, etc.), are recognized.**

The main differences between Saskatchewan and the other provinces are found in the injury benefits. Saskatchewan, Manitoba and Quebec have no-fault systems with comprehensive benefit packages. The comparison does not take into account that injured victims get much more significant accident benefits in Saskatchewan as compared to tort jurisdictions. For example, in Saskatchewan the maximum income replacement benefit is $82,804 per year whereas in Alberta the maximum benefit is $20,800. Saskatchewan also has a tort product that can be chosen by any Saskatchewan resident.

SGI used the same liability limits and physical damage deductibles for each province. Rates used in the comparison are entered as quoted.

No adjustments have been made for the other cost drivers due to the time and effort required as well as the subjectivity involved in the adjustment.

2. **Please indicate what liability limits and physical damage deductibles were used in this comparison.**

All vehicles in the comparison have collision and comprehensive deductibles of $500. The third-party liability limit is $2 million.

3. **Please provide the data sources used by SAF to assess the benefits, premiums, and rating criteria of other jurisdictions.**

The SAF comparison is based on a 2003 Consumers' Association of Canada study called "Review of Automobile Insurance Rates". The original study looked at 40 cities across Canada. The SAF comparison looks at 22 cities that were selected in 2005 by the utility Crowns and CIC. The cities were chosen to represent major centres, rural communities and northern communities in order to obtain a geographic representation within each province.

SAF worked directly with The Insurance Corporation of British Columbia (ICBC) and Manitoba Public Insurance (MPI) to obtain data for rate comparisons. Compu-Quote Inc. was the data source for all other provinces.

4. **Please provide a comparable cross-Canada assessment of motorcycle rates, including both current and proposed SAF rates.**

SAF is unable to obtain motorcycle rates on a cross-Canada basis. Compu-Quote Inc does not provide comparisons for motorcycle rates.

5. Please provide a comparison of SAF rates with Manitoba and British Columbia basic coverage motorcycle rates for a representative cross-section of motorcycles, including both current and proposed SAF rates.

Insurance Corporation of British Columbia was not able to provide rates within the time frame allowed for first round responses. The comparison will be provided to the Panel as soon as it is available.

CRUISER

Year	Make	Model	Declared Value	SGI - Current	SGI - Proposed	Average MPI Current
1981	HONDA	CM400A	$ 800	$124	$184	$720
1982	HONDA	CB750C	$ 1,175	$434	$534	$1,219
1984	HONDA	VT750C SHADOW	$ 1,300	$556	$656	$1,219
2003	YAMAHA	XVS65AV V-STAR CLASSIC	$ 3,275	$839	$965	$1,336
2006	HONDA	VT750C SHADOW AERO	$ 4,400	$890	$1,022	$1,383
2008	HONDA	VT750C SHADOW AERO	$ 5,575	$942	$1,082	$1,383
1981	HONDA	GL1100 INTERSTATE	$ 1,975	$566	$666	$1,300
1984	HONDA	VF1100C MAGNA	$ 1,625	$646	$766	$1,306
2002	YAMAHA	XVS11AS V-STAR 1100 CLASSIC	$ 4,175	$978	$1,124	$1,393
2007	SUZUKI	VL800 BOULEVARD C50	$ 5,000	$1,034	$1,189	$1,305
2009	YAMAHA	XVS950 V-STAR	$ 7,300	$1,102	$1,266	$1,383
1981	HARLEY DAVIDSON	FXWG WIDE GLIDE	$ 4,375	$650	$770	$1,442
1984	HONDA	GL1200 ASPENCADE	$ 2,875	$734	$854	$1,386
2001	HONDA	GL1800A GOLD WING	$ 9,775	$1,071	$1,231	$1,516
2007	HARLEY DAVIDSON	FLHTCUI ULTRA CLASSIC ELECTRA GLIDE EFI	$ 14,250	$1,169	$1,344	$1,597
2008	HARLEY DAVIDSON	FLHTCUI ULTRA CLASSIC ELECTRA GLIDE EFI	$ 15,450	$1,162	$1,335	$1,597

SPORT

Year	Make	Model	Declared Value	SGI - Current	SGI - Proposed	Average MPI Current
2008	HONDA	CBR125R	$ 2,250	$287	$367	$1,242
2004	YAMAHA	YZF R6	$ 4,900	$1,029	$1,337	$1,978
2007	HONDA	CBR600RR	$ 7,175	$1,090	$1,416	$1,978
2008	SUZUKI	GSX-R750	$ 8,350	$1,149	$1,493	$2,119
2004	YAMAHA	YZF R1	$ 6,200	$1,110	$1,443	$1,978
2007	SUZUKI	GSX-R1000	$ 8,850	$1,176	$1,529	$2,119

DUAL

Year	Make	Model	Declared Value	SGI - Current	SGI - Proposed	Average MPI Current
2005	HONDA	CHF50 JAZZ	$ 1,175	$214	$219	$244
2007	SUZUKI	DR-Z400S	$ 4,275	$214	$294	$914
2009	YAMAHA	VINO 125	$ 2,850	$227	$307	$330
2008	KAWASAKI	KLR650	$ 4,275	$844	$970	$1,383

*Use the average of three rates for MPI as they rate based on territory - rural, rural with commuting and Winnipeg. In order to compare rates to ICBC where a driver profile is required, SGI and MPI rates are adjusted for driving records. The adjustment for Saskatchewan rates is a 20% Safe Driver Recognition discount and the corresponding Driver Safety Rating discount for MPI is 30%.

Rates and Rate Rebalancing – Reference: Application, Pages 2, 3, 12

6. Please state SAF's view of what constitutes rate shock and the rationale for selecting the 15% cap as well as the $1,000 threshold below which a dollar cap is proposed.

There are several factors the Auto Fund considers when determining what constitutes rate shock for its customers, which include the following:

- the overall revenue requirement in order to break-even
- the level of the MCT
- the overall requirement of the particular rate group in relation to the overall revenue requirement
- the need to avoid cross-subsidization of rate groups

The caps are based on what SAF felt was fair and reasonable for customers. In keeping with SAF's commitment to fairness in rating, dollar caps were introduced in order for vehicle classes to reach a rate that covers their share of expected claim costs and expenses more quickly. A dollar cap will be applied when the annual premium is less than or equal to $1,000, progressing from $25 to a maximum of $150 depending on the premium amount. In keeping with our commitment to fairness is rating, the dollar caps will help certain vehicle classes reach an adequate rate more quickly. With smaller premiums, a percentage cap may keep the increases so low that it would take many years to bring the rate up to an adequate level. A cap of 15% will be applied when the premium is over $1,000.

With this rate program, greater emphasis is placed on eliminating cross-subsidization and therefore more aggressive caps are proposed as compared to past rate programs. If SAF continues to use the same caps as proposed with this rate program, it would take three consecutive years of rebalancing to get 95% of all vehicles within 5% of their appropriate rate, which SAF would consider satisfactory.

7. For each vehicle class and sub-class shown in the table on Pg. 3 of the Application, provide the average % and (annual) $ rate changes, as well as the maximum %, (annual) $ increases and decreases for all vehicles within each sub-class, and the total number of vehicles and current annual written premium in each sub-class.

The requested schedule follows.

Documentation for Information Request # 7

Saskatchewan Government Insurance
2012 Rate Program
Summary of Changes by Class

Vehicle Class	2012 Proposed Average Rate Change	Weighted Average Current Premium	Average $ Change	Maximum $ Increase	Maximum $ Decrease	Average % Change	Maximum % Increase	Maximum % Decrease	Total # of Vehicles
CLEAR-Rated Vehicles	3.2%	$986	$37	$422	-$602	3.2%	62.5%	-24.5%	744,929
A - Commercial Light Trucks	22.4%	$1,215	$272	$422	$0	22.4%	39.3%	0.0%	169
F - Farm Light Truck - 1994 & Newer	0.4%	$837	$4	$150	-$220	0.4%	24.7%	-16.7%	48,373
LV - Private Passenger Vehicles (PPV)	3.7%	$998	$37	$366	-$602	3.7%	30.4%	-17.8%	665,653
LV - PPV - Farm Cars, SUVs and Vans	-6.3%	$898	-$57	$46	-$557	-6.3%	62.5%	-24.5%	24,720
LV - Police Cars	10.9%	$1,392	$152	$286	$0	10.9%	36.4%	0.0%	440
LV - Police Trucks, Vans & SUVs	-7.2%	$1,343	-$96	$67	-$322	-7.2%	13.0%	-23.9%	280
LV - UDrives	-0.6%	$1,322	-$8	$236	-$292	-0.6%	27.1%	-15.0%	4,601
PV - Heavy Trucks and Vans	0.0%	$535	$0	$0	$0	0.0%	0.0%	0.0%	488
PV - Converted Vehicles	0.0%	$641	$0	$0	$0	0.0%	0.0%	0.0%	5
PV - Power Units	0.0%	$704	$0	$0	$0	0.0%	0.0%	0.0%	37
PT - Taxis (Rural)	-0.5%	$1,618	-$8	$274	-$277	-0.5%	31.5%	-15.0%	163
Conventionally Rated Vehicles									
Ambulances	18.0%	$823	$148	$148	$0	18.0%	18.0%	0.0%	291
A - Commercial Vehicles:									
Heavy Trucks and Vans IRP	-12.0%	$955	-$124	$100	-$219	-13.0%	8.9%	-19.6%	499
Heavy Trucks and Vans Non-IRP	14.7%	$792	$126	$150	-$185	15.9%	39.7%	-15.0%	758
Power Units IRP	13.6%	$2,032	$302	$345	-$260	14.9%	32.5%	-12.7%	4,819
Power Units Non-IRP	-13.5%	$1,867	-$250	$162	-$345	-13.4%	39.7%	-15.0%	922
C & D - Commercial Vehicles:									
Heavy Trucks and Vans	22.5%	$452	$110	$150	-$47	24.3%	33.7%	0.0%	9,851
Power Units	16.0%	$1,055	$167	$212	$0	15.9%	33.7%	0.0%	4,464
F - Farm Vehicles:									
Heavy Trucks and Vans	-6.0%	$197	-$10	$33	-$178	-5.0%	39.8%	-35.5%	27,044
Light Trucks - 1993 & Older	-8.2%	$297	-$24	$75	-$100	-8.0%	67.6%	-25.1%	16,819
Power Units	-16.3%	$536	-$77	$75	-$150	-14.4%	50.3%	-22.9%	8,566
Hearses	-8.4%	$400	-$34	$0	-$34	-8.4%	0.0%	-8.4%	135
L - Dealer Plates:	16.4%	$618	$101	$101	$0	16.3%	28.1%	0.0%	3,801
Automobile	16.2%	$625	$101	$101	$0	16.2%	16.2%	0.0%	3,696
Motorcycles	28.1%	$356	$100	$100	$0	28.1%	28.1%	100.0%	105
L - Snowmobile Dealers	-40.8%	$103	-$42	$0	-$42	-40.8%	0.0%	-40.8%	52
LV - Antiques	0.0%	$66	$0	$0	$0	0.0%	0.0%	0.0%	10,781
LV - Buses	33.0%	$318	$100	$100	$0	32.1%	38.0%	0.0%	328
LV - Buses (Restricted)	33.1%	$229	$73	$75	$0	32.2%	33.2%	0.0%	38
LV - Motorcycles:	18.3%	$1,108	$199	$539	-$23	18.0%	53.2%	-4.5%	11,320
Cruiser/Touring	15.5%	$1,193	$185	$230	-$17	15.5%	48.4%	-4.5%	8,314
Dual Purpose/Other	21.0%	$443	$93	$202	-$23	21.0%	53.2%	-3.5%	1,277
Sport	29.2%	$1,191	$348	$539	$0	29.2%	46.3%	0.0%	1,729
LV - Motorhomes	11.9%	$366	$43	$150	-$4	11.8%	25.4%	-1.6%	5,299
MT - Snowmobiles	0.0%	$81	$0	$0	$0	0.0%	0.0%	0.0%	7,174
PB - Passenger Inter-city Buses	15.2%	$1,478	$210	$364	$0	14.2%	17.2%	0.0%	408
PC - Passenger City Buses	14.9%	$1,221	$192	$275	$0	15.8%	23.2%	0.0%	519
PS - Passenger School Buses	27.3%	$291	$98	$100	$0	33.8%	45.5%	0.0%	3,188
PT - Taxis	16.1%	$2,495	$374	$447	$0	15.0%	15.0%	0.0%	562
Trailers									
F - Trailers	0.0%	$52	$0	$0	$0	0.0%	0.0%	0.0%	27,736
LT - Trailer Dealers/Movers:	9.3%	$502	$47	$72	$0	9.4%	10.9%	0.0%	462
Utility	10.9%	$119	$13	$13	$0	10.9%	10.9%	0.0%	116
Tent	10.6%	$113	$12	$12	$0	10.6%	10.6%	0.0%	0
Semi	9.6%	$376	$36	$36	$0	9.6%	9.6%	0.0%	60
Transport	9.5%	$401	$38	$38	$0	9.5%	9.5%	0.0%	75
Cabin	9.2%	$785	$72	$72	$0	9.2%	9.2%	0.0%	211
T - Personal Trailers:	10.7%	$186	$20	$125	-$4	10.9%	40.1%	-17.4%	37,258
Fiberglass Cabin	0.0%	$280	$0	$0	$0	0.0%	0.0%	0.0%	11,793
Metal Cabin	30.0%	$193	$58	$125	-$4	30.0%	40.1%	-17.4%	13,031
Semi & Transport	0.0%	$92	$0	$0	$0	0.0%	0.0%	0.0%	10,366
Tent	0.0%	$74	$0	$0	$0	0.0%	0.0%	0.0%	2,069
T - Utility	0.0%	$20	$0	$0	$0	0.0%	0.0%	0.0%	75,056
TS - Commercial Trailers	0.0%	$75	$0	$0	$0	0.0%	0.0%	0.0%	40,429

Documentation for Information Request # 7

Vehicle Class	2012 Proposed Average Rate Change	Weighted Average Current Premium	Average $ Change	Maximum $ Increase	Maximum $ Decrease	Average % Change	Maximum % Increase	Maximum % Decrease	Total # of Vehicles
Miscellaneous Classes									
A - Excess Value	-15.0%	$20	-$3	$0	-$3	-15.0%	0.0%	-15.0%	141
C&D - Non-Resident	0.0%	$80	$0	$0	$0	0.0%	0.0%	0.0%	94
C&D - Excess Value	-10.5%	$19	-$2	$0	-$2	-10.5%	0.0%	-10.5%	1,526
Industrial Tracked Vehicles	37.5%	$200	$75	$75	$0	37.5%	37.5%	0.0%	8
LV - Motorized Bicycle	0.0%	$44	$0	$0	$0	0.0%	0.0%	0.0%	18
TS - Excess Value	-10.5%	$19	-$2	$0	-$2	-10.5%	0.0%	-10.5%	916
Total									
All Vehicles Excluding Trailers & Misc	3.7%	$920	$33			3.6%	67.6%	-40.8%	862,566
All Vehicles	3.7%	$773	$28			3.7%	67.6%	-40.8%	1,043,627

8. How many vehicles will have the dollar cap applied as opposed to the percentage cap?

The requested information follows.

Documentation for Information Request # 8

Saskatchewan Government Insurance
2012 Rate Program
Number of Dollar and Per cent Caps by Class

	Written Expsoures					
Vehicle Class	**Eligible for Dollar Caps[1]**	**Eligible for Per cent Caps[2]**	**Received Dollar Caps[3]**	**Received Per cent Caps[3]**	**No Caps Applied[4]**	**Total**
CLEAR-Rated Vehicles	346,308	398,621	113,509	38,374	593,046	744,929
A - Commercial Light Trucks	6	163	6	163	0	169
F - Farm Light Truck - 1994 & Newer	39,646	8,727	2,013	1,609	44,751	48,373
LV - Private Passenger Vehicles (PPV)	290,115	375,538	100,706	28,583	536,364	665,653
LV - PPV - Farm Cars	8,430	2,155	8,430	2,155	0	10,585
LV - PPV - Farm SUVs and Vans	7,412	6,723	1,654	549	11,932	14,134
LV - Police Cars	0	440	0	440	0	440
LV - Police Trucks, Vans & SUVs	8	271	8	271	0	280
LV - UDrives	230	4,371	230	4,371	0	4,601
PV - Heavy Trucks and Vans	427	62	427	62	0	488
PV - Converted Vehicles	4	1	4	1	0	5
PV - Power Units	30	8	30	8	0	37
PT - Taxis (Rural)	0	163	0	163	0	163
Conventionally Rated Vehicles						
Ambulances	291	0	291	0	0	291
A - Commercial Vehicles:						0
Heavy Trucks and Vans IRP	402	98	219	72	208	499
Heavy Trucks and Vans Non-IRP	695	63	646	0	111	758
Power Units IRP	88	4,731	9	3,522	1,288	4,819
Power Units Non-IRP	19	902	12	809	101	922
C & D - Commercial Vehicles:						0
Heavy Trucks and Vans	9,851	0	9,793	0	58	9,851
Power Units	1,413	3,051	1,413	2,979	72	4,464
F - Farm Vehicles:						
Heavy Trucks and Vans	26,855	189	6,942	189	19,913	27,044
Light Trucks - 1993 & Older	16,819	0	8,593	0	8,226	16,819
Power Units	8,566	0	4,988	0	3,578	8,566
Hearses	135	0	135	0	0	135
L - Dealer Plates:	3,801	0	105	0	3,696	3,801
Automobile	3,696	0	0	0	3,696	3,696
Motorcycles	105	0	105	0	0	105
L - Snowmobile Dealers	52	0	52	0	0	52
LV - Antiques	10,781	0	0	0	10,781	10,781
LV - Buses	328	0	328	0	0	328
LV - Buses (Restricted)	38	0	35	0	3	38
LV - Motorcycles:	3,196	8,124	2,955	8,124	241	11,320
Cruiser/Touring	1,758	6,556	1,751	6,556	7	8,314
Dual Purpose/Other	1,047	230	816	230	231	1,277
Sport	391	1,338	388	1,338	3	1,729
LV - Motorhomes	5,299	0	1,405	0	3,893	5,299
MT - Snowmobiles	7,174	0	0	0	7,174	7,174
PB - Passenger Inter-city Buses	21	387	21	365	23	408
PC - Passenger City Buses	220	298	220	298	0	519
PS - Passenger School Buses	3,188	0	3,188	0	0	3,188
PT - Taxis	0	562	0	562	0	562
Trailers						
F - Trailers	27,736	0	0	0	27,736	27,736
LT - Trailer Dealers/Movers:	462	0	0	0	462	462
Utility	116	0	0	0	116	116
Tent	0	0	0	0	0	0
Semi	60	0	0	0	60	60
Transport	75	0	0	0	75	75
Cabin	211	0	0	0	211	211

Documentation for Information Request # 8

	Written Expsoures					
Vehicle Class	**Eligible for Dollar Caps[(1)]**	**Eligible for Per cent Caps[(2)]**	**Received Dollar Caps[(3)]**	**Received Per cent Caps[(3)]**	**No Caps Applied[(4)]**	**Total**
T - Personal Trailers:	37,258	0	8,430	0	28,828	37,258
Fiberglass Cabin	11,793	0	0	0	11,793	11,793
Metal Cabin	13,031	0	8,430	0	4,601	13,031
Semi & Transport	10,366	0	0	0	10,366	10,366
Tent	2,069	0	0	0	2,069	2,069
T - Utility	75,056	0	0	0	75,056	75,056
TS - Commercial Trailers	40,429	0	0	0	40,429	40,429
Miscellaneous Classes						
A - Excess Value	141	0	0	0	141	141
C&D - Non-Resident	94	0	0	0	94	94
C&D - Excess Value	1,526	0	0	0	1,526	1,526
Industrial Tracked Vehicles	8	0	8	0	0	8
LV - Motorized Bicycle	18	0	0	0	18	18
TS - Excess Value	916	0	0	0	916	916
Total						
All Vehicles Excluding Trailers & Misc	445,540	417,026	154,859	55,294	652,413	862,566
All Vehicles	626,601	417,026	163,298	55,294	825,035	1,043,627

Notes

(1) Exposures that are eligible for dollar caps are those that have a current premium of less than $1,000.

(2) Exposures that are eligible for per cent caps are those that have a current premium of at least $1,000.

(3) Exposures that receive dollar or per cent caps are those for which the indicated premium exceeds the current premium by more than the cap amount.

(4) Exposures that did not have any caps applied:

(a) Had an indicated premium that was within the cap amount, or

(b) Belong to a class where the proposed rate was set equal to the current rate.

9. Please discuss SAF's future plans to eliminate cross subsidization between vehicle sub-class premiums.

The Auto Fund believes it's prudent to rebalance rates every year to ensure fairness in vehicle rating. In the past, there have been some years where our resources were committed to large projects, such as the Auto Fund computer system redevelopment, which did not allow for rate rebalancing. However, it is the intent of the Auto Fund to perform a rate indication with rebalancing annually. Each year the Auto Fund will make a decision on whether or not to go forward with a proposal based on our business priorities and available resources at that time. If SAF continues to use the same caps as proposed with this rate program, it would take three consecutive years of rebalancing to get 95% of all vehicles within 5% of their appropriate rate, which SAF would consider satisfactory.

10. Please discuss the rationale for selecting a proposed rate, other than the indicated rate for vehicle sub-classes, which is not entirely related to capping.

The majority of vehicle classes have proposed rates that are selected based on the capping structure outlined with this rate program. Classes with a deviation from the caps:

<u>Class F – Trailers, Class T – Utility, Class TS – Commercial Trailers, Class LV – Antiques, Class MT - Snowmobiles</u>

- SGI recommended no changes to the rates. Currently, trailers are not allocated any administrative expenses. A review of how administrative expenses are allocated will be conducted prior to the next rate program and, therefore, no change to their rates is being recommended.

<u>C&D – Non-Resident</u>

- SGI recommended no change to the current flat fee. The decrease required was 3.3%. Since the decrease was so small, no change was recommended.

<u>LV – Motorized Bicycle</u>

- SGI recommended no change to the current flat fee even though the rate indication shows a 4,462.2% increase is required. The large increase is required due to one injury claim in 2004. With minimal exposures and one large claim, SGI did not feel it would be fair to increase the rate.

<u>Sport Motorcycles</u>

- The indication rate increase required for sport motorcycles is 159%. Based on historical information, sport bikes experience twice the injury costs than any other type of motorcycle body style. Because of the significant additional revenue requirement from the sport bike body style, a higher cap is being proposed for the sport bikes in order to make up for their excessive inadequacy. Rate increases for sport motorcycles, with annual rates greater than $1,000, are capped at a maximum 30% or $45 per month.

See response to information request #25 for discussion on discounts/surcharges applied to private passenger vehicles.

11. Please discuss the objectives and workings of the rate rebalancing process.

The objective of rate rebalancing is to improve fairness in rating by ensuring each vehicle is paying sufficient premium to cover its claim costs. Rebalancing takes into account collision frequency and severity, including damage, injury and liability costs for each vehicle make and model. Rates are determined based on the actual risk each vehicle make, model and year represents for being involved in a

claim and the actual costs of paying that claim. Due to the fact that some vehicles require significant adjustments, increases and decreases will be capped to reduce rate shock.

12. How is movement in financial unpaid claims provisions and provisions for adverse deviations recognized in the ratemaking methodology in a manner consistent with the objective of targeting "adequate premium rates to break even"?

Please see the response to Information Request #66.

13. Please discuss the rationale for the distinct rating treatments accorded to urban vs. rural Taxis, including providing of comparative summary of experience justifying this approach.

There is a rating distinction between urban taxis and rural taxis as more populated locations are expected to incur higher losses than smaller communities. Also, rural taxis are based off CLEAR-rated vehicles as the group does not have enough exposures to warrant their own class. A loss ratio analysis follows to support this statement.

Documentation for Information Request # 13

Saskatchewan Government Insurance
2012 Rate Program
Class PT - Urban vs Rural

Class PT Urban

Accident Year	Earned Exposures	Ultimate Claims	Ultimate Losses	Written Premium	Ultimate Frequency	Ultimate Severity	Pure Premium	Loss Ratio
2002	530	605	1,408,868	1,281,946	1.142	2,329	2,658	110%
2003	541	509	1,590,050	1,365,223	0.941	3,124	2,939	116%
2004	551	420	855,661	1,424,064	0.762	2,037	1,553	60%
2005	559	461	1,137,501	1,271,328	0.825	2,467	2,035	89%
2006	589	364	926,066	1,445,419	0.618	2,544	1,572	64%
2007	625	416	1,384,453	1,449,105	0.666	3,328	2,215	96%
2008	629	404	2,233,071	1,476,368	0.642	5,527	3,550	151%
2009	645	558	1,567,210	1,571,748	0.865	2,809	2,430	100%
2010	582	594	3,124,155	1,443,706	1.021	5,260	5,368	216%
2011	233	264	1,073,788	664,961	1.133	4,067	4,609	161%

3 year loss ratio	157%
5 year loss ratio	142%
8 year loss ratio	114%

Class PT Rural

Accident Year	Earned Exposures	Ultimate Claims	Ultimate Losses	Written Premium	Ultimate Frequency	Ultimate Severity	Pure Premium	Loss Ratio
2002	164	34	40,919	184,176	0.207	1,204	250	22%
2003	158	63	175,228	181,491	0.399	2,781	1,109	97%
2004	144	50	361,160	173,463	0.347	7,223	2,508	208%
2005	121	56	186,376	138,108	0.463	3,328	1,540	135%
2006	100	27	135,590	130,143	0.270	5,022	1,356	104%
2007	88	26	97,288	117,455	0.295	3,742	1,106	83%
2008	78	16	60,245	111,041	0.205	3,765	772	54%
2009	66	21	86,575	102,560	0.318	4,123	1,312	84%
2010	111	23	62,351	216,767	0.207	2,711	562	29%
2011	62	20	50,864	114,304	0.323	2,543	820	44%

3 year loss ratio	46%
5 year loss ratio	54%
8 year loss ratio	94%

14. Please discuss the rationale for not proposing a special capping arrangement for Buses (with an indicated average rate change of +107.9%) as was proposed for Motorcycles (with an indicated average rate change of +76.1%).

To clarify, the special capping arrangement for motorcycles only relates to sport motorcycles with premiums greater than $1,000. Cruiser/touring and dual-purpose motorcycles with premiums greater than $1,000 will be capped at a maximum increase of 15% – the same as all other vehicle groups. Dollar caps ranging from an increase of $2 to $13 per month will apply to all vehicle groups with annual rates of $1,000 or less.

The indication for sport motorcycles is 159% which is significantly higher than any other class of vehicle. As identified in the rate application, SGI acknowledges that it may be appropriate to deviate from the caps when a vehicle class has been excessively inadequate for numerous rate programs and this is the case for sport motorcycles. With respect to Class LV – Buses, this is the first rate program where a full indication was completed and results reported. More aggressive measures may be taken in the future if this class continues to show excessive inadequacy.

Ratemaking Model – Reference: 2012 Rate Program All Indications; Actuarial Support Documents; May 2011 Valuation of Undiscounted Claim Liabilities

15. Please provide a comparative summary of the selected past and future premium trend assumptions by class of vehicle, and provide supporting rationale for any significant differences between related past and future selections, or between corresponding selections across classes of vehicles.

Although both past and future premium trends are selected, only the future trend is applied in the forecast of rating year average premium since the 2010-2011 year has 100% weight (assuming that the most recently registered vehicles provide the best estimate of average premium to use in the forecast).

For most selections, future premium trend focuses on more recent trend averages (3 year, 4 year), whereas the past premium trend focuses on longer-term trends (7+ year).

The requested schedule follows.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 15
Premium Trends by Class

Please note that while past premium trends are listed, they were not used in the indications. Average rating year premium was selected based on the most current year of data trended to the rating period.

Vehicle Class	Past Premium Trend	Future Premium Trend	Notes from Exhibit 2
CLEAR-Rated Vehicles	4.2%	3.7%	-
A - Commercial Light Trucks	0.0%	0.0%	-
F - Farm Light Truck - 1994 & Newer	2.9%	2.9%	-
LV - Private Passenger Vehicles (PPV)	4.1%	3.6%	-
LV - PPV - Farm Cars	2.7%	3.3%	-
LV - PPV - Farm SUVs and Vans	4.8%	2.5%	-
LV - Police Cars	1.8%	1.8%	Decrease in average premium from 2006 to 2008. Otherwise increasing trend.
LV - Police Trucks, Vans & SUVs	4.5%	4.0%	-
LV - Udrives	0.0%	1.5%	-
PV - Heavy Trucks and Vans	5.1%	6.1%	-
PV - Converted Vehicles	0.0%	0.0%	-
PV - Power Units	5.5%	5.5%	-
PT - Taxis (Rural)	4.2%	4.0%	-
Conventionally Rated Vehicles			
Ambulances	0.0%	0.0%	Ambulances have a flat fee of $823.
A - Commercial Vehicles:			
Heavy Trucks and Vans IRP	-1.6%	-1.6%	-
Heavy Trucks and Vans Non-IRP	1.9%	0.7%	-
Power Units IRP	-1.0%	-1.0%	-
Power Units Non-IRP	0.5%	0.3%	Increasing trend fairly consistent over all years
C & D - Commercial Vehicles:			
Heavy Trucks and Vans	0.0%	0.0%	-
Power Units	0.0%	0.0%	-
F - Farm Vehicles:			
Heavy Trucks and Vans	6.0%	6.0%	This class of vehicle is not eligible for SDR. There has been an error in the past that allowed for some vehicles to receive this discount.
Light Trucks - 1993 & Older	0.5%	0.0%	-
Power Units	6.4%	6.0%	-
Hearses			
L - Dealer Plates:	0.0%	0.0%	-
L - Snowmobile Dealers	0.0%	0.0%	Snowmobile dealers currently pay a flat fee of $103.
LV - Antiques	0.0%	0.0%	Antique vehicles are currently charged a flat fee of $66. It is anticipated that the SDR percentage of premium is going to increase by approximately 0.20%.
LV - Buses	0.0%	0.0%	-
LV - Buses (Restricted)	0.0%	0.0%	-
LV - Motorcycles:	2.8%	2.8%	The average premium increase from 2009 to 2010 was less than had been experianced in the past. The increase in the following year seems more consistant with past years.
LV - Motorhomes	1.9%	1.7%	-
MT - Snowmobiles	0.0%	0.0%	Currrent flat fee premium for Snowmobiles is $81.
PB - Passenger Inter-city Buses	1.7%	2.0%	Large jump in average premium for 2010-2011. Selected longer trend to smooth the effect of the jump.
PC - Passenger City Buses	2.0%	1.0%	-
PS - Passenger School Buses	1.8%	1.3%	-
PT - Taxis	0.0%	4.0%	-
Trailers			
F - Trailers	1.8%	0.0%	-
LT - Trailer Dealers/Movers:	0.0%	0.0%	-
T - Personal Trailers:	1.5%	0.0%	-
T - Utility	0.0%	0.0%	Utility trailers are charged a flat fee of $20.
TS - Commercial Trailers	-0.5%	-1.0%	-
Miscellaneous Classes			
A - Excess Value	0.0%	0.0%	-
C&D - Non-Resident	0.0%	0.0%	Non-residents are charged a flat fee of $80.
C&D - Excess Value	0.0%	0.0%	-
Industrial Tracked Vehicles	0.0%	0.0%	Industrial tracked vehicles are charged a flat fee of $200.
LV - Motorized Bicycle	0.0%	0.0%	Motorized bicycles are charged a flat fee of $44.
TS - Excess Value	0.0%	0.0%	-

16. Please provide a comparative summary of the selected past and future exposure trend assumptions by class of vehicle, and provide supporting rationale for any significant differences between related past and future selections, or between corresponding selections across classes of vehicles.

There is no past trend selected for exposure trend as the monthly exposures in June 2010 – May 2011 form the basis for the exposure forecast in the rating period (assuming that the most recent policies provide the best starting point to estimate the rating year exposures).

For most selections, exposure trend focuses on more recent trend averages (3 year, 4 year).

The requested schedule follows.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 16
Exposure Trends by Class

Vehicle Class	Exposure Trend 2011	Exposure Trend 2012 - 2013	Notes
CLEAR-Rated Vehicles	2.25%	2.50%	Different trend for 2011, reflecting lower than average exposures so far.
A - Commercial Light Trucks	0.00%	0.00%	
F - Farm Light Truck - 1994 & Newer	3.50%	3.50%	
LV - Private Passenger Vehicles (PPV)	2.25%	2.50%	Different trend for 2011, reflecting lower than average exposures so far.
LV - PPV - Farm Cars	-10.00%	-10.00%	
LV - PPV - Farm SUVs and Vans	-1.00%	-1.00%	
LV - Police Cars	0.00%	0.00%	
LV - Police Trucks, Vans & SUVs	10.00%	10.00%	
LV - Udrives	6.00%	6.00%	
PV - Heavy Trucks and Vans	0.00%	0.00%	
PV - Converted Vehicles	10.00%	10.00%	
PV - Power Units	25.00%	25.00%	
PT - Taxis (Rural)	25.00%	25.00%	
Conventionally Rated Vehicles			
Ambulances	0.50%	0.50%	
A - Commercial Vehicles:			
Heavy Trucks and Vans IRP	1.00%	1.00%	
Heavy Trucks and Vans Non-IRP	7.00%	7.00%	
Power Units IRP	2.00%	2.00%	
Power Units Non-IRP	7.00%	7.00%	
C & D - Commercial Vehicles:			
Heavy Trucks and Vans	2.00%	2.00%	
Power Units	10.00%	10.00%	
F - Farm Vehicles:			
Heavy Trucks and Vans	-5.00%	-5.00%	
Light Trucks - 1993 & Older	-12.50%	-12.50%	
Power Units	7.50%	7.50%	
Hearses			
L - Dealer Plates:	0.50%	0.50%	
L - Snowmobile Dealers	2.00%	2.00%	
LV - Antiques	7.00%	7.00%	
LV - Buses	0.00%	0.00%	
LV - Buses (Restricted)	-10.00%	-10.00%	
LV - Motorcycles:	10.00%	10.00%	
LV - Motorhomes	0.00%	0.00%	
MT - Snowmobiles	3.00%	3.00%	
PB - Passenger Inter-city Buses	9.00%	9.00%	
PC - Passenger City Buses	1.00%	1.00%	
PS - Passenger School Buses	1.00%	1.00%	
PT - Taxis	-1.00%	-1.00%	
Trailers			
F - Trailers	5.00%	5.00%	
LT - Trailer Dealers/Movers:	5.74%	5.74%	
T - Personal Trailers:	9.00%	9.00%	
T - Utility	4.50%	4.50%	
TS - Commercial Trailers	7.00%	7.00%	
Miscellaneous Classes			
A - Excess Value	0.00%	0.00%	
C&D - Non-Resident	-25.00%	-25.00%	
C&D - Excess Value	0.00%	0.00%	
Industrial Tracked Vehicles	2.00%	2.00%	
LV - Motorized Bicycle	0.00%	0.00%	
TS - Excess Value	2.00%	2.00%	

17. Please provide a comparative summary of the selected past and future claim frequency trend assumptions by coverage by class of vehicle, and provide supporting rationale for any significant differences between related past and future selections, or between corresponding selections across classes of vehicles for a given coverage.

For questions 17 -19:

Damage and Injury Loss Trend Committees were formed, comprised of members from the Actuarial Services, Product Management and Claims divisions. Through discussion, the past and future frequency and severity trends were selected with consideration of both historical trends and expected future influences. The attached documentation has notes on the rationale for all selections.

For these selections, similar vehicles from different classes were grouped together under the assumption that the factors driving both frequency and severity will affect a type of vehicle in a systematic manner, regardless of the vehicle's purpose. Frequency and severity trends were explicitly selected for all classes, with pure premium being the multiplicative result.

The requested information follows.

18. Please provide a comparative summary of the selected past and future claim severity trend assumptions by coverage by class of vehicle, and provide supporting rationale for any significant differences between related past and future selections, or between corresponding selections across classes of vehicles for a given coverage.

Please see information request #17.

19. Please provide a comparative summary of the selected past and future pure premium trend assumptions by coverage by class of vehicle, and provide supporting rationale for any significant differences between related past and future selections, or between corresponding selections across classes of vehicles for a given coverage.

Please see information request #17.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 17-19
Loss Trends by Coverage
Class Group: Heavy

Heavy Classes:

A - Heavy Trucks IRP, A - Heavy Trucks Non-IRP, A - Power Units IRP, A - Power Units Non-IRP, CD - Heavy Trucks, CD - Power Units, Farm Vehicles - Heavy Trucks, Farm Vehicles - Power Units

Cover 21 - Damage Liability to Others Auto

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.00%	-3.00%	-4.94%
Future	0.00%	0.00%	0.00%

Past frequency trend has been selected based on the four-year historical trend based on SDR impact average of all vehicles excluding trailers. Future frequency trend has been set to 0% with the expectation that claims per exposure will stabilize. Past and future severity trends have been selected based on historical average of all heavy vehicles.

Cover 22 - Damage Liability to Others Property

Selected Trends	Frequency	Severity	Pure Premium
Past	-8.00%	8.00%	-0.64%
Future	-2.00%	5.00%	2.90%

Past frequency trend has been selected based on historical trends of all vehicles except trailers. A possible reason for the decreasing historical frequency trend might be due to the SDR program; to avoid SDR penalties, drivers are paying the property damages on their own, thus reducing the number of claims. Future frequency trend has been selected based on assumption that negative trend will decrease in the future. Past severity trend has been selected based on historical trends (excluding 2009) of all heavy vehicles. Future severity trend was selected based on more recent trends (excluding 2009) of all heavy vehicles. In addition to rail and bridge claims, environment claims also contributed to the increase in severity. On average, an environmental claim is at least $100,000. Since there are some cost containment measure in place (i.e. consultant to determine cost-effective clean up), the future trend should not be too high; 5% seems reasonable.

Cover 23 - Loss of Use

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.50%	-10.00%	-12.25%
Future	0.00%	0.00%	0.00%

Past frequency trend has been selected based on historical trends of all vehicles except trailers. Future frequency trend has been selected based on the expectation that frequency will begin to stabilize in the future. Because of the SDR program the number of loss of use claims has decreased as the result of an increase to the number of hit and runs claims (coded under damage to own vehicle) where loss of use is not provided. Also, more households have multiple vehicles and may not be opting to use the loss of use coverage provided. Past and future severity trends have been selected based on historical trends of all heavy vehicles; future severity trend has been selected to be 0% based on the expectation that negative trend will begin to stabilize. Predicting that negative severity trend will disappear due to economic saturation and severe weather conditions.

Cover 31 - Damage to Own Vehicle

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.50%	5.00%	2.37%
Future	-1.00%	5.00%	3.95%

Past frequency trend has been selected based on historical trends of all heavy vehicles combined; future frequency trend is expected to continue at similar rate. Past and future severity trends have been selected based on historical six-year trend (excluding 2010) of all heavy vehicles.

Cover 32 - Comprehensive Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	3.50%	5.00%	8.67%
Future	3.50%	5.00%	8.67%

Past and future frequency trends have been selected based on historical trends of all heavy vehicles combined. Past severity trend has been selected based on historical long-term average trend of all heavy vehicles; future severity trend has been set equal to past assuming that severity will continue to increase at the same rate.

Cover 33 - Glass Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	10.00%	10.00%	21.00%
Future	10.00%	10.00%	21.00%

Past and future frequency/severity trends have been selected at 10% arbitrarily. Committee decided to skip this grouping due to the low volume in claims. Since the terminated glass contract in 2008, a new contract was set up with the glass supplier in February 2011. The discounts that the supplier has been provided in the past did not change for several years; in more recent years, the discounts were reduced to offset costs.

Cover 34 - Deductible

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

No trends have been selected due to randomness associated with this coverage.

Cover 41 - Fire/Lightning/Explosion

Selected Trends	Frequency	Severity	Pure Premium
Past	5.00%	5.00%	10.25%
Future	5.00%	5.00%	10.25%

Past frequency trend has been selected based on historical six-year trend of all heavy vehicles combined. Heavy vehicles spend more time on the road and less time in servicing, thus more susceptible to this type of damage. Past and future severity trends have been selected based on historical average trends of all heavy vehicles combined.

Cover 42 - Theft Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	10.00%	10.00%
Future	0.00%	10.00%	10.00%

Past and future frequency trends have been set equal to 0% based on fluctuating past trends of all the heavy vehicles and thin claims history. Past severity trend was selected based on long-term historical trend of all heavy vehicles; future severity trend was selected with the expectation of future severity increasing at same pace.

Damage Catastrophes

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	2.00%	2.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been set based on assumption that storm activity per number of exposures will continue at same rate. Past and future severity trends have been selected based on consideration of paintless dent removal practices.

Appeal

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	10.00%	10.00%
Future	0.00%	5.00%	5.00%

Trends set equal to those of CLEAR vehicles.

Care Benefits

Selected Trends	Frequency	Severity	Pure Premium
Past	2.00%	-2.00%	-0.04%
Future	0.00%	0.00%	0.00%

Past frequency trend based on historical six-year trend for all vehicles excluding motorcycles. Future frequency trend was set to 0% since a positive trend would be hard to defend for this coverage. Past severity trend has been set based on historical trends for all vehicles excluding motorcycles. Future severity trend has been set equal to 0% based on assumption that severity will stabilize.

Income Replacement

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	7.50%	3.20%
Future	-2.00%	7.50%	5.35%

Past frequency trend based on historical trend of all vehicles excluding trailers and motorcycles. Future frequency trend selected based on an increasing population density, and therefore an increase in claim frequency of all vehicles excluding trailers and motorcycles. Past severity trend selected based on historical trend. Future severity trend has been selected based on the assumption that this coverage's severity will continue to increase at the same rate.

Death

Selected Trends	Frequency	Severity	Pure Premium
Past	3.00%	3.00%	6.09%
Future	3.00%	3.00%	6.09%

Past and future frequency trends were selected based on an increasing population density. Past severity trend has been selected based on historical trends of all vehicles excluding trailers and motorcycles. Future severity trends have been set equal to past trend with the assumption that claim severity will continue to increase at the same rate as in the past. At least 50% of death claims are paid out with the minimum death amount which increases annually by CPI. Maximum death amounts increase by actual growth in salary.

Economic Loss

Selected Trends	Frequency	Severity	Pure Premium
Past	-15.00%	10.00%	-6.50%
Future	-5.00%	10.00%	4.50%

Past frequency trend based on historical trends of all vehicles excluding trailers and motorcycles. Future frequency trend has been selected with the assumption that claims will stabilize. Past severity trends have been selected based on historical average trend (excluding loss year 2010) of all vehicles excluding trailers and motorcycles. Future severity trend has been set equal to past trend.

Non-Economic Loss

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	15.00%	15.00%
Future	0.00%	10.00%	10.00%

Past frequency trend has been selected based on historical trend (excluding loss year 2007) of all vehicles excluding trailers and motorcycles. Future frequency trend has been set equal to past trend. Past severity trend has been selected based on eight to nine year historical trends of all vehicles excluding trailers and motorcycles. Future severity trend has been selected based on expected severity growth. Pain and suffering claims, which do not have precedents here in Saskatchewan, are based on similar cases from outside of the province. Out-of-province severity has been increasing following similar trends historically.

Out of Province

Selected Trends	Frequency	Severity	Pure Premium
Past	-10.00%	4.00%	-6.40%
Future	0.00%	4.00%	4.00%

Past and future severity trends selected based on six-year historical trend of vehicles with high exposure to risk.

Medical Expenses excluding Funding

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	5.00%	0.80%
Future	-2.00%	5.00%	2.90%

Past and future frequency trends have been selected based on income replacement frequency trends of all vehicles excluding trailers and motorcycles. Past severity trend has been selected based on long-term historical trend of all vehicles excluding trailers and motorcycles. Future severity trend has been set equal to past trend.

Permanent Impairment

Selected Trends	Frequency	Severity	Pure Premium
Past	2.75%	0.00%	2.75%
Future	2.75%	0.00%	2.75%

Past frequency trend selected based on recent historical trends of all vehicles excluding trailers and motorcycles. Future frequency trend set equal to historical. Past severity trend has been set based on long-term average of all vehicles excluding trailers and motorcycles. Future severity trend set equal to past trend.

Tort Injury

Selected Trends	Frequency	Severity	Pure Premium
Past	-5.00%	0.00%	-5.00%
Future	-5.00%	0.00%	-5.00%

Past and future severity trends have been set equal to 0% due to fluctuating trends of all vehicles excluding trailers.

Tort Liability

Selected Trends	Frequency	Severity	Pure Premium
Past	5.00%	3.00%	8.15%
Future	5.00%	5.00%	10.25%

Past and future frequency trends have been selected based on historical average (excluding loss year 2010) of all vehicles excluding trailers.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 17-19
Loss Trends by Coverage
Class Group: Light excl Ambulances and Motorcycles

Light Classes:

CLEAR, Farm Vehicles - Light Trucks - 1993 & Older, Hearses, Industrial Tracked Vehicles, L - Dealer Plates (Automobiles and Motorcycles), LV - Antiques, LV - Buses, LV - Buses (Restricted), LV - Motorhomes, LV - Pedal Cycle, MT-Snowmobiles, PB - Passenger Inter-City Buses, PC - Passenger City Buses, PS - Passenger School Buses, PT - Taxis (Urban)

Cover 21 - Damage Liability to Others Auto

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.00%	2.50%	0.45%
Future	0.00%	2.00%	2.00%

Past frequency trend has been selected based on the four-year historical trend based on SDR impact average of all vehicles excluding trailers. Future frequency trend has been set to 0% with the expectation that claims per exposure will stabilize. Past severity trend has been selected based on historical average of all light vehicles. Future severity trend has been selected at 2% based on expectation of CPI (current CPI is about 2% and it's likely that it will go up).

Cover 22 - Damage Liability to Others Property

Selected Trends	Frequency	Severity	Pure Premium
Past	-8.00%	15.00%	5.80%
Future	-2.00%	10.00%	7.80%

Past frequency trend has been selected based on historical trends of all vehicles except trailers. A possible reason for the decreasing historical frequency trend might be due to the SDR program; to avoid SDR penalties, drivers are paying the property damages on their own, thus reducing the number of claims. Future frequency trend has been selected based on assumption that negative trend will decrease in the future. Past severity trend has been selected based on historical trends of all light vehicles. Future severity trend has been selected based on most recent historical trend excluding 2010; also it is expected that smaller claims are not being reported, which is causing costs to rise. The SDR program and changes to municipal uninsured motorists claims are impacting the severity.

Cover 23 - Loss of Use

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.50%	2.50%	-0.06%
Future	0.00%	2.50%	2.50%

Past frequency trend has been selected based on historical trends of all vehicles except trailers. Future frequency trend has been selected based on the expectation that frequency will begin to stabilize in the future. Because of the SDR program the number of loss of use claims has decreased as the result of an increase to the number of hit and runs claims (coded under damage to own vehicle) where loss of use is not provided. Also, more households have multiple vehicles and may not be opting to use the loss of use coverage provided. Past severity trend is based on historical trend for all light vehicles combined. Future severity trend has been selected with the prediction that the positive trend will continue due to the crisis in Japan; availability of auto parts is starting to become an issue as customers wait longer for repairs, thus increasing the costs for rentals.

Cover 31 - Damage to Own Vehicle

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been selected based on stable historical trends of all light vehicles. Future severity trend was selected based on consideration of CPI. Speculated that the increasing auto parts costs are offsetting the decreasing used car values, producing the leveling effect in severity.

Cover 32 - Comprehensive Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	3.00%	3.00%
Future	1.00%	3.00%	4.03%

Past frequency trend has been selected based on historical trends of all light vehicles combined; future frequency trend has been selected based on the assumption that the frequency of comprehensive claims will increase due to extreme weather patterns. Past severity trend has been selected based on historical long-term average trend of all light vehicles combined. Future severity trend has been set equal to past trend assuming that severity will continue to increase at the same rate.

Cover 33 - Glass Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	40.00%	-8.00%	28.80%
Future	40.00%	-8.00%	28.80%

Past and future frequency/severity trends have been selected based on the understanding that more and more vehicles windshields' are costing more than $700 deductible. The amount that windshields are over the deductible is minimal, which in turn is causing the average severity to decrease. However, the frequency of glass claims is increasing and is expected to continue to increase.

Cover 34 - Deductible

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

No trends have been selected due to randomness associated with this coverage.

Cover 41 - Fire/Lightning/Explosion

Selected Trends	Frequency	Severity	Pure Premium
Past	-5.00%	5.00%	-0.25%
Future	-5.00%	5.00%	-0.25%

Past frequency trend has been selected based on historical trends of all light vehicles combined. Future trend set equal to past trend with the understanding that there are more newer vehicles on the roads and newer vehicles are less likely to catch fire. Past and future severity trends have been selected based on historical average trend of all light vehicles.

Cover 42 - Theft Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	-10.00%	4.50%	-5.95%
Future	-5.00%	4.50%	-0.73%

Past frequency trend based on historical trend of all light vehicles combined. Future frequency trend has been selected with the assumption that frequency will begin to stabilize. Also, it is believed that increased police enforcement and newer vehicles with anti-theft protection are impacting frequency of theft claims. Past severity trend based on historical trends of all light vehicles combined. Future severity trend has been set equal to past trend. Approximately 99% of the vehicles are recovered within two to three days. Hard to assess the damages in stolen vehicles, lots of scratches type of damages; usually numerous but small damages throughout the vehicles; as a result, costs begin to accumulate.

Damage Catastrophes

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	2.00%	2.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been set based on assumption that storm activity per number of exposures will continue at same rate. Past and future severity trends have been selected based on consideration of paintless dent removal practices.

Appeal

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	10.00%	10.00%
Future	0.00%	5.00%	5.00%

Trends set equal to those of CLEAR vehicles.

Care Benefits

Selected Trends	Frequency	Severity	Pure Premium
Past	2.00%	-2.00%	-0.04%
Future	0.00%	0.00%	0.00%

Past frequency trend based on historical six-year trend for all vehicles excluding motorcycles. Future frequency trend was set to 0% since a positive trend would be hard to defend for this coverage. Past severity trend has been set based on historical trends for all vehicles excluding motorcycles. Future severity trend has been set equal to 0% based on assumption that severity will stabilize.

Income Replacement

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	7.50%	3.20%
Future	-2.00%	7.50%	5.35%

Past frequency trend based on historical trend of all vehicles excluding motorcycles. Future frequency trend selected based on an increasing population density, and therefore an increase in claim frequency of all vehicles excluding motorcycles. Past severity trend selected based on historical trend. Future severity trend has been selected based on the assumption that this coverage's severity will continue to increase at the same rate.

Death

Selected Trends	Frequency	Severity	Pure Premium
Past	3.00%	3.00%	6.09%
Future	3.00%	3.00%	6.09%

Past and future frequency trends were selected based on an increasing population density. Past severity trend has been selected based on historical trends of all vehicles excluding motorcycles. Future severity trends have been set equal to past trend with the assumption that claim severity will continue to increase at the same rate as in the past. At least 50% of death claims are paid out with the minimum death amount, which increases annually by CPI. Maximum death amounts increase by actual growth in salary.

Economic Loss

Selected Trends	Frequency	Severity	Pure Premium
Past	-15.00%	10.00%	-6.50%
Future	-5.00%	10.00%	4.50%

Past frequency trend based on historical trends of all vehicles excluding motorcycles. Future frequency trend has been selected with the assumption that claims will stabilize. Past severity trends have been selected based on historical average trend (excluding loss year 2010) of all vehicles excluding motorcycles. Future severity trend has been set equal to past trend.

Non-Economic Loss

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	15.00%	15.00%
Future	0.00%	10.00%	10.00%

Past frequency trend has been selected based on historical trend (excluding loss year 2007) of all vehicles excluding motorcycles. Future frequency trend has been set equal to past trend. Past severity trend has been selected based on eight to nine year historical trends of all vehicles excluding motorcycles. Future severity trend has been selected based on expected severity growth. Pain and suffering claims, which do not have precedents here in Saskatchewan, are based on similar cases from outside of the province. Out-of-province severity has been increasing following similar trends historically.

Out of Province

Selected Trends	Frequency	Severity	Pure Premium
Past	-10.00%	4.00%	-6.40%
Future	0.00%	4.00%	4.00%

Past frequency trend has been based on historical trends. Although the exposure is increasing, not every driver is travelling out of province. Also, it appears that the Alberta injury cap is working. Future frequency trend has been set based on the expectation that frequency will stabilize. Past and future severity trends have been selected based on grouping of vehicle classes that have a high exposure to out-of-province claims.

Medical Expenses excluding Funding

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	5.00%	0.80%
Future	-2.00%	5.00%	2.90%

Past and future frequency trends have been selected based on income replacement frequency trends of all vehicles excluding motorcycles. Past severity trend has been selected based on long-term historical trend of all vehicles excluding motorcycles. Future severity trend has been set equal to past trend.

Permanent Impairment

Selected Trends	Frequency	Severity	Pure Premium
Past	2.75%	0.00%	2.75%
Future	2.75%	0.00%	2.75%

Past frequency trend selected based on recent historical trends of all vehicles excluding motorcycles. Future frequency trend set equal to historical. Past severity trend has been set based on long-term average of all vehicles excluding motorcycles. Future severity trend set equal to past trend.

Tort Injury

Selected Trends	Frequency	Severity	Pure Premium
Past	-5.00%	0.00%	-5.00%
Future	-5.00%	0.00%	-5.00%

Past and future severity trends have been set equal to 0% due to fluctuating trends of all vehicles excluding trailers.

Tort Liability

Selected Trends	Frequency	Severity	Pure Premium
Past	5.00%	3.00%	8.15%
Future	5.00%	5.00%	10.25%

Past and future frequency trends have been selected based on historical average (excluding loss year 2010) of all vehicles excluding trailers.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 17-19
Loss Trends by Coverage
Class Group: Light - Ambulance

Light Classes:
Ambulance
Ambulances have been split out from other light classes as they do not travel out of province.

Cover 21 - Damage Liability to Others Auto

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.00%	2.50%	0.45%
Future	0.00%	2.00%	2.00%

Past frequency trend has been selected based on the four-year historical trend based on SDR impact average of all vehicles excluding trailers. Future frequency trend has been set to 0% with the expectation that claims per exposure will stabilize. Past severity trend has been selected based on historical average of all light vehicles. Future severity trend has been selected at 2% based on expectation of CPI (current CPI is about 2% and it's likely that it will go up).

Cover 22 - Damage Liability to Others Property

Selected Trends	Frequency	Severity	Pure Premium
Past	-8.00%	15.00%	5.80%
Future	-2.00%	10.00%	7.80%

Past frequency trend has been selected based on historical trends of all vehicles except trailers. A possible reason for the decreasing historical frequency trend might be due to the SDR program; to avoid SDR penalties, drivers are paying the property damages on their own, thus reducing the number of claims. Future frequency trend has been selected based on assumption that negative trend will decrease in the future. Past severity trend has been selected based on historical trends of all light vehicles. Future severity trend has been selected based on most recent historical trend excluding 2010; also it is expected that smaller claims are not being reported, which is causing costs to rise. The SDR program and changes to municipal uninsured motorists claims are impacting the severity.

Cover 23 - Loss of Use

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.50%	2.50%	-0.06%
Future	0.00%	2.50%	2.50%

Past frequency trend has been selected based on historical trends of all vehicles except trailers. Future frequency trend has been selected based on the expectation that frequency will begin to stabilize in the future. Because of the SDR program the number of loss of use claims has decreased as the result of an increase to the number of hit and runs claims (coded under damage to own vehicle) where loss of use is not provided. Also, more households have multiple vehicles and may not be opting to use the loss of use coverage provided. Past severity trend is based on historical trend for all light vehicles combined. Future severity trend has been selected with the prediction that the positive trend will continue due to the crisis in Japan; availability of auto parts is starting to become an issue as customers wait longer for repairs, thus increasing the costs for rentals.

Cover 31 - Damage to Own Vehicle

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been selected based on stable historical trends of all light vehicles. Future severity trend was selected based on consideration of CPI. Speculated that the increasing auto parts costs are offsetting the decreasing used car values, producing the leveling effect in severity.

Cover 32 - Comprehensive Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	3.00%	3.00%
Future	1.00%	3.00%	4.03%

Past frequency trend has been selected based on historical trends of all light vehicles combined; future frequency trend has been selected based on the assumption that the frequency of comprehensive claims will increase due to extreme weather patterns. Past severity trend has been selected based on historical long-term average trend of all light vehicles combined. Future severity trend has been set equal to past trend assuming that severity will continue to increase at the same rate.

Cover 33 - Glass Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	40.00%	-8.00%	28.80%
Future	40.00%	-8.00%	28.80%

Past and future frequency/severity trends have been selected based on the understanding that more and more vehicles windshields are costing more than $700 deductible. The amount that windshields are over the deductible is minimal, which, in turn is causing the average severity to decrease. However, the frequency of glass claims is increasing and is expected to continue to increase.

Cover 34 - Deductible

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

No trends have been selected due to randomness associated with this coverage.

Cover 41 - Fire/Lightning/Explosion

Selected Trends	Frequency	Severity	Pure Premium
Past	-5.00%	5.00%	-0.25%
Future	-5.00%	5.00%	-0.25%

Past frequency trend has been selected based on historical trends of all light vehicles combined. Future trend set equal to past trend with the understanding that there are more newer vehicles on the roads and newer vehicles are less likely to catch fire. Past and future severity trends have been selected based on historical average trend of all light vehicles.

Cover 42 - Theft Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	-10.00%	4.50%	-5.95%
Future	-5.00%	4.50%	-0.73%

Past frequency trend based on historical trend of all light vehicles combined. Future frequency trend has been selected with the assumption that frequency will begin to stabilize. Also, it is believed that increased police enforcement and newer vehicles with anti-theft protection are impacting frequency of theft claims. Past severity trend based on historical trends of all light vehicles combined. Future severity trend has been set equal to past trend. Approximately 99% of the vehicles are recovered within two to three days. Hard to assess the damages in stolen vehicles, lots of scratch type of damages; usually numerous but small damages throughout the vehicles; as a result, costs begin to accumulate.

Damage Catastrophes

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	2.00%	2.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been set based on assumption that storm activity per number of exposures will continue at same rate. Past and future severity trends have been selected based on consideration of paintless dent removal practices.

Appeal

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	10.00%	10.00%
Future	0.00%	5.00%	5.00%

Trends set equal to those of CLEAR vehicles.

Care Benefits

Selected Trends	Frequency	Severity	Pure Premium
Past	2.00%	-2.00%	-0.04%
Future	0.00%	0.00%	0.00%

Past frequency trend based on historical six-year trend for all vehicles excluding motorcycles. Future frequency trend was set to 0% since a positive trend would be hard to defend for this coverage. Past severity trend has been set based on historical trends for all vehicles excluding motorcycles. Future severity trend has been set equal to 0% based on assumption that severity will stabilize.

Income Replacement

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	7.50%	3.20%
Future	-2.00%	7.50%	5.35%

Past frequency trend based on historical trend of all vehicles excluding motorcycles. Future frequency trend selected based on an increasing population density, and therefore an increase in claim frequency of all vehicles excluding motorcycles. Past severity trend selected based on historical trend. Future severity trend has been selected based on the assumption that this coverage's severity will continue to increase at the same rate.

Death

Selected Trends	Frequency	Severity	Pure Premium
Past	3.00%	3.00%	6.09%
Future	3.00%	3.00%	6.09%

Past and future frequency trends were selected based on an increasing population density. Past severity trend has been selected based on historical trends of all vehicles excluding motorcycles. Future severity trends have been set equal to past trend with the assumption that claim severity will continue to increase at the same rate as in the past. At least 50% of death claims are paid out with the minimum death amount, which increases annually by CPI. Maximum death amounts increase by actual growth in salary.

Economic Loss

Selected Trends	Frequency	Severity	Pure Premium
Past	-15.00%	10.00%	-6.50%
Future	-5.00%	10.00%	4.50%

Past frequency trend based on historical trends of all vehicles excluding motorcycles. Future frequency trend has been selected with the assumption that claims will stabilize. Past severity trends have been selected based on historical average trend (excluding loss year 2010) of all vehicles excluding motorcycles. Future severity trend has been set equal to past trend.

Non-Economic Loss

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	15.00%	15.00%
Future	0.00%	10.00%	10.00%

Past frequency trend has been selected based on historical trend (excluding loss year 2007) of all vehicles excluding motorcycles. Future frequency trend has been set equal to past trend. Past severity trend has been selected based on eight to nine year historical trends of all vehicles excluding motorcycles. Future severity trend has been selected based on expected severity growth. Pain and suffering claims, which do not have precedents here in Saskatchewan, are based on similar cases from outside of the province. Out-of-province severity has been increasing following similar trends historically.

Out of Province

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

No risk for this coverage since ambulances do not travel out of province.

Medical Expenses excluding Funding

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	5.00%	0.80%
Future	-2.00%	5.00%	2.90%

Past and future frequency trends have been selected based on income replacement frequency trends of all vehicles excluding motorcycles. Past severity trend has been selected based on long-term historical trend of all vehicles excluding motorcycles. Future severity trend has been set equal to past trend.

Permanent Impairment

Selected Trends	Frequency	Severity	Pure Premium
Past	2.75%	0.00%	2.75%
Future	2.75%	0.00%	2.75%

Past frequency trend selected based on recent historical trends of all vehicles excluding motorcycles. Future frequency trend set equal to historical. Past severity trend has been set based on long-term average of all vehicles excluding motorcycles. Future severity trend set equal to past trend.

Tort Injury

Selected Trends	Frequency	Severity	Pure Premium
Past	-5.00%	0.00%	-5.00%
Future	-5.00%	0.00%	-5.00%

Past and future severity trends have been set equal to 0% due to fluctuating trends of all vehicles excluding trailers.

Tort Liability

Selected Trends	Frequency	Severity	Pure Premium
Past	5.00%	3.00%	8.15%
Future	5.00%	5.00%	10.25%

Past and future frequency trends have been selected based on historical average (excluding loss year 2010) of all vehicles excluding trailers.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 17-19
Loss Trends by Coverage
Class Group: Light - Motorcycles

Light Classes:
LV - Motorcycles
LV - Motorcycles have been split out from other light classes due to unique injury trends.

Cover 21 - Damage Liability to Others Auto

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.00%	2.50%	0.45%
Future	0.00%	2.00%	2.00%

Past frequency trend has been selected based on the four-year historical trend based on SDR impact average of all vehicles excluding trailers. Future frequency trend has been set to 0% with the expectation that claims per exposure will stabilize. Past severity trend has been selected based on historical average of all light vehicles. Future severity trend has been selected at 2% based on expectation of CPI (current CPI is about 2% and it's likely that it will go up).

Cover 22 - Damage Liability to Others Property

Selected Trends	Frequency	Severity	Pure Premium
Past	-8.00%	15.00%	5.80%
Future	-2.00%	10.00%	7.80%

Past frequency trend has been selected based on historical trends of all vehicles except trailers. A possible reason for the decreasing historical frequency trend might be due to the SDR program; to avoid SDR penalties, drivers are paying the property damages on their own, thus reducing the number of claims. Future frequency trend has been selected based on assumption that negative trend will decrease in the future. Past severity trend has been selected based on historical trends of all light vehicles. Future severity trend has been selected based on most recent historical trend excluding 2010; also it is expected that smaller claims are not being reported, which is causing costs to rise. The SDR program and changes to municipal uninsured motorists claims are impacting the severity.

Cover 23 - Loss of Use

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.50%	2.50%	-0.06%
Future	0.00%	2.50%	2.50%

Past frequency trend has been selected based on historical trends of all vehicles except trailers. Future frequency trend has been selected based on the expectation that frequency will begin to stabilize in the future. Because of the SDR program the number of loss of use claims has decreased as the result of an increase to the number of hit and runs claims (coded under damage to own vehicle) where loss of use is not provided. Also, more households have multiple vehicles and may not be opting to use the loss of use coverage provided. Past severity trend is based on historical trend for all light vehicles combined. Future severity trend has been selected with the prediction that the positive trend will continue due to the crisis in Japan; availability of auto parts is starting to become an issue as customers wait longer for repairs, thus increasing the costs for rentals.

Cover 31 - Damage to Own Vehicle

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been selected based on stable historical trends of all light vehicles. Future severity trend was selected based on consideration of CPI. Speculated that the increasing auto parts costs are offsetting the decreasing used car values, producing the leveling effect in severity.

Cover 32 - Comprehensive Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	3.00%	3.00%
Future	1.00%	3.00%	4.03%

Past frequency trend has been selected based on historical trends of all light vehicles combined; future frequency trend has been selected based on the assumption that the frequency of comprehensive claims will increase due to extreme weather patterns. Past severity trend has been selected based on historical long-term average trend of all light vehicles combined. Future severity trend has been set equal to past trend assuming that severity will continue to increase at the same rate.

Cover 33 - Glass Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	40.00%	-8.00%	28.80%
Future	40.00%	-8.00%	28.80%

Past and future frequency/severity trends have been selected based on the understanding that more and more vehicles' windshields are costing more than $700 deductible. The amount that windshields are over the deductible is minimal, which, in turn is causing the average severity to decrease. However, the frequency of glass claims is increasing and is expected to continue to increase.

Cover 34 - Deductible

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

No trends have been selected due to randomness associated with this coverage.

Cover 41 - Fire/Lightning/Explosion

Selected Trends	Frequency	Severity	Pure Premium
Past	-5.00%	5.00%	-0.25%
Future	-5.00%	5.00%	-0.25%

Past frequency trend has been selected based on historical trends of all light vehicles combined. Future trend set equal to past trend with the understanding that there are more newer vehicles on the roads and newer vehicles are less likely to catch fire. Past and future severity trends have been selected based on historical average trend of all light vehicles.

Cover 42 - Theft Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	-10.00%	4.50%	-5.95%
Future	-5.00%	4.50%	-0.73%

Past frequency trend based on historical trend of all light vehicles combined. Future frequency trend has been selected with the assumption that frequency will begin to stabilize. Also, it is believed that increased police enforcement and newer vehicles with anti-theft protection are impacting frequency of theft claims. Past severity trend based on historical trends of all light vehicles combined. Future severity trend has been set equal to past trend. Approximately 99% of the vehicles are recovered within two to three days. Hard to assess the damages in stolen vehicles, lots of scratch type of damages; usually numerous but small damages throughout the vehicles; as a result, costs begin to accumulate.

Damage Catastrophes

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	2.00%	2.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been set based on assumption that storm activity per number of exposures will continue at same rate. Past and future severity trends have been selected based on consideration of paintless dent removal practices.

Appeal

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	10.00%	10.00%
Future	0.00%	5.00%	5.00%

Trends set equal to those of CLEAR vehicles.

Care Benefits

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	8.00%	12.32%
Future	0.00%	8.00%	12.32%

Past and future frequency trends have been set equal to 0% due to variability in historical trends. Past and future severity trends have been selected excluding loss year 2005, which appears to be an anomaly.

Income Replacement

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	15.00%	10.40%
Future	-2.00%	7.50%	5.35%

Past and future frequency trends selected based on historical trends. Looking at the data, it appears that 2009 was an anomaly year. Past severity trend selected based on historical trends. Speculated that older riders with higher income may have contributed to the increasing severity trends. Future severity trend has been set equal to future trend for all vehicles.

Death

Selected Trends	Frequency	Severity	Pure Premium
Past	3.00%	3.00%	6.09%
Future	3.00%	3.00%	6.09%

Past and future frequency trends were selected based on an increasing population density. Past severity trend has been selected based on historical trends of all vehicles excluding motorcycles. Future severity trends have been set equal to past trend with the assumption that claim severity will continue to increase at the same rate as in the past. At least 50% of death claims are paid out with the minimum death amount, which increases annually by CPI. Maximum death amounts increase by actual growth in salary.

Economic Loss

Selected Trends	Frequency	Severity	Pure Premium
Past	-15.00%	10.00%	-6.50%
Future	-5.00%	10.00%	4.50%

Past frequency trend based on historical trends of all vehicles excluding motorcycles. Future frequency trend has been selected with the assumption that claims will stabilize. Past severity trends have been selected based on historical average trend (excluding loss year 2010) of all vehicles excluding motorcycles. Future severity trend has been set equal to past trend.

Non-Economic Loss

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	15.00%	15.00%
Future	0.00%	10.00%	10.00%

Past frequency trend has been selected based on historical trend (excluding loss year 2007) of all vehicles excluding motorcycles. Future frequency trend has been set equal to past trend. Past severity trend has been selected based on eight to nine year historical trends of all vehicles excluding motorcycles. Future severity trend has been selected based on expected severity growth. Pain and suffering claims, which do not have precedents here in Saskatchewan, are based on similar cases from outside of the province. Out-of-province severity has been increasing following similar trends historically.

Out of Province

Selected Trends	Frequency	Severity	Pure Premium
Past	-10.00%	4.00%	-6.40%
Future	0.00%	4.00%	4.00%

Past frequency trend has been based on historical trends. Although the exposure is increasing, not every driver is travelling out of province. Also, it appears that the Alberta injury cap is working. Future frequency trend has been set based on the expectation that frequency will stabilize. Past and future severity trends have been selected based on grouping of vehicle classes that have a high exposure to out-of-province claims.

Medical Expenses excluding Funding

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	5.00%	0.80%
Future	-2.00%	5.00%	2.90%

Past and future frequency trends have been selected based on income replacement frequency trends of all vehicles excluding motorcycles. Past severity trend has been selected based on long-term historical trend of all vehicles excluding motorcycles. Future severity trend has been set equal to past trend.

Permanent Impairment

Selected Trends	Frequency	Severity	Pure Premium
Past	-2.00%	0.00%	-2.00%
Future	-2.00%	0.00%	-2.00%

Past and future frequency trends selected based on historical trends. Past and future severity trends selected based on all vehicles excluding trailers and motorcycles.

Tort Injury

Selected Trends	Frequency	Severity	Pure Premium
Past	-5.00%	0.00%	-5.00%
Future	-5.00%	0.00%	-5.00%

Past and future severity trends have been set equal to 0% due to fluctuating trends of all vehicles excluding trailers.

Tort Liability

Selected Trends	Frequency	Severity	Pure Premium
Past	5.00%	3.00%	8.15%
Future	5.00%	5.00%	10.25%

Past and future frequency trends have been selected based on historical average (excluding loss year 2010) of all vehicles excluding trailers.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 17-19
Loss Trends by Coverage
Class Group: Light - Trailers

Trailer Classes:

F - Trailers, LT - Trailer Dealer/Mover, T - Personal Trailers, T - Utility, TS - Commercial Trailers

Cover 21 - Damage Liability to Others Auto

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

Past and future frequency/severity trends set equal to 0% due to the low volume of claims.

Cover 22 - Damage Liability to Others Property

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

Past and future frequency/severity trends set equal to 0% due to the low volume of claims.

Cover 23 - Loss of Use

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

Past and future frequency/severity trends set equal to 0% due to the low volume of claims.

Cover 31 - Damage to Own Vehicle

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	0.00%	-4.00%
Future	-2.00%	0.00%	-2.00%

Past and future frequency trends have been selected based on historical trends of all trailers. Past and future severity trends have been selected to be 0% based on fluctuating (cyclical) historical pattern.

Cover 32 - Comprehensive Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	-4.00%	0.00%	-4.00%
Future	-2.00%	0.00%	-2.00%

Past and future frequency trends have been selected based on the Damage to own trailers coverage. Past and future severity trends have been selected to remain constant at 0%.

Cover 33 - Glass Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

Past and future frequency/severity trends have been selected to be 0% based on historical fluctuating trends as well as the low volume of claims.

Cover 34 - Deductible

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	0.00%	0.00%
Future	0.00%	0.00%	0.00%

No trends have been selected due to randomness associated with this coverage.

Cover 41 - Fire/Lightning/Explosion

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	5.00%	5.00%
Future	0.00%	5.00%	5.00%

Past and future frequency trends have been selected to be 0% due to fluctuating historical trends as well as the low volume of claims. Past and future severity trends have been selected based on historical average trends of all trailers.

Cover 42 - Theft Coverage

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	2.00%	2.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been selected to be 0% based on fluctuating historical trends of all trailers. Past and future severity trends have been selected based on historical average trends of all trailers.

Damage Catastrophes

Selected Trends	Frequency	Severity	Pure Premium
Past	0.00%	2.00%	2.00%
Future	0.00%	2.00%	2.00%

Past and future frequency trends have been set based on assumption that storm activity per number of exposures will continue at same rate. Past and future severity trends have been selected based on consideration of paintless dent removal practices.

20. Please discuss any general considerations, guidelines or selection criteria that were applied in the selection of premium, exposure, claim frequency, claim severity and pure premium trends.

For exposure and premium trend selections, past trends were generally selected using longer-term trends (7+ years), while future trends were generally selected using shorter-term trends (3-4 year averages). The shorter-term trends, in the absence of any prospective differences, were generally viewed as the most predictive for the few years following the most recent year of data.

Frequency and severity selections were often specific to the vehicle group being considered, however, there were still a few general considerations. The 2011 loss year had only five months of experience at the time of selection, and therefore loss trends both including and excluding the 2011 year were considered. The 2011 loss year was also adjusted for the differences in expected seasonality of the first five months as compared to a full year in exposures, frequency and severity.

Another consideration for the trends selected in frequency and severity was the possibility that the trend will moderate in the future. For both positive and negative trends in some classes, especially when those trends were extreme, the future trends selected were reduced from current/past trends. Discussion among the Loss Trend Committee members determined among which classes this was expected to occur.

Generally, for damage trends, the more recent historical trends (with caution surrounding the 2011 year) were considered to be more predictive of future trends. For injury trends, the long-term historical trends were considered to be more predictive of future trends.

Glass claims require specific consideration as a large number of these repairs have begun to exceed the $700 deductible level in the past few years. This impacts the selection of both the expected frequency and severity trends for glass claims in the rating year.

21. With reference to Page 12 in the May 2011 Valuation of Undiscounted Claim Liabilities, please provide an illustration of the derivation of the graduated discount rates out to 20 years, using two sample bonds of significantly different terms to maturity (i.e., one short, one long).

Let's use the following three bonds to illustrate the derivation of graduated discount rates, and suppose that today's date is May 31, 2011:

Bond ABC: Par value: $1,000, semi-annual paid coupons at coupon rate: 2%, maturity date: May 31, 2031, market value: $620, today's implied yield to maturity: 5.973% effective annual rate

Bond HIJ: Par value: $1,000, semi-annual paid coupons at coupon rate: 5%, maturity date: May 31, 2015, market value: $1,100, today's implied yield to maturity: 2.379% effective annual rate

Bond XYZ: Par value: $1,000, semi-annual paid coupons at coupon rate: 8%, maturity date: May 31, 2012, market value: $1,070, today's implied yield to maturity: 0.952% effective annual rate

In the future cash flow grouping of 0-2 years, we have the following cash flows:

- ABC: $10 coupons at times 0.5, 1, 1.5, 2 years
- HIJ: $25 coupons at times 0.5, 1, 1.5, 2 years
- XYZ: $40 coupons at times 0.5, 1 years, and $1,000 principal at 1 year

We calculate the discounted value of the cash flows from each bond using the yield from that bond. The ABC coupons will use the 5.973% yield, the HIJ coupons will use the 2.379% yield, and the XYZ coupons/principal will use the 0.952% yield.

- Disc value of ABC coupons = $9.75 + 9.51 + 9.28 + 9.05 = $37.60
- Disc value of HIJ coupons = $24.71 + 24.42 + 24.13 + 23.85 = $97.11
- Disc value of XYZ coupons + principal = $39.81 + 1,030.19 = $1,070

So, we know that the discounted value of the asset cash flows from 0-2 years is $37.60 + $97.11 + $1,070 = $1,204.72, and the undiscounted value of the asset cash flows from 0-2 years is $40 + $100 + $1,080 = $1,220. We can also measure the average timing of the payments by weighting them by cash flow to come up with (40 + 25 + 10) * 0.5 + (1040 + 25 + 10)*1 + (10 + 25)*1.5 + (10 + 25)*2 / (1220) = 1.0123 years.

Finally, we can solve for the discount rate that ties the undiscounted total, discounted total, and average payment date together: (1,220 / 1,204.72) ^ (1/1.0123) – 1 = 1.253%.

We can proceed in the same manner for cash flow groupings of 2-5 years, 5-10 years, and 10-20 years and get resulting discount rates of 2.50%, 5.07%, and 5.07% respectively. The last two groupings have the same discount rate since there is only one bond with cash flows during that those times.

Detailed calculations follow.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 21

	ABC	HIJ	XYZ
Par Value	1,000	1,000	1,000
Coupon Rate	2%	5%	8%
Payments Per Year	2	2	2
Price	620	1,100	1,070
Term (Yrs)	20	4	1
Bond Equivalent Yield	5.04%	2.37%	0.95%
Annual Yield	5.10%	2.38%	0.95%

	Total Undisc	Total Disc	Average Time	Discount Rate
0-2	1,220	1,204.72	1.0123	1.25%
2-5	1,160	1,052.72	3.9224	2.50%
5-10	100	68.18	7.7500	5.07%
10-20	1,200	464.38	19.2083	5.07%

	Undiscounted Cash Flows				Discounted Cash Flows				
Time	**ABC**	**HIJ**	**XYZ**	**Total**	**Time**	**ABC**	**HIJ**	**XYZ**	**Total**
0.50	10	25	40	75	0.50	9.75	24.71	39.81	74.27
1.00	10	25	1,040	1,075	1.00	9.51	24.42	1,030.19	1,064.12
1.50	10	25		35	1.50	9.28	24.13		33.41
2.00	10	25		35	2.00	9.05	23.85		32.90
2.50	10	25		35	2.50	8.83	23.57		32.40
3.00	10	25		35	3.00	8.61	23.30		31.91
3.50	10	25		35	3.50	8.40	23.03		31.43
4.00	10	1,025		1,035	4.00	8.20	932.99		941.19
4.50	10			10	4.50	7.99			7.99
5.00	10			10	5.00	7.80			7.80
5.50	10			10	5.50	7.61			7.61
6.00	10			10	6.00	7.42			7.42
6.50	10			10	6.50	7.24			7.24
7.00	10			10	7.00	7.06			7.06
7.50	10			10	7.50	6.89			6.89
8.00	10			10	8.00	6.72			6.72
8.50	10			10	8.50	6.55			6.55
9.00	10			10	9.00	6.39			6.39
9.50	10			10	9.50	6.23			6.23
10.00	10			10	10.00	6.08			6.08
10.50	10			10	10.50	5.93			5.93
11.00	10			10	11.00	5.79			5.79
11.50	10			10	11.50	5.64			5.64
12.00	10			10	12.00	5.50			5.50
12.50	10			10	12.50	5.37			5.37
13.00	10			10	13.00	5.24			5.24
13.50	10			10	13.50	5.11			5.11
14.00	10			10	14.00	4.98			4.98
14.50	10			10	14.50	4.86			4.86
15.00	10			10	15.00	4.74			4.74
15.50	10			10	15.50	4.63			4.63
16.00	10			10	16.00	4.51			4.51
16.50	10			10	16.50	4.40			4.40
17.00	10			10	17.00	4.29			4.29
17.50	10			10	17.50	4.19			4.19
18.00	10			10	18.00	4.08			4.08
18.50	10			10	18.50	3.98			3.98
19.00	10			10	19.00	3.89			3.89
19.50	10			10	19.50	3.79			3.79
20.00	1,010			1,010	20.00	373.45			373.45

22. With reference to Page 12 in the May 2011 Valuation of Undiscounted Claim Liabilities, please provide the basis for the expected yield on equities of 7.80% (before adjustment for investment expenses).

Aon Hewitt's forecasted long-term prospective nominal equity returns is used. SAF takes their forecasts for Canadian, US, and non-North American equity classes and weights the forecasts by the Auto Fund specific equity portfolio mix to get a blended forecast. See the following table for the derivation of the 7.8% used in the May valuation (the weights listed are assumed percentages of the total Auto Fund investment portfolio):

Asset Class Returns	Prospective Return (%)	Weight (%)	Contribution
Canadian equities	7.9%	15%	4.7%
U.S. equities	7.5%	5%	1.5%
NNA equities	7.8%	5%	1.6%
		25%	7.8%

The prospective nominal returns are long-term forecasted returns based on Aon Hewitt's asset class assumptions and a 10-year investment horizon.

Shortly after the May valuation where the 7.8% was used, our methodology changed to use a five-year rolling average of Aon Hewitt's equity yields. There was some volatility in the forecasts for their 10-year investment horizon, whereas we are using it for a horizon greater than 20 years into the future. The rate used for discounting 20+ year liability payments dropped as a result of the combination of using this new methodology and their updated estimate for the new year. The following table uses the same weights as above, with the addition of 5% for real estate:

Asset Class Returns	**2008**	**2009**	**2010**	**2011**	**2012**	**5 Yr Avg**
Canadian equities	7.70%	7.00%	7.30%	7.90%	7.00%	7.38%
U.S. equities	7.30%	7.40%	8.10%	7.50%	7.20%	7.50%
NNA equities	7.80%	8.00%	8.30%	7.80%	7.90%	7.96%
Real estate	6.40%	6.90%	6.70%	7.20%	6.40%	6.72%
Weighted Rate of Return	6.02%	7.22%	7.50%	7.70%	7.08%	**7.39%**

The 7.39% listed in this table is what was used in the rate indication for expected claim payments greater than 20 years in the future.

23. In the context of SAF's investment asset-liability matching policy, please discuss the relevance of the May 2011 graduated discount rates (reflecting previously purchased assets supporting existing liabilities) to the prospective ratemaking exercise (where "new money" purchased assets will support future liabilities).

The asset-liability matching policy guides the process by which we will use new money to purchase assets to support future liabilities. SAF expects the yield on assets at that time will also follow a yield curve (graduated discount rates), which is not necessarily the same as the one that existed at May 2011. However, the discount rates at that time will be estimated using the same procedures as we used in determining the yields at May 2011 (see response to information request #21).

In order to adjust for the expected changes in bond yields between May 2011 and the prospective rating period, SAF uses the Conference Board of Canada estimates of the spot rate curve for Government of Canada bonds as at the end of 2012. SAF also adds projected risk premiums (by future time to maturity) to the spot rate curve to determine the future investment spot rate curve that is consistent with the Auto Fund's specific mix of government and corporate bonds.

The estimate of the projected risk premiums is derived through the study of historical levels, as well as through discussions with our external investment manager – Greystone Managed Investments Inc.

Through comparison of the Auto Fund specific future forecasted spot yield curve to the spot yield curve as at May 2011 (both of which include estimates of the risk premium for provincial and corporate bonds), SAF selects the change in yield to apply to the discount rate curve for each grouping of future years. Page 25 in the actuarial support documents previously provided shows this selection.

24. How does the adjustment process outlined on Page 25 of the Actuarial Support Documents account for shifts over time in the corporate bond yield spread and the effect of this on the selection of graduated discount rates?

See the response to Information Request #23 for detail on how the spot yield curves on page 25 of the actuarial support documents accounts for shifts over time in the corporate bond yield spread.

25. With reference to the Relativity Analysis for CLEAR-Rated Vehicles provided in the 2012 Rate Program All Indications, please describe and document the derivation of the columns headed "Rate Group Relativity Adjustment", "Current Discount/Surcharge", "Capped Discount/Surcharge", and "Selected Discount/Surcharge".

The Rate Group Relativity Adjustment column adjusts the relativities calculated for the various classes within CLEAR for the average rate group of the class. The unadjusted pure premium for a class can be higher/lower than PPV because either the class tends to have vehicles in higher/lower rate groups, or because the class generates more/less losses on average with vehicles comparable to other classes. The surcharge/discount percentage is intended to capture only the second of these two effects, as the rate group of the vehicles will already be considered when rates are determined for the specific vehicle. The analysis to determine the average rate group relativity for each of the classes included in the CLEAR-rated vehicle analysis:

Vehicle Class	Average Rate Group	Relative to PPV
PPV	0.7714	1.0000
Farm Cars, SUVs and Vans	0.7566	0.9809
Class A Light Trucks	1.0112	1.3109
Class F Light Trucks Model Years 1994 & Newer	0.9484	1.2295
Police Cars	0.8185	1.0612
Police Trucks	1.0607	1.3751
PPV Udrive	1.0237	1.3271
Class PT with Special Feature T (Rural)	0.7688	0.9967

The Current Discount/Surcharge column describes the discounts/surcharges currently being applied to the overall CLEAR rates to derive the rates for the specific vehicle classes listed.

The Capped Discount/Surcharge column shows the discount/surcharge indicated with a 15% cap applied in the change in surcharge/discount from current for each class listed. As an example, the capped discount/surcharge for Farm Cars, SUVs and Vans equals the indicated discount/surcharge of -22.31% because the impact of the change in surcharge is only (1 - 0.2231) / (1 - 0.10) – 1 = -13.67%. On the other hand, the capped surcharge for Class A Light Trucks is 38% instead of the indicated 122.03% because (1 + 0.38) / (1 + 0.2) – 1 = 15%, the cap is reached. The capped discount/surcharge, however, was not necessarily the change that was selected.

The Selected Discount/Surcharge column shows the actual discounts/surcharges that were selected based on the indicated and capped discounts/surcharges. For many classes, the selected change was a moderated version of the capped discount/surcharge where the selected percentage was a multiple of 5% to ease implementation and testing. This was the case for PPV, Farm vehicles, Class A Light Trucks, Class F Light Trucks 1994 and newer, Police Cars, and Police Trucks.

Personal vehicles had no selected change, as we will be investigating the possibility of removing these vehicle classes from the CLEAR indication and determining the rates for them as one or more separate classes in the future. PPV Udrive and Class PT Rural also have no change selected because we want to revise the methodology to better account for past discounts/surcharges before adjusting the surcharge/discount on these classes.

26. With reference to the Relativity Analysis for Motorcycles provided in the 2012 Rate Program All Indications, please provide explanatory narrative for the steps through this process, including discussion of the basis for underlying assumptions.

There are restrictions on determining the “Current Relativities” to use in a relativity analysis. First, current rates have not been split between damage and injury portions in past rate indications. The Auto Fund uses the estimated overall rate relativities as the “current” set of relativities for both injury and damage rates.

Second, current relativities for both damage and injury rates for each classification variable are estimated by weighting the current cell relativities by exposures. Current rates for Auto Fund do not accurately follow a base rate and relativity system because of the use of capping in the past. As an example, the current relativity for sport motorcycles of 1.2227 is estimated on page 1,289 of the ‘2012 Rate Program All Indications’ as the exposure-weighted average of all the ratios of sport rates to cruiser rates in the grid of engine size by model year (ratios seen to the right of the Sport table).

Historical losses, exposures and claim counts from 2004-2011 are summarized for the various combinations of body style, engine size and model year groupings for both damage and injury. Data prior to 2004 is excluded as the body style of the motorcycle was not tracked before that year. The historical data is run through a SAS model that fits a Poisson model for the frequency of claims, and a Gamma model for the severity of the average claim, fitting parameters using the method of maximum likelihood. The results of this can be found in the ‘Poisson/Gamma Relativities’ column of both the damage relativities page and the injury relativities page (for motorcycles, these are pages 1,290-1,293 of the ‘2012 Rate Program All Indications’).

The damage relativities resulting from fitting these models are selected as the new relativities. Although we display a measure of credibility along with a credibility-weighted estimate of the relativities using our current relativities as the complement, we do not select it. This credibility-weighted measure would be appropriate if we had confidence that our current rates were also a valid estimate of the actual relative costs of the various motorcycles; however, we do not believe that to be true. We know that many years without rate rebalancing and past capping mechanisms have left our current motorcycle rates excessively

inadequate, especially for the motorcycles that require the greatest increase in rates. Additionally, because we have to estimate the current relativities from our current rates, we have even more reason to question their validity as a complement of credibility. So, we have selected the results of the Poisson/Gamma fitting model to be the indicated relativities to use.

The injury relativities were selected in much the same way, with a couple exceptions. The relativities for Sport and Dual Purpose/Other were selected as rounded 2.000 and 1.000 relativities respectively (the results from the Poisson/Gamma model were very close to these relativities). Also, the model year of the motorcycle was not selected to be a variable by which to vary the injury portion of the rate (all relativities 1.000). This was due to the lack of claims in the various model year groupings, which may have caused the relativities for the model year groupings to not follow any understandable pattern. While the injury relativities for the model year groupings don't display an understandable pattern, the relativities for engine size showed more of an intuitive pattern (increasing for larger engines).

27. Please have Mr. McCulloch state that the indicated rates provided or summarized in the Application have been prepared in accordance with accepted actuarial practice in Canada, or alternatively identify in what respects these indicated rates have not been prepared in accordance with accepted actuarial practice in Canada.

The Certificate of the Actuary follows.

Certificate of the Actuary

I, Chris McCulloch, a Fellow of the Canadian Institute of Actuaries, have been authorized to prepare a rate filing on behalf of Saskatchewan Government Insurance, and certify that:

1. The rate filing is in respect to all Saskatchewan Auto Fund vehicle categories of automobile insurance to be effective August 4, 2012 for new and renewal business.

2. I have reviewed the data underlying this rate filing for reasonableness and consistency, and I believe the data is reliable and sufficient for the determination of the indicated rate changes.

3. The indicated rate changes have been calculated in accordance with Accepted Actuarial Practice.

In my opinion, the risk classification system is just and reasonable, reasonably predictive of risk and distinguishes fairly between the classes.

Chris McCulloch

Signature of Actuary

Feb 1, 2012 Winnipeg

Date, Location

MCT RATIOS AND CAPITAL MANAGEMENT POLICY

Reference: Tab 5

28. Please confirm that the ratios shown in the Application (Appendix B, Pg. 43) are for a point in time, namely December 31st of any year.

Yes, the ratios shown in Appendix B (pg. 43) are for December 31 of the indicated year.

29. Please discuss whether there is a bias to a 12-month rolling average MCT ratio being higher than or lower than the year-end ratio, or whether the variance is random, depending on circumstances prevailing from month to month.

There is no bias to the 12-month rolling average MCT ratio being higher than or lower than the year-end ratio. The variance is driven primarily by claim experience and investment performance, which varies month to month and subsequently over rolling 12-month periods.

30. Please provide the actual month-end MCT ratios for the period from January 2008 to now.

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31. Has the 12-month rolling average MCT ratio ever fallen below the target range, and if so what recommendations for remedial action have been made to the Board?

The current Capital Management Policy came into effect on January 1, 2010. For January 2010 the 12-month rolling average was 74%, or 1% below the target range. The policy requires action if, at the time of the rate adequacy analysis, the 12-month rolling average is below the target range. The 12-month rolling average was below target while a rate adequacy analysis was being completed; however the average was back within the target range in February 2010 and remained within range while the rate adequacy analysis was completed. As such, no action was deemed necessary.

32. If the 12-month rolling average at the time of submission of this Application was at 50%, what size of RSR replenishment loading would the Capital Management Policy indicate? Please provide the analysis supporting this finding.

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33. Please discuss and quantify the expected impact of the changes to the MCT ratio introduced by OSFI to take effect in 2012.

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34. Please discuss and quantify the expected impact of any changes expected to the MCT ratio to take effect after 2012.

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CONTINGENCY MARGIN

Reference: Application, Page 11; Tab 2, Page 1

35. Confirm that the 3.5% contingency margin is applied uniformly to all vehicle classes.

The contingency margin is applied uniformly across all classes.

36. Please provide support for the selection of the level of contingency margin being proposed.

The selection of the contingency margin was based on the level of risk as measured by the provisions for adverse deviation (PfAD) from reserving. The provisions measure the risk inherent in the estimate of the claims, discount rate, timing of future asset/liability cash flows, as well as collectability of reinsurance recoveries.

First, we estimated the ratio of total PfAD to discounted liability for each of the coverage groupings: Damage (3.83%), Injury (11.67%), and Liability (4.44%). This estimation assumes a fully unpaid loss year, consistent with our current view of the future rating year, as well as the same discount rates and payment pattern assumptions used in the rate indication. Individual coverages were aggregated to the coverage grouping levels using weights by discounted pure premiums from the rate indication.

For several classes, we then estimated the contingency margin that would have an indication impact equivalent to loading the above PfAD ratios into the forecasted pure premiums. The results for the classes were:

	CLEAR-Rated Vehicles	A - Power Units IRP	C&D - Heavy Trucks and Vans	C&D - Power Units	LV - Motorcycles
Contingency Margin	4.43%	3.57%	4.33%	4.35%	7.88%

The range of contingency margins for the various classes was large, as indicated by the above table (3.5% to 8%). We selected 3.5% from the bottom of the range with the following considerations:

- In general, we believe the provision for risk in reserving should be greater than the provision for risk in rating.
- In Alberta, the regulated provision for both profit & contingencies is 7%.

Using PfADs from reserving as the basis for estimating the contingency margin used in rating makes it consistent with the two objectives of the Auto Fund contingency margin explained in the response to information request #38. It's meant to offset the loss from the growth in PfADs during the rating year, as well as to protect against the risk in the many assumptions used in determining the required rate change. Since PfADs are determined using the risk of the underlying coverage, it is a good basis to use in determining the contingency margin.

37. Please discuss whether it is the intent to incorporate the concept of a contingency margin in all future rate indication analyses, and whether SAF's intention is to track the associated revenue discretely.

Yes, the intent is to incorporate the concept of a contingency margin in all future rate indication analyses. With each rate indication, the Auto Fund will review the appropriateness of the 3.5% contingency margin. Should the review show that 3.5% is not an appropriate percentage; it will be adjusted. We do not intend to track the associated revenue from the contingency margin separately from other revenue.

38. Please discuss the appropriateness of SAF's proposed contingency margin in the context of Section 2620 of the Standards of Practice of the Canadian Institute of Actuaries, which states:

"The best estimate present value of cash flows relating to the revenue at the indicated rate should equal the best estimate present value of cash flows relating to the corresponding claim costs and expense costs, plus the present value of a provision for profit, over a specified period of time."

In profit-orientated companies, the provision for profit (often referred to as profit & contingencies) generates revenue in addition to the best estimate present value of cash flows for claim and expense costs. For these companies, the extra revenue serves to:

a. Offset the loss from any growth in provision for adverse deviations (generally insignificant)
b. Protect against the possibility that one or more of the rating assumptions are incorrect, leading to inadequate rates (contingencies)
c. Provide a return on the firm's investment (profit)

For SAF, the contingency margin is applied mathematically in the same way as the provision for profit (profit & contingencies) referenced in the Standards of Practice, however, the purpose is different. It generates additional revenue only to:

a. Offset the loss from any growth in provision for adverse deviations
b. Protect against the possibility that one or more of the rating assumptions are incorrect, leading to inadequate rates (contingencies)

One important difference for the Auto Fund, as opposed to many profit-seeking companies, is that the expected growth in provision for adverse deviations (PfAD) is larger. The reserves in place are very long-tailed, requiring more PfADs for the risk involved with claim estimates and expected investment income. Also, it means that as more years of reserves are added since the no-fault program began in 1995, the amount of PfADs can be expected to grow; the 1995 injury reserves have not been run off yet. While the growth in provision for adverse deviations may not be significant for a profit-seeking auto insurer that settles long-term injury claims in an environment with capped injury benefits, it is very significant for the Auto Fund.

39. Please discuss the appropriateness of SAF's proposed contingency margin in the context of the Statement of Principles Regarding Property and Casualty Insurance Ratemaking of the Casualty Actuarial Society, which states, in part:

"*Principle 1: A rate is an estimate of the expected value of future costs.*"; and
"*The underwriting profit and contingency provisions are the amounts that, when considered with net investment and other income, provide an appropriate total after-tax return.*"

The profit provision and the contingency provision, if all rating assumptions prove to be 100% correct, will both lead to profit (net of the generally insignificant growth in provisions for adverse deviation). This is the return that the Statement of Principles (SoP) describes. The contingency margin proposed by SAF, although mathematically the same as the profit and contingency provision in the SoP, serves the two very distinct purposes explained in detail in the response to information request #38.

It serves to offset the very significant expected loss from the growth in provisions for adverse deviation, consistent with the objective to ensure that the Auto Fund attempts to break-even. It also protects against the possibility that one or more rating assumptions are incorrect and lead to inadequate rates. Given the large number of assumptions, and the fact that a small change to some assumptions can cause a large inadequacy (discount rates, damage loss/premium trends), this protection is important.

40. The Application (Tab 2, Pg. 1) states "In past rate indications, some trend assumptions were conservative. In this indication, best estimate assumptions were selected, and the contingency margin explicitly recognizes potential volatility in critical assumptions." Please describe those conservative trend assumptions in the prior Application, and quantify the impact on the indicated overall rate change indication attributable to the use of conservative trend assumptions.

The best example of a conservative trend assumption in the prior rate indication was the selection of the past and future loss trend for income replacement benefits (IRB) for private passenger vehicles (PPV). Although frequency and severity trends were not selected separately in that indication, the trend selected for PPV IRB was based only on severity for both past and future, implying a 0% past and future frequency trend. The historical trends, both then and now, support a negative frequency trend.

In the current rate indication, CLEAR-rated vehicles, which include PPV and some other classes, have an IRB past frequency trend of -4.00% and a future frequency trend of -2.00%. If we had selected 0% for both the past and future IRB frequency trends for the CLEAR-rated vehicles indication, then the overall rate indication for all vehicles including trailers would then shift to 5.5% from 3.7%. This is a significant impact to the indication caused by just one trend selection.

Although trend selections were impacted by a bias toward conservatism in general, the extent of the conservatism on a trend-by-trend basis has never been explicitly quantified. It could be that many trends were selected on a best estimate basis, while some were conservative, or it could be that all trends were impacted to a small degree. Attempting to measure it now, by either reviewing the past rate application or comparing it to current selections, proves impossible for several reasons:

- The actuary who worked on the previous rate application is no longer with SGI. Differences in selections, even on data as at the prior rate application, are influenced by the differences in the opinions of two different actuaries looking at the same data.
- Loss trend committees now select the damage and injury trends by coverage groupings. In the past, selections were made only by the Actuarial department, with consultations with Claims as needed.
- Other changes have been made to the indication since the previous rate application where some classes have been grouped, while others have been split, causing the data underlying the trend to be fundamentally different.
- Selections made in the current rate indication differ from the trends selected in the past rate application because of the volume of data that has emerged between December 31, 2007 and May 31, 2011. A direct comparison is not possible.

The best conclusion that can be drawn from the information available is that the effect of removing conservatism in trend selections on the current rate indication is an overall decrease greater than 1.8%.

41. Were any assumptions other than trend set on a conservative rather than a best estimate basis in the prior Application? If so, please provide details.

To the best of our knowledge, assumptions other than trends were all set on a best estimate basis in the prior rate application.

42. Please discuss whether any revenues generated by the margin, if not required to meet unexpected expenses, will flow to the Rate Stabilization Reserve as additional net income, and if more than 3.5% is actually needed due to adverse circumstances, whether the shortfall be deducted from the RSR?

Revenues generated by the margin, if not required to meet unexpected expenses will flow through the RSR. Any shortfall not covered by the contingency margin will be deducted from the RSR.

43. Please define the purpose of the RSR (including providing specific examples of when it would be used, either by choice or unexpectedly), and describe how it differs from the purpose of the contingency margin.

A key operating principle for the Auto Fund is ensuring consistency and stability in rates so that customers are not subject to ongoing price fluctuations or large rate increases. The Rate Stabilization Reserve (RSR) gives the Auto Fund a financial resource to draw on when adverse financial events occur. This reserve protects customers from sudden large rate increases. Specific examples of when the RSR would be used:

- Material changes in claims estimates that impacts *past accident years* i.e. underestimating the cost of re-occurrence or changes in tail factors
- Major winter storms or hails storms that were not expected. Even if the future year-over-year damage trend is correct in the indication, severe winter storms can cause significant non-catastrophe claims incurred for the year
- Appropriations for system upgrades (as was the case for the recent Auto Fund Redevelopment Project)
- Unfavorable investment experience beyond what would be considered normal (similar to the 2008 financial crisis). This impacts current year investment income. Additionally, changes in the outlook for equity yields as a result of this unfavorable investment experience could be reduced, increasing the discounted unpaid claims for *past accident years*

As discussed in information request #38, the contingency margin generates additional revenue only to offset the loss from any growth in provision for adverse deviations and to protect against the possibility that one or more of the rating assumptions are incorrect, leading to inadequate rates *for the rating year*. Specific examples of when we expect the contingency margin could provide protection are:

- Decrease in the rate at which people purchase newer vehicles (premium trend)
- Increasing cost of parts or labour in repairing damaged vehicles in excess of expected
- Increasing net wages in excess of selected severity trends for income replacement benefits
- Higher inflation than expected in the rate indication leading to additional indexing of care benefits, death benefits and claimants already collecting income replacement benefits
- A lower discount yield curve at the start of the rating year than expected in the rate indication, as well as lower investment yield on the assets backing the rating year losses throughout their expected payment period

44. How is incorporation of the contingency margin consistent with the stated objective of targeting "adequate premium rates to break even"?

Without any margin for contingency, if all rating assumptions prove to be 100% correct, the Auto Fund can expect to have an overall loss due to the growth in provisions for adverse deviation through adding a new year of injury reserves as well as basic inflation.

One of the two purposes of the contingency margin is to offset this loss, and move the expected profit/loss toward break-even levels. Please see the response to information request #38 for additional detail on the Auto Fund PfADs and purposes of the contingency margin.

45. Please discuss the purpose of reinsurance in comparison to the purpose of a contingency margin, in the context of managing risk.

The two purposes of the contingency margin, as described in detail in the response to information request #38, are to offset the loss caused by the increase in the provision for adverse deviations during the rating year, as well as to protect against the possibility that one or more of the rating assumptions are incorrect and lead to inadequate rates.

Reinsurance, on the other hand, does not provide any offset for the increase in the provision for adverse deviation on unpaid claims. As a risk management tool, it cannot protect against some of the risks that the contingency margin strives to cover, like lower than expected investment yield, premium trend or exposure growth. It can also be costly to attempt to create a reinsurance strategy to mitigate many of the loss assumptions in pricing, such as the possibility of greater than expected inflation on long-term injury claimants or trends specific to individual Auto Fund classes.

Considering the size of the Auto Fund, reinsurance is used as a tool to mitigate the worst random events, unsystematic events. It is currently used to mitigate the losses from the most severe damage catastrophes, as well as the losses that could arise from a single-vehicle collision that results in tens of millions of dollars in injury losses. The contingency margin, in addition to covering the growth in provision for adverse deviations, is intended to cover adverse deviations in trends and other assumptions from those selected as best estimate in rating.

Furthermore, if the reinsurance is not required for a particular year, the Auto Fund must still pay for the additional reinsurance, which means premiums previously charged to vehicle owners leaves the Auto Fund. If the contingency margin is not required for a particular year, the premium dollars flow to the RSR which benefits the policyholders.

46. Please discuss SAF's view of the differences and relative merits between applying a contingency margin of 3.5% versus adding a 3.5% RSR replenishment loading, including the matter of transparency to consumers.

The differences between the RSR and the contingency margin have been discussed in information request #43. An RSR surcharge would serve to replenish the RSR after enough adverse financial events occurred to diminish the RSR to a level where action is required. A contingency margin generates additional revenue only to offset the loss from any growth in provision for adverse deviations and to protect against the possibility that one or more of the rating assumptions are incorrect.

A very important difference is that the RSR replenishment loading would be a *temporary* loading. As such, it would not provide premium for either of the purposes of the contingency margin described in the response to information request #38 on an ongoing basis. Once the RSR was returned to an adequate level, the Auto Fund would not have the additional protection from the risk of incorrect/inadequate rating assumptions. The Auto Fund would also stand to expect a perpetual drain on the RSR from the annual growth in provisions in adverse deviations.

The RSR replenishment loading would be communicated to customers with their vehicle renewal letter explaining the purpose of capital replenishment as well as the level of surcharge added to their vehicle rate.

The contingency margin is viewed as a component of the overall rate making process, similar to investment assumptions or the selection of loss development factors. These assumptions and selections along with the contingency margin are communicated to customers in the rate application.

47. For the Motorcycle sub-classes, please discuss any changes in resulting proposed premiums, if the 3.5% contingency margin were removed and replaced by a 3.5% RSR replenishment loading.

If the 3.5% contingency margin were removed, the indicated rate change would drop from 76.1% to 69.2% excluding the RSR replenishment loading (75.2% including the RSR replenishment loading).

The 3.5% RSR will be added at a flat percentage to the capped premiums as determined in the relativity analysis. As a result, approximately 11,079 rates will be above their cap by an average of $45. The overall average indicated premium will drop from $1,939 to $1,870 excluding the RSR replenishment loading ($1,936 including the RSR replenishment loading) and the average proposed premiums will increase from $1,307 to $1,353.

The detailed analysis follows.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request # 47
Motorcycle Rates - 3.5% Contingency vs 3.5% RSR

3.5% Contingency, 0% RSR Replenishment Loading

Indicated Rate Change	76.1%
Overall Rate Change Achieved	18.3%

	Cruiser	Sport	Dual	Combined
Current Average Premium	1,193	1,191	443	1,108
Indicated Average Premium	1,879	3,075	796	1,939
Proposed Average Premium	1,378	1,539	536	1,307
Average $ Change	185	348	93	199
Average % Change	15%	29%	21%	18%
Max $ Change	230	539	202	539
Max % Change	48%	46%	53%	53%
Min $ Change	-17	NA	-23	-23
Min % Change	-5%	NA	-4%	-5%
# Exposure Below Cap	3,973	913	309	5,195
# Exposure At Cap	4,341	816	968	6,125
# Exposure Above Cap	0	0	0	0

0% Contingency, 3.5% RSR Replenishment Loading

Indicated Rate Change (excl RSR)	69.2%
Indicated Rate Change (incl RSR)	75.2%
Overall Rate Change Achieved (incl RSR)	22.2%

	Cruiser	Sport	Dual	Combined
Current Average Premium	1,193	1,191	443	1,108
Indicated Average Premium (excl RSR)	1,812	2,967	767	1,870
Indicated Average Premium (incl RSR)	1,875	3,071	794	1,936
Proposed Average Premium (incl RSR)	1,426	1,592	553	1,353
Average $ Change	233	402	110	245
Average % Change	20%	34%	25%	22%
Max $ Change	292	621	256	621
Max % Change	54%	51%	59%	59%
Min $ Change	-18	NA	-24	-24
Min % Change	-5%	NA	-4%	-5%
# Exposure Below Cap	7	3	231	241
# Exposure At Cap	0	0	0	0
# Exposure Above Cap	8,307	1,726	1,046	11,079

For Exposures Above the Cap	Cruiser	Sport	Dual	Combined
Average $ Over Cap	48	53	21	45

Proposed rates with 0% contingency and 3.5% RSR

CRUISER

Current Rate	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$155	$155	$542	$708	$813
1983 - 1986	$184	$189	$695	$807	$918
1987 - 1992	$206	$215	$801	$928	$1,027
1993 - 1996	$225	$235	$873	$1,011	$1,123
1997 - 2000	$249	$268	$997	$1,163	$1,298
2001 - 2004	$256	$276	$1,049	$1,222	$1,339
2005 - 2007	$280	$301	$1,112	$1,293	$1,461
2008 - 2010	$287	$300	$1,177	$1,377	$1,452
2011 - 2013	$294	$325	$1,242	$1,461	$1,536

Proposed Rate	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$238	$238	$690	$862	$997
1983 - 1986	$253	$273	$849	$990	$1,105
1987 - 1992	$259	$300	$984	$1,116	$1,222
1993 - 1996	$262	$321	$1,059	$1,203	$1,336
1997 - 2000	$265	$381	$1,187	$1,384	$1,544
2001 - 2004	$272	$389	$1,248	$1,454	$1,593
2005 - 2007	$272	$415	$1,323	$1,538	$1,739
2008 - 2010	$272	$414	$1,400	$1,638	$1,727
2011 - 2013	$276	$440	$1,462	$1,739	$1,828

% Change	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	54%	54%	27%	22%	23%
1983 - 1986	38%	44%	22%	23%	20%
1987 - 1992	26%	40%	23%	20%	19%
1993 - 1996	16%	37%	21%	19%	19%
1997 - 2000	6%	42%	19%	19%	19%
2001 - 2004	6%	41%	19%	19%	19%
2005 - 2007	-3%	38%	19%	19%	19%
2008 - 2010	-5%	38%	19%	19%	19%
2011 - 2013	-6%	35%	18%	19%	19%

$ Change	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$83	$83	$148	$154	$184
1983 - 1986	$69	$84	$154	$183	$187
1987 - 1992	$53	$85	$183	$188	$195
1993 - 1996	$37	$86	$186	$192	$213
1997 - 2000	$16	$113	$190	$221	$246
2001 - 2004	$16	$113	$199	$232	$254
2005 - 2007	-$8	$114	$211	$245	$278
2008 - 2010	-$15	$114	$223	$261	$275
2011 - 2013	-$18	$115	$220	$278	$292

SPORT

Current Rate	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$162	$173	$616	$801	$851
1983 - 1986	$199	$208	$796	$965	$1,010
1987 - 1992	$227	$240	$960	$1,112	$1,163
1993 - 1996	$251	$262	$1,046	$1,212	$1,268
1997 - 2000	$298	$321	$1,226	$1,322	$1,512
2001 - 2004	$307	$331	$1,286	$1,388	$1,590
2005 - 2007	$335	$361	$1,362	$1,470	$1,685
2008 - 2010	$333	$359	$1,436	$1,557	$1,741
2011 - 2013	$359	$389	$1,510	$1,644	$1,797

Proposed Rate	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$245	$257	$767	$984	$1,036
1983 - 1986	$284	$293	$979	$1,154	$1,359
1987 - 1992	$313	$326	$1,149	$1,496	$1,564
1993 - 1996	$344	$375	$1,407	$1,630	$1,706
1997 - 2000	$363	$436	$1,649	$1,778	$2,034
2001 - 2004	$401	$446	$1,729	$1,867	$2,139
2005 - 2007	$402	$477	$1,832	$1,978	$2,267
2008 - 2010	$405	$475	$1,931	$2,095	$2,342
2011 - 2013	$422	$506	$2,032	$2,212	$2,418

% Change	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	51%	49%	25%	23%	22%
1983 - 1986	43%	41%	23%	20%	35%
1987 - 1992	38%	36%	20%	35%	34%
1993 - 1996	37%	43%	35%	34%	35%
1997 - 2000	22%	36%	35%	34%	35%
2001 - 2004	31%	35%	34%	35%	35%
2005 - 2007	20%	32%	35%	35%	35%
2008 - 2010	22%	32%	34%	35%	35%
2011 - 2013	18%	30%	35%	35%	35%

$ Change	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$83	$84	$151	$183	$185
1983 - 1986	$85	$85	$183	$189	$349
1987 - 1992	$86	$86	$189	$384	$401
1993 - 1996	$93	$113	$361	$418	$438
1997 - 2000	$65	$115	$423	$456	$522
2001 - 2004	$94	$115	$443	$479	$549
2005 - 2007	$67	$116	$470	$508	$582
2008 - 2010	$72	$116	$495	$538	$601
2011 - 2013	$63	$117	$522	$568	$621

DUAL

Current Rate	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$141	$141	$493	$644	$740
1983 - 1986	$173	$173	$598	$782	$877
1987 - 1992	$198	$198	$726	$835	$953
1993 - 1996	$219	$219	$812	$914	$1,028
1997 - 2000	$240	$240	$922	$1,058	$1,117
2001 - 2004	$254	$254	$951	$1,102	$1,162
2005 - 2007	$268	$268	$1,037	$1,176	$1,257
2008 - 2010	$284	$284	$1,055	$1,195	$1,304
2011 - 2013	$300	$300	$1,073	$1,214	$1,351

Proposed Rate	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$224	$224	$614	$796	$895
1983 - 1986	$253	$257	$748	$965	$1,063
1987 - 1992	$259	$283	$881	$1,019	$1,142
1993 - 1996	$262	$304	$996	$1,101	$1,223
1997 - 2000	$265	$326	$1,110	$1,259	$1,329
2001 - 2004	$272	$366	$1,140	$1,311	$1,383
2005 - 2007	$272	$381	$1,234	$1,399	$1,496
2008 - 2010	$273	$397	$1,255	$1,422	$1,551
2011 - 2013	$276	$414	$1,276	$1,445	$1,607

% Change	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	59%	59%	25%	24%	21%
1983 - 1986	46%	49%	25%	23%	21%
1987 - 1992	31%	43%	21%	22%	20%
1993 - 1996	20%	39%	23%	20%	19%
1997 - 2000	10%	36%	20%	19%	19%
2001 - 2004	7%	44%	20%	19%	19%
2005 - 2007	1%	42%	19%	19%	19%
2008 - 2010	-4%	40%	19%	19%	19%
2011 - 2013	-8%	38%	19%	19%	19%

$ Change	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$83	$83	$121	$152	$155
1983 - 1986	$80	$84	$150	$183	$186
1987 - 1992	$61	$85	$155	$184	$189
1993 - 1996	$43	$85	$184	$187	$195
1997 - 2000	$25	$86	$188	$201	$212
2001 - 2004	$18	$112	$189	$209	$221
2005 - 2007	$4	$113	$197	$223	$239
2008 - 2010	-$11	$113	$200	$227	$247
2011 - 2013	-$24	$114	$203	$231	$256

48. Please restate the overall rate change indications, in the absence of the 3.5% contingency margin and with all assumptions set on a best estimate basis. Please provide the analysis supporting this finding.

If the 3.5% contingency margin were removed, the overall indication would become -0.3%. Included is the summary of changes for all classes, the updated rate change calculations for CLEAR and motorcycles, and well as the relativity analysis for motorcycles.

The requested information follows.

Documentation for Information Request # 48

2012 Rate Program Summary of Indicated and Proposed Rate Changes

Vehicle Class	2012 Indicated Average Rate Change	2012 Proposed Average Rate Change*	Weighted Average Proposed Premium	Maximum $ Increase	Maximum $ Decrease	Average $ Increase	Average $ Decrease	# of Vehicles** Increasing	# of Vehicles** Decreasing	# of Vehicles** Unchanged	Monthly Maximum $ Increase	Monthly Maximum $ Decrease	Monthly Average $ Increase	Monthly Average $ Decrease
CLEAR Rated Vehicles	-2.4%	-1.3%	$974	$414	-$602	$74	-$83	332,959	409,306	2,665	$35	-$50	$6	-$7
A - Commercial Light Trucks		16.8%	$1,419	$414	$0	$204	NA	169	0	0	$35	$0	$17	$0
F - Farm Light Truck - 1994 & Newer		-4.0%	$803	$150	-$220	$53	-$81	17,250	31,091	32	$13	-$18	$4	-$7
LV - Private Passenger Vehicles (PPV)		-0.8%	$990	$366	-$602	$75	-$80	309,943	353,677	2,033	$31	-$50	$6	-$7
LV - PPV - Farm Cars, SUVs and Vans		-10.3%	$806	$46	-$557	$47	-$119	3,953	20,702	65	$4	-$46	$4	-$10
LV - Police Cars		5.5%	$1,469	$270	-$50	$87	-$23	399	40	1	$23	-$4	$7	-$2
LV - Police Trucks, Vans & SUVs		-11.1%	$1,194	$67	-$363	$14	-$177	41	239	0	$6	-$30	$1	-$15
LV - U Drives		-5.3%	$1,252	$203	-$438	$60	-$114	1,162	3,436	3	$17	-$37	$5	-$9
PV - Heavy Trucks and Vans		0.0%	$535	$0	$0	NA	NA	0	0	488	$0	$0	$0	$0
PV - Converted Vehicles		0.0%	$641	$0	$0	NA	NA	0	0	5	$0	$0	$0	$0
PV - Power Units		0.0%	$704	$0	$0	NA	NA	0	0	37	$0	$0	$0	$0
PT - Taxis (Rural)		-4.8%	$1,539	$263	-$277	$109	-$144	42	121	1	$22	-$23	$9	-$12
Conventionally Rated Vehicles														
Ambulances	13.4%	13.4%	$933	$110	$0	$110	$0	291	0	0	$9	$0	$9	$0
A - Commercial Vehicles:														
Heavy Trucks and Vans IRP	-23.2%	-13.3%	$818	$100	-$219	$36	-$138	18	481	0	$8	-$18	$3	-$11
Heavy Trucks and Vans Non-IRP	17.2%	12.7%	$902	$150	-$185	$120	-$83	722	36	0	$13	-$15	$10	-$7
Power Units IRP	19.0%	13.8%	$2,330	$345	-$306	$271	-$170	4,790	29	0	$29	-$26	$23	-$14
Power Units Non-IRP	-31.0%	-13.7%	$1,612	$150	-$345	$66	-$282	73	849	0	$13	-$29	$5	-$24
C & D - Commercial Vehicles:														
Heavy Trucks and Vans	53.5%	22.9%	$561	$150	-$80	$109	$0	9,851	0	0	$13	-$7	$9	$0
Power Units	43.5%	15.8%	$1,220	$212	$0	$166	$0	4,464	0	0	$18	$0	$14	$0
F - Farm Vehicles:														
Heavy Trucks and Vans	-29.5%	-7.7%	$184	$29	-$178	$26	-$101	18,722	8,322	0	$2	-$15	$2	-$8
Light Trucks - 1993 & Older	-12.6%	-9.9%	$268	$75	-$100	$56	-$79	6,218	10,601	0	$6	-$8	$5	-$7
Power Units	-22.8%	-17.2%	$454	$75	-$150	$58	-$96	739	7,826	0	$6	-$13	$5	-$8
Hearses	-12.0%	-12.0%	$352	$0	-$48	$0	-$48	0	135	0	$0	-$4	$0	-$4
L - Dealer Plates:	12.3%	11.9%	$691	$100	$0	$74	$0	3,801	0	0	$8	$0	$6	$0
Automobile		11.7%	$698	$73	$0	$73	$0	3,696	0	0	$6	$0	$6	$0
Motorcycles		28.1%	$456	$100	$0	$100	$0	105	0	0	$8	$0	$8	$0
L - Snowmobile Dealers	-43.0%	-42.7%	$59	$0	-$44	$0	-$44	0	52	0	$0	-$4	$0	-$4
LV - Antiques	-32.6%	0.0%	$66	$0	$0	$0	$0	0	0	10,781	$0	$0	$0	$0
LV - Buses	99.8%	33.3%	$418	$100	$0	$100	$0	328	0	0	$8	$0	$8	$0
LV - Buses (Restricted)	29.9%	30.2%	$295	$74	$0	$66	$0	38	0	0	$6	$0	$6	$0
LV - Motorcycles:	69.2%	18.1%	$1,307	$539	-$33	$202	-$11	11,155	165	0	$45	-$3	$17	-$1
Cruiser/Touring		15.5%	$1,378	$230	-$27	$185	-$20	8,308	6	0	$19	-$2	$15	-$2
Dual Purpose/Other		20.6%	$534	$202	-$33	$105	-$10	1,118	159	0	$17	-$3	$9	-$1
Sport		29.2%	$1,539	$539	$0	$348	$0	1,729	0	0	$45	$0	$29	$0
LV - Motorhomes	21.0%	9.2%	$399	$150	-$14	$53	-$14	3,714	1,584	0	$13	-$1	$4	-$1
MT - Snowmobiles	-37.0%	0.0%	$81	$0	$0	$0	$0	0	0	7,174	$0	$0	$0	$0
PB - Passenger Inter-city Buses	47.4%	14.8%	$1,684	$364	$0	$206	$0	408	0	0	$30	$0	$17	$0
PC - Passenger City Buses	73.4%	14.7%	$1,413	$275	$0	$192	$0	519	0	0	$23	$0	$16	$0
PS - Passenger School Buses	67.8%	25.1%	$390	$100	$0	$98	$0	3,188	0	0	$8	$0	$8	$0
PT - Taxis	37.2%	15.3%	$2,868	$447	$0	$374	$0	562	0	0	$37	$0	$31	$0

2012 Rate Program Summary of Indicated and Proposed Rate Changes

Vehicle Class	2012 Indicated Average Rate Change	2012 Proposed Average Rate Change*	Weighted Average Proposed Premium	Maximum $ Increase	Maximum $ Decrease	Average $ Increase	Average $ Decrease	# of Vehicles** Increasing	# of Vehicles** Decreasing	# of Vehicles** Unchanged	Monthly Maximum $ Increase	Monthly Maximum $ Decrease	Monthly Average $ Increase	Monthly Average $ Decrease
Trailers														
F - Trailers	-40.1%	0.0%	$52	$0	$0	$0	$0	0	0	27,736	$0	$0	$0	$0
LT - Trailer Dealers/Movers:	5.1%	5.1%	$528	$39	$0	$0	$0	462	0	0	$3	$0	$0	$0
Utility		5.9%	$126	$7	$0	$7	$0	116	0	0	$1	$0	$1	$0
Tent		6.2%	$120	$7	$0	$7	$0	0	0	0	$1	$0	$1	$0
Semi		5.1%	$395	$19	$0	$19	$0	60	0	0	$2	$0	$2	$0
Transport		5.2%	$422	$21	$0	$21	$0	75	0	0	$2	$0	$2	$0
Cabin		5.0%	$824	$39	$0	$39	$0	211	0	0	$3	$0	$3	$0
T - Personal Trailers:	6.1%	10.5%	$206	$125	-$5	$75	-$3	9,982	3,049	24,227	$10	$0	$6	$0
Fiberglass Cabin		0.0%	$280	$0	$0	$0	$0	0	0	11,793	$0	$0	$0	$0
Metal Cabin		29.6%	$250	$125	-$5	$125	$0	9,982	3,049	0	$10	$0	$10	$0
Semi & Transport		0.0%	$92	$0	$0	$0	$0	0	0	10,366	$0	$0	$0	$0
Tent		0.0%	$74	$0	$0	$0	$0	0	0	2,069	$0	$0	$0	$0
T - Utility	-93.0%	0.0%	$20	$0	$0	$0	$0	0	0	75,056	$0	$0	$0	$0
TS - Commercial Trailers	-11.6%	0.0%	$75	$0	$0	$0	$0	0	0	40,429	$0	$0	$0	$0
Miscellaneous Classes														
A - Excess Value	-73.2%	-15.0%	$17	$0	-$3	$0	-$3	0	141	0	$0	$0	$0	$0
C&D - Non-Resident	-7.2%	-7.5%	$74	$0	-$6	$0	-$6	0	94	0	$0	-$1	$0	-$1
C&D - Excess Value	-52.2%	-10.5%	$17	$0	-$2	$0	-$2	0	1,526	0	$0	$0	$0	$0
Industrial Tracked Vehicles	92.3%	37.5%	$275	$75	$0	$75	$0	8	0	0	$6	$0	$6	$0
LV - Motorized Bicycle	4283.9%	0.0%	$44	$0	$0	$0	$0	18	0	0	$0	$0	$0	$0
TS - Excess Value	-66.1%	-10.5%	$17	$0	-$2	$0	-$2	0	916	0	$0	$0	$0	$0
Total														
All Vehicles Excluding Trailers & Misc	0.1%	-0.4%				$80	-$83	402,559	439,387	20,620			$7	-$7
All Vehicles	-0.3%	-0.3%				$81	-$83	413,030	442,531	188,067	$45	-$50	$7	-$7

* The proposed rate change for the vehicle classes within the CLEAR Rated Vehicle group is based on the change to LV - PPV rates plus the applicable surcharge/discount amount as shown below.
** Counts are based on Calendar Year 2010 Written Exposures

CLEAR Rated Vehicles	2012 Indicated Change to Discount /	2012 Current Discount / Surcharge	2012 Selected Discount / Surcharge	2012 Proposed Average Rate
A - Commercial Light Trucks	122.0%	20.0%	35.0%	16.8%
F - Farm Light Truck - 1994 & Newer	-28.5%	-15.0%	-25.0%	-4.0%
LV - Private Passenger Vehicles (PPV)	0.0%	0.0%	0.0%	-0.8%
LV - PPV - Farm Cars, SUVs and Vans	-22.3%	-10.0%	-20.0%	-10.3%
LV - Police Cars	63.3%	35.0%	50.0%	5.5%
LV - Police Trucks, Vans & SUVs	-61.6%	20.0%	5.0%	-11.1%
LV - U Drives	3.8%	15.0%	15.0%	-5.3%
PV - Heavy Trucks and Vans	-38.4%	0.0%	0.0%	0.0%
PV - Converted Vehicles	-77.7%	0.0%	0.0%	0.0%
PV - Power Units	-88.7%	0.0%	0.0%	0.0%
PT - Taxis (Rural)	50.2%	60.0%	60.0%	-4.8%

SGI
Class CLEAR
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Exhibit 1 - Page 1

Projected On Level Average Premium	924.38
Direct Required Premium	901.80
Required Per Cent Rate Change	**-2.4%**

SGI
Class CLEAR
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Exhibit 1 - Page 2

	Coverage			
	Damage	Injury	Liability	Total
1. Discounted Pure Premium	317.89	187.15	165.96	671.00
2. Loss Adjusting Expense	29.82	18.85	20.25	68.92
3. Administrative Expense	19.74	19.74	19.74	59.23
4. Salvage	-8.43	0.00	-3.82	-12.25
5. Reinsurance	3.30	0.80	1.49	5.59
6. Medical Funding	0.00	32.07	0.00	32.07
7. Appeal Commissions	0.00	1.35	0.00	1.35
8. Safe Driver Recognition Malus	-7.04	-4.15	-3.68	-14.87
9. Variable Expense Per Cent	10.32%	10.32%	10.32%	10.32%
10. Contingency Margin	0.00%	0.00%	0.00%	0.00%
11. Investment Income on Forecasted RSR	-1.23	-0.72	-0.64	-2.59
12. Adequate Gross Premium	394.93	284.55	222.32	901.80

13 = (3 + 4 + 5 + 6 + 7 + 8 + 9 + 10) / (1 - 11)) + 12

March 13, 2012 9:23 AM

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Exhibit 1 - Page 1

Projected On Level Average Premium	1,075.63
Direct Required Premium	1,820.44
Required Per Cent Rate Change	**69.2%**

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Exhibit 1 - Page 2

		Coverage			
		Damage	Injury	Liability	Total
1.	Discounted Pure Premium	201.41	1,259.85	27.94	1,489.20
2.	Loss Adjusting Expense	8.78	31.89	1.73	42.41
3.	Administrative Expense	19.74	19.74	19.74	59.23
4.	Salvage	-11.27	0.00	-0.98	-12.25
5.	Reinsurance	4.40	0.80	0.38	5.59
6.	Medical Funding	0.00	64.98	0.00	64.98
7.	Appeal Commissions	0.00	0.70	0.00	0.70
8.	Safe Driver Recognition Malus	-2.03	-12.68	-0.28	-14.99
9.	Variable Expense Per Cent	10.32%	10.32%	10.32%	10.32%
10.	Contingency Margin	0.00%	0.00%	0.00%	0.00%
11.	Investment Income on Forecasted RSR	-0.35	-2.19	-0.05	-2.59
12.	Adequate Gross Premium	246.13	1,520.23	54.08	1,820.44

13 = (3 + 4 + 5 + 6 + 7 + 8 + 9 + 10) / (1 - 11)) + 12

March 13, 2012 9:16 AM

Documentation for Information Request # 48

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Current Rates - Cruiser

Coverage	Required Pure Premium	SDR & BR Loaded Pure	"Current" Pure Premium
Damage	$225	$256	-$511
Injury	$1,405	$1,600	$1,600
Liability	$31	$35	$35
Flat Fee	$160	$182	$68
	$1,820	$2,073	$1,193

Current Premium

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$155	$155	$542	$708	$813
1983 - 1986	$184	$189	$695	$807	$918
1987 - 1992	$206	$215	$801	$928	$1,027
1993 - 1996	$225	$235	$873	$1,011	$1,123
1997 - 2000	$249	$268	$997	$1,163	$1,298
2001 - 2004	$256	$276	$1,049	$1,222	$1,339
2005 - 2007	$280	$301	$1,112	$1,293	$1,461
2008 - 2010	$287	$300	$1,177	$1,377	$1,452
2011 - 2013	$294	$325	$1,242	$1,461	$1,536

2010 Written

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	8	157	360	203	137
1983 - 1986	0	24	247	153	177
1987 - 1992	0	2	16	50	211
1993 - 1996	0	3	24	69	219
1997 - 2000	1	4	77	159	467
2001 - 2004	0	28	173	318	988
2005 - 2007	3	37	161	376	1,493
2008 - 2010	3	45	146	338	1,421
2011 - 2013	0	0	0	0	15

Current Liability Rate

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$35	$35	$35	$35	$35
1983 - 1986	$35	$35	$35	$35	$35
1987 - 1992	$35	$35	$35	$35	$35
1993 - 1996	$35	$35	$35	$35	$35
1997 - 2000	$35	$35	$35	$35	$35
2001 - 2004	$35	$35	$35	$35	$35
2005 - 2007	$35	$35	$35	$35	$35
2008 - 2010	$35	$35	$35	$35	$35
2011 - 2013	$35	$35	$35	$35	$35

Current Flat Fee

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$68	$68	$68	$68	$68
1983 - 1986	$68	$68	$68	$68	$68
1987 - 1992	$68	$68	$68	$68	$68
1993 - 1996	$68	$68	$68	$68	$68
1997 - 2000	$68	$68	$68	$68	$68
2001 - 2004	$68	$68	$68	$68	$68
2005 - 2007	$68	$68	$68	$68	$68
2008 - 2010	$68	$68	$68	$68	$68
2011 - 2013	$68	$68	$68	$68	$68

Current Damage and Injury Rate

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$51	$51	$438	$604	$709
1983 - 1986	$80	$85	$591	$703	$814
1987 - 1992	$102	$111	$697	$824	$923
1993 - 1996	$121	$131	$769	$907	$1,019
1997 - 2000	$145	$164	$893	$1,059	$1,194
2001 - 2004	$152	$172	$945	$1,118	$1,235
2005 - 2007	$176	$197	$1,008	$1,189	$1,357
2008 - 2010	$183	$196	$1,073	$1,273	$1,348
2011 - 2013	$190	$221	$1,138	$1,357	$1,432

Current Damage and Injury Model Year Relativities

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.3366	0.2975	0.4636	0.5404	0.5742
1983 - 1986	0.5271	0.4949	0.6255	0.6289	0.6592
1987 - 1992	0.6716	0.6459	0.7376	0.7371	0.7474
1993 - 1996	0.7964	0.7620	0.8138	0.8113	0.8251
1997 - 2000	0.9540	0.9536	0.9450	0.9472	0.9668
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	1.1576	1.1451	1.0666	1.0635	1.0988
2008 - 2010	1.2036	1.1393	1.1354	1.1386	1.0915
2011 - 2013	1.2496	1.2845	1.2042	1.2137	1.1595

Current Damage and Injury Engine Size Relativities

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0723	0.0723	0.6179	0.8520	1.0000
1983 - 1986	0.0986	0.1047	0.7261	0.8637	1.0000
1987 - 1992	0.1108	0.1205	0.7552	0.8928	1.0000
1993 - 1996	0.1190	0.1288	0.7547	0.8901	1.0000
1997 - 2000	0.1216	0.1375	0.7480	0.8870	1.0000
2001 - 2004	0.1233	0.1394	0.7652	0.9053	1.0000
2005 - 2007	0.1299	0.1453	0.7429	0.8762	1.0000
2008 - 2010	0.1359	0.1456	0.7960	0.9444	1.0000
2011 - 2013	0.1328	0.1545	0.7947	0.9476	1.0000

Coverage	Current Base Rates
Damage	-$511
Injury	$1,746
Liability	$35
Flat Fee	$68

Documentation for Information Request # 48

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Current Rates - Sport

Coverage	Required Pure Premium	SDR & BR Loaded Pure	"Current" Pure Premium
Damage	$225	$256	-$513
Injury	$1,405	$1,600	$1,600
Liability	$31	$35	$35
Flat Fee	$160	$182	$68
	$1,820	$2,073	$1,191

Current Premium

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$162	$173	$616	$801	$851
1983 - 1986	$199	$208	$796	$965	$1,010
1987 - 1992	$227	$240	$960	$1,112	$1,163
1993 - 1996	$251	$262	$1,046	$1,212	$1,268
1997 - 2000	$298	$321	$1,226	$1,322	$1,512
2001 - 2004	$307	$331	$1,286	$1,388	$1,590
2005 - 2007	$335	$361	$1,362	$1,470	$1,685
2008 - 2010	$333	$359	$1,436	$1,557	$1,741
2011 - 2013	$359	$389	$1,510	$1,644	$1,797

2010 Written

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	2	10	43	12	0
1983 - 1986	0	5	28	15	3
1987 - 1992	4	9	41	8	4
1993 - 1996	0	1	37	23	3
1997 - 2000	0	3	76	49	16
2001 - 2004	0	6	193	118	29
2005 - 2007	2	43	285	147	28
2008 - 2010	1	166	191	83	44
2011 - 2013	0	0	0	0	0

Current Liability Rate

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$35	$35	$35	$35	$35
1983 - 1986	$35	$35	$35	$35	$35
1987 - 1992	$35	$35	$35	$35	$35
1993 - 1996	$35	$35	$35	$35	$35
1997 - 2000	$35	$35	$35	$35	$35
2001 - 2004	$35	$35	$35	$35	$35
2005 - 2007	$35	$35	$35	$35	$35
2008 - 2010	$35	$35	$35	$35	$35
2011 - 2013	$35	$35	$35	$35	$35

Current Flat Fee

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$68	$68	$68	$68	$68
1983 - 1986	$68	$68	$68	$68	$68
1987 - 1992	$68	$68	$68	$68	$68
1993 - 1996	$68	$68	$68	$68	$68
1997 - 2000	$68	$68	$68	$68	$68
2001 - 2004	$68	$68	$68	$68	$68
2005 - 2007	$68	$68	$68	$68	$68
2008 - 2010	$68	$68	$68	$68	$68
2011 - 2013	$68	$68	$68	$68	$68

Current Damage and Injury Rate

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$58	$69	$512	$697	$747
1983 - 1986	$95	$104	$692	$861	$906
1987 - 1992	$123	$136	$856	$1,008	$1,059
1993 - 1996	$147	$158	$942	$1,108	$1,164
1997 - 2000	$194	$217	$1,122	$1,218	$1,408
2001 - 2004	$203	$227	$1,182	$1,284	$1,486
2005 - 2007	$231	$257	$1,258	$1,366	$1,581
2008 - 2010	$229	$255	$1,332	$1,453	$1,637
2011 - 2013	$255	$285	$1,406	$1,540	$1,693

Current Damage and Injury Model Year Relativities

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.2866	0.3047	0.4333	0.5429	0.5028
1983 - 1986	0.4686	0.4588	0.5855	0.6706	0.6098
1987 - 1992	0.6064	0.5996	0.7243	0.7851	0.7127
1993 - 1996	0.7245	0.6964	0.7970	0.8630	0.7833
1997 - 2000	0.9557	0.9560	0.9492	0.9486	0.9475
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	1.1378	1.1320	1.0643	1.0639	1.0639
2008 - 2010	1.1279	1.1232	1.1269	1.1316	1.1016
2011 - 2013	1.2558	1.2552	1.1895	1.1993	1.1393

Current Damage and Injury Engine Size Relativities

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0780	0.0927	0.6855	0.9331	1.0000
1983 - 1986	0.1051	0.1150	0.7639	0.9503	1.0000
1987 - 1992	0.1164	0.1286	0.8084	0.9519	1.0000
1993 - 1996	0.1265	0.1359	0.8093	0.9519	1.0000
1997 - 2000	0.1379	0.1543	0.7969	0.8651	1.0000
2001 - 2004	0.1368	0.1529	0.7955	0.8641	1.0000
2005 - 2007	0.1462	0.1627	0.7957	0.8640	1.0000
2008 - 2010	0.1400	0.1559	0.8137	0.8876	1.0000
2011 - 2013	0.1507	0.1685	0.8305	0.9096	1.0000

Coverage	Current Base Rates
Damage	-$513
Injury	$1,999
Liability	$35
Flat Fee	$68

Documentation for Information Request # 48

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Current Rates - Dual

Coverage	Required Pure Premium	SDR & BR Loaded Pure	"Current" Pure Premium
Damage	$225	$256	-$1,261
Injury	$1,405	$1,600	$1,600
Liability	$31	$35	$35
Flat Fee	$160	$182	$68
	$1,820	$2,073	$443

Current Premium

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$141	$141	$493	$644	$740
1983 - 1986	$173	$173	$598	$782	$877
1987 - 1992	$198	$198	$726	$835	$953
1993 - 1996	$219	$219	$812	$914	$1,028
1997 - 2000	$240	$240	$922	$1,058	$1,117
2001 - 2004	$254	$254	$951	$1,102	$1,162
2005 - 2007	$268	$268	$1,037	$1,176	$1,257
2008 - 2010	$284	$284	$1,055	$1,195	$1,304
2011 - 2013	$300	$300	$1,073	$1,214	$1,351

2010 Written

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	34	72	27	2	0
1983 - 1986	29	51	11	1	0
1987 - 1992	8	22	4	1	0
1993 - 1996	2	12	7	3	0
1997 - 2000	5	19	13	2	1
2001 - 2004	56	52	42	3	1
2005 - 2007	103	231	55	6	7
2008 - 2010	56	184	116	25	13
2011 - 2013	0	0	0	0	0

Current Liability Rate

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$35	$35	$35	$35	$35
1983 - 1986	$35	$35	$35	$35	$35
1987 - 1992	$35	$35	$35	$35	$35
1993 - 1996	$35	$35	$35	$35	$35
1997 - 2000	$35	$35	$35	$35	$35
2001 - 2004	$35	$35	$35	$35	$35
2005 - 2007	$35	$35	$35	$35	$35
2008 - 2010	$35	$35	$35	$35	$35
2011 - 2013	$35	$35	$35	$35	$35

Current Flat Fee

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$68	$68	$68	$68	$68
1983 - 1986	$68	$68	$68	$68	$68
1987 - 1992	$68	$68	$68	$68	$68
1993 - 1996	$68	$68	$68	$68	$68
1997 - 2000	$68	$68	$68	$68	$68
2001 - 2004	$68	$68	$68	$68	$68
2005 - 2007	$68	$68	$68	$68	$68
2008 - 2010	$68	$68	$68	$68	$68
2011 - 2013	$68	$68	$68	$68	$68

Current Damage and Injury Rate

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$37	$37	$389	$540	$636
1983 - 1986	$69	$69	$494	$678	$773
1987 - 1992	$94	$94	$622	$731	$849
1993 - 1996	$115	$115	$708	$810	$924
1997 - 2000	$136	$136	$818	$954	$1,013
2001 - 2004	$150	$150	$847	$998	$1,058
2005 - 2007	$164	$164	$933	$1,072	$1,153
2008 - 2010	$180	$180	$951	$1,091	$1,200
2011 - 2013	$196	$196	$969	$1,110	$1,247

Current Damage and Injury Model Year Relativities

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.2479	0.2479	0.4594	0.5412	0.6012
1983 - 1986	0.4609	0.4609	0.5834	0.6794	0.7307
1987 - 1992	0.6273	0.6273	0.7344	0.7325	0.8025
1993 - 1996	0.7671	0.7671	0.8359	0.8117	0.8734
1997 - 2000	0.9068	0.9068	0.9658	0.9559	0.9575
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	1.0932	1.0932	1.1015	1.0741	1.0898
2008 - 2010	1.1997	1.1997	1.1227	1.0932	1.1342
2011 - 2013	1.3061	1.3061	1.1440	1.1122	1.1786

Current Damage and Injury Engine Size Relativities

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0586	0.0586	0.6118	0.8491	1.0000
1983 - 1986	0.0896	0.0896	0.6392	0.8771	1.0000
1987 - 1992	0.1110	0.1110	0.7327	0.8611	1.0000
1993 - 1996	0.1247	0.1247	0.7663	0.8767	1.0000
1997 - 2000	0.1345	0.1345	0.8076	0.9418	1.0000
2001 - 2004	0.1420	0.1420	0.8006	0.9433	1.0000
2005 - 2007	0.1424	0.1424	0.8092	0.9298	1.0000
2008 - 2010	0.1502	0.1502	0.7925	0.9092	1.0000
2011 - 2013	0.1573	0.1573	0.7771	0.8902	1.0000

Coverage	Current Base Rates
Damage	-$1,261
Injury	$2,319
Liability	$35
Flat Fee	$68

Documentation for Information Request # 48

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Current Relativities Calculation

Base Rate $1,235

Model Year	
Cruiser/Touring	1.0000
Sport	1.2221
Dual Purpose/Other	0.8769

Model Year	Weighted Average	Cruiser	Sport	Dual
1982 & Older	0.4436	0.4678	0.4305	0.2952
1983 - 1986	0.6103	0.6311	0.6009	0.4772
1987 - 1992	0.7285	0.7442	0.7071	0.6419
1993 - 1996	0.8184	0.8206	0.8173	0.7916
1997 - 2000	0.9568	0.9600	0.9490	0.9294
2001 - 2004	1.0000	1.0000	1.0000	1.0000
2005 - 2007	1.0877	1.0908	1.0701	1.0940
2008 - 2010	1.1165	1.1042	1.1241	1.1681
2011 - 2013	1.1626	1.1613	1.2361	1.1250

Engine Size	Weighted Average	Cruiser	Sport	Dual
100 CC & Less	0.1263	0.0984	0.1189	0.1279
101 - 400 CC	0.1275	0.1029	0.1525	0.1294
401 - 750 CC	0.7503	0.7125	0.7944	0.7728
751 - 1100 CC	0.8908	0.8936	0.8791	0.9094
1101 CC & Greater	1.0000	1.0000	1.0000	1.0000

Cruiser

Current Damage & Injury Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater						
1982 & Older	$51	$51	$438	$604	$709	69	70	411	488	548	-1.05%
1983 - 1986	$80	$85	$591	$703	$814	95	96	566	672	754	
1987 - 1992	$102	$111	$697	$824	$923	114	115	675	802	900	
1993 - 1996	$121	$131	$769	$907	$1,019	128	129	759	901	1011	
1997 - 2000	$145	$164	$893	$1,059	$1,194	149	151	887	1053	1182	
2001 - 2004	$152	$172	$945	$1,118	$1,235	156	157	927	1100	1235	
2005 - 2007	$176	$197	$1,008	$1,189	$1,357	170	171	1008	1197	1344	
2008 - 2010	$183	$196	$1,073	$1,273	$1,348	174	176	1035	1229	1379	
2011 - 2013	$190	$221	$1,138	$1,357	$1,432	181	183	1078	1279	1436	

Sport

Current Damage & Injury Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater						
1982 & Older	$58	$69	$512	$697	$747	1.1366	1.3512	1.1689	1.1539	1.0536	1.2221
1983 - 1986	$95	$104	$692	$861	$906	1.1869	1.2229	1.1708	1.2247	1.1130	
1987 - 1992	$123	$136	$856	$1,008	$1,059	1.2054	1.2247	1.2280	1.2232	1.1473	
1993 - 1996	$147	$158	$942	$1,108	$1,164	1.2144	1.2057	1.2249	1.2215	1.1423	
1997 - 2000	$194	$217	$1,122	$1,218	$1,408	1.3373	1.3227	1.2564	1.1501	1.1792	
2001 - 2004	$203	$227	$1,182	$1,284	$1,486	1.3350	1.3193	1.2507	1.1484	1.2032	
2005 - 2007	$231	$257	$1,258	$1,366	$1,581	1.3121	1.3042	1.2480	1.1488	1.1650	
2008 - 2010	$229	$255	$1,332	$1,453	$1,637	1.2510	1.3006	1.2413	1.1414	1.2144	
2011 - 2013	$255	$285	$1,406	$1,540	$1,693	1.3416	1.2893	1.2354	1.1348	1.1822	

Dual

Current Damage & Injury Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater						
1982 & Older	$37	$37	$389	$540	$636	0.7268	0.7268	0.8882	0.8941	0.8971	0.8769
1983 - 1986	$69	$69	$494	$678	$773	0.8629	0.8123	0.8359	0.9645	0.9496	
1987 - 1992	$94	$94	$622	$731	$849	0.9218	0.8472	0.8924	0.8872	0.9198	
1993 - 1996	$115	$115	$708	$810	$924	0.9505	0.8781	0.9207	0.8931	0.9068	
1997 - 2000	$136	$136	$818	$954	$1,013	0.9380	0.8295	0.9160	0.9009	0.8484	
2001 - 2004	$150	$150	$847	$998	$1,058	0.9869	0.8723	0.8963	0.8927	0.8567	
2005 - 2007	$164	$164	$933	$1,072	$1,153	0.9319	0.8327	0.9256	0.9016	0.8497	
2008 - 2010	$180	$180	$951	$1,091	$1,200	0.9836	0.9185	0.8863	0.8571	0.8902	
2011 - 2013	$196	$196	$969	$1,110	$1,247	1.0315	0.8870	0.8515	0.8180	0.8708	

Documentation for Information Request # 48

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Damage Relativities

Body Style	2010 Written Exposures	2004 - 2011 Claim Counts	2004 - 2011 Earned Exposures	2004 - 2011 Ultimate Losses	2004 - 2011 Pure Premium	2004 - 2011 Premium Relativities	Current Relativities	Poisson / Gamma Relativities	Credibility	Credibility Weighted Relativities	Selected Relativities
Cruiser/Touring	8,314	1,353	46,069	$6,877,439	$149.28	1.0000	1.0000	1.0000	100.00%	1.0000	1.0000
Sport	1,729	1,447	10,257	$6,553,549	$638.95	4.2801	1.2221	5.4168	100.00%	4.2801	5.4168
Dual Purpose/Other	1,277	121	6,814	$312,830	$45.91	0.3075	0.8769	1.0069	33.44%	0.6865	1.0069
Total	11,320	2,921	63,140	$13,743,817							

Model Year	2010 Written Exposures	2004 - 2011 Claim Counts	2004 - 2011 Earned Exposures	2004 - 2011 Ultimate Losses	2004 - 2011 Pure Premium	2004 - 2011 Premium Relativities	Current Relativities	Poisson / Gamma Relativities	Credibility	Credibility Weighted Relativities	Selected Relativities
1982 & Older	1,067	122	9,631	$308,665	$32.05	0.0988	0.4436	0.1474	33.58%	0.3278	0.1474
1983 - 1986	743	108	6,144	$252,988	$41.18	0.1269	0.6103	0.1753	31.59%	0.4576	0.1753
1987 - 1992	379	126	2,939	$438,262	$149.12	0.4596	0.7285	0.4384	34.12%	0.6367	0.4384
1993 - 1996	403	144	3,122	$602,991	$193.11	0.5951	0.8184	0.5558	36.48%	0.7369	0.5558
1997 - 2000	893	359	6,679	$1,655,017	$247.79	0.7636	0.9568	0.7128	57.60%	0.8455	0.7128
2001 - 2004	2,008	931	14,616	$4,742,543	$324.48	1.0000	1.0000	1.0000	92.76%	1.0000	1.0000
2005 - 2007	2,976	799	13,853	$4,065,509	$293.48	0.9045	1.0877	1.0075	85.93%	0.9303	1.0075
2008 - 2010	2,835	340	6,360	$1,774,032	$278.92	0.8596	1.1165	1.0249	56.06%	0.9725	1.0249
2011 - 2013	16	5	65	$17,304	$267.75	0.8252	1.1626	1.1618	6.80%	1.1397	1.1618
Total	11,320	2,934	63,409	$13,857,311							

Engine Size	2010 Written Exposures	2004 - 2011 Claim Counts	2004 - 2011 Earned Exposures	2004 - 2011 Ultimate Losses	2004 - 2011 Pure Premium	2004 - 2011 Premium Relativities	Current Relativities	Poisson / Gamma Relativities	Credibility	Credibility Weighted Relativities	Selected Relativities
100 CC & Less	317	19	2,033	$43,999	$21.64	0.0961	0.1263	0.0979	13.25%	0.1223	0.0979
101 - 400 CC	1,187	120	6,089	$248,608	$40.83	0.1813	0.1275	0.1501	33.30%	0.1454	0.1501
401 - 750 CC	2,373	1,128	15,601	$4,478,911	$287.08	1.2747	0.7503	0.5459	100.00%	1.2747	0.5459
751 - 1100 CC	2,165	688	13,487	$3,185,482	$236.18	1.0487	0.8908	0.5951	79.74%	1.0167	0.5951
1101 CC & Greater	5,279	979	26,198	$5,900,311	$225.22	1.0000	1.0000	1.0000	95.12%	1.0000	1.0000
Total	11,320	2,934	63,409	$13,857,311							

Documentation for Information Request # 48

Current Relativities - Cruiser/Touring

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0415	0.0415	0.3548	0.4892	0.5742
1983 - 1986	0.0650	0.0690	0.4786	0.5693	0.6592
1987 - 1992	0.0828	0.0901	0.5645	0.6673	0.7474
1993 - 1996	0.0982	0.1063	0.6227	0.7345	0.8251
1997 - 2000	0.1176	0.1330	0.7231	0.8575	0.9668
2001 - 2004	0.1233	0.1394	0.7652	0.9053	1.0000
2005 - 2007	0.1427	0.1597	0.8162	0.9628	1.0988
2008 - 2010	0.1484	0.1589	0.8689	1.0308	1.0915
2011 - 2013	0.1540	0.1791	0.9215	1.0988	1.1595

Cruiser/Touring

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0144	0.0221	0.0805	0.0805	0.1474
1983 - 1986	0.0172	0.0263	0.0957	0.0957	0.1753
1987 - 1992	0.0429	0.0658	0.2393	0.2393	0.4384
1993 - 1996	0.0544	0.0834	0.3034	0.3034	0.5558
1997 - 2000	0.0698	0.1070	0.3891	0.3891	0.7128
2001 - 2004	0.0979	0.1501	0.5459	0.5459	1.0000
2005 - 2007	0.0987	0.1512	0.5500	0.5500	1.0075
2008 - 2010	0.1004	0.1538	0.5595	0.5595	1.0249
2011 - 2013	0.1138	0.1744	0.6343	0.6343	1.1618

Current Relativities - Sport

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0392	0.0466	0.3447	0.4691	0.5028
1983 - 1986	0.0641	0.0701	0.4658	0.5795	0.6098
1987 - 1992	0.0829	0.0917	0.5761	0.6784	0.7127
1993 - 1996	0.0991	0.1065	0.6340	0.7457	0.7833
1997 - 2000	0.1307	0.1462	0.7551	0.8197	0.9475
2001 - 2004	0.1368	0.1529	0.7955	0.8641	1.0000
2005 - 2007	0.1556	0.1731	0.8466	0.9193	1.0639
2008 - 2010	0.1542	0.1717	0.8964	0.9778	1.1016
2011 - 2013	0.1717	0.1919	0.9462	1.0363	1.1393

Selected Relativities - Sport

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0782	0.1198	0.4358	0.4751	0.7984
1983 - 1986	0.0930	0.1425	0.5183	0.5650	0.9494
1987 - 1992	0.2325	0.3564	1.2963	1.4131	2.3745
1993 - 1996	0.2948	0.4519	1.6435	1.7916	3.0105
1997 - 2000	0.3781	0.5796	2.1079	2.2979	3.8613
2001 - 2004	0.5304	0.8130	2.9571	3.2236	5.4168
2005 - 2007	0.5344	0.8191	2.9793	3.2479	5.4576
2008 - 2010	0.5436	0.8333	3.0307	3.3039	5.5517
2011 - 2013	0.6163	0.9446	3.4356	3.7453	6.2934

Current Relativities - Dual Purpose

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0352	0.0352	0.3678	0.5105	0.6012
1983 - 1986	0.0654	0.0654	0.4670	0.6409	0.7307
1987 - 1992	0.0891	0.0891	0.5880	0.6910	0.8025
1993 - 1996	0.1089	0.1089	0.6693	0.7657	0.8734
1997 - 2000	0.1288	0.1288	0.7732	0.9017	0.9575
2001 - 2004	0.1420	0.1420	0.8006	0.9433	1.0000
2005 - 2007	0.1552	0.1552	0.8819	1.0132	1.0898
2008 - 2010	0.1703	0.1703	0.8989	1.0312	1.1342
2011 - 2013	0.1855	0.1855	0.9159	1.0491	1.1786

Weighted Average Relativity 0.7955

Selected Relativities - Dual Purpose

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0145	0.0223	0.0810	0.0883	0.1484
1983 - 1986	0.0173	0.0265	0.0963	0.1050	0.1765
1987 - 1992	0.0432	0.0663	0.2410	0.2627	0.4414
1993 - 1996	0.0548	0.0840	0.3055	0.3330	0.5596
1997 - 2000	0.0703	0.1077	0.3918	0.4272	0.7178
2001 - 2004	0.0986	0.1511	0.5497	0.5992	1.0069
2005 - 2007	0.0993	0.1523	0.5538	0.6037	1.0145
2008 - 2010	0.1011	0.1549	0.5634	0.6142	1.0320
2011 - 2013	0.1146	0.1756	0.6386	0.6962	1.1699

Weighted Average Relativity 0.9160

Off-Balance Factor 0.8685

Documentation for Information Request # 48

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
Injury Relativities

Body Style	2010 Written Exposures	2004 - 2011 Claim Counts	2004 - 2011 Earned Exposures	2004 - 2011 Ultimate Losses	2004 - 2011 Pure Premium	2004 - 2011 Premium Relativities	Current Relativities	Poisson / Gamma Relativities	Credibility	Credibility Weighted Relativities	Selected Relativities
Cruiser/Touring	8,314	400	46,069	$23,853,325	$517.77	1.0000	1.0000	1.0000	60.80%	1.0000	1.0000
Sport	1,729	338	10,257	$9,886,375	$963.88	1.8616	1.2221	2.0148	55.89%	1.5795	2.0000
Dual Purpose/Other	1,277	30	6,814	$1,002,159	$147.08	0.2841	0.8769	0.9944	16.65%	0.7782	1.0000
Total	11,320	768	63,140	$34,741,859							

Model Year	2010 Written Exposures	2004 - 2011 Claim Counts	2004 - 2011 Eanred Exposures	2004 - 2011 Ultimate Losses	2004 - 2011 Pure Premium	2004 - 2011 Premium Relativities	Current Relativities	Poisson / Gamma Relativities	Credibility	Credibility Weighted Relativities	Selected Relativities
1982 & Older	1,067	58	9,631	$3,115,840	$323.54	0.4335	0.4436	0.5199	23.15%	0.4413	1.0000
1983 - 1986	743	33	6,144	$1,804,021	$293.62	0.3934	0.6103	0.4643	17.46%	0.5724	1.0000
1987 - 1992	379	29	2,939	$589,952	$200.73	0.2689	0.7285	0.2320	16.37%	0.6533	1.0000
1993 - 1996	403	30	3,122	$1,540,039	$493.21	0.6608	0.8184	0.7969	16.65%	0.7921	1.0000
1997 - 2000	893	84	6,679	$5,690,573	$851.98	1.1414	0.9568	1.2018	27.86%	1.0082	1.0000
2001 - 2004	2,008	265	14,616	$10,909,325	$746.41	1.0000	1.0000	1.0000	49.49%	1.0000	1.0000
2005 - 2007	2,976	187	13,853	$7,109,450	$513.22	0.6876	1.0877	0.7953	41.57%	0.9214	1.0000
2008 - 2010	2,835	83	6,360	$4,028,253	$633.34	0.8485	1.1165	0.7802	27.70%	1.0423	1.0000
2011 - 2013	16	0	65	$0	$0.00	0.0000	1.1626	0.0000	0.00%	1.1626	1.0000
Total	11,320	769	63,409	$34,787,454							

Engine Size	2010 Written Exposures	2004 - 2011 Claim Counts	2004 - 2011 Eanred Exposures	2004 - 2011 Ultimate Losses	2004 - 2011 Pure Premium	2004 - 2011 Premium Relativities	Current Relativities	Poisson / Gamma Relativities	Credibility	Credibility Weighted Relativities	Selected Relativities
100 CC & Less	317	3	2,033	$18,985	$9.34	0.0149	0.1263	0.0137	5.27%	0.1204	0.0137
101 - 400 CC	1,187	30	6,089	$830,257	$136.35	0.2177	0.1275	0.2383	16.65%	0.1425	0.2383
401 - 750 CC	2,373	273	15,601	$8,773,855	$562.38	0.8981	0.7503	0.6477	50.23%	0.8246	0.6477
751 - 1100 CC	2,165	203	13,487	$8,759,306	$649.44	1.0371	0.8908	0.8385	43.31%	0.9542	0.8385
1101 CC & Greater	5,279	260	26,198	$16,405,051	$626.20	1.0000	1.0000	1.0000	49.02%	1.0000	1.0000
Total	11,320	769	63,409	$34,787,454							

Documentation for Information Request # 48

Current Relativities - Cruiser/Touring

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0415	0.0415	0.3548	0.4892	0.5742
1983 - 1986	0.0650	0.0690	0.4786	0.5693	0.6592
1987 - 1992	0.0828	0.0901	0.5645	0.6673	0.7474
1993 - 1996	0.0982	0.1063	0.6227	0.7345	0.8251
1997 - 2000	0.1176	0.1330	0.7231	0.8575	0.9668
2001 - 2004	0.1233	0.1394	0.7652	0.9053	1.0000
2005 - 2007	0.1427	0.1597	0.8162	0.9628	1.0988
2008 - 2010	0.1484	0.1589	0.8689	1.0308	1.0915
2011 - 2013	0.1540	0.1791	0.9215	1.0988	1.1595

Cruiser/Touring

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0137	0.2383	0.6477	0.6477	1.0000
1983 - 1986	0.0137	0.2383	0.6477	0.6477	1.0000
1987 - 1992	0.0137	0.2383	0.6477	0.6477	1.0000
1993 - 1996	0.0137	0.2383	0.6477	0.6477	1.0000
1997 - 2000	0.0137	0.2383	0.6477	0.6477	1.0000
2001 - 2004	0.0137	0.2383	0.6477	0.6477	1.0000
2005 - 2007	0.0137	0.2383	0.6477	0.6477	1.0000
2008 - 2010	0.0137	0.2383	0.6477	0.6477	1.0000
2011 - 2013	0.0137	0.2383	0.6477	0.6477	1.0000

Current Relativities - Sport

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0392	0.0466	0.3447	0.4691	0.5028
1983 - 1986	0.0641	0.0701	0.4658	0.5795	0.6098
1987 - 1992	0.0829	0.0917	0.5761	0.6784	0.7127
1993 - 1996	0.0991	0.1065	0.6340	0.7457	0.7833
1997 - 2000	0.1307	0.1462	0.7551	0.8197	0.9475
2001 - 2004	0.1368	0.1529	0.7955	0.8641	1.0000
2005 - 2007	0.1556	0.1731	0.8466	0.9193	1.0639
2008 - 2010	0.1542	0.1717	0.8964	0.9778	1.1016
2011 - 2013	0.1717	0.1919	0.9462	1.0363	1.1393

Selected Relativities - Sport

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0274	0.4766	1.2953	1.6769	2.0000
1983 - 1986	0.0274	0.4766	1.2953	1.6769	2.0000
1987 - 1992	0.0274	0.4766	1.2953	1.6769	2.0000
1993 - 1996	0.0274	0.4766	1.2953	1.6769	2.0000
1997 - 2000	0.0274	0.4766	1.2953	1.6769	2.0000
2001 - 2004	0.0274	0.4766	1.2953	1.6769	2.0000
2005 - 2007	0.0274	0.4766	1.2953	1.6769	2.0000
2008 - 2010	0.0274	0.4766	1.2953	1.6769	2.0000
2011 - 2013	0.0274	0.4766	1.2953	1.6769	2.0000

Current Relativities - Dual Purpose

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0352	0.0352	0.3678	0.5105	0.6012
1983 - 1986	0.0654	0.0654	0.4670	0.6409	0.7307
1987 - 1992	0.0891	0.0891	0.5880	0.6910	0.8025
1993 - 1996	0.1089	0.1089	0.6693	0.7657	0.8734
1997 - 2000	0.1288	0.1288	0.7732	0.9017	0.9575
2001 - 2004	0.1420	0.1420	0.8006	0.9433	1.0000
2005 - 2007	0.1552	0.1552	0.8819	1.0132	1.0898
2008 - 2010	0.1703	0.1703	0.8989	1.0312	1.1342
2011 - 2013	0.1855	0.1855	0.9159	1.0491	1.1786

Weighted Average Relativity 0.7955

Selected Relativities - Dual Purpose

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0137	0.2383	0.6477	0.8385	1.0000
1983 - 1986	0.0137	0.2383	0.6477	0.8385	1.0000
1987 - 1992	0.0137	0.2383	0.6477	0.8385	1.0000
1993 - 1996	0.0137	0.2383	0.6477	0.8385	1.0000
1997 - 2000	0.0137	0.2383	0.6477	0.8385	1.0000
2001 - 2004	0.0137	0.2383	0.6477	0.8385	1.0000
2005 - 2007	0.0137	0.2383	0.6477	0.8385	1.0000
2008 - 2010	0.0137	0.2383	0.6477	0.8385	1.0000
2011 - 2013	0.0137	0.2383	0.6477	0.8385	1.0000

Weighted Average Relativity 0.8610

Off-Balance Factor 0.9239

Documentation for Information Request # 48

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
New Rates - Cruiser
March 13, 2012 9:20 AM

Required Rate Change:	**69.24%**
Required Damage Rate Change:	-153.43%
Required Injury Rate Change:	0.00%
Required Liability Rate Change:	0.00%
Required Flat Fee Rate Change:	166.72%
Selected Damage Rate Change:	-153.43%
Selected Injury Rate Change:	0.00%
Selected Liability Rate Change:	0.00%
Selected Flat Fee Rate Change:	166.72%
% of Req Rate Change Achieved*:	29.89%
Overall Rate Change Achieved:	**15.49%**

	Flat Fee	Liability	Injury	Damage
Current Base Rate	$68	$35	$1,746	-$511
Proposed Base Rate	$182	$35	$1,613	$237
Final Base Rate	$182	$35	$1,613	$129

Coverage	Required Pure Premium	SDR & BR Loaded Pure Premium	Proposed Average Premium
Damage	$225	$256	$163
Injury	$1,405	$1,600	$1,180
Liability	$31	$35	$35
Flat Fee	$160	$182	$182
	$1,820	$2,073	$1,560

Current Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$155	$155	$542	$708	$813
1983 - 1986	$184	$189	$695	$807	$918
1987 - 1992	$206	$215	$801	$928	$1,027
1993 - 1996	$225	$235	$873	$1,011	$1,123
1997 - 2000	$249	$268	$997	$1,163	$1,298
2001 - 2004	$256	$276	$1,049	$1,222	$1,339
2005 - 2007	$280	$301	$1,112	$1,293	$1,461
2008 - 2010	$287	$300	$1,177	$1,377	$1,452
2011 - 2013	$294	$325	$1,242	$1,461	$1,536

2010 Written Exposures — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	8	157	360	203	137
1983 - 1986	0	24	247	153	177
1987 - 1992	0	2	16	50	211
1993 - 1996	0	3	24	69	219
1997 - 2000	1	4	77	159	467
2001 - 2004	0	28	173	318	988
2005 - 2007	3	37	161	376	1,493
2008 - 2010	3	45	146	338	1,421
2011 - 2013	0	0	0	0	15

Proposed Damage — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0144	0.0221	0.0805	0.0877	0.1474
1983 - 1986	0.0172	0.0263	0.0957	0.1043	0.1753
1987 - 1992	0.0429	0.0658	0.2393	0.2609	0.4384
1993 - 1996	0.0544	0.0834	0.3034	0.3307	0.5558
1997 - 2000	0.0698	0.1070	0.3891	0.4242	0.7128
2001 - 2004	0.0979	0.1501	0.5459	0.5951	1.0000
2005 - 2007	0.0987	0.1512	0.5500	0.5996	1.0075
2008 - 2010	0.1004	0.1538	0.5595	0.6099	1.0249
2011 - 2013	0.1138	0.1744	0.6343	0.6914	1.1618

Proposed Injury Relativities — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0137	0.2383	0.6477	0.8385	1.0000
1983 - 1986	0.0137	0.2383	0.6477	0.8385	1.0000
1987 - 1992	0.0137	0.2383	0.6477	0.8385	1.0000
1993 - 1996	0.0137	0.2383	0.6477	0.8385	1.0000
1997 - 2000	0.0137	0.2383	0.6477	0.8385	1.0000
2001 - 2004	0.0137	0.2383	0.6477	0.8385	1.0000
2005 - 2007	0.0137	0.2383	0.6477	0.8385	1.0000
2008 - 2010	0.0137	0.2383	0.6477	0.8385	1.0000
2011 - 2013	0.0137	0.2383	0.6477	0.8385	1.0000

Proposed Damage Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$3	$5	$19	$21	$35
1983 - 1986	$4	$6	$23	$25	$42
1987 - 1992	$10	$16	$57	$62	$104
1993 - 1996	$13	$20	$72	$78	$132
1997 - 2000	$17	$25	$92	$101	$169
2001 - 2004	$23	$36	$129	$141	$237
2005 - 2007	$23	$36	$130	$142	$239
2008 - 2010	$24	$36	$133	$145	$243
2011 - 2013	$27	$41	$150	$164	$275

Proposed Injury Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$22	$384	$1,045	$1,353	$1,613
1983 - 1986	$22	$384	$1,045	$1,353	$1,613
1987 - 1992	$22	$384	$1,045	$1,353	$1,613
1993 - 1996	$22	$384	$1,045	$1,353	$1,613
1997 - 2000	$22	$384	$1,045	$1,353	$1,613
2001 - 2004	$22	$384	$1,045	$1,353	$1,613
2005 - 2007	$22	$384	$1,045	$1,353	$1,613
2008 - 2010	$22	$384	$1,045	$1,353	$1,613
2011 - 2013	$22	$384	$1,045	$1,353	$1,613

Proposed Liability Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$35	$35	$35	$35	$35
1983 - 1986	$35	$35	$35	$35	$35
1987 - 1992	$35	$35	$35	$35	$35
1993 - 1996	$35	$35	$35	$35	$35
1997 - 2000	$35	$35	$35	$35	$35
2001 - 2004	$35	$35	$35	$35	$35
2005 - 2007	$35	$35	$35	$35	$35
2008 - 2010	$35	$35	$35	$35	$35
2011 - 2013	$35	$35	$35	$35	$35

Proposed Flat Fee — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$182	$182	$182	$182	$182
1983 - 1986	$182	$182	$182	$182	$182
1987 - 1992	$182	$182	$182	$182	$182
1993 - 1996	$182	$182	$182	$182	$182
1997 - 2000	$182	$182	$182	$182	$182
2001 - 2004	$182	$182	$182	$182	$182
2005 - 2007	$182	$182	$182	$182	$182
2008 - 2010	$182	$182	$182	$182	$182
2011 - 2013	$182	$182	$182	$182	$182

Proposed Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$243	$607	$1,281	$1,591	$1,866
1983 - 1986	$244	$608	$1,285	$1,595	$1,872
1987 - 1992	$250	$618	$1,319	$1,632	$1,935
1993 - 1996	$253	$622	$1,334	$1,648	$1,962
1997 - 2000	$256	$627	$1,355	$1,671	$2,000
2001 - 2004	$263	$638	$1,392	$1,711	$2,068
2005 - 2007	$263	$638	$1,393	$1,712	$2,069
2008 - 2010	$263	$638	$1,395	$1,715	$2,074
2011 - 2013	$267	$643	$1,413	$1,734	$2,106

*Ratio of Selected % Change to Proposed % Change in Premium

Documentation for Information Request # 48

% Change Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	56.80%	291.74%	136.41%	124.70%	129.47%
1983 - 1986	32.44%	221.80%	84.89%	97.62%	103.94%
1987 - 1992	21.26%	187.23%	64.67%	75.85%	88.37%
1993 - 1996	12.23%	164.57%	52.83%	63.05%	74.74%
1997 - 2000	2.88%	134.07%	35.86%	43.65%	54.05%
2001 - 2004	2.67%	130.99%	32.67%	40.02%	54.42%
2005 - 2007	-6.07%	111.89%	25.24%	32.42%	41.65%
2008 - 2010	-8.22%	112.81%	18.51%	24.52%	42.81%
2011 - 2013	-9.33%	97.93%	13.74%	18.68%	37.11%

$ Capped Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	$230	$230	$667	$833	$963
1983 - 1986	$244	$264	$820	$957	$1,068
1987 - 1992	$250	$290	$951	$1,078	$1,181
1993 - 1996	$253	$310	$1,023	$1,163	$1,291
1997 - 2000	$256	$368	$1,147	$1,337	$1,493
2001 - 2004	$263	$376	$1,206	$1,405	$1,540
2005 - 2007	$263	$401	$1,279	$1,487	$1,680
2008 - 2010	$263	$400	$1,354	$1,584	$1,670
2011 - 2013	$267	$425	$1,413	$1,680	$1,766

% Capped Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	$178	$178	$623	$814	$934
1983 - 1986	$211	$217	$799	$928	$1,055
1987 - 1992	$236	$247	$921	$1,067	$1,181
1993 - 1996	$253	$270	$1,003	$1,162	$1,291
1997 - 2000	$256	$308	$1,146	$1,337	$1,492
2001 - 2004	$263	$317	$1,206	$1,405	$1,539
2005 - 2007	$263	$346	$1,278	$1,486	$1,680
2008 - 2010	$263	$345	$1,353	$1,583	$1,669
2011 - 2013	$267	$373	$1,413	$1,680	$1,766

Selected Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	$230	$230	$667	$833	$963
1983 - 1986	$244	$264	$820	$957	$1,068
1987 - 1992	$250	$290	$951	$1,078	$1,181
1993 - 1996	$253	$310	$1,023	$1,162	$1,291
1997 - 2000	$256	$368	$1,147	$1,337	$1,492
2001 - 2004	$263	$376	$1,206	$1,405	$1,539
2005 - 2007	$263	$401	$1,278	$1,486	$1,680
2008 - 2010	$263	$400	$1,353	$1,583	$1,669
2011 - 2013	$267	$425	$1,413	$1,680	$1,766

% Change Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	48.39%	48.39%	23.06%	17.66%	18.45%
1983 - 1986	32.61%	39.68%	17.99%	18.59%	16.34%
1987 - 1992	21.36%	34.88%	18.73%	16.16%	15.00%
1993 - 1996	12.44%	31.91%	17.18%	14.94%	14.96%
1997 - 2000	2.81%	37.31%	15.05%	14.96%	14.95%
2001 - 2004	2.73%	36.23%	14.97%	14.98%	14.94%
2005 - 2007	-6.07%	33.22%	14.93%	14.93%	14.99%
2008 - 2010	-8.36%	33.33%	14.95%	14.96%	14.94%
2011 - 2013	-9.18%	30.77%	13.77%	14.99%	14.97%

Final Injury Rate

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	$191	$189	$612	$777	$893
1983 - 1986	$204	$222	$762	$897	$991
1987 - 1992	$204	$239	$859	$981	$1,042
1993 - 1996	$205	$255	$916	$1,048	$1,124
1997 - 2000	$204	$307	$1,019	$1,201	$1,288
2001 - 2004	$204	$305	$1,041	$1,228	$1,267
2005 - 2007	$204	$330	$1,112	$1,308	$1,406
2008 - 2010	$204	$328	$1,185	$1,403	$1,391
2011 - 2013	$205	$348	$1,227	$1,481	$1,455

Injury Model Year Rel

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	0.9353	0.6207	0.5882	0.6323	0.7048
1983 - 1986	1.0007	0.7289	0.7317	0.7300	0.7824
1987 - 1992	1.0002	0.7835	0.8249	0.7983	0.8224
1993 - 1996	1.0015	0.8354	0.8794	0.8532	0.8873
1997 - 2000	0.9984	1.0073	0.9790	0.9776	1.0166
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	0.9991	1.0811	1.0682	1.0651	1.1099
2008 - 2010	0.9972	1.0758	1.1381	1.1420	1.0980
2011 - 2013	1.0012	1.1418	1.1787	1.2053	1.1489

Injury Engine Size Rel

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	0.2141	0.2120	0.6861	0.8702	1.0000
1983 - 1986	0.2063	0.2243	0.7688	0.9050	1.0000
1987 - 1992	0.1962	0.2294	0.8245	0.9415	1.0000
1993 - 1996	0.1821	0.2267	0.8147	0.9327	1.0000
1997 - 2000	0.1584	0.2386	0.7916	0.9327	1.0000
2001 - 2004	0.1613	0.2408	0.8220	0.9700	1.0000
2005 - 2007	0.1452	0.2345	0.7912	0.9308	1.0000
2008 - 2010	0.1465	0.2359	0.8521	1.0089	1.0000
2011 - 2013	0.1406	0.2393	0.8433	1.0175	1.0000

Final Damage Rate

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	$3	$5	$19	$21	$35
1983 - 1986	$4	$6	$23	$25	$42
1987 - 1992	$10	$16	$57	$62	$104
1993 - 1996	$13	$20	$72	$78	$132
1997 - 2000	$17	$25	$92	$101	$169
2001 - 2004	$23	$36	$129	$141	$237
2005 - 2007	$23	$36	$130	$142	$239
2008 - 2010	$24	$36	$133	$145	$243
2011 - 2013	$27	$41	$150	$164	$275

Damage Model Year Rel

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	0.1474	0.1474	0.1474	0.1474	0.1474
1983 - 1986	0.1753	0.1753	0.1753	0.1753	0.1753
1987 - 1992	0.4384	0.4384	0.4384	0.4384	0.4384
1993 - 1996	0.5558	0.5558	0.5558	0.5558	0.5558
1997 - 2000	0.7128	0.7128	0.7128	0.7128	0.7128
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	1.0075	1.0075	1.0075	1.0075	1.0075
2008 - 2010	1.0249	1.0249	1.0249	1.0249	1.0249
2011 - 2013	1.1618	1.1618	1.1618	1.1618	1.1618

Damage Engine Size Rel

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	0.0979	0.1501	0.5459	0.5951	1.0000
1983 - 1986	0.0979	0.1501	0.5459	0.5951	1.0000
1987 - 1992	0.0979	0.1501	0.5459	0.5951	1.0000
1993 - 1996	0.0979	0.1501	0.5459	0.5951	1.0000
1997 - 2000	0.0979	0.1501	0.5459	0.5951	1.0000
2001 - 2004	0.0979	0.1501	0.5459	0.5951	1.0000
2005 - 2007	0.0979	0.1501	0.5459	0.5951	1.0000
2008 - 2010	0.0979	0.1501	0.5459	0.5951	1.0000
2011 - 2013	0.0979	0.1501	0.5459	0.5951	1.0000

$ Change Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
	Engine Size				
1982 & Older	$75	$75	$125	$125	$150
1983 - 1986	$60	$75	$125	$150	$150
1987 - 1992	$44	$75	$150	$150	$154
1993 - 1996	$28	$75	$150	$151	$168
1997 - 2000	$7	$100	$150	$174	$194
2001 - 2004	$7	$100	$157	$183	$200
2005 - 2007	-$17	$100	$166	$193	$219
2008 - 2010	-$24	$100	$176	$206	$217
2011 - 2013	-$27	$100	$171	$219	$230

Documentation for Information Request # 48

Aggregate Premium

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$627	$11,771	$44,988	$25,354	$20,541
1983 - 1986	$15	$1,778	$30,929	$22,916	$26,587
1987 - 1992	$0	$171	$2,384	$7,487	$32,547
1993 - 1996	$0	$231	$3,593	$10,426	$36,791
1997 - 2000	$4	$369	$11,478	$27,703	$90,588
2001 - 2004	$0	$2,751	$27,211	$58,156	$197,585
2005 - 2007	-$51	$3,707	$26,717	$72,590	$327,050
2008 - 2010	-$72	$4,526	$25,745	$69,550	$308,456
2011 - 2013	$0	$8	$0	$73	$3,428

$ Change / Month

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$6.25	$6.25	$10.42	$10.42	$12.50
1983 - 1986	$5.00	$6.25	$10.42	$12.50	$12.50
1987 - 1992	$3.67	$6.25	$12.50	$12.50	$12.83
1993 - 1996	$2.33	$6.25	$12.50	$12.58	$14.00
1997 - 2000	$0.58	$8.33	$12.50	$14.50	$16.17
2001 - 2004	$0.58	$8.33	$13.08	$15.25	$16.67
2005 - 2007	-$1.42	$8.33	$13.83	$16.08	$18.25
2008 - 2010	-$2.00	$8.33	$14.67	$17.17	$18.08
2011 - 2013	-$2.25	$8.33	$14.25	$18.25	$19.17

Documentation for Information Request # 48

SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
New Rates - Sport
March 13, 2012 9:20 AM

Required Rate Change:	**69.24%**
Required Damage Rate Change:	-153.43%
Required Injury Rate Change:	0.00%
Required Liability Rate Change:	0.00%
Required Flat Fee Rate Change:	166.72%
Selected Damage Rate Change:	-153.43%
Selected Injury Rate Change:	0.00%
Selected Liability Rate Change:	0.00%
Selected Flat Fee Rate Change:	166.72%
% of Req Rate Change Achieved*:	19.58%
Overall Rate Change Achieved:	**69.23%**

	Flat Fee	Liability	Injury	Damage
Current Base Rate	$68	$35	$1,746	-$511
Proposed Base Rate	$182	$35	$1,613	$237
Final Base Rate	$182	$35	$1,613	$129

Coverage	Required Pure Premium	SDR & BR Loaded Pure Premium	Proposed Average Premium
Damage	$225	$256	$610
Injury	$1,405	$1,600	$893
Liability	$31	$35	$35
Flat Fee	$160	$182	$182
	$1,820	$2,073	$1,721

Current Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$162	$173	$616	$801	$851
1983 - 1986	$199	$208	$796	$965	$1,010
1987 - 1992	$227	$240	$960	$1,112	$1,163
1993 - 1996	$251	$262	$1,046	$1,212	$1,268
1997 - 2000	$298	$321	$1,226	$1,322	$1,512
2001 - 2004	$307	$331	$1,286	$1,388	$1,590
2005 - 2007	$335	$361	$1,362	$1,470	$1,685
2008 - 2010	$333	$359	$1,436	$1,557	$1,741
2011 - 2013	$359	$389	$1,510	$1,644	$1,797

2010 Written Exposures — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	2	10	43	12	0
1983 - 1986	0	5	28	15	3
1987 - 1992	4	9	41	8	4
1993 - 1996	0	1	37	23	3
1997 - 2000	0	3	76	49	16
2001 - 2004	0	6	193	118	29
2005 - 2007	2	43	285	147	28
2008 - 2010	1	166	191	83	44
2011 - 2013	0	0	0	0	0

Proposed Damage — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0782	0.1198	0.4358	0.4751	0.7984
1983 - 1986	0.0930	0.1425	0.5183	0.5650	0.9494
1987 - 1992	0.2325	0.3564	1.2963	1.4131	2.3745
1993 - 1996	0.2948	0.4519	1.6435	1.7916	3.0105
1997 - 2000	0.3781	0.5796	2.1079	2.2979	3.8613
2001 - 2004	0.5304	0.8130	2.9571	3.2236	5.4168
2005 - 2007	0.5344	0.8191	2.9793	3.2479	5.4576
2008 - 2010	0.5436	0.8333	3.0307	3.3039	5.5517
2011 - 2013	0.6163	0.9446	3.4356	3.7453	6.2934

Proposed Injury Relativities — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0274	0.4766	1.2953	1.6769	2.0000
1983 - 1986	0.0274	0.4766	1.2953	1.6769	2.0000
1987 - 1992	0.0274	0.4766	1.2953	1.6769	2.0000
1993 - 1996	0.0274	0.4766	1.2953	1.6769	2.0000
1997 - 2000	0.0274	0.4766	1.2953	1.6769	2.0000
2001 - 2004	0.0274	0.4766	1.2953	1.6769	2.0000
2005 - 2007	0.0274	0.4766	1.2953	1.6769	2.0000
2008 - 2010	0.0274	0.4766	1.2953	1.6769	2.0000
2011 - 2013	0.0274	0.4766	1.2953	1.6769	2.0000

Proposed Damage Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$19	$28	$103	$113	$189
1983 - 1986	$22	$34	$123	$134	$225
1987 - 1992	$55	$84	$307	$335	$563
1993 - 1996	$70	$107	$389	$425	$713
1997 - 2000	$90	$137	$500	$545	$915
2001 - 2004	$126	$193	$701	$764	$1,284
2005 - 2007	$127	$194	$706	$770	$1,293
2008 - 2010	$129	$197	$718	$783	$1,316
2011 - 2013	$146	$224	$814	$888	$1,491

Proposed Injury Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$44	$769	$2,089	$2,705	$3,226
1983 - 1986	$44	$769	$2,089	$2,705	$3,226
1987 - 1992	$44	$769	$2,089	$2,705	$3,226
1993 - 1996	$44	$769	$2,089	$2,705	$3,226
1997 - 2000	$44	$769	$2,089	$2,705	$3,226
2001 - 2004	$44	$769	$2,089	$2,705	$3,226
2005 - 2007	$44	$769	$2,089	$2,705	$3,226
2008 - 2010	$44	$769	$2,089	$2,705	$3,226
2011 - 2013	$44	$769	$2,089	$2,705	$3,226

Proposed Liability Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$35	$35	$35	$35	$35
1983 - 1986	$35	$35	$35	$35	$35
1987 - 1992	$35	$35	$35	$35	$35
1993 - 1996	$35	$35	$35	$35	$35
1997 - 2000	$35	$35	$35	$35	$35
2001 - 2004	$35	$35	$35	$35	$35
2005 - 2007	$35	$35	$35	$35	$35
2008 - 2010	$35	$35	$35	$35	$35
2011 - 2013	$35	$35	$35	$35	$35

Proposed Flat Fee — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$182	$182	$182	$182	$182
1983 - 1986	$182	$182	$182	$182	$182
1987 - 1992	$182	$182	$182	$182	$182
1993 - 1996	$182	$182	$182	$182	$182
1997 - 2000	$182	$182	$182	$182	$182
2001 - 2004	$182	$182	$182	$182	$182
2005 - 2007	$182	$182	$182	$182	$182
2008 - 2010	$182	$182	$182	$182	$182
2011 - 2013	$182	$182	$182	$182	$182

Proposed Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$280	$1,015	$2,410	$3,035	$3,633
1983 - 1986	$284	$1,020	$2,430	$3,056	$3,669
1987 - 1992	$317	$1,071	$2,614	$3,257	$4,007
1993 - 1996	$332	$1,093	$2,697	$3,347	$4,157
1997 - 2000	$351	$1,124	$2,807	$3,467	$4,359
2001 - 2004	$387	$1,179	$3,008	$3,687	$4,728
2005 - 2007	$388	$1,181	$3,013	$3,692	$4,737
2008 - 2010	$391	$1,184	$3,025	$3,706	$4,759
2011 - 2013	$408	$1,210	$3,121	$3,810	$4,935

*Ratio of Selected % Change to Proposed % Change in Premium

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% Change Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	72.98%	486.57%	291.28%	278.92%	326.91%
1983 - 1986	42.58%	390.46%	205.26%	216.73%	263.25%
1987 - 1992	39.56%	346.18%	172.32%	192.94%	244.50%
1993 - 1996	32.10%	317.35%	157.79%	176.17%	227.86%
1997 - 2000	17.89%	250.07%	128.92%	162.27%	188.29%
2001 - 2004	26.19%	256.21%	133.89%	165.60%	197.33%
2005 - 2007	15.93%	227.01%	121.23%	151.18%	181.14%
2008 - 2010	17.28%	229.76%	110.67%	137.99%	173.38%
2011 - 2013	13.58%	211.12%	106.70%	131.76%	174.64%

$ Capped Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$237	$248	$741	$951	$1,001
1983 - 1986	$274	$283	$946	$1,115	$1,162
1987 - 1992	$302	$315	$1,110	$1,279	$1,337
1993 - 1996	$332	$362	$1,203	$1,394	$1,458
1997 - 2000	$351	$421	$1,410	$1,520	$1,739
2001 - 2004	$387	$431	$1,479	$1,596	$1,829
2005 - 2007	$388	$461	$1,566	$1,691	$1,938
2008 - 2010	$391	$459	$1,651	$1,791	$2,002
2011 - 2013	$408	$489	$1,737	$1,891	$2,067

% Capped Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$210	$224	$800	$1,041	$1,106
1983 - 1986	$258	$270	$1,034	$1,254	$1,313
1987 - 1992	$295	$312	$1,248	$1,445	$1,511
1993 - 1996	$326	$340	$1,359	$1,575	$1,648
1997 - 2000	$351	$417	$1,593	$1,718	$1,965
2001 - 2004	$387	$430	$1,671	$1,804	$2,067
2005 - 2007	$388	$469	$1,770	$1,911	$2,190
2008 - 2010	$391	$466	$1,866	$2,024	$2,263
2011 - 2013	$408	$505	$1,963	$2,137	$2,336

Selected Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$237	$248	$741	$951	$1,001
1983 - 1986	$274	$283	$946	$1,115	$1,313
1987 - 1992	$302	$315	$1,110	$1,445	$1,511
1993 - 1996	$332	$362	$1,359	$1,575	$1,648
1997 - 2000	$351	$421	$1,593	$1,718	$1,965
2001 - 2004	$387	$431	$1,671	$1,804	$2,067
2005 - 2007	$388	$461	$1,770	$1,911	$2,190
2008 - 2010	$391	$459	$1,866	$2,024	$2,263
2011 - 2013	$408	$489	$1,963	$2,137	$2,336

% Change Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	46.30%	43.35%	20.29%	18.73%	17.63%
1983 - 1986	37.69%	36.06%	18.84%	15.54%	30.00%
1987 - 1992	33.04%	31.25%	15.63%	29.95%	29.92%
1993 - 1996	32.27%	38.17%	29.92%	29.95%	29.97%
1997 - 2000	17.79%	31.15%	29.93%	29.95%	29.96%
2001 - 2004	26.06%	30.21%	29.94%	29.97%	30.00%
2005 - 2007	15.82%	27.70%	29.96%	30.00%	29.97%
2008 - 2010	17.42%	27.86%	29.94%	29.99%	29.98%
2011 - 2013	13.65%	25.71%	30.00%	29.99%	29.99%

Final Injury Rate

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$183	$184	$602	$803	$776
1983 - 1986	$216	$214	$788	$946	$1,053
1987 - 1992	$211	$195	$767	$1,075	$913
1993 - 1996	$227	$219	$934	$1,115	$899
1997 - 2000	$226	$248	$1,058	$1,138	$1,014
2001 - 2004	$226	$203	$935	$1,005	$748
2005 - 2007	$226	$231	$1,028	$1,106	$861
2008 - 2010	$227	$226	$1,112	$1,206	$912
2011 - 2013	$226	$230	$1,113	$1,214	$809

Injury Model Year Rel

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.8104	0.9077	0.6443	0.7993	1.0382
1983 - 1986	0.9587	1.0538	0.8427	0.9413	1.4075
1987 - 1992	0.9362	0.9616	0.8209	1.0698	1.2206
1993 - 1996	1.0037	1.0818	0.9993	1.1099	1.2023
1997 - 2000	1.0004	1.2235	1.1319	1.1328	1.3566
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	1.0002	1.1408	1.1003	1.1008	1.1516
2008 - 2010	1.0038	1.1144	1.1899	1.2001	1.2194
2011 - 2013	1.0029	1.1322	1.1911	1.2084	1.0819

Injury Engine Size Rel

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.2357	0.2372	0.7758	1.0343	1.0000
1983 - 1986	0.2057	0.2031	0.7484	0.8984	1.0000
1987 - 1992	0.2316	0.2137	0.8406	1.1773	1.0000
1993 - 1996	0.2521	0.2441	1.0389	1.2401	1.0000
1997 - 2000	0.2227	0.2446	1.0429	1.1218	1.0000
2001 - 2004	0.3020	0.2712	1.2500	1.3434	1.0000
2005 - 2007	0.2623	0.2687	1.1943	1.2841	1.0000
2008 - 2010	0.2486	0.2479	1.2198	1.3221	1.0000
2011 - 2013	0.2799	0.2839	1.3761	1.5005	1.0000

Final Damage Rate

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$19	$28	$103	$113	$189
1983 - 1986	$22	$34	$123	$134	$225
1987 - 1992	$55	$84	$307	$335	$563
1993 - 1996	$70	$107	$389	$425	$713
1997 - 2000	$90	$137	$500	$545	$915
2001 - 2004	$126	$193	$701	$764	$1,284
2005 - 2007	$127	$194	$706	$770	$1,293
2008 - 2010	$129	$197	$718	$783	$1,316
2011 - 2013	$146	$224	$814	$888	$1,491

Damage Model Year Rel

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.1474	0.1474	0.1474	0.1474	0.1474
1983 - 1986	0.1753	0.1753	0.1753	0.1753	0.1753
1987 - 1992	0.4384	0.4384	0.4384	0.4384	0.4384
1993 - 1996	0.5558	0.5558	0.5558	0.5558	0.5558
1997 - 2000	0.7128	0.7128	0.7128	0.7128	0.7128
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	1.0075	1.0075	1.0075	1.0075	1.0075
2008 - 2010	1.0249	1.0249	1.0249	1.0249	1.0249
2011 - 2013	1.1618	1.1618	1.1618	1.1618	1.1618

Damage Engine Size Rel

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0979	0.1501	0.5459	0.5951	1.0000
1983 - 1986	0.0979	0.1501	0.5459	0.5951	1.0000
1987 - 1992	0.0979	0.1501	0.5459	0.5951	1.0000
1993 - 1996	0.0979	0.1501	0.5459	0.5951	1.0000
1997 - 2000	0.0979	0.1501	0.5459	0.5951	1.0000
2001 - 2004	0.0979	0.1501	0.5459	0.5951	1.0000
2005 - 2007	0.0979	0.1501	0.5459	0.5951	1.0000
2008 - 2010	0.0979	0.1501	0.5459	0.5951	1.0000
2011 - 2013	0.0979	0.1501	0.5459	0.5951	1.0000

$ Change Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$75	$75	$125	$150	$150
1983 - 1986	$75	$75	$150	$150	$303
1987 - 1992	$75	$75	$150	$333	$348
1993 - 1996	$81	$100	$313	$363	$380
1997 - 2000	$53	$100	$367	$396	$453
2001 - 2004	$80	$100	$385	$416	$477
2005 - 2007	$53	$100	$408	$441	$505
2008 - 2010	$58	$100	$430	$467	$522
2011 - 2013	$49	$100	$453	$493	$539

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Aggregate Premium

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$113	$775	$5,380	$1,846	$21
1983 - 1986	$0	$345	$4,204	$2,280	$831
1987 - 1992	$278	$660	$6,078	$2,586	$1,296
1993 - 1996	$0	$149	$11,608	$8,241	$1,167
1997 - 2000	$0	$327	$27,988	$19,587	$7,402
2001 - 2004	$0	$552	$74,470	$49,138	$13,772
2005 - 2007	$80	$4,296	$116,094	$64,838	$14,158
2008 - 2010	$82	$16,625	$82,089	$38,931	$23,190
2011 - 2013	$0	$32	$0	$82	$0

$ Change / Month

	Engine Size				
Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$6.25	$6.25	$10.42	$12.50	$12.50
1983 - 1986	$6.25	$6.25	$12.50	$12.50	$25.25
1987 - 1992	$6.25	$6.25	$12.50	$27.75	$29.00
1993 - 1996	$6.75	$8.33	$26.08	$30.25	$31.67
1997 - 2000	$4.42	$8.33	$30.58	$33.00	$37.75
2001 - 2004	$6.67	$8.33	$32.08	$34.67	$39.75
2005 - 2007	$4.42	$8.33	$34.00	$36.75	$42.08
2008 - 2010	$4.83	$8.33	$35.83	$38.92	$43.50
2011 - 2013	$4.08	$8.33	$37.75	$41.08	$44.92

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SGI
Class LV - Motorcycles
Ratemaking date as of: 31/05/2011
Data Source: Internal Data
Coverage: All
Rating year: 04/08/2012
New Rates - Dual
March 13, 2012 9:20 AM

Required Rate Change:	**69.24%**
Required Damage Rate Change:	-153.43%
Required Injury Rate Change:	0.00%
Required Liability Rate Change:	0.00%
Required Flat Fee Rate Change:	166.72%
Selected Damage Rate Change:	-153.43%
Selected Injury Rate Change:	0.00%
Selected Liability Rate Change:	0.00%
Selected Flat Fee Rate Change:	166.72%
% of Req Rate Change Achieved*:	28.11%
Overall Rate Change Achieved:	**20.55%**

	Flat Fee	Liability	Injury	Damage
Current Base Rate	$68	$35	$1,746	-$511
Proposed Base Rate	$182	$35	$1,613	$237
Final Base Rate	$182	$35	$1,613	$129

Coverage	Required Pure Premium	SDR & BR Loaded Pure Premium	Proposed Average Premium
Damage	$225	$256	$52
Injury	$1,405	$1,600	$447
Liability	$31	$35	$35
Flat Fee	$160	$182	$182
	$1,820	$2,073	$716

Current Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$141	$141	$493	$644	$740
1983 - 1986	$173	$173	$598	$782	$877
1987 - 1992	$198	$198	$726	$835	$953
1993 - 1996	$219	$219	$812	$914	$1,028
1997 - 2000	$240	$240	$922	$1,058	$1,117
2001 - 2004	$254	$254	$951	$1,102	$1,162
2005 - 2007	$268	$268	$1,037	$1,176	$1,257
2008 - 2010	$284	$284	$1,055	$1,195	$1,304
2011 - 2013	$300	$300	$1,073	$1,214	$1,351

2010 Written Exposures — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	34	72	27	2	0
1983 - 1986	29	51	11	1	0
1987 - 1992	8	22	4	1	0
1993 - 1996	2	12	7	3	0
1997 - 2000	5	19	13	2	1
2001 - 2004	56	52	42	3	1
2005 - 2007	103	231	55	6	7
2008 - 2010	56	184	116	25	13
2011 - 2013	0	0	0	0	0

Proposed Damage — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0145	0.0223	0.0810	0.0883	0.1484
1983 - 1986	0.0173	0.0265	0.0963	0.1050	0.1765
1987 - 1992	0.0432	0.0663	0.2410	0.2627	0.4414
1993 - 1996	0.0548	0.0840	0.3055	0.3330	0.5596
1997 - 2000	0.0703	0.1077	0.3918	0.4272	0.7178
2001 - 2004	0.0986	0.1511	0.5497	0.5992	1.0069
2005 - 2007	0.0993	0.1523	0.5538	0.6037	1.0145
2008 - 2010	0.1011	0.1549	0.5634	0.6142	1.0320
2011 - 2013	0.1146	0.1756	0.6386	0.6962	1.1699

Proposed Injury Relativities — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0137	0.2383	0.6477	0.8385	1.0000
1983 - 1986	0.0137	0.2383	0.6477	0.8385	1.0000
1987 - 1992	0.0137	0.2383	0.6477	0.8385	1.0000
1993 - 1996	0.0137	0.2383	0.6477	0.8385	1.0000
1997 - 2000	0.0137	0.2383	0.6477	0.8385	1.0000
2001 - 2004	0.0137	0.2383	0.6477	0.8385	1.0000
2005 - 2007	0.0137	0.2383	0.6477	0.8385	1.0000
2008 - 2010	0.0137	0.2383	0.6477	0.8385	1.0000
2011 - 2013	0.0137	0.2383	0.6477	0.8385	1.0000

Proposed Damage Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$3	$5	$19	$21	$35
1983 - 1986	$4	$6	$23	$25	$42
1987 - 1992	$10	$16	$57	$62	$105
1993 - 1996	$13	$20	$72	$79	$133
1997 - 2000	$17	$26	$93	$101	$170
2001 - 2004	$23	$36	$130	$142	$239
2005 - 2007	$24	$36	$131	$143	$240
2008 - 2010	$24	$37	$134	$146	$245
2011 - 2013	$27	$42	$151	$165	$277

Proposed Injury Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$22	$384	$1,045	$1,353	$1,613
1983 - 1986	$22	$384	$1,045	$1,353	$1,613
1987 - 1992	$22	$384	$1,045	$1,353	$1,613
1993 - 1996	$22	$384	$1,045	$1,353	$1,613
1997 - 2000	$22	$384	$1,045	$1,353	$1,613
2001 - 2004	$22	$384	$1,045	$1,353	$1,613
2005 - 2007	$22	$384	$1,045	$1,353	$1,613
2008 - 2010	$22	$384	$1,045	$1,353	$1,613
2011 - 2013	$22	$384	$1,045	$1,353	$1,613

Proposed Liability Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$35	$35	$35	$35	$35
1983 - 1986	$35	$35	$35	$35	$35
1987 - 1992	$35	$35	$35	$35	$35
1993 - 1996	$35	$35	$35	$35	$35
1997 - 2000	$35	$35	$35	$35	$35
2001 - 2004	$35	$35	$35	$35	$35
2005 - 2007	$35	$35	$35	$35	$35
2008 - 2010	$35	$35	$35	$35	$35
2011 - 2013	$35	$35	$35	$35	$35

Proposed Flat Fee — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$182	$182	$182	$182	$182
1983 - 1986	$182	$182	$182	$182	$182
1987 - 1992	$182	$182	$182	$182	$182
1993 - 1996	$182	$182	$182	$182	$182
1997 - 2000	$182	$182	$182	$182	$182
2001 - 2004	$182	$182	$182	$182	$182
2005 - 2007	$182	$182	$182	$182	$182
2008 - 2010	$182	$182	$182	$182	$182
2011 - 2013	$182	$182	$182	$182	$182

Proposed Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$243	$607	$1,281	$1,591	$1,866
1983 - 1986	$244	$608	$1,285	$1,595	$1,872
1987 - 1992	$250	$618	$1,319	$1,632	$1,935
1993 - 1996	$253	$622	$1,335	$1,649	$1,963
1997 - 2000	$256	$627	$1,355	$1,671	$2,001
2001 - 2004	$263	$638	$1,393	$1,712	$2,069
2005 - 2007	$263	$638	$1,394	$1,713	$2,071
2008 - 2010	$264	$639	$1,396	$1,716	$2,075
2011 - 2013	$267	$644	$1,414	$1,735	$2,108

*Ratio of Selected % Change to Proposed % Change in Premium

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% Change Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	72.39%	330.67%	159.94%	147.05%	152.14%
1983 - 1986	40.88%	251.58%	114.90%	103.96%	113.51%
1987 - 1992	26.19%	211.95%	81.73%	95.49%	103.07%
1993 - 1996	15.35%	183.96%	64.37%	80.41%	90.98%
1997 - 2000	6.78%	161.45%	46.98%	57.97%	79.12%
2001 - 2004	3.54%	151.09%	46.43%	55.36%	78.08%
2005 - 2007	-1.80%	138.08%	34.38%	45.68%	64.76%
2008 - 2010	-7.19%	124.88%	32.30%	43.57%	59.14%
2011 - 2013	-11.08%	114.52%	31.75%	42.92%	56.03%

$ Capped Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$216	$216	$593	$769	$865
1983 - 1986	$244	$248	$723	$932	$1,027
1987 - 1992	$250	$273	$851	$985	$1,103
1993 - 1996	$253	$294	$962	$1,064	$1,182
1997 - 2000	$256	$315	$1,072	$1,217	$1,285
2001 - 2004	$263	$354	$1,101	$1,267	$1,336
2005 - 2007	$263	$368	$1,193	$1,352	$1,446
2008 - 2010	$264	$384	$1,213	$1,374	$1,500
2011 - 2013	$267	$400	$1,234	$1,396	$1,554

% Capped Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$162	$162	$566	$740	$851
1983 - 1986	$198	$198	$687	$899	$1,008
1987 - 1992	$227	$227	$834	$960	$1,095
1993 - 1996	$251	$251	$933	$1,051	$1,182
1997 - 2000	$256	$276	$1,060	$1,216	$1,284
2001 - 2004	$263	$292	$1,093	$1,267	$1,336
2005 - 2007	$263	$308	$1,192	$1,352	$1,445
2008 - 2010	$264	$326	$1,213	$1,374	$1,499
2011 - 2013	$267	$345	$1,233	$1,396	$1,553

Selected Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$216	$216	$593	$769	$865
1983 - 1986	$244	$248	$723	$932	$1,027
1987 - 1992	$250	$273	$851	$985	$1,103
1993 - 1996	$253	$294	$962	$1,064	$1,182
1997 - 2000	$256	$315	$1,072	$1,216	$1,284
2001 - 2004	$263	$354	$1,101	$1,267	$1,336
2005 - 2007	$263	$368	$1,192	$1,352	$1,445
2008 - 2010	$264	$384	$1,213	$1,374	$1,499
2011 - 2013	$267	$400	$1,233	$1,396	$1,553

% Change Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	53.19%	53.19%	20.28%	19.41%	16.89%
1983 - 1986	41.04%	43.35%	20.90%	19.18%	17.10%
1987 - 1992	26.26%	37.88%	17.22%	17.96%	15.74%
1993 - 1996	15.53%	34.25%	18.47%	16.41%	14.98%
1997 - 2000	6.67%	31.25%	16.27%	14.93%	14.95%
2001 - 2004	3.54%	39.37%	15.77%	14.97%	14.97%
2005 - 2007	-1.87%	37.31%	14.95%	14.97%	14.96%
2008 - 2010	-7.04%	35.21%	14.98%	14.98%	14.95%
2011 - 2013	-11.00%	33.33%	14.91%	14.99%	14.95%

Final Injury Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$177	$175	$538	$713	$794
1983 - 1986	$204	$206	$665	$872	$950
1987 - 1992	$204	$222	$758	$887	$963
1993 - 1996	$205	$239	$854	$950	$1,014
1997 - 2000	$204	$254	$944	$1,079	$1,078
2001 - 2004	$204	$283	$935	$1,089	$1,062
2005 - 2007	$204	$296	$1,025	$1,173	$1,169
2008 - 2010	$205	$312	$1,044	$1,193	$1,219
2011 - 2013	$204	$323	$1,046	$1,196	$1,240

Injury Model Year Rel — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.8674	0.6199	0.5756	0.6540	0.7481
1983 - 1986	1.0013	0.7295	0.7107	0.8000	0.8943
1987 - 1992	1.0006	0.7846	0.8109	0.8144	0.9068
1993 - 1996	1.0019	0.8440	0.9133	0.8716	0.9548
1997 - 2000	0.9986	0.8984	1.0090	0.9906	1.0156
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	0.9991	1.0486	1.0963	1.0770	1.1010
2008 - 2010	1.0020	1.1030	1.1163	1.0950	1.1479
2011 - 2013	1.0011	1.1422	1.1186	1.0973	1.1680

Injury Engine Size Rel — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.2229	0.2206	0.6777	0.8971	1.0000
1983 - 1986	0.2152	0.2172	0.6999	0.9178	1.0000
1987 - 1992	0.2121	0.2304	0.7876	0.9214	1.0000
1993 - 1996	0.2017	0.2353	0.8424	0.9366	1.0000
1997 - 2000	0.1890	0.2355	0.8750	1.0008	1.0000
2001 - 2004	0.1922	0.2662	0.8807	1.0260	1.0000
2005 - 2007	0.1745	0.2536	0.8770	1.0037	1.0000
2008 - 2010	0.1678	0.2558	0.8565	0.9787	1.0000
2011 - 2013	0.1648	0.2603	0.8435	0.9639	1.0000

Final Damage Rate — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$3	$5	$19	$21	$35
1983 - 1986	$4	$6	$23	$25	$42
1987 - 1992	$10	$16	$57	$62	$105
1993 - 1996	$13	$20	$72	$79	$133
1997 - 2000	$17	$26	$93	$101	$170
2001 - 2004	$23	$36	$130	$142	$239
2005 - 2007	$24	$36	$131	$143	$240
2008 - 2010	$24	$37	$134	$146	$245
2011 - 2013	$27	$42	$151	$165	$277

Damage Model Year Rel — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.1474	0.1474	0.1474	0.1474	0.1474
1983 - 1986	0.1753	0.1753	0.1753	0.1753	0.1753
1987 - 1992	0.4384	0.4384	0.4384	0.4384	0.4384
1993 - 1996	0.5558	0.5558	0.5558	0.5558	0.5558
1997 - 2000	0.7128	0.7128	0.7128	0.7128	0.7128
2001 - 2004	1.0000	1.0000	1.0000	1.0000	1.0000
2005 - 2007	1.0075	1.0075	1.0075	1.0075	1.0075
2008 - 2010	1.0249	1.0249	1.0249	1.0249	1.0249
2011 - 2013	1.1618	1.1618	1.1618	1.1618	1.1618

Damage Engine Size Rel — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	0.0979	0.1501	0.5459	0.5951	1.0000
1983 - 1986	0.0979	0.1501	0.5459	0.5951	1.0000
1987 - 1992	0.0979	0.1501	0.5459	0.5951	1.0000
1993 - 1996	0.0979	0.1501	0.5459	0.5951	1.0000
1997 - 2000	0.0979	0.1501	0.5459	0.5951	1.0000
2001 - 2004	0.0979	0.1501	0.5459	0.5951	1.0000
2005 - 2007	0.0979	0.1501	0.5459	0.5951	1.0000
2008 - 2010	0.0979	0.1501	0.5459	0.5951	1.0000
2011 - 2013	0.0979	0.1501	0.5459	0.5951	1.0000

$ Change Premium — Engine Size

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$75	$75	$100	$125	$125
1983 - 1986	$71	$75	$125	$150	$150
1987 - 1992	$52	$75	$125	$150	$150
1993 - 1996	$34	$75	$150	$150	$154
1997 - 2000	$16	$75	$150	$158	$167
2001 - 2004	$9	$100	$150	$165	$174
2005 - 2007	-$5	$100	$155	$176	$188
2008 - 2010	-$20	$100	$158	$179	$195
2011 - 2013	-$33	$100	$160	$182	$202

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Aggregate Premium

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$2,533	$5,386	$2,673	$234	$58
1983 - 1986	$2,026	$3,796	$1,350	$76	$24
1987 - 1992	$404	$1,657	$460	$156	$0
1993 - 1996	$72	$912	$983	$448	$0
1997 - 2000	$88	$1,459	$1,989	$302	$167
2001 - 2004	$508	$5,249	$6,320	$489	$246
2005 - 2007	-$515	$23,059	$8,579	$1,094	$1,252
2008 - 2010	-$1,129	$18,413	$18,351	$4,541	$2,488
2011 - 2013	$0	$0	$27	$45	$0

$ Change / Month

Model Year	100 CC & Less	101 - 400 CC	401 - 750 CC	751 - 1100 CC	1101 CC & Greater
1982 & Older	$6.25	$6.25	$8.33	$10.42	$10.42
1983 - 1986	$5.92	$6.25	$10.42	$12.50	$12.50
1987 - 1992	$4.33	$6.25	$10.42	$12.50	$12.50
1993 - 1996	$2.83	$6.25	$12.50	$12.50	$12.83
1997 - 2000	$1.33	$6.25	$12.50	$13.17	$13.92
2001 - 2004	$0.75	$8.33	$12.50	$13.75	$14.50
2005 - 2007	-$0.42	$8.33	$12.92	$14.67	$15.67
2008 - 2010	-$1.67	$8.33	$13.17	$14.92	$16.25
2011 - 2013	-$2.75	$8.33	$13.33	$15.17	$16.83

49. Please restate the schedule on Appendix B, Page 43 of the Application assuming that:

a. **The 3.5% contingency margin is not included in the required rate, but rather as a RSR replenishment loading;**

	Forecast With 3.2% Rate Increase					
year ended December 31	2011	2012	2013	2014	2015	2016
($000's)	$	$	$	$	$	$
Direct premium	747,886	804,878	871,978	926,877	985,232	1,047,262
Ceded premium	(3,316)	(4,917)	(5,163)	(5,421)	(5,692)	(5,977)
Net premiums written	**744,570**	**799,961**	**866,815**	**921,456**	**979,540**	**1,041,285**
Net premiums earned	**726,059**	**772,137**	**839,775**	**897,087**	**953,638**	**1,013,753**
Claims incurred	700,396	642,345	674,205	697,983	771,444	828,713
Prior year claims (Net of Disc/PFAD)	35,267	-	-	-	-	-
Loss adjusting expense (LAE)	61,455	62,570	67,540	72,854	78,113	83,989
Issuer fees and premium taxes	82,398	70,532	85,814	91,436	97,194	103,313
Administrative expenses	54,003	54,504	58,321	59,499	61,746	64,583
Traffic safety	21,013	26,275	23,724	24,336	24,901	25,507
Total claims and expenses	**954,532**	**856,226**	**909,604**	**946,108**	**1,033,398**	**1,106,105**
Underwriting loss	**(228,473)**	**(84,089)**	**(69,829)**	**(49,021)**	**(79,760)**	**(92,352)**
Investment earnings	52,761	44,224	31,181	40,392	78,240	91,891
Other income	30,345	32,025	34,826	36,534	38,340	40,249
Increase (decrease) to RSR	(145,367)	(7,840)	(3,822)	27,905	36,820	39,788
MCT	**52%**	**46%**	**45%**	**54%**	**63%**	**70%**

b. **The contingency margin is set at 2%, with a 1.5% RSR replenishment loading;**

	Forecast With 3.5% Rate Increase					
year ended December 31	2011	2012	2013	2014	2015	2016
($000's)	$	$	$	$	$	$
Direct premium	747,886	805,935	874,853	929,935	988,483	1,050,717
Ceded premium	(3,316)	(4,917)	(5,163)	(5,421)	(5,692)	(5,977)
Net premiums written	**744,570**	**801,018**	**869,690**	**924,514**	**982,791**	**1,044,740**
Net premiums earned	**726,059**	**772,451**	**842,133**	**900,062**	**956,801**	**1,017,117**
Claims incurred	700,396	642,345	674,205	697,983	771,444	828,713
Prior year claims (Net of Disc/PFAD)	35,267	-	-	-	-	-
Loss adjusting expense (LAE)	61,455	62,570	67,540	72,854	78,113	83,989
Issuer fees and premium taxes	82,398	70,600	86,076	91,738	97,514	103,654
Administrative expenses	54,003	54,504	58,321	59,499	61,746	64,583
Traffic safety	21,013	26,275	23,724	24,336	24,901	25,507
Total claims and expenses	**954,532**	**856,294**	**909,866**	**946,410**	**1,033,718**	**1,106,446**
Underwriting loss	**(228,473)**	**(83,843)**	**(67,733)**	**(46,348)**	**(76,917)**	**(89,329)**
Investment earnings	52,761	44,257	31,242	40,471	78,392	92,064
Other income	30,345	32,052	34,904	36,617	38,428	40,343
Increase (decrease) to RSR	(145,367)	(7,534)	(1,587)	30,740	39,903	43,078
MCT	**52%**	**46%**	**46%**	**55%**	**65%**	**74%**

c. **The contingency margin is set at 4.5%; and**

	Forecast With 5.0% Rate Increase					
year ended December 31	2011	2012	2013	2014	2015	2016
($000's)	$	$	$	$	$	$
Direct premium	747,886	810,500	887,276	943,138	1,002,519	1,065,638
Ceded premium	(3,316)	(4,917)	(5,163)	(5,421)	(5,692)	(5,977)
Net premiums written	**744,570**	**805,583**	**882,113**	**937,717**	**996,827**	**1,059,661**
Net premiums earned	**726,059**	**773,806**	**852,314**	**912,905**	**970,457**	**1,031,637**
Claims incurred	700,396	642,345	674,205	697,983	771,444	828,713
Prior year claims (Net of Disc/PFAD)	35,267	-	-	-	-	-
Loss adjusting expense (LAE)	61,455	62,570	67,540	72,854	78,113	83,989
Issuer fees and premium taxes	82,398	70,896	87,206	93,040	98,899	105,126
Administrative expenses	54,003	54,504	58,321	59,499	61,746	64,583
Traffic safety	21,013	26,275	23,724	24,336	24,901	25,507
Total claims and expenses	**954,532**	**856,590**	**910,996**	**947,712**	**1,035,103**	**1,107,918**
Underwriting loss	**(228,473)**	**(82,784)**	**(58,682)**	**(34,807)**	**(64,646)**	**(76,281)**
Investment earnings	52,761	44,400	31,504	40,811	79,048	92,810
Other income	30,345	32,173	35,239	36,973	38,806	40,745
Increase (decrease) to RSR	(145,367)	(6,211)	8,061	42,977	53,208	57,274
MCT	**52%**	**47%**	**49%**	**63%**	**77%**	**89%**

d. **The contingency margin is set at 2.5%.**

	Forecast With 2.6% Rate Increase					
year ended December 31	2011	2012	2013	2014	2015	2016
($000's)	$	$	$	$	$	$
Direct premium	747,886	803,048	866,995	921,581	979,603	1,041,279
Ceded premium	(3,316)	(4,917)	(5,163)	(5,421)	(5,692)	(5,977)
Net premiums written	**744,570**	**798,131**	**861,832**	**916,160**	**973,911**	**1,035,302**
Net premiums earned	**726,059**	**771,594**	**835,692**	**891,936**	**948,161**	**1,007,930**
Claims incurred	700,396	642,345	674,205	697,983	771,444	828,713
Prior year claims (Net of Disc/PFAD)	35,267	-	-	-	-	-
Loss adjusting expense (LAE)	61,455	62,570	67,540	72,854	78,113	83,989
Issuer fees and premium taxes	82,398	70,412	85,361	90,914	96,638	102,723
Administrative expenses	54,003	54,504	58,321	59,499	61,746	64,583
Traffic safety	21,013	26,275	23,724	24,336	24,901	25,507
Total claims and expenses	**954,532**	**856,106**	**909,151**	**945,586**	**1,032,842**	**1,105,515**
Underwriting loss	**(228,473)**	**(84,512)**	**(73,459)**	**(53,650)**	**(84,681)**	**(97,585)**
Investment earnings	52,761	44,167	31,076	40,255	77,978	91,591
Other income	30,345	31,976	34,692	36,391	38,188	40,088
Increase (decrease) to RSR	(145,367)	(8,369)	(7,691)	22,996	31,485	34,094
MCT	**52%**	**46%**	**43%**	**51%**	**58%**	**65%**

PERFORMANCE MEASURES

Reference: Tab 7

50. Please provide the variance between budgeted amounts and actual results for each year from 2006 to 2011 for: Number of claims, Number of Policies, Claims expense per claim, Administrative expenses per policy.

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51. With respect to the balanced scorecard (Tab 7, Pg. 25), please provide the calculations that support the 692 value cited for "Licensed Drivers and Policies per FTE" for 2011.

The 692 value cited was based on estimates and calculated as follows:

$$\frac{\text{Licensed Drivers of 747,090 + Policies in Force of 554,820}}{\text{Full Time Equivalents of 1,881}} = 692$$

Actual results for 2011:

$$\frac{\text{Licensed Drivers of 735,527 + Policies in Force of 570,957}}{\text{Full Time Equivalents of 1,807}} = 723$$

REINSURANCE

Reference: Application, Page 10; Tab 8

52. Please detail the number and nature of claim recoveries made under the Physical Damage Catastrophe Reinsurance Program.

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53. Please discuss whether there is an explicit correlation between claims and future premiums, and the basis on which SAF forecasts reinsurance premiums.

There certainly is a correlation between claims paid under the reinsurance program and future premiums. At the time of budgeting, it is extremely difficult to forecast future premiums as it is hard to predict the level of storm activity for the upcoming year. The calculation for budgeting purposes has generally been approached as inflationary increases only. Premiums for the reinsurance programs are quoted by reinsurers based on the exposure and experience of the program. As 2011 was a difficult year, SAF may see significant increases to the costs of the Physical Damage Catastrophe Reinsurance Program for the 2012/2013. The Auto Fund Injury Excess of Loss program for the 2012/2013 renewal saw a slight increase of 1%.

54. Please discuss how related premiums and claim recoveries are treated in the rate making model.

Historical losses for selection of rating period pure premium are net of reinsurance, and thus the forecasted losses for the rating period are on a net basis. Since the beginning of the Auto Fund no-fault program in 1995, ceded losses have only occurred in damage catastrophes (hailstorms), and even then they occurred in only five of the loss years.

The cost of reinsurance (ceded premiums) are forecasted as part of the budget, and included in the rate indication as a fixed expense for the rating year.

55. Please discuss the process used by SAF to select reinsurer(s) for the 2 programs.

The reinsurers utilized for the two programs are all 'A' rated companies that participate on the reinsurance programs for SGI CANADA. A review of the financial health of the reinsurers is completed by the intermediary used for other programs placed by the corporation as well as an independent review completed by SGI's Finance department. In terms of selecting reinsurers for each program, that process is

based on the capacity each reinsurer is willing to provide based on what the exposure for each program is. For the Auto Physical Damage Catastrophe program, this type of business is attractive so a large group of reinsurers are willing to provide capacity. For the Auto Fund Injury Excess of Loss program, only a select number of reinsurers were willing to participate, due to the unique aspect of no-fault injury benefits being provided.

In all cases, SGI also looks at the historical relationships and support provided based on all programs placed by SGI.

INJURY RATE GROUPS

56. Please summarize the differences in experience indications for CLEAR injury rate groups between Industry advisory rate group differentials vs. those based on SAF experience.

The following table compares the rate group relativities indicated using SAF experience to the CLEAR recommended relativities for the former five CLEAR accident benefits rate groups that were in place before the number of rate groups was expanded.

CLEAR AB Rate Group	SAF	CLEAR
1	1.15	0.80
2	1.42	0.90
3	1.00	1.00
4	1.25	1.10
5	1.42	1.20

57. Please discuss how many years of SAF injury data was used in the analysis.

The analysis to determine the categories of SAF injury rate groups, as well as the relativities for those groups, used SAF injury loss data from accident years 2001-2010.

58. Please discuss the consequences for premium dislocation for CLEAR-rated vehicles with respect to the introduction of injury rate groups based on SAF experience.

Dislocation in premium as a result of using SAF-derived injury rate groups as compared to the use of IBC rate group assignments and relativities follows.

Change in Non-Capped Indicated Injury Premium

% Change in injury premium	Exposure Distribution
<-30%	7%
-(21-30)%	11%
-(10-20)%	15%
-(0-10)%	11%
0-10%	38%
11-20%	2%
21-30%	4%
31-40%	5%
41-50%	0%
51-60%	6%

% Change in injury premium	Exposure Distribution
<-$125	0%
-$(101-125)	7%
-$(76-100)	6%
-$(51-75)	16%
-$(26-50)	8%
-$(0-25)	6%
$1-25	36%
$26-50	3%
$51-75	2%
$76-100	5%
$101-125	5%
>$125	6%

Change in Non-Capped Fully Adequate, Overall Rates by Body Style

	Convertible Car	Four Door Car	Sport Utility Vehicle	Station Wagon	Truck	Two Door Car	Van	Grand Total
<-$125	0%	0%	0%	0%	0%	0%	1%	0%
-$(101-125)	0%	23%	0%	1%	0%	0%	0%	7%
-$(76-100)	0%	17%	0%	0%	0%	0%	11%	6%
-$(51-75)	0%	35%	0%	5%	0%	0%	42%	16%
-$(26-50)	0%	13%	0%	61%	0%	0%	24%	8%
-$(0-25)	0%	1%	0%	9%	0%	44%	22%	7%
$1-25	2%	11%	1%	24%	100%	1%	0%	36%
$26-50	18%	0%	3%	0%	0%	26%	0%	3%
$51-75	1%	0%	1%	0%	0%	19%	0%	2%
$76-100	34%	0%	27%	0%	0%	5%	0%	5%
$101-125	8%	0%	34%	0%	0%	5%	0%	6%
>$125	37%	0%	34%	0%	0%	0%	0%	5%

	Convertible Car	Four Door Car	Sport Utility Vehicle	Station Wagon	Truck	Two Door Car	Van	Grand Total
<-30%	0%	23%	0%	0%	0%	0%	1%	7%
-(21-30)%	0%	17%	0%	6%	0%	0%	53%	11%
-(10-20)%	0%	35%	0%	61%	0%	0%	24%	15%
-(0-10)%	0%	14%	0%	9%	0%	44%	22%	11%
0-10%	2%	11%	1%	24%	100%	27%	0%	38%
11-20%	18%	0%	3%	0%	0%	19%	0%	2%
21-30%	35%	0%	26%	0%	0%	0%	0%	4%
31-40%	7%	0%	31%	0%	0%	5%	0%	5%
41-50%	0%	0%	0%	0%	0%	5%	0%	0%
51-60%	38%	0%	39%	0%	0%	0%	0%	6%

Documentation for Information Request # 58

Change in Non-Capped Fully Adequate, Overall Rates by CLEAR-rated sub-class

	Class A Light	Class F Light - '94 & Newer	Rural Taxis	Police Cars	Police Trucks	PPV	Farm Cars	SUVs and Vans	PPV UDrive	Grand Total
<-$125	0%	0%	5%	3%	0%	0%	0%	0%	15%	0%
-$(101-125)	0%	0%	23%	5%	2%	8%	8%	0%	13%	7%
-$(76-100)	0%	0%	9%	19%	8%	7%	7%	4%	1%	6%
-$(51-75)	0%	0%	11%	0%	0%	16%	28%	14%	19%	16%
-$(26-50)	0%	0%	8%	12%	5%	8%	1%	9%	6%	8%
-$(0-25)	1%	0%	18%	0%	8%	7%	24%	8%	6%	7%
$1-25	99%	100%	9%	60%	48%	32%	25%	1%	23%	36%
$26-50	0%	0%	6%	0%	0%	3%	0%	1%	2%	3%
$51-75	0%	0%	0%	0%	0%	2%	3%	10%	1%	2%
$76-100	0%	0%	0%	0%	4%	5%	1%	17%	2%	5%
$101-125	0%	0%	2%	0%	0%	5%	2%	37%	5%	6%
>$125	0%	0%	9%	0%	26%	6%	0%	0%	8%	5%

	Class A Light	Class F Light - '94 & Newer	Rural Taxis	Police Cars	Police Trucks	PPV	Farm Cars	SUVs and Vans	PPV UDrive	Grand Total
<-30%	0%	0%	1%	3%	0%	8%	8%	0%	15%	7%
-(21-30)%	0%	0%	27%	5%	10%	12%	7%	17%	19%	11%
-(10-20)%	0%	0%	20%	19%	5%	16%	29%	9%	16%	15%
-(0-10)%	1%	0%	26%	13%	8%	11%	24%	8%	9%	11%
0-10%	99%	100%	16%	60%	48%	35%	25%	1%	25%	38%
11-20%	0%	0%	0%	0%	0%	3%	3%	1%	1%	2%
21-30%	0%	0%	2%	0%	4%	4%	0%	10%	2%	4%
31-40%	0%	0%	2%	0%	4%	5%	1%	17%	5%	5%
41-50%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%
51-60%	0%	0%	7%	0%	22%	6%	1%	37%	8%	6%

Summary of Fully Adequate, Overall Uncapped Rate Change by Vehicle Class

Class	Avg. $ Change	Avg. % Change	Max $ Increase	Max $ Decrease	Max % Increase	Max % Decrease
Class A Light	24	2%	$25	-$4	5%	0%
Class F Light - '94 & Newer	17	2%	$18	-$9	4%	-1%
Rural Taxis	-21	-2%	$222	-$190	23%	-22%
Police Cars	-44	-3%	$118	-$160	7%	-14%
Police Trucks	44	3%	$167	-$115	20%	-13%
PPV	15	2%	$140	-$127	33%	-23%
Farm Cars	-18	-2%	$126	-$114	33%	-23%
Farm SUVs and Vans	48	6%	$125	-$114	33%	-23%
PPV UDrive	-7	-1%	$160	-$145	33%	-22%

Summary of Fully Adequate, Overall Uncapped Rate Change by Body Style

Body Type	Avg. $ Change	Avg. % Change	Max $ Increase	Max $ Decrease	Max % Increase	Max % Decrease
Convertible Car	110	16%	$160	$15	33%	1%
Four Door Car	-61	-7%	$7	-$190	1%	-22%
Sport Utility Vehicle	107	12%	$222	$14	33%	1%
Station Wagon	-17	-2%	$32	-$104	5%	-19%
Truck	20	3%	$33	-$103	5%	-14%
Two Door Car	53	10%	$119	-$7	28%	-1%
Van	-32	-4%	($3)	-$154	0%	-23%

REVENUE

Reference: Tab 4

59. For each year from 2006 to 2011, please provide a breakdown of net premiums written showing each year's increment due to rate changes, vehicle drift, and fleet growth, including budgeted amounts compared to actual results.

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60. For each forecast year from 2012 to 2016, please provide a breakdown of net premiums written showing each year's increment due to rate changes, vehicle drift and fleet growth.

Please see information request #59.

61. Please provide a schedule showing the number of motorcyclists that have utilized partial premiums or temporary registrations in lieu of annual registrations and premiums from 2006 to 2011.

	Earned Exposures		
Accident Year	Total	Partial Term Registrations	Proportion of Partial Registrations
2006	7,647	3,583	47%
2007	8,662	3,906	45%
2008	10,052	4,458	44%
2009	10,764	4,758	44%
2010	11,433	5,046	44%
2011	11,123	5,105	46%

62. Please discuss SAF's view on the probable impact on Motorcycle rates and premiums if all motorcyclists were to opt for partial premiums rather than annual premiums.

If all motorcyclists were to opt for partial, short-term premiums over the spring, summer, and fall months instead of annual premiums, then we can expect:

- Little to no change in the claims incurred on motorcycle policies. Almost the entire exposure to loss occurs during the riding months. Only losses associated with winter storage would no longer be reported.
- Under the current system of determining short-term motorcycle rates, SAF would expect a significant decrease in premiums. Currently, short-term premiums are calculated as a percentage of the annual premium using the length of time the policy is registered (a 5 month policy costs 5/12 as much as an annual policy). If all motorcyclists who currently have annual policies were to opt for 5 month policies instead, we would expect total motorcycle premium to be reduced by 24%. For the rating year, this would reduce projected premium for motorcycles from $17.2M to $13.1M.
- The indication of rate adequacy would show that the current motorcycle rates are even more inadequate than what is shown in the current rate indication. If projected premiums were reduced by 24%, and there were no decreases to projected losses and expenses, we would expect the motorcycle indication to become a required 132% increase.

CLAIMS

Reference: Application, Pages 8, 9, 15; Tab 2; Tab 4

63. For each year from 2006 to 2011, provide a breakdown of claims incurred by cover, including a separation into frequency and severity components, showing budgeted and actual values as well as the forecasted values from 2012 to 2016.

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64. Please discuss any changes in the process used to determine the indexing of annual benefits since 2009.

Long-term injury claimants continue to have their Care and Income Replacement benefits indexed using annual percentage increases in the Saskatchewan Consumer Price Index. This process has not changed since the last rate indication.

Changes have been made to how severity trends are estimated for the Care and Income Replacement benefits coverages, with respect to the expected future indexing of the benefits. The losses included in the loss trend exhibits for these coverages have been adjusted to remove the impact of historical indexing increases. When determining the pure premiums required for the rating year in the future, we apply an explicit 3% trend for indexing on top of any trend selected on the de-indexed historical losses.

65. Please provide details with respect to the former double counting of the index factor and salvage purchases referenced at Tab 2 (Pg. 2).

In the 2009 rate application, rates were reduced for two salvage-related items: Salvage Income and Other Income (Salvage). The Salvage Income item includes an estimate of the cost of damaged vehicles that are transferred over to the Salvage department, while the Other Income (Salvage) item includes profit generated by the department on top of its costs (where the Salvage Income item is included as a cost to the department).

Both of these items are legitimate amounts that help reduce the total cost of claims included in the rate indication; however, the Salvage Income portion had already been included as a reduction to the ultimate damage losses. By applying a separate credit to the rates for the Salvage Income on top of ultimate losses that were already reduced for it, the amounts were double-counted. The current indication includes only an amount for the salvage net profit that flows through Other Income (Salvage).

In the 2009 rate application, an explicit index factor for expected future inflation was included on the coverages Care Benefits, Income Replacement Benefits, and Death Benefits on top of trends selected on historical losses. The ultimate losses included in the trend selection for these coverages were never adjusted to remove the effect of historical inflation. The trend created by historical inflation was thus included in the pure premium trends for these coverages, and was included in forecasts along with the explicit index factor. In the current indication, the impact of historical inflation is removed from the ultimate losses on Care Benefits and Income Replacement Benefits when selecting trends. Death Benefits forecasts no longer include an explicit index factor separate from frequency and severity trends.

66. How is the natural expected growth in financial unpaid claims provisions (including provisions for adverse deviations) recognized in the ratemaking methodology in a manner consistent with the objective of targeting "adequate premium rates to break even"?

The natural expected growth in financial unpaid claims provisions is not explicitly measured or forecasted in the ratemaking methodology. Trended historical pure premiums, based off of historical ultimate losses and exposures, are used to select the forecasted pure premium for the rating year. There is no specific forecast for future paid losses and expected growth in financial unpaid claims provisions.

Assuming that the loss portion (excluding PfADs) of the unpaid claims for the rating year is correctly estimated at the end of the rating year, and that the prior years' unpaid claims run off as expected during the rating year (no redundancies or deficiencies), then the rating's forecast of losses is completely consistent with targeting adequate premiums to break-even. It is expected that the incurred losses (excluding PfADs) that appear in the income statement to be in line with the other forecasts of expenses and premiums (after the rate change) toward achieving the objective of breaking even for the year.

The growth in PfAD portion of the unpaid claims is not included in the ratemaking methodology. This is consistent with ratemaking standards that require that only the best estimate present value of cash flows relating to claim costs and expense costs be included in the indication. However, because the ultimate losses included in ratemaking do not include any PfAD, and because the PfAD amount is expected to grow over the rating year, then we can expect that this growth will directly lead to a loss for the year in any company where there is no margin for profit or contingency.

In order to target adequate premium rates to break-even at the same time as complying with the ratemaking standards, a contingency margin is required. For detail on the two purposes of the contingency margin, please see the response to information request #38.

Injury Claims

67. Please summarize the impact of the change in the attribution of injury related costs to the at-fault vehicle, providing incurred loss information before and after re-allocation, with $ and % change by vehicle class or sub-class for each of the last five accident years.

The decision to allocate injury losses by fault as opposed to a no-fault allocation occurred in 2010. The work to compare the incurred losses between the two allocations was performed in 2010 on data for accident years 2000-2009.

The requested schedule follows.

Saskatchewan Government Insurance
2012 Rate Program
Documentation for Information Request #67
Comparison of Injury Losses by Fault and No Fault
Data from 2009 Year End Indications

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
Ambulance	2000	29,089	29,089	0	0%
	2001	439,642	277,527	162,114	58%
	2002	194,727	194,727	0	0%
	2003	219,297	220,165	-868	0%
	2004	165,839	165,714	124	0%
	2005	159,980	162,419	-2,439	-2%
	2006	124,601	121,788	2,813	2%
	2007	75,106	75,029	77	0%
	2008	226,013	221,819	4,194	2%
	2009	106,716	106,716	0	0%
	Total	1,741,009	1,574,993	166,016	11%
Antique	2000	325,948	325,014	933	0%
	2001	250,052	211,387	38,664	18%
	2002	126,160	128,491	-2,332	-2%
	2003	457,579	410,700	46,879	11%
	2004	593,205	602,218	-9,013	-1%
	2005	188,321	175,215	13,106	7%
	2006	327,377	345,950	-18,572	-5%
	2007	317,018	376,224	-59,207	-16%
	2008	292,256	247,244	45,012	18%
	2009	331,872	438,941	-107,069	-24%
	Total	3,209,786	3,261,384	-51,598	-2%
Class A Light	2000	183,158	183,158	0	0%
	2001	58,121	58,121	0	0%
	2002	230,097	229,924	173	0%
	2003	419,472	419,472	0	0%
	2004	320,368	320,368	0	0%
	2005	818,279	814,703	3,576	0%
	2006	557,162	557,162	0	0%
	2007	528,431	528,431	0	0%
	2008	743,643	743,643	0	0%
	2009	228,204	228,204	0	0%
	Total	4,086,934	4,083,185	3,749	0%
Class A Heavy Trucks IRP	2000	133,315	133,315	0	0%
	2001	192,490	187,200	5,290	3%
	2002	135,511	135,511	0	0%
	2003	224,814	224,648	166	0%
	2004	206,807	202,698	4,109	2%
	2005	152,394	152,394	0	0%
	2006	174,019	174,019	0	0%
	2007	248,105	248,105	0	0%
	2008	173,849	156,217	17,632	11%
	2009	167,743	165,975	1,768	1%
	Total	1,809,047	1,780,082	28,965	2%

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
Class A Heavy Trucks Non IRP	2000	93,814	88,433	5,382	6%
	2001	159,174	159,174	0	0%
	2002	192,520	144,300	48,220	33%
	2003	294,530	282,455	12,075	4%
	2004	277,044	269,169	7,875	3%
	2005	530,546	530,546	0	0%
	2006	459,441	404,206	55,235	14%
	2007	469,916	467,420	2,496	1%
	2008	463,902	459,257	4,646	1%
	2009	524,692	496,677	28,016	6%
	Total	3,465,579	3,301,635	163,944	5%
Class A Power Units IRP	2000	8,937,247	8,888,407	48,840	1%
	2001	10,856,921	10,810,137	46,783	0%
	2002	11,319,704	11,209,533	110,170	1%
	2003	8,984,823	8,851,390	133,434	2%
	2004	10,029,299	10,013,158	16,141	0%
	2005	8,587,919	8,466,673	121,247	1%
	2006	7,477,738	7,376,692	101,045	1%
	2007	9,345,452	9,188,733	156,718	2%
	2008	7,716,997	7,909,221	-192,224	-2%
	2009	5,359,865	5,340,387	19,479	0%
	Total	88,615,965	88,054,331	561,633	1%
Class A Power Units Non IRP	2000	404,841	403,692	1,150	0%
	2001	625,002	626,554	-1,552	0%
	2002	495,883	428,169	67,713	16%
	2003	659,123	659,123	0	0%
	2004	932,984	952,772	-19,788	-2%
	2005	1,018,166	983,859	34,307	3%
	2006	1,051,205	1,053,310	-2,105	0%
	2007	862,363	712,729	149,634	21%
	2008	701,639	698,755	2,884	0%
	2009	618,268	610,895	7,373	1%
	Total	7,369,474	7,129,857	239,617	3%
Class C&D Heavy Trucks	2000	0	0	0	0%
	2001	768	768	0	0%
	2002	689	689	0	0%
	2003	12,196	12,196	0	0%
	2004	1,743	1,664	79	5%
	2005	0	0	0	0%
	2006	0	0	0	0%
	2007	79	79	0	0%
	2008	0	0	0	0%
	2009	0	0	0	0%
	Total	15,475	15,396	79	1%
Class C&D Industrial Tracked	2000	0	0	0	0%
	2001	0	0	0	0%
	2002	0	0	0	0%
	2003	0	0	0	0%
	2004	12,978	12,978	0	0%
	2005	6,690	6,690	0	0%
	2006	0	0	0	0%
	2007	0	0	0	0%
	2008	0	0	0	0%
	2009	0	0	0	0%
	Total	19,668	19,668	0	0%

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
Class C&D Power Units	2000	2,523,350	2,407,704	115,646	5%
	2001	3,316,689	3,226,983	89,706	3%
	2002	2,764,366	2,713,683	50,683	2%
	2003	3,514,741	2,568,575	946,165	37%
	2004	4,183,376	3,605,333	578,042	16%
	2005	4,184,530	3,682,028	502,502	14%
	2006	4,500,780	4,572,698	-71,918	-2%
	2007	4,387,287	3,777,619	609,668	16%
	2008	3,697,642	3,598,370	99,272	3%
	2009	4,457,738	3,364,596	1,093,143	32%
	Total	37,530,498	33,517,589	4,012,908	12%
Class LT - Trailer	2000	552	552	0	0%
Dealers/Movers	2001	19,732	19,732	0	0%
	2002	110,693	110,693	0	0%
	2003	157,175	157,175	0	0%
	2004	224,089	224,089	0	0%
	2005	465,612	465,612	0	0%
	2006	326,613	319,271	7,342	2%
	2007	277,488	277,488	0	0%
	2008	336,081	336,081	0	0%
	2009	131,374	131,374	0	0%
	Total	2,049,410	2,042,069	7,342	0%
Class LV Heavy Truck	2000	0	0	0	0%
	2001	0	0	0	0%
	2002	0	0	0	0%
	2003	0	0	0	0%
	2004	0	0	0	0%
	2005	1,560	1,560	0	0%
	2006	0	0	0	0%
	2007	16,393	16,393	0	0%
	2008	7,683	7,683	0	0%
	2009	15,315	15,315	0	0%
	Total	40,951	40,951	0	0%
MT - Snowmobiles	2000	110,668	110,668	0	0%
	2001	84,230	84,230	0	0%
	2002	84,810	84,810	0	0%
	2003	31,176	31,176	0	0%
	2004	9,958	9,958	0	0%
	2005	69,570	69,570	0	0%
	2006	24,031	24,031	0	0%
	2007	28,485	28,485	0	0%
	2008	294,081	294,081	0	0%
	2009	42,024	42,024	0	0%
	Total	779,033	779,033	0	0%
Class PB	2000	84,453	84,453	0	0%
	2001	357,093	360,845	-3,752	-1%
	2002	303,142	303,353	-211	0%
	2003	762,839	786,718	-23,879	-3%
	2004	422,855	545,357	-122,502	-22%
	2005	312,810	309,794	3,015	1%
	2006	417,677	432,243	-14,566	-3%
	2007	978,100	974,412	3,688	0%
	2008	448,072	432,648	15,424	4%
	2009	250,579	250,579	0	0%
	Total	4,337,618	4,480,401	-142,783	-3%

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
Class PC	2000	228,114	221,446	6,668	3%
	2001	213,938	206,825	7,113	3%
	2002	323,001	302,357	20,644	7%
	2003	1,318,280	956,782	361,498	38%
	2004	437,467	451,621	-14,154	-3%
	2005	222,385	221,533	852	0%
	2006	459,020	385,486	73,534	19%
	2007	525,107	529,034	-3,927	-1%
	2008	414,415	415,368	-954	0%
	2009	517,306	538,053	-20,746	-4%
	Total	4,659,033	4,228,505	430,528	10%
Class PS	2000	317,658	314,460	3,197	1%
	2001	469,977	463,088	6,889	1%
	2002	476,645	397,791	78,855	20%
	2003	1,220,474	1,256,320	-35,846	-3%
	2004	399,916	691,719	-291,803	-42%
	2005	491,679	479,380	12,299	3%
	2006	672,444	683,544	-11,099	-2%
	2007	1,035,208	643,017	392,191	61%
	2008	575,326	554,793	20,532	4%
	2009	460,355	481,127	-20,772	-4%
	Total	6,119,682	5,965,239	154,443	3%
Class PV Converted Vehicle	2000	0	0	0	0%
	2001	0	0	0	0%
	2002	0	0	0	0%
	2003	0	0	0	0%
	2004	0	0	0	0%
	2005	230	230	0	0%
	2006	0	0	0	0%
	2007	0	0	0	0%
	2008	0	0	0	0%
	2009	0	0	0	0%
	Total	230	230	0	0%
Class PV Heavy Truck	2000	20,919	20,919	0	0%
	2001	28,450	28,427	23	0%
	2002	255,357	113,122	142,235	126%
	2003	288,355	288,355	0	0%
	2004	22,168	22,168	0	0%
	2005	27,604	27,604	0	0%
	2006	28,390	28,390	0	0%
	2007	21,038	21,038	0	0%
	2008	32,567	32,567	0	0%
	2009	33,251	33,251	0	0%
	Total	758,098	615,840	142,258	23%
Class PV Power Units	2000	0	0	0	0%
	2001	0	0	0	0%
	2002	0	0	0	0%
	2003	1,277	1,277	0	0%
	2004	0	0	0	0%
	2005	0	0	0	0%
	2006	3,182	3,182	0	0%
	2007	3,017	3,017	0	0%
	2008	0	0	0	0%
	2009	0	0	0	0%
	Total	7,476	7,476	0	0%

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
Class T Personal Trailers	2000	3,050,083	3,050,083	0	0%
	2001	2,388,412	2,388,412	0	0%
	2002	2,629,979	2,629,979	0	0%
	2003	4,597,787	4,503,773	94,015	2%
	2004	2,844,553	2,818,568	25,985	1%
	2005	2,743,828	2,742,493	1,335	0%
	2006	4,186,432	4,156,759	29,673	1%
	2007	6,249,050	6,239,917	9,133	0%
	2008	4,653,962	4,655,205	-1,244	0%
	2009	2,020,688	2,032,500	-11,813	-1%
	Total	35,364,775	35,217,690	147,085	0%
Class T Utility	2000	122,264	122,264	0	0%
	2001	172,684	172,684	0	0%
	2002	159,925	159,876	49	0%
	2003	234,070	232,086	1,984	1%
	2004	205,118	225,360	-20,242	-9%
	2005	165,546	165,546	0	0%
	2006	182,953	182,953	0	0%
	2007	220,787	220,787	0	0%
	2008	572,970	144,294	428,676	297%
	2009	242,841	242,841	0	0%
	Total	2,279,158	1,868,691	410,467	22%
Class TS	2000	2,945,725	2,945,725	0	0%
	2001	3,141,996	3,092,406	49,590	2%
	2002	3,035,775	3,035,775	0	0%
	2003	2,688,585	2,563,179	125,406	5%
	2004	2,835,523	2,828,444	7,079	0%
	2005	2,430,853	2,417,700	13,154	1%
	2006	2,510,721	2,433,365	77,356	3%
	2007	2,782,924	2,698,549	84,375	3%
	2008	2,550,736	2,447,325	103,411	4%
	2009	2,068,380	2,068,380	0	0%
	Total	26,991,218	26,530,847	460,372	2%
CLEAR	2000	287,695,324	284,825,160	2,870,164	1%
	2001	288,409,297	288,499,257	-89,960	0%
	2002	309,547,966	309,950,178	-402,212	0%
	2003	340,610,174	339,634,897	975,277	0%
	2004	329,388,806	324,901,723	4,487,083	1%
	2005	322,362,635	322,956,632	-593,997	0%
	2006	339,853,157	340,345,648	-492,492	0%
	2007	376,046,561	374,090,656	1,955,905	1%
	2008	386,400,426	384,579,205	1,821,220	0%
	2009	354,054,920	352,966,468	1,088,452	0%
	Total	3,334,369,266	3,322,749,825	11,619,441	0%
Class F Heavy Trucks	2000	2,246,877	2,184,586	62,291	3%
	2001	1,901,805	1,863,423	38,382	2%
	2002	1,947,341	1,717,993	229,347	13%
	2003	2,193,900	2,058,852	135,048	7%
	2004	1,782,369	1,747,509	34,860	2%
	2005	1,855,827	1,896,409	-40,582	-2%
	2006	1,643,798	1,606,024	37,774	2%
	2007	1,588,916	1,773,555	-184,639	-10%
	2008	1,612,047	1,574,985	37,062	2%
	2009	1,538,837	1,517,336	21,500	1%
	Total	18,311,716	17,940,673	371,043	2%

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
Class F Light Trucks - 1993 & Older	2000	7,895,246	7,816,432	78,815	1%
	2001	9,762,409	9,221,894	540,515	6%
	2002	6,775,314	6,214,532	560,783	9%
	2003	5,779,848	5,477,642	302,205	6%
	2004	3,813,996	3,681,016	132,979	4%
	2005	3,520,141	3,048,407	471,735	15%
	2006	3,830,199	3,232,339	597,859	18%
	2007	4,078,719	3,304,146	774,573	23%
	2008	1,215,762	1,162,251	53,512	5%
	2009	1,118,592	1,104,478	14,114	1%
	Total	47,790,226	44,263,136	3,527,090	8%
Class F Light Trucks - 1994 & Newer	2000	11,563,358	11,440,789	122,569	1%
	2001	14,500,223	14,010,012	490,211	3%
	2002	16,611,499	15,917,787	693,712	4%
	2003	21,468,613	21,606,135	-137,522	-1%
	2004	27,708,713	24,933,411	2,775,302	11%
	2005	22,865,066	22,409,356	455,710	2%
	2006	21,536,045	21,175,761	360,284	2%
	2007	22,415,846	22,194,775	221,071	1%
	2008	19,820,037	20,247,226	-427,189	-2%
	2009	17,523,676	17,601,122	-77,445	0%
	Total	196,013,077	191,536,374	4,476,703	2%
Class F Power Units	2000	817,045	781,251	35,794	5%
	2001	1,281,965	1,273,168	8,797	1%
	2002	2,510,494	1,897,599	612,895	32%
	2003	1,127,750	1,035,046	92,705	9%
	2004	1,158,516	1,132,772	25,744	2%
	2005	1,816,028	1,758,917	57,111	3%
	2006	905,557	900,145	5,412	1%
	2007	2,190,728	2,133,455	57,273	3%
	2008	1,781,044	1,773,807	7,237	0%
	2009	1,513,920	2,080,171	-566,251	-27%
	Total	15,103,048	14,766,332	336,717	2%
Class F Trailers	2000	276,954	276,954	0	0%
	2001	410,906	410,906	0	0%
	2002	607,451	607,451	0	0%
	2003	462,017	462,017	0	0%
	2004	365,787	365,787	0	0%
	2005	616,296	616,296	0	0%
	2006	406,516	406,516	0	0%
	2007	742,458	742,458	0	0%
	2008	745,832	745,832	0	0%
	2009	729,804	729,804	0	0%
	Total	5,364,021	5,364,021	0	0%
Hearse Cars	2000	1,145	1,145	0	0%
	2001	58,133	58,133	0	0%
	2002	1,487	1,487	0	0%
	2003	6,095	6,095	0	0%
	2004	17,237	17,237	0	0%
	2005	22,489	22,489	0	0%
	2006	10,527	10,527	0	0%
	2007	30,322	30,322	0	0%
	2008	3,820	3,820	0	0%
	2009	14,167	14,167	0	0%
	Total	165,421	165,421	0	0%

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
Hearse Trucks	2000	3,165	3,165	0	0%
	2001	0	0	0	0%
	2002	7,759	7,759	0	0%
	2003	189	189	0	0%
	2004	0	0	0	0%
	2005	0	0	0	0%
	2006	0	0	0	0%
	2007	2,158	2,158	0	0%
	2008	34,290	34,290	0	0%
	2009	7,272	7,272	0	0%
	Total	54,833	54,833	0	0%
Class L Automobile and Motorcycle	2000	966,206	978,762	-12,555	-1%
	2001	971,497	931,588	39,909	4%
	2002	1,040,642	2,134,267	-1,093,625	-51%
	2003	1,551,698	1,195,238	356,460	30%
	2004	1,383,741	1,412,199	-28,458	-2%
	2005	985,871	987,326	-1,455	0%
	2006	1,972,607	1,592,210	380,397	24%
	2007	1,198,660	1,629,770	-431,110	-26%
	2008	1,740,363	1,718,097	22,266	1%
	2009	1,155,760	1,144,257	11,504	1%
	Total	12,967,045	13,723,714	-756,669	-6%
LV Bus Non Restricted Use	2000	8,895	8,895	0	0%
	2001	6,357	6,357	0	0%
	2002	13,269	13,269	0	0%
	2003	23,584	23,584	0	0%
	2004	31,025	31,025	0	0%
	2005	181,519	181,519	0	0%
	2006	244,587	226,191	18,397	8%
	2007	94,351	84,660	9,692	11%
	2008	145,847	145,847	0	0%
	2009	98,587	98,224	363	0%
	Total	848,023	819,571	28,452	3%
LV Bus Restricted Use	2000	11,663	11,663	0	0%
	2001	11,923	11,923	0	0%
	2002	5,816	5,816	0	0%
	2003	16,426	14,580	1,846	13%
	2004	1,572	1,572	0	0%
	2005	13,187	13,187	0	0%
	2006	9,167	9,167	0	0%
	2007	7,053	7,053	0	0%
	2008	5,404	297,204	-291,801	-98%
	2009	7,920	7,920	0	0%
	Total	90,131	380,086	-289,955	-76%
Motorcycles	2000	6,646,478	11,784,743	-5,138,265	-44%
	2001	6,054,916	6,572,156	-517,240	-8%
	2002	3,130,203	3,643,525	-513,322	-14%
	2003	5,846,164	8,394,840	-2,548,676	-30%
	2004	5,491,900	10,348,370	-4,856,470	-47%
	2005	10,304,375	10,690,038	-385,663	-4%
	2006	7,833,069	8,545,095	-712,027	-8%
	2007	9,976,914	13,530,823	-3,553,909	-26%
	2008	9,901,460	12,254,203	-2,352,743	-19%
	2009	7,169,781	8,655,208	-1,485,426	-17%
	Total	72,355,260	94,419,002	-22,063,742	-23%

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
Motorhomes	2000	3,866,456	1,850,302	2,016,154	109%
	2001	1,083,607	1,265,503	-181,896	-14%
	2002	928,855	838,915	89,940	11%
	2003	1,507,525	2,342,182	-834,657	-36%
	2004	1,171,369	1,134,318	37,051	3%
	2005	623,415	832,158	-208,743	-25%
	2006	1,183,829	1,206,079	-22,250	-2%
	2007	1,012,161	1,045,820	-33,659	-3%
	2008	874,536	880,505	-5,969	-1%
	2009	886,135	892,762	-6,627	-1%
	Total	13,137,889	12,288,544	849,345	7%
Motorized Bicycles	2000	0	0	0	0%
	2001	0	0	0	0%
	2002	0	0	0	0%
	2003	522	522	0	0%
	2004	328,798	305,133	23,665	8%
	2005	0	0	0	0%
	2006	0	0	0	0%
	2007	0	1,047	-1,047	-100%
	2008	0	0	0	0%
	2009	0	0	0	0%
	Total	329,319	306,702	22,617	7%
Police Cars	2000	210,810	211,199	-389	0%
	2001	364,817	362,883	1,934	1%
	2002	231,198	225,694	5,505	2%
	2003	218,597	217,947	650	0%
	2004	291,406	233,201	58,206	25%
	2005	241,856	235,440	6,417	3%
	2006	243,254	229,598	13,656	6%
	2007	176,742	175,883	859	0%
	2008	349,602	353,974	-4,372	-1%
	2009	283,822	293,128	-9,306	-3%
	Total	2,612,106	2,538,946	73,160	3%
Police Not Make Rated	2000	2,707	2,707	0	0%
	2001	0	0	0	0%
	2002	1,174	1,174	0	0%
	2003	0	0	0	0%
	2004	0	0	0	0%
	2005	0	0	0	0%
	2006	0	0	0	0%
	2007	0	0	0	0%
	2008	0	0	0	0%
	2009	0	0	0	0%
	Total	3,881	3,881	0	0%
Police Trucks	2000	212,421	209,400	3,021	1%
	2001	85,886	81,401	4,485	6%
	2002	69,496	69,496	0	0%
	2003	64,712	64,712	0	0%
	2004	73,003	73,003	0	0%
	2005	76,603	76,603	0	0%
	2006	140,889	130,695	10,195	8%
	2007	49,876	49,876	0	0%
	2008	81,437	81,437	0	0%
	2009	68,595	68,595	0	0%
	Total	922,918	905,217	17,701	2%

		Total Incurred Losses			
Rate Group	**Loss Year**	**Injury Based on Fault**	**Injury Based on No Fault**	**Dollar Difference**	**Percent Difference**
PPV Udrive	2000	3,098,676	3,597,929	-499,253	-14%
	2001	2,243,680	2,299,691	-56,011	-2%
	2002	2,413,212	2,406,659	6,553	0%
	2003	2,908,747	3,072,819	-164,072	-5%
	2004	2,986,176	3,576,029	-589,853	-16%
	2005	3,901,199	3,973,952	-72,753	-2%
	2006	3,526,620	3,625,967	-99,346	-3%
	2007	3,959,469	3,929,817	29,651	1%
	2008	4,864,561	4,179,375	685,185	16%
	2009	3,494,480	3,661,054	-166,574	-5%
	Total	33,396,819	34,323,293	-926,473	-3%
LV - PPV Farm Cars	2000	7,252,736	7,583,815	-331,079	-4%
	2001	9,601,036	10,499,647	-898,611	-9%
	2002	8,701,296	9,931,360	-1,230,064	-12%
	2003	10,929,410	10,364,921	564,489	5%
	2004	8,295,512	8,196,578	98,934	1%
	2005	6,868,567	7,264,846	-396,278	-5%
	2006	6,101,815	6,146,773	-44,958	-1%
	2007	5,958,374	6,032,805	-74,430	-1%
	2008	5,110,033	6,655,000	-1,544,967	-23%
	2009	4,270,346	4,330,168	-59,822	-1%
	Total	73,089,125	77,005,912	-3,916,787	-5%
LV - PPV Farm SUVs and Vans	2000	5,262,713	4,879,966	382,747	8%
	2001	10,399,808	10,027,051	372,757	4%
	2002	6,309,145	6,638,602	-329,457	-5%
	2003	13,512,733	13,085,617	427,116	3%
	2004	7,832,682	7,836,154	-3,472	0%
	2005	6,957,915	7,513,786	-555,871	-7%
	2006	6,303,796	6,645,251	-341,456	-5%
	2007	8,639,677	8,348,714	290,964	3%
	2008	6,007,120	5,947,425	59,695	1%
	2009	5,612,730	5,781,369	-168,639	-3%
	Total	76,838,318	76,703,934	134,384	0%
Class PT Rural Taxis	2000	822,357	924,954	-102,597	-11%
	2001	1,008,281	1,252,624	-244,343	-20%
	2002	1,207,164	1,206,996	168	0%
	2003	1,457,134	1,598,371	-141,237	-9%
	2004	784,010	802,337	-18,327	-2%
	2005	980,223	973,321	6,902	1%
	2006	820,838	863,265	-42,426	-5%
	2007	1,133,815	1,075,872	57,943	5%
	2008	1,162,409	1,044,737	117,672	11%
	2009	1,299,224	1,628,049	-328,825	-20%
	Total	10,675,455	11,370,525	-695,070	-6%
Class PT Urban Taxis	2000	135,847	135,813	35	0%
	2001	1,118,294	999,918	118,376	12%
	2002	169,595	369,211	-199,617	-54%
	2003	116,976	138,986	-22,010	-16%
	2004	241,964	239,784	2,180	1%
	2005	159,905	156,135	3,770	2%
	2006	88,875	118,879	-30,005	-25%
	2007	62,292	103,376	-41,084	-40%
	2008	71,174	74,567	-3,393	-5%
	2009	63,001	100,108	-37,107	-37%
	Total	2,227,923	2,436,779	-208,855	-9%

68. Please provide a breakdown of the number and $ amount of Private Passenger Vehicle claims for 2010 and 2011 by the at fault percentage assigned to the vehicle.

As previously communicated to the Panel, this information request will be provided to the Panel as soon as it is available.

69. Please provide a breakdown of the number and $ amount of Motorcycle claims for 2010 and 2011 by the at fault percentage assigned to the vehicle.

As previously communicated to the Panel, this information request will be provided to the Panel as soon as it is available.

70. Please describe the claims interaction processes between SAF and Workers Compensation.

With the introduction of no-fault benefits in 1995, SGI and WCB entered into an agreement whereby SGI reimburses WCB for 100% of their related expenses when a worker entitled to workers' compensation benefits is injured in a motor vehicle collision and is not at fault for the crash. SGI is not required to reimburse WCB if the worker is 100% at fault for the collision. Reimbursement is subject to the limits of the plate coverage of $200,000.
Below is a brief summary of the legislation concerning SGI's obligation under No Fault Coverage involving individuals who are injured in motor vehicle collisions and entitled to workers' compensation benefits:

Where someone is injured in a motor vehicle crash and is eligible to receive workers' compensation benefits, they are not entitled to receive no-fault benefits, unless the following apply:

- if the injured party has more than one employment and the second employment is not covered by WCB, they would be eligible for income replacement benefits for that second employment if they are unable to continue working as a result of the injuries from the motor vehicle crash. The benefit would be payable until they are able to return to their job. The maximum payable by SGI between the income covered by WCB for the first employment and income covered by SGI for the second employment cannot exceed the maximum yearly insured earnings $82,802 (2012);
- if the surviving spouse or dependant receives a death benefit from WCB which is less than what they would be entitled to under No Fault Coverage, SGI will pay the shortfall up to the amount the surviving spouse or dependant would have received under the No Fault Coverage.

If the injured party suffers an economic loss in excess of what WCB pays, they can sue the responsible motorist for any actual or future income loss, as well as past and future loss of medical expenses in excess of the benefits provided by WCB.

Deductible Levels

71. When did SAF last change the level of deductible to the current $700 for most vehicles, and what was the extent of the change made at that time?

The Auto Fund announced a three-year rate change package on August 14, 1997, which started a 45-day public consultation period where customers had three options to choose from. At the end of the consultation process, the preferred option was recommended and approved which saw the majority of

deductibles for vehicles moving from $500 to $700 and rates increase of 5% in 1998 and 2% each of the following two years.

72. Please provide an overview of the financial and average premium impact of this last change, and what reactions from drivers were noted following implementation.

Increasing the deductible from $500 to $700 was equivalent to a 4% rate increase at the time. After implementation of the deductible change, customers who had claims generally had negative feedback in regards to the increased deductible level.

73. Please summarize what consideration has been given to pursuing another increase in the level of deductible, now or in the future.

Please see the answer to information request #98.

No-Fault vs. Tort

74. Please provide a summary of the differences in coverage between these two options, and how the claim settlement process functions within and between the two options.

The following chart shows the differences in benefit levels for the two options in 2012 dollars:

	No Fault	**Tort**
Medical & Rehabilitation Benefit	$6,250,817	$24,440 (Non-Catastrophic Injuries) $183,308 (Catastrophic Injuries)
Death Benefit	50% of the deceased's Income Replacement Benefit, paid for the life of the surviving spouse calculated on a maximum income of $82,804/year	Same
Minimum Spousal Death Benefit	$64,486	$ 54,992
Minimum Death Benefit- No Spouse	$14,330	$12,220
Funeral Benefit	$9,376	$6,110
Maximum Permanent Impairment-Non Catastrophic losses	$179,126	$12,220
Maximum Permanent Impairment-Catastrophic losses	$218,779	$158,867

Living Assistance Benefit(For those unable to do their activities of daily living)	$1,184 per week	None
Income Replacement Benefit	90% of net income to a maximum income of $82,804/year	Weekly indemnity benefit that equals $19,136/year for totally disabled customers & 9,568/year for partially disabled customers
Right to sue for economic loss	Yes	Yes
Right to sue for non-economic loss (pain and suffering)	Only in limited circumstances:	Yes

The claims process is similar; both customers get their benefits paid on a regular basis after the accident. The difference is that the Tort customer will have to wait until they've reached a maximum medical improvement to get their pain and suffering payment. In some cases, they will have to go to court to get that payment, such as if the adjuster and the customer can't agree on the amount. The Tort customer may also have to wait for a payment of an economic loss between their out of pocket loss and what the Tort Coverage has paid them.

75. Please discuss whether SAF actively advertises and/or promotes the fact that the customer has a choice in this regard.

When the choice in coverage was first introduced, SGI did advertising and sent every home in the province a brochure outlining the differences between Tort Coverage and No Fault Coverage. SGI has brochures available at all SGI locations as well as licence issuers outlining No Fault benefits, Tort benefits and a guide to choosing between the two. SGI also has this information on the SGI website, with links to the electronic versions of these brochures.

76. Please detail the differences in premiums, benefits, and claim processes between these two plans with respect to injury claims.

There is no difference in premiums between the two products. The differences in benefits and claims processes have been discussed in the answer to information request #74.

77. Please provide an historical perspective of the No-Fault vs. Tort option, including the number of drivers opting for each option.

The tort option was introduced in January of 2003. Any Saskatchewan resident can choose their injury coverage, they don't have to be a driver or have vehicle insurance. The number of customers choosing Tort Coverage each year since January of 2003 is as follows:

- 2003- 4,231; 2004- 5,053; 2005- 5,393; 2006- 5,656; 2007- 5,809; 2008- 5,982; 2009- 6,095; 2010- 6,170; 2011- 6,206.

78. Please discuss what consideration has been given to introducing a price distinction between these two options, now or in the future.

At this point there is not enough data to allow SGI to introduce a price distinction.

COST ALLOCATION

Reference: Tab 9

79. For each of 2009 and 2010 actual, 2011 projected, and 2012 forecasted, please provide a summary of the results of SGI's cost allocation to SGI, SAF, SGIC, SCISL, Coachman, and ICPEI in terms of dollars and percentage of total for the following:

a. **Admin direct costs,**
b. **Admin indirect costs,**
c. **Loss adjustment expenses.**

As well, please provide the total cost amounts that were assigned directly and that were allocated for each entity.

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80. Please discuss when the last review of the cost allocation methodology was conducted, when the cost driver factors were last changed, and when SGI is proposing, if at all, to revisit this matter.

A review of the cost allocation methodology in 2006 resulted in management approving the new cost allocation methodology in 2007. It was adopted effective January 1, 2008. Cost driver factors are reviewed yearly to ensure costs are being charged to the appropriate company and the costs are properly categorized as loss adjustment expense, direct administrative expense, indirect administrative expense or traffic safety program costs. At this time, SGI does not have any plans to revisit the cost allocation methodology.

81. Please discuss whether SGIC still holds an interest in Charlie Cook Insurance and, if so, how this impacts the 2012 allocation of costs.

SGI CANADA does not hold an interest in Charlie Cooke Insurance. SGI CANADA sold its interest in Charlie Cooke Insurance in June 2010.

82. Please discuss whether the newly created Product Management Department provides services to departments other than SAF, and the resultant impacts on cost allocation.

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OPERATING AND ADMINISTRATIVE EXPENSES

Administrative, Capital, and Budgeting – Reference: Tab 4, Page 6, Appendix A

83. Please provide a breakdown of total administrative expenses into the following categories, showing budgeted amounts and actual results. Also, please discuss any major variances, for 2006 to 2011, and provide the basis of forecasting each expense element from 2012 to 2016: wages, salaries, benefits, pension, external services, materials and supplies, travel vehicle costs, insurance, tools & equipment, amortization of capital projects, building maintenance and rehabilitation, and other.

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84. Please confirm that there have been no changes in the budgeting process and accounting treatment for capital projects since 2009.

There have been no changes to the budgeting process and accounting treatment for capital projects since 2009.

85. Please discuss when the existing collective agreement(s) were agreed to and how long they are to be in effect.

The current collective agreement was agreed to in August 2011. It is a four-year agreement from January 1, 2010 to December 31, 2013.

86. Please provide a summary of the Ward Group Study related to benchmarking SAF's operation of the Auto Fund against the results of a peer group of insurance companies, on a confidential basis, if deemed to be necessary.

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87. Please summarize the financial implications of SAF assuming responsibility for drivers' education, and describe how this has been reflected in the Application.

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Repair Costs and Rehabilitation Costs – Reference: Tab 10; Tab 11

88. Confirm that there have been no changes in the method for determining labour and repair remuneration rates and medical/rehabilitation rates since 2009.

Confirmed. No changes in methodology.

89. Confirm that there have been no changes in the controls to ensure that written-off and unsafe vehicles are not re-registered.

SGI's branding procedures (for unsafe and total loss vehicles) are based on the CCMTA Stolen & Wrecked Vehicle Program. The program objectives are: consumer protection (including providing consumers with appropriate information to make informed buying decisions); to permanently identify total loss vehicles, to deter and prevent vehicle theft, to prevent the rebuilding of non-repairable vehicles; and, to ensure the safety of all rebuilt vehicles.

Starting with the Auto Fund Application Release 2.1 in March 2008, followed by Release 4.0 in February 2010, the Auto Fund has implemented a new vehicle inspection and registration system. Similar to the Auto Fund's legacy Saskatchewan AutoMate (SAM) system, the new application will prevent the registration of unsafe (as identified by enforcement) and total loss vehicles. The new application automatically applies SGI business rules (policy and regulatory requirements) either through a batch or during the registration transaction and will validate vehicle registration and inspection data before allowing a transaction to proceed.

Some of the new validations (related specifically to vehicle inspection) include, but are not limited to Vehicle Information Number Verification, Inspection Certificate Verification and Auto Fund Application Batch Stolen & Total-Loss Vehicle (TLV) Extractions from General Insurance System (GIS) and Salvage CheckMate.

90. Please explain the reasons for the large increase in glass damage claims from 2008 to 2009 and beyond (Tab 10, Page 1).

Glass replacement costs increased by $341,550 or 73% from 2008 to 2009. This was a result of the number of glass claims increasing from 1,859 in 2008 to 3,279 in 2009, a 76% increase. The average cost per glass claim did not increase over the same period.

Glass coverage in SAF is subject to a deductible of $700. As the cost of glass claims continued to increase near or over the $700 deductible, largely due to inflationary increases and newer vehicles with higher costs to replace windshields, the number of claims being reported also increased. Prior to this many glass claims that were near or under the $700 deductible would not be reported or no amounts would be paid for the claim.

91. Since 2006, please provide a breakdown of rehabilitation payments to Sask Health by SAF for each of the treatments listed on Tab 10, Page 4.

Since 2006, all rehabilitation payments listed on Tab 10, Page 4 were paid to medical providers, not Sask Health with the following exception:

Until April 1, 2010, the payment to Sask Health included partial payment of chiropractic treatments. Effective April 1, 2010, chiropractic treatments were "de-insured" and SGI became responsible for the full cost of chiropractic treatments.

The annual payment to Sask Health is a lump sum and is provided to cover the cost of medical services used by people injured in motor vehicle collisions.

92. When does SAF anticipate any changes in either the repair or rehabilitation rates? Also discuss the process(es) followed in order to implement any changes.

General increases are anticipated as repair and rehabilitation rates are reviewed and discussed on a yearly or contractual anniversary basis.

The process to implement changes includes communicating the changes of rates with 1) the repair shops and rehabilitation providers, 2) our adjusters and other support staff. In addition, the new rates are updated in our ePay system.

93. Does SAF track the number of total loss vehicles on an annual basis? If so please provide these numbers, as well as indicating how many are eventually designated as being road worthy and then re-registered.

SAF does track the number of total loss vehicles on an annual basis. Listed below are the number of total loss vehicles (TLV) and the number of TLVs re-registered for the past five years. SGI only tracks re-registered TLVs that are required to go through an inspection before returning to the road.

	2007	2008	2009	2010	2011
Total Loss Vehicles (TLV)	19,440	20,636	22,532	24,054	24,379
TLV's re-registered	3,024	3,225	4,628	4,678	4,436
% of TLV re-registered	15.6%	15.6%	20.5%	19.4%	18.2%

Taxes, Other Payments to Government – Reference: Tab 13

94. Other than premium tax, does SAF make any other payments to the Province, either directly or indirectly?

The Auto Fund operates on a self-sustaining basis and neither receives money from, nor pays dividends to, the Province. No payments are made to or received from the Province outside of normal routine business operations. In general SAF collects and remits to Saskatchewan Finance:

- registration fees and the GRF's portion of short-term financing fees
- provincial sales tax and prorated vehicle tax
- fuel tax
- snowmobile trail fees

These fees and taxes are collected on behalf of the Province and are remitted in their entirety; they are not recorded as revenue of SAF.

95. Please provide a record of premium taxes (and other payments, if applicable) made by SAF or SGI on behalf of SAF from 2006 to 2011.

CONFIDENTIAL

96. Confirm that the premium tax amount is not within the jurisdiction of SGI.

The premium tax amount is not within the jurisdiction of SGI.

97. When was the last change in the rate of premium tax?

The premium tax rate is comprised of 4% levied under *The Insurance Premiums Tax Act* (increased from 3% effective April 1, 2000) and 1% levied under *The Motor Vehicle Insurance Premiums Tax Act* which has been in place since 1979.

PROGRAMS AND INITIATIVES

98. Please discuss the status and expected scope of the anticipated 2012 Auto Fund product review with stakeholder input.

Currently SGI is awaiting final approval on the scope of the Auto Fund review from its shareholder.

SDR and BR Programs – Reference: Tab 4, Appendix A; Tab 15; Tab 16

99. Please provide a schedule showing the total number of drivers that have received rebates, as well as surcharges under the SDR from 2006 to 2011, by year.

SDR							
		2011	2010	2009	2008	2007	2006
Customers Eligible for SDR discount		764,989	755,300	745,445	734,867	713,688	699,424
Customers in SDR Penalty Zone		96,713	96,722	94,663	87,156	86,438	86,798
Customers in SDR Neutral Zone		193,004	190,476	189,452	188,612	195,777	187,724
Total SDR Customers		**1,054,706**	**1,042,498**	**1,029,560**	**1,010,635**	**995,903**	**973,946**
BR							
		2011	**2010**	**2009**	**2008**	**2007**	**2006**
BR customers receiving a discount		61,260	72,830	74,828	77,037	80,460	83,067
BR customers receiving a surcharge		1,112	1,099	1,073	1,056	1,145	1,213
BR customers paying base premium		4,619	4,894	5,976	5,847	5,281	5,439
Total BR customers		**66,991**	**78,823**	**81,877**	**83,940**	**86,886**	**89,719**
BR - # vehicles registered (counts at Dec 31)							
plate_class		**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Commercial Vehicle (C, D)		19,246	17,866	16,261	15,323	14,344	13,323
Farm Vehicle (F)		41,025	40,367	39,932	37,532	36,761	35,969
Light Vehicle (LV)		69,971	65,029	60,639	59,048	56,481	52,845
Passenger City Bus (PC)		562	541	527	532	488	473
Passenger PSV Bus (PB)		541	475	406	394	351	326
Passenger School Bus (PS)		3,347	3,304	3,135	3,147	3,120	3,115
Passenger Taxi (PT)		1,057	981	874	871	888	847
Private Vehicle (PV)		190	194	144	142	98	90
Public Service (A)		8,489	8,077	7,835	8,231	7,968	7,597
Total		**144,428**	**136,834**	**129,753**	**125,220**	**120,499**	**114,585**

100. Please provide similar information for the BR program on a fleet basis for the same time period.

Please see information response #99.

101. Please confirm that there have been no changes in any element of these programs since 2009.

That is correct. No major elements of either program have changed since 2009. The Safety Zone of the SDR scale has continued to grow, one safety rating point per year and is now at +17 in 2012. This adds to the cushion available to our Platinum customers.

102. Why does the BR program use an 80% loss ratio as the trigger point when overall claims costs represent something closer to 85% of premiums?

When the BR program was introduced in 2004 the break-even point was calculated at 80%. The break-even point has not been reviewed since the program was implemented.

Traffic Safety – Reference: Tab 14

103. In Tab 14, Page 1, SAF states "Cost-benefit analysis is used to estimate the impacts of individual safety programs and assist in guiding program/initiative selection." Please provide the analyses conducted for each of the seven main areas of focus approved in the 2011-2015 Traffic Safety Strategy.

The data analysis performed to establish the principal areas of focus follows.

SASKATCHEWAN GOVERNMENT INSURANCE

TRAFFIC SAFETY STRATEGY

Establishing the Context with Collision Statistics

This document looks at the incidence and characteristics of fatal, injury and property-damage-only crashes in the province and examines their magnitude and any trends. This is used as a basis for identifying areas of opportunity for improving traffic safety in the province.

Fatal Collisions

How many?

- In 1983, there were 187 fatal collisions in the province that resulted in 235 fatalities.
- In 1993, there were 134 fatal collisions and a corresponding 153 fatalities.
- In 2003, there were 136 fatal collisions and 148 fatalities.
- In 2008, there were 132 fatal collisions and 156 fatalities.
- While the drop in the number of collisions from the 1980s to the 1990s was quite significant, the rate of decline in fatal collisions from the 1990s to date has been relatively small.

Where?

- 58% of all fatal collisions occur on the provincial highway system.
- 16% happen on our rural road network.
- Urban streets account for 15% of these collisions.
- The remainder (11%) are reported on other roads (i.e., road on First Nations, Northern Roads etc.).
- It is important to observe here that close to 74% of the fatal collisions take place on roads under the jurisdiction of the RCMP.
- The geography of province is such that these expansive high-speed roads serve as fundamental conduits between cities, towns and villages that are physically separated by large distances all across the province.
- Approximately four out of five fatal collisions occur at non-intersections.

Who?

- Vehicle occupants make up the bulk of traffic fatalities.
- Drivers account for about 53% of fatalities; passengers, 30%; pedestrians, 9%; motorcyclists, 3%.

- Close to 8% of all drivers belong to the 16- to 20-year age group. They are involved in about 24% of all fatal collisions.

What?

- Impaired driving is by far the most significant issue with respect to fatal collisions.
- About 45% of fatal collisions each year are alcohol-related.
- Human condition was cited 53% of the time as a contributory factor to fatal crashes. Of these, impaired driving was the most common (40%) followed by driver inattention/distraction (28%).
- Human action was cited as a factor 37% of the time. In these cases, driving too fast for conditions/exceeding the speed limit, and failing to yield right of way were the most common.
- Environmental conditions contributed to fatal collisions 9% of the time. The most common factors in this case were road/weather conditions.
- Large trucks make about 3% of all vehicles in collisions but are involved in close to 14% of all fatal collisions. Analysis of TAIS data has shown that in 72% of fatal collisions involving a large truck, the action taken by the driver of the other vehicle was a major contributing factor to the crash.
- Close to 60% of all fatal collisions involved a single vehicle.
- Four out of every five fatal collisions on the rural highway system was a single-vehicle collision in which a driver lost control and entered the ditch.
- The corresponding proportion on the provincial highway system was 34%.
- Head-on collisions also featured prominently in fatal collisions on provincial highways – approximately 31%.
- Another important characteristic of vehicle occupant fatalities is the non-use of seatbelts. This is particularly significant in the case of single-vehicle collisions since the fatalities in these situations are often associated with the ejection of the vehicle occupants.
- For example, in 2008, 29% of vehicle occupants who were killed on provincial highways were not using their seatbelts, 58% of fatally injured vehicle occupants on rural roads were not restrained, and 67% of fatally injured vehicle occupants on other roads were unrestrained.

When?

- Fatal collisions occur mainly in the months of September and October. These months account for close to 22% of all fatal crashes.
- Fatal collisions typically take place on clear or cloudy days, dry road conditions and daylight conditions.
- 7% of fatal collisions happen during holiday periods such as Labour Day, Remembrance Day, etc. These special days make up only 7% of the days of the year.

Injury Collisions

How many?

- In 1983, there were 5,603 injury collisions in the province that resulted in 8,262 injuries.
- In 1993, there were 5,480 injury collisions and a corresponding 7,904 injuries.
- In 2003, there were 5,454 injury collisions and 7,684 injuries.
- In 2008, there were 5,137 injury collisions and 7,065 injuries.
- The change in the number of injury collisions and associated injuries has been marginal.

Where?

- About 63% of all injury collisions occur on urban streets.
- 24% happen on the provincial highway system.
- Rural highways account for close to 10% of these collisions.
- Close to 35% of all injury collisions in urban areas occur in Regina.
- 39% of injury collisions in urban areas occur in Saskatoon.
- Approximately 55% of all injury collisions occur at intersections – predominantly street/street intersections in urban areas.

Who?

- Vehicle occupants make up the bulk of traffic injuries.
- Drivers account for about 59% of injuries; passengers, 30%; pedestrians, 5%; motorcyclists, 3%; bicyclists, 2%.
- Close to 8% of all drivers belong to the 16- to 20-year age group. They are involved in about 18% of all injury collisions.

What?

- In 2008 there was a total of 8,977 contributory factors cited in injury collisions.
- Human condition was cited 41% of the time as a contributory factor in injury crashes. Of these, driver inattention/distraction was the most common (65%). This was followed by impaired driving/had been drinking (16%) and driver inexperience/confusion (10%).
- Human action was cited as a factor 36% of the time. Failing to yield right of way/traffic control disregarded contributed to 38% of these. Other factors most commonly cited were driving too fast for conditions (17%), and following too closely (10%).

- Environmental conditions contributed to injury collisions 21% of the time. The most common factors in this case were road conditions (34%), weather conditions (16%) and wild animal action (16%).
- There were 6,575 injury collisions on urban roads in 2008. Of these, 87% were multiple vehicle collisions.
- Of these collisions, 43% were rear-end collisions, 26% were right-angle collisions and 11% involved left turning vehicles at intersections.
- There were 1,220 injury crashes on provincial highways in 2008. About 72% were single-vehicle collisions – mainly cases where a driver lost control and went off the road (75%).
- There were 500 injury collisions on rural roads in 2008. 87% were single-vehicle collisions. Again these were mainly cases where a driver lost control and went off the road (87%).

When?

- There are no months of the year that dominate with respect to injury collisions.
- Injury collisions typically take place on clear days and daylight conditions. About 56% occur on dry roads, and another 23% occur on packed snow/ice road conditions.

Property-damage-only collisions

How many?

- Trends in property-damage-only (PDO) collisions are harder to establish because of its sensitivity to changes in collisions reporting rules and procedures.
- In August 2002, there was a fundamental change in the way PDO crashes are reported in Saskatchewan. Most of these reports are now captured through SGI's Claims reporting process rather than by way of police reports.
- Consequently, the number of PDO collisions jumped from 22,632 in 2002 to 35,561 in 2003.

Where?

- About 60% of all PDO collisions occur on urban streets (28,030 in 2008).
- 24% happen on the provincial highway system (11,374 in 2008).
- Rural highways account for close to 11% of these collisions (5,094 in 2008).
- Close to 18% of all PDO collisions in urban areas occur in Regina (8,341 in 2008).
- 26% of PDO collisions in urban areas occur in Saskatoon (11,963 in 2008).
- Approximately 37% of all PDO collisions occur at intersections – predominantly street/street intersections in urban areas.

Who?

- Close to 8% of all drivers belong to the 16- to 20-year age group. They are involved in about 15% of all PDO collisions.
- Drivers over 75 years of age are involved in 3.1% of PDO collisions and make up 7.5% of the driving population.

What?

- In 2008 there was a total of 56,804 contributory factors cited in PDO crashes.
- Human condition was cited 29% of the time as a contributory factor in PDO collisions. Of these, driver inattention/distraction was the most common (81%). This was followed by impaired driving/had been drinking (8%) and then driver inexperience/confusion (7%).
- Human action was cited as a factor 26% of the time. Failing to yield right of way/traffic control disregarded contributed to 23% of these. Other factors that were also frequently cited were backing unsafely (15%).
- Environmental conditions contributed to PDO crashes 43% of the time. The most common factors in this case were wild animal action (50%) and road conditions (31%). Collisions with wild animals were dominantly on provincial highways and rural roads while the citations for road conditions were primarily on urban roads.
- Of the 28,030 PDO crashes on urban roads in 2008, 82% were multiple vehicle collisions.
- Of these collisions, 30% were rear-end collisions, 13% were right-angle collisions, 12% were side swipes and 6% involved left turning vehicles at intersections.
- There were 11,374 PDO crashes on provincial highways in 2008. About 92% were single-vehicle collisions – mainly cases where a driver hit an object on the roadway (81%). These are typically wildlife collisions.
- There were 5,094 PDO collisions on rural highways in 2008. About 95% were single-vehicle collisions. Again these were mainly cases where a driver hit an object on the roadway (70%).

When?

- The October to March period show elevated levels of PDO collisions.
- PDO crashes typically take place on clear days and daylight conditions. About 46% occur on dry roads, and another 29% occur on packed snow/ice road conditions.

SUMMARY OF TRAFFIC SAFETY ENVIRONMENT

This strategy relies on data and research to help identify dominant factors and pathways causing traffic collisions in the province, and to identify opportunities for achieving the

greatest crash reductions through program renewal and enhancements, new programs and partnerships.

Fatal Collisions

Following a significant reduction in the 1980s and 1990s, traffic fatality rates in Saskatchewan have been fairly stagnant over the past two decades. Numerous innovative and important safety initiatives were introduced and promoted in the 1980s and 1990s, including improved seatbelts and other safety features in vehicles, seatbelt legislation and promotion, impaired driving awareness, and legislation and road infrastructure improvements:

Year	1980	1990	2000	2005	2009
Fatalities per 100,000 Saskatchewan residents	27.39	19.06	14.98	14.84	14.87

The traffic fatality rate also remained stagnant over the term of the last traffic safety strategy, at 14.84 per 100,000 Saskatchewan residents in 2005, compared to 14.87 in 2009.

Impaired driving continues to be the most significant issue in fatal collisions, with on average about 45**%** of fatal collisions each year involving alcohol. Other leading factors include excessive speed, driving too fast for road conditions, driver inattention/distraction and failure to yield. A significant number of traffic fatalities result from unbelted occupants being ejected from the vehicle in rollovers. Young drivers continue to be over-represented in fatal collisions, with drivers aged 16 to 20 being involved in about one-quarter of all fatal collisions, although they represent only 8% of all drivers.

More than half of fatal collisions occur on the provincial highway system; they peak during the summer months and more than half occur during the period from Friday to Sunday.

In summary, the key factors in fatal collisions in Saskatchewan include impaired driving, unsafe speed, driver inattention/distraction, young drivers and non-use of seatbelts.

Injury Collisions

Traffic injury rates have fluctuated somewhat, but trended downward over the last three decades.

Year	1980	1990	2000	2005	2009
Injuries per 100,000 Saskatchewan residents	918.37	808.15	780.04	761.88	666.78

In 2005, prior to the last traffic safety strategy, the injury rate was 761.88 per 100,000 population.

Seatbelt use in Saskatchewan in 1980 was 61%. In 1990, about 82% of vehicle occupants were using seatbelts and use rate was 90% in 2000. For 2007, the most recent year for which data is available, the rate was almost 94%. This trend is likely a major contributor to the drop in injuries. It is important to note that seatbelt-use rates in rural Saskatchewan are generally in the 70% to 80% range. On First Nations roads, the use rate is typically below 50%.

About 60% of traffic injuries occur due to multi-vehicle collisions at urban intersections. About one-quarter of injuries in collisions occur on provincial highways, generally involving single-vehicle run-off-the-road events and more often resulting in severe injuries. Driver inattention/distraction is the most commonly cited human condition leading to injury collisions. Other significant contributors are impaired driving, driver inexperience and failing to yield the right-of-way. Collisions resulting in injury are more likely to occur during the day, and more than one quarter occur between 3 to 6 p.m.

Property-Damage-Only (PDO) Collisions

Collision damage claims rates have fluctuated somewhat over recent years, but are trending upward.

Year	1994	2000	2005	2009
Collision claims per 100,000 Saskatchewan residents	8,625	9,186	8,175	8,974

About 60% of PDO collisions occur in urban areas, often at intersections involving multiple vehicles, with road conditions cited as a major contributing factor. About one-third of PDO collisions occur on provincial highways and rural roads, where single-vehicle collisions with wildlife (mainly deer) are commonly cited. Driver inattention is the leading factor named, cited in about one-quarter of all PDO collisions. PDO collisions are most likely to occur during the winter months from October to March.

104. Please expand on the methods used to monitor the effectiveness of these programs and initiatives, and how the results relate to the initial cost-benefit analyses, in particular to the Recent Initiatives discussed in Tab 14, Pages 4 to 9.

In the initial cost-benefit analysis for program justification and selection, best estimates of the effectiveness of similar programs from other jurisdictions are used as a basis for calculating the expected impact of the selected program in Saskatchewan. The ultimate goals of the traffic safety programs are to reduce the number and severity of target crashes and consequently, associated claims costs. Depending on the nature of the initiative, these goals could be long-term or short-term. For instance, an intersection improvement or a wildlife fence is expected to produce crash reduction impacts in a two-year period. Initiatives that involve behavioural change e.g., a seatbelt challenge or an impaired driving initiative such as the Report Impaired Driving (RID) program achieves results over a longer period of time.

To monitor progress towards these ultimate results (i.e., crash reductions), SAF uses a number of intermediate measures that are correlated to the ultimate results (target crashes). These intermediate results are tracked over time to ensure that the program is moving in the right direction. Examples of these measures are as follows:

Report Impaired Drivers:
Ultimate measure: number of impaired driving crashes (by severity) pre- and post-program implementation
Intermediate measures: number of 911 calls made, number of letters sent to registered owners, number of impaired driving charges issued as a result of a call

Wildlife fencing:
Ultimate measure: number and severity of wildlife collisions on/adjacent to the section fenced.

Seatbelt challenge:
Ultimate measure: number of fatalities and injuries involving unbelted occupants in communities in which program was implemented
Intermediate measure: seatbelt use in the communities pre and post program implementation.

Red light cameras:
Ultimate measure: number and severity of rear-end crashes, right-angle crashes, left turn-oncoming crashes.
Intermediate measure: number of red light camera convictions.
When enough data on the ultimate measure is captured, we employ various statistical techniques for road safety program evaluation to estimate the impact of the initiative on the target crashes. This information is used in the cost-benefit analysis framework to estimate program effectiveness.

105. Please expand on and discuss any changes planned in the near future related to traffic safety, with respect to programs, initiatives, analyses, and monitoring effectiveness, within 2011-2015 and beyond, as applicable.

Strengthen drinking and driving legislation - Research has demonstrated that for impaired driving measures to be effective, they should be characterized by certainty of apprehension, swiftness of sanctions and remedial measures, and severity of sanctions. SGI plans to investigate opportunities for strengthening Saskatchewan's drinking and driving legislation.

Expanded enforcement – Over the years both B.C. and Alberta have introduced programs that added more enforcement officers dedicated to traffic enforcement. Each province has used a different model to do this. SGI will be exploring these two models as well as others that are out there to identify opportunities for enhancing traffic enforcement on Saskatchewan roads.

Reduction of wildlife collisions – A multi-agency committee with representatives from SGI, Ministry of Environment, Ministry of Highways and Infrastructure, Saskatchewan Wildlife Federation and the Highway Traffic Board was put together to research solutions to mitigate collisions with wildlife and recommend effective, cost beneficial solutions. Cost-benefit analysis is expected to be complete this year to provide guidance for implementation of new solutions to the wildlife-vehicle collision problem.

Attention to the distracted driving issue – distracted driving, specifically the use of cell-phones, is an emerging issue. SGI conducted a public poll in September 2011 and are in the process of analyzing that data to better understand the demographics of those who use their cell-phones behind the wheel, the best way to reach them and determine the type of messaging that would be effective. Initiatives to be explored include public awareness/education, enforcement and community-based actions.

106. Please provide, to the extent available, details of the components of HTB costs paid by SAF from 2006 to 2011, shown in the table on Page 2, Traffic Safety Costs.

	2011 Projected	2010	2009	2008	2007	2006
Salaries & Benefits	**411,940**	**426,844**	**440,831**	**423,133**	**411,270**	**368,870**
HTB Hearing Officer Honorariums	305,000	302,855	278,060	226,293	200,660	191,004
HTB Hearing Officer Expenses	130,000	118,244	110,637	112,615	107,268	105,004
Other Expenses	53,408	35,052	35,432	36,311	43,700	41,780
Other Expenses	**488,408**	**456,151**	**424,129**	**375,219**	**351,628**	**337,788**
Revenue	**1,505**	**(3,595)**	**(4,465)**	**(2,716)**	**(69,405)**	**(111,928)**
Grand Total	**901,853**	**879,400**	**860,495**	**795,636**	**693,493**	**594,730**

107. Please confirm that all traffic safety expenses are the responsibility of the Auto Fund, and discuss why some of these costs are not allocated to SGI Canada.

All traffic safety expenses are the responsibility of the Auto Fund. It would not be reasonable to expect SGI CANADA to pay for a portion of these expenses as they compete in the competitive market with other insurers that would not pay for traffic safety expenses.

108. Please discuss the rationale for treating traffic safety expenses as a premium-variable expense.

SGI's corporate target is to spend approximately 2-3% of premiums on traffic safety as a budgeted amount. Actual amounts vary based on approved programs.

AUTO FUND REDEVELOPMENT PROJECT

Reference: Tab 3

109. Please provide the final total cost of this project by major categories, including carrying costs, and indicate when the project was initiated and when the system(s) became operational.

The Auto Fund Redevelopment Project's total cost was $36,046,664 broken down as follows:

Capital	External Resources	$25,185,620
	Infrastructure	1,395,409
	Total Capital Cost	$26,581,029
SGI Business Staff		9,465,635
Total Project Cost		$36,046,664

The project was initiated in 2005 with the work beginning in 2006 and completion in 2010. The project was broken down into releases. Release 1 (Permit Office System) was implemented in April 2007, Release 2.0 (Test Drive) in October 2007, Release 2.1 (Vehicle Standards) in March 2008, Release 2.2 (Driver System) in November 2008, Release 4 (Vehicle System) in February 2010 and Release 5 (Internet) in June 2010.

110. Confirm that the project was fully funded by the RSR and indicate the amount of the capital cost amortization. Also, please confirm that it will be fully amortized by 2014.

The project was fully funded by the RSR. The total capital cost of approximately $26 million is being amortized. The External Resources are being amortized over 60 months while the Infrastructure costs are being amortized over 36 months. The Capital costs will be fully amortized by February 1, 2015.

111. In response to 2009 first round Information Request 25(d), SAF stated that "When completed, redevelopment will save about $750,000 to $1 million per year in staffing costs depending on internet take-up and other factors. In addition, there will be an estimated reduction in ongoing maintenance costs of $200,000 to $300,000 per year." Please discuss whether this statement is still valid, and indicate where these savings are reflected in the 2011 and later years' budgets. Please also explain any changes now anticipated in the savings.

The staffing cost savings amounts to approximately $625,000 - $700,000 in 2012 depending on what step the eliminated employees would have been in their payband. These savings are reflected in Regular Salaries expense accounts throughout various Auto Fund departments. The ongoing maintenance cost savings is approximately $263,000 per year as the Auto Fund no longer has to pay maintenance costs for the old Permit Office and IRP systems. These savings are reflected in the Data Processing expense account in the Systems Division's budget.

112. Please summarize the actual amount of annual savings discussed in Tab 3.

Annual Savings from Efficiencies mentioned in Rate Application		
MySGI Remuneration Savings	142,000	Note 1
Increase in PST Collections	637,000	
Staffing Cost Savings	625,000	
Software Maintenance Cost Savings	263,000	
E-rates	25,000	
Issuer E-manual	10,000	
BOSS on SAM revenue	26,400	
Miscellaneous Paper	35,000	
Emailing IRP renewals	6,000	
	1,769,400	
Note 1: My SGI Remuneration savings are projected based on current uptake levels, however we will be expanding the transactions available on MySGI in 2012 so the $142,000 is a conservative estimate.		

113. With respect to the approximate $625,000 in reduced staffing costs, please discuss whether the amount is related to the 15 positions "eliminated because of the redevelopment project", for the 8 positions completely eliminated, and / or for some other consideration.

This $625,000 relates to all 15 positions eliminated due to the redevelopment project.

114. Please expand on and quantify anticipated future annual savings, and discuss those efficiencies that cannot be quantified.

The requested information follows.

Documentation for Information Request # 114

Auto Fund Efficiencies

Initiative	Why is this an efficiency? (i.e. what are we saving because of this? Paper, time, etc.)	Annual Savings
Electronic banking for International Registration Plan (IRP) customers	Allowing IRP customers to pay SGI through on-line banking is saving both SGI and IRP customers time and money compared to sending wire transfers. This initiative will also allow SGI to cancel bank accounts and not pay bank fees.	1,200
Stopped sending approval correspondence on personalized licence plate applications.	The Auto Fund used to send letters to customers to let them know their personalized plate had been approved. Now plates come so soon that no correspondence is required which results in postage cost savings.	3,300
Eliminating IRP paper files	SGI will save offsite storage costs and purchasing and maintenance costs for filing cabinets. This initiative will reduce 10 filing cabinets. By not handling files, the IRP area has been able to transfer one position to branch offices to allow them to remain open over lunch.	31,076
Accepting email IRP applications	This initiative will reduce the number of paper faxes received resulting in paper cost savings.	
IRP payments and balancing in branches	Allowing the branches to accept payment and do the balancing eliminates the phone call to head office for processing. This saves time for staff and customers.	
Reduced the period of time for training seminars	Issuer Representatives no longer have to be off the road 8-10 weeks each per year doing seminars. Instead, seminars will only take 6 weeks per year allowing the reps to be on the road doing more issuer visits.	
Renegotiated prices with hotel venues for seminars	Seminars will now cost SGI less money to hold.	2,000
Relocated Saskatoon Salvage plate recycle bins and installed cardboard recycle bin	The new bins use less space and are safer and more secure for staff. Moving the bins also saves staff time as they are now in a more convenient location and the trailer is no longer required to move the bins.	56
Dual monitors for Payables/Receivables and the Call Centre	Dual monitors reduce the need to print screens and save time spent on customer inquiries.	
Conference calls for compliance review meetings	Officers can conduct compliance review meetings with the carrier over the phone instead of having to travel to the carrier's place of business or the carrier travelling to Saskatoon or Regina for the meeting.	10,000
Review requests for medical/vision reports	A review was completed in March 2011. This review involved monitoring the results of vision requests as a result of failed Driver Test office visions. The review discovered that the 50 vision requests all came back normal and therefore were not necessary so SGI is no longer requesting them.	24,000
Implement process of having faxed documents come to email inbox	Having faxes come directly to SGI's email inbox reduces wear and tear on scanners, reduces the amount of paper used, saves time scanning and improves the privacy of medical documents received.	1,500
Implemented changes to the residency requirement to make it easier for issuers and the call centre	Issuers were restricted to the type of documents they could accept from customers. Issuers are required to call the Customer Service Centre to accept other documents. SGI expanded the types of documents they could accept resulting in significant time savings.	5,720
No longer storing imaged documents on the 19th floor for a year. Will be sending them to shredding after one month	Staff will no longer have to physically move boxes to 19th floor or inventory boxes of scanned documents. This will be a time saver for staff.	1,000
Reduced the number of brochures ordered for the Motorcycle GDL program. In the letter sent to all motorcycle riders informing them of the program, they were referred to the SGI website rather than inserting a brochure	Ordered 40,000 less brochures.	3,000
Revised the HTB appeal process (DIP/GDL)	Revised the DIP and GDL appeal process to grant the Highway Traffic Board access to the required documentation directly from the Auto Fund system rather than having Driver staff manually print it, scan it and email it to them. This has resulted in significant time and paper cost savings.	5,769
Added call centre staff access	Call centre staff can now view all driver correspondence and have full access to IRE Driver Profile Inquiry. This reduces the number of phone calls Driver Programs receives from the call centre as call centre staff can answer the inquiries faster and easier without making the customer wait.	5,002
Revised the HTB appeal process (Vehicle Impoundment):	All appeals are now emailed to the Highway Traffic Board and the appeal decisions are emailed back to SGI. This process has eliminated all the manual paperwork and saved staff time.	5,769
Fax to email	Driver Programs will save on paper and time because all faxes will be going straight to email. This will also reduce wear and tear on the new fax/printer machine and reduce the amount of toner used.	6,000
Unpaid fines - automation process	Driver Records no longer has to manually enter non-renewal suspensions and lift them daily as customers now pay all fines with justice resulting in staff time savings.	6,000
Removal of TSE from DIP sanctions	Less Traffic Safety Evaluation sessions reduces required staff resources.	29,400
New West Partnership-CAODC-self road testing	Less examiner resources are required to complete testing.	2,100
Relocate South Supervisor to Regina	Less travel time between Moose Jaw and Head Office and reduced travel expenses.	5,000

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Auto Fund Efficiencies

Initiative	Why is this an efficiency? (i.e. what are we saving because of this? Paper, time, etc.)	Annual Savings
Laptop computers - 1. Salvaged 12 laptops that were destined for the garbage to use for presenting TSE's (instead of using a paper binder for 3-5 attendees each time) 2. Systems found 2 laptops with Internet access to the Auto Fund Application. With these, driver examiners can do their computer work from rural locations.	Less paper distribution is required on policy revisions (replaces TSE binders) and there is now automated access to examiner info. Exam results can be entered immediately which saves time when examiners return to the office.	500
Implemented hosted contact centre phone system	The response time to booking customer appointments has been reduced from an average of 3 minutes per call to 1 minute per call resulting in greater capacity and enhanced customer service.	2,000
Added call processing menu to telephone system	In an attempt to reduce the number of phone calls made to the Driver office that were actually for another SGI dept, Driver Development implemented a Call Processing Menu requiring telephone callers to select which department they were wanting to speak with. This has reduced the number of misdirected calls.	600
Promotion of appointment booking self service	Encourages public to book examination appointments independently resulting in less time required from SGI staff. (Ongoing)	
Revised appointment scheduling for Yorkton territory	Reduced examiner assignment to Moosomin location. Savings of 2 days per month in salary cost alone.	4,800
Elimination of redundant reports/activities completed by scheduling clerk	Scheduling clerk will no longer have to dedicate 32 hours per month to generating an activity report and duplicating time cards.	1,920
Utilize elearning module for Motorcycle GDL for Driver Examiner training	To support the new MGDL implementation training of all examiners was delivered via an online learning module vs the more traditional training of sending a trainer to each branch location. This has resulted in significant staff time savings.	7,752
Paperless written examination process in northern branches	The system now records the written exam results instead of having to manually fill out paper Driver Examination Certificates resulting in time and paper savings.	883
Coffee service discontinuation at the Regina test office	Discontinued customer coffee service at the Regina Test office. It was observed that more local people and friends of applicants were helping themselves to coffee/hot chocolate vs our direct customers. This initiative frees up more space for customers, adds additional chairs in waiting room, saves supply costs, looks tidier and staff have more time to dedicate to customers.	4,000
Driver appointment booking in issuer offices	More types of driver appointments were moved out to issuers for booking in 2011. Issuers are now booking 24% of appointments in 2011 vs 12% in 2010 resulting in improved customer service.	
Collision location reporting using GPS co-ordinates	The RCMP can send SGI the GPS co-ordinates for location reporting. TAIS Clerks can then use software to convert the co-ordinates into a location description (control section or rural road location) to be entered into TAIS resulting in time savings for staff. (In progress)	4,904
Make the car seat checking process more efficient by offering appointments once a month rather than on demand	Eliminates interruptions during the workday and allows for better productivity; provides an opportunity to assist trained technicians from other branches to better utilize the 4 days of training they have taken.	2,200
Corporate business analyst training program	This initiative results in standardized training provided across the corporation and cost savings if programs can be offered to large groups in-house as opposed to sending individuals to separate training programs.	
MySGI - Expand internet transactions offered on MySGI as well as customer types eligible to register and set up an account. Enhance MySGI so more customers use it.	The Auto Fund is focusing on enhancing MySGI in 2012 and increasing customer awareness of MySGI as a service option. In 2012, the Auto Fund has been initiating customer reminder emails for Continuous Auto Pay registrations and has been seeing positive customer impacts. We have experienced a dramatic reduction in the number of plates being cancelled because of overdue Registration Eligibility Declarations (REDs) as customers receiving the email reminder are more likely to complete their RED on a timely basis. The first phase of the MySGI awareness campaign was the recent announcement of the "Cash in on Your Email" contest. Entering a customer's email on their profile gives the issuer and the customer the opportunity to win a $100 Visa card. These draws are being held monthly until January 2013. Having an email on file makes it easier for the customer to create a MySGI account and allows us to send reminder emails as their registrations and driver installments become due. Later in the spring, a general public promotion will also be launched to increase customer awareness of the availability of MySGI as an online service option. In June 2012, we will introduce Group and Company access and sign in to MySGI. We will also begin distributing selected types of correspondence by email where that is the customer's preferred method of communication, starting with vehicle renewals by email. In the fall, additional functionality will make plate Classes A (full SK), C and D available in MySGI.	

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Auto Fund Efficiencies

Initiative	Why is this an efficiency? (i.e. what are we saving because of this? Paper, time, etc.)	Annual Savings
Appeal administration	Set up a shared drive to reduce the number of emails required on each appeal and changed the way the files are named to make it easier to answer customer inquiries. No longer numbering appeals as it was not a value added process. Saves staff time and improves customer service. No longer attaching photos to appeal packages. This saves staff time. Added Highway Traffic Board sections to the appeal rationale document so that all appeal info is kept in one document improving the ability to access information.	6,500
Safe Driver Recognition daily mailings	The Safe Driver Recognition area switched from using more expensive envelopes that had to have the postage applied manually to cheaper envelopes that already have the postage indicated on them. This has resulted in time savings and cost savings.	3,200
PDF to Excel conversion software	The Auto Fund system reports are mainly PDF files which make analysis difficult. SGI purchased an inexpensive software package for the Auto Fund that will convert PDF files into Word, Excel, PowerPoint, etc. quickly. This will save a lot of time and improve the Auto Fund's ability to analyze information.	
Blackberry tethering vs mobile internet sticks	Eliminated the need for mobile internet stick for Issuer Representatives. All of these employees have blackberries that can be used to tether their laptops to the Internet so the Internet sticks are redundant. This has resulted in cost savings.	5,000
Call pick up ability	Added the ability for the manager to pick up the business area's zero-out line resulting in time savings and improved customer service.	2,200
Improve administrative resource materials to improve clarity and incorporate any changes from Release 4	Improve administration manuals to help clerks quickly, correctly and consistently respond to customer inquiries. Improve technician assessment resources with Safety Officers. Develop training materials for department staff to learn policies and programs. Results in time savings because information is better documented. (In progress)	2,000
Improve the flow of written communications to and from VS&I (Staff generated objective)	Improve the flow of written communications to VS&I where the purpose or intended recipient is not identified. Improve clarity of requirements of the customer in documents to customers. Issue log has been created for changes in Auto Fund letters. Review of other communications has not started.	
Expand self-issue Internet services	The permit office is seeking permission from Highways to allow self-issuers to do more transactions (expand dimension limits). In progress.	
Investigate routing tool (mapping)	A study should be conducted to help identify the best routing tool. SGI has met with Highways to discuss. Waiting for approval. A routing tool would reduce staff time.	
Implement administrative efficiencies	Internal policy/process change with a focus on items that do not require permit system changes. Potential opportunities include: 1. Permit Office section on SGI website (in progress) 2. Converting nil fee term single vehicle term permits to fleet term permits 3. Better co-ordination of highway information (bans, closures, construction, etc) 4. Permit exemption for vehicles weighing less than 11, 794kg 5. Increase term permit dimension allowance from 3.7m to 3.85m 6. Implement a 30 day registration permit (still outstanding). These items will improve access to information for customers and permit reps which will help to reduce call volumes/call processing times.	
Automated term permits	8,500 of 11,300 term permits are renewals. This projects seeks to have renewals done automatically, resulting in a reduction to permit office admin time and allowing resources to be directed to the phone queue. Waiting for approval.	13,277
Change bridge application procedures	Changing the bridge application procedure to allow for direct communication and information sharing between the customer and Bridge Services would reduce the Permit Office Rep time spent to approximately 8% and reduce delays for customers. This has yet to be approved.	41,071
Creation of a new term permit for extended wheelbase tractors	The Permit Office provided only single trip permits for these vehicles, which meant that the customer had to call us every time they moved the vehicle. Creation of a new term permit means that the customer must only contact SGI once per year. Reduction of 1000 permits per year.	6,040
CAVR Exemption - 11794 kg	Created a registration exemption under the CAVR for out-of-province vehicles, registered and weighing less than 11,794kg. Reduction of 7,000 permits per year.	42,280
Expand term permit limits for o/d loads from 3.7m to 3.85m	The maximum dimension available for term permits was increased from 3.7m to 3.85m wide. Reduction of 200 permits per year	1,208
Convert nil fee terms to fleet	Nil fee term permits were previously specific to one vehicle, meaning that each plate number had to have its own permit. The creation of a fleet permit for nil fee terms means that the entire fleet can operate under one permit number. Reduction of 3,000 permits per year.	
Increased self-issue limits	The limits on the size of load that can be issued independently by Internet Self-Issuers has been increased from 4.27m to 7.3m wide and from 31m long to 45m long. This change will allow 5,000 permits to be issued independent of the Permit Office (via Internet).	25,000
HTB cross training	Cross-Trained HTB Staff to Schedule and Coordinate Hearings. All four coordinators can now book and coordinate most hearings allowing hearings to be booked "real time" instead of having to leave customers voicemails. It improves customer service overall.	1,600

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Auto Fund Efficiencies

Initiative	Why is this an efficiency? (i.e. what are we saving because of this? Paper, time, etc.)	Annual Savings
Total annual savings		326,827

FINANCIAL STATEMENTS

Reference: Application, Appendix A; Tab 6

Investment Strategy and Income – Reference: Tab 6

115. Please summarize the various monitoring and control measures exercised by SGI's Management Board with respect to SAF's investment portfolio.

The 2011 Statement of Investment Policies and Goals (SIP&G) establishes the prudent investment and administration of the investment portfolio. This document details asset mix policy, permitted investments and monitoring and control procedures to ensure compliance with applicable Acts and regulations. The SIP&G is reviewed and approved by SGI Investment Committee and Board of Directors annually. The Board makes recommendations on policy matters contained in this document and monitors the performance of the investment assets.

All investments are managed by independent professional investment managers and held in trust with a leading Canadian custody firm. Both firms provide quarterly compliance reporting, ensuring adherence with the investment policy and legislative compliance standards. The compliance reports from both the investment manager and custodian are provided quarterly and reviewed initially by SGI management. A summary of all areas of non-compliance is submitted to the Investment Committee bi-annually for review. Any noted compliance deviations have been minor in nature and have generally been rectified within a day. Examples include an asset class weight that is temporarily outside of the asset mix guidelines due to market forces, or a stock surpassing the single stock maximum weight due to a takeover bid. If the violation will take more time to address, the investment manager will communicate this immediately to management with recommended actions. An example of this is the real estate weight which, due to a pending portfolio restructuring, was slightly outside of the guidelines. Due to the illiquidity of real estate, the investment manager received permission to maintain the overweight until the restructuring was complete.

The investment manager and investment consultant submit performance review and evaluation reports quarterly, which are compared to benchmarks established in the investment policy. These are complemented by in-person meetings twice annually, where each discusses key aspects of performance, personnel changes and compliance issues, if any.

Reports on investment income and performance are prepared quarterly and reviewed by the Board in three separate reviews. The Financial Report compares actual investment income to the budget and provides commentary on significant deviations. The report to the Audit Committee reviews income by asset class and return performance on a year-to-date and year-over-year basis. The financial statements, through the MD&A and financial statement notes, provide similar information and additional detail on the investment assets.

116. Please discuss any occasions arising in 2010 and 2011 where remedial action was recommended with respect to deviation from the asset mix policy.

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117. Please discuss any circumstances where the investment manager has not performed to the satisfaction of the Board, including remedial actions taken.

The recent volatile markets caused the investment manager to experience relative underperformance in equities, particularly Canadian equities. The Board and SGI management regularly reviewed performance

throughout the period in question, and challenged the investment manager on its process, people and investment style. In 2011, after an extensive asset mix review with the investment consultant, the Board concluded that a reduction in the Canadian equity exposure and the introduction of two new asset classes (managed by other investment managers) provided diversification benefits for the portfolio and lessened the reliance on the current investment manager in general, and specifically the Canadian equity asset class. More recently, the Board conducted an on-site visit of the investment manager to further review the process and investment style and to meet the investment team directly.

118. Please describe the basis of forecasting investment earnings in Appendix B (Pg. 43), and provide supporting details for these forecasts.

Investment earnings are forecast annually using a variety of market-based forecast information. A separate return estimate is prepared for each asset class in which the Auto Fund invests. This asset class return is applied to the anticipated dollar exposure in the asset class to derive annual investment earnings over a five-year period.

For short-term investments, bonds and mortgages, yield curves produced by the Conference Board of Canada (CBOC) are used to derive initial portfolio yields. A risk premium is added to these yields to reflect the credit exposure (provincial or corporate) of the fixed income investment. In addition to interest income, the prospective yield changes generate capital gains or losses that are calculated off of the average duration of the portfolios. For equities and real estate, prospective nominal return forecasts provided by the investment consultant are used, with separate amounts estimated for dividend yield and capital gain or loss.

The supporting details for the investment return forecast is shown below:

Rate of Return (%)	Projected 2011	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016
	%	%	%	%	%	%
Short Term Interest	1.05	1.15	2.81	4.06	4.08	4.08
Bonds	7.77	1.25	-1.35	-0.80	3.53	4.12
-Interest Income	3.12	2.71	3.52	4.38	4.55	4.64
-Gains (losses)	4.65	-1.47	-4.87	-5.18	-1.02	-0.51
Canadian Equities	-4.93	7.00	7.00	7.00	7.00	7.00
- Dividend Distribution	2.16	2.57	2.57	2.57	2.57	2.57
- Gains (losses)	-7.09	4.43	4.43	4.43	4.43	4.43
U.S. Equities	-6.74	7.20	7.20	7.20	7.20	7.20
- Dividend Distribution	1.88	2.03	2.03	2.03	2.03	2.03
- Gains (losses)	-8.62	5.17	5.17	5.17	5.17	5.17
Pooled International Equity	-5.85	7.90	7.90	7.90	7.90	7.90
- Dividend Distribution	3.44	3.44	3.44	3.44	3.44	3.44
- Gains (losses)	-9.29	4.46	4.46	4.46	4.46	4.46
Pooled Mortgages	5.12	3.45	3.01	3.43	4.06	4.93
- Dividend Distribution	5.12	3.45	3.01	3.43	4.06	4.93
- Gains (losses)	-	-	-	-	-	-
Pooled Real Estate	6.40	6.40	6.40	6.40	6.40	6.40
- Dividend Distribution	-	-	-	-	-	-
- Gains (losses)	6.40	6.40	6.40	6.40	6.40	6.40
Return Before Expenses	2.98	3.24	2.23	2.70	4.79	5.12
Investment Expense	-0.12	-0.12	-0.12	-0.12	-0.12	-0.12
Overall Rate of Return	2.86	3.13	2.11	2.58	4.67	5.00

119. It has been shown that the cash flow matching practices followed by SAF in 2011 limited the impact of changing interest rates over 2011 to an estimated -$6,967,000. Please provide background as to why this impact wasn't closer to $0, and what steps might be taken to improve the effectiveness of SAF's cash flow matching practices.

The cash flow matching is based on the best estimate of liability payments for up to 20 years. We have not provided matching for the PfADs, which represent about 10% of the liability. In order to bring the impact of interest rate changes closer to $0, we would have to transfer over $100 million from the Return Seeking to the Matching portfolio to provide matching for the PfADs. Given that the Auto Fund relies on the equity exposure in the Return Seeking portfolio to hedge inflation risk for the very long tail lines, management decided to maintain a larger exposure in the Return Seeking Portfolio and to match the best estimate liabilities in the Matching Portfolio. While accepting a small amount of volatility in the short term, given the long-term investment horizon, over time the Auto Fund will benefit from the added equity exposure.

120. Please discuss whether the Investment Policy requires any investments with or within the Province of Saskatchewan.

The Investment Policy does not require any investments with or within the Province of Saskatchewan.

121. Please summarize the extent of any current investments held with or within the Province of Saskatchewan.

Issuer Fees – Reference: Application, Appendix A; Tab 12

122. When did SAF change the issuer fee to a percentage basis for driver and insurance premiums?

The issuer commission system came into effect January 1, 2010. The commission structure changes were only applicable to Vehicle Add, Renew and Registration Eligibility Declaration transactions. All other issuing transactions' remuneration structure remained the same; however some of the flat fees went down or went to $0 to partially offset the commission increase.

123. Please quantify and discuss the annual impact of this change.

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124. How frequently are the other remuneration charges established, and how long will the existing remuneration charges remain unchanged?

When the commission structure was negotiated with Insurance Brokers' Association of Saskatchewan in 2006, it was agreed that the commission rate and flat fees set in the agreement would not be subject to renegotiation unless there is a substantive change in the nature of the work associated with the transactions. So until such time when there is a substantive change, these fees will remain unchanged.

125. Were the issuers involved in any cost sharing related to the Redevelopment project costs, and are there any annual issuer fees or charges related to the use of the systems?

The issuers were not involved in any cost sharing related to the Redevelopment project costs. They do not pay any annual fees to use the Auto Fund system either.

Financial Results – Reference: Application, Appendix A; 2010 Annual Report

126. Please provide a table indicating the variances between budgets and actual results for each of 2006, 2007, 2008, 2009, 2010, and 2011 (projected, if actual not yet available) and discuss the reasons for major year to year variances, most particularly:

a. **2010 to 2011 claims incurred, and the analyses resulting in the 2012 estimates.**

b. **2010 to 2011 issuer fees, and 2012 estimates.**

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127. Please quantify and discuss the impacts of implementation of IFRS on 2010 and 2011 financial statements, as well as future anticipated impacts.

The requested information follows.

The following tables reconcile Canadian GAAP to IFRS total equity as at January 1, 2010, the Auto Fund's transition date, and as at December 31, 2010. Also, there is a table reconciling the Auto Fund's statement of operations between Canadian GAAP to IFRS for the year ending December 31, 2010. Each IFRS adjustment is described in the notes below, the most significant changes to accounting policies being the reclassification of investments and the discounting of claims.

Reconciliations from Canadian GAAP to IFRS

Total Equity as at January 1, 2010

(thousands of Canadian $)	Note	Rate Stabilization Reserve	Redevelopment Reserve	Accumulated Other Comprehensive Income	Total Equity
Balance as at December 31, 2009 (Canadian GAAP)		$ 67,211	$ 21,344	$ 66,505	$ 155,060
Auto Fund constructive obligation to SGI CANADA	i)	(5,868)	-	-	(5,868)
Property and equipment	ii)	(2,489)	-	-	(2,489)
Investments - reclassification	iii)	66,505	-	(66,505)	-
Provision for unpaid claims - discounting	iv)	47,059	-	-	47,059
Total adjustments		105,207	-	(66,505)	38,702
Balance as at January 1, 2010 (IFRS)		$ 172,418	$ 21,344	$ -	$ 193,762

Total Equity as at December 31, 2010

(thousands of Canadian $)	Note	Rate Stabilization Reserve	Redevelopment Reserve	Accumulated Other Comprehensive Income	Total Equity
Balance as at December 31, 2010 (Canadian GAAP)		$ 142,254	$ 14,653	$ 85,825	$ 242,732
Auto Fund constructive obligation to SGI CANADA	i)	(5,153)	-	-	(5,153)
Property and equipment	ii)	(3,384)	-	-	(3,384)
Investments - reclassification	iii)	85,825	-	(85,825)	-
Provision for unpaid claims - discounting	iv)	52,314	-	-	52,314
Total adjustments		129,602	-	(85,825)	43,777
Balance as at December 31, 2010 (IFRS)		$ 271,856	$ 14,653	$ -	$ 286,509

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Comprehensive Income for the year ended December 31, 2010

	Canadian GAAP December 31, 2010		IFRS Adjustments	IFRS December 31, 2010
			(thousands of Canadian $)	
Gross premiums written	$ 711,277		$ -	$ 711,277
Premiums written ceded to reinsurers	(2,927)		-	(2,927)
Net premiums written	708,350		-	708,350
Change in net unearned premiums	(23,529)		-	(23,529)
Net premiums earned	**684,821**		-	**684,821**
		(ii)	268	
Claims incurred	609,673	(iv)	(5,255)	604,686
Issuer fees	34,813		-	34,813
		(i)	(715)	
Administrative expenses	51,721	(ii)	764	51,770
Premium taxes	34,376		-	34,376
Traffic safety programs	17,285		-	17,285
Total claims and expenses	**747,868**		(4,938)	**742,930**
Underwriting loss	**(63,047)**		4,938	**(58,109)**
Investment earnings	100,047	(iii)	19,320	119,367
Other income	31,352	(ii)	137	31,489
Increase to Rate Stabilization Reserve	**68,352**		24,395	**92,747**
Other comprehensive income:				
Net unrealized gain on available for sale financial assets arising during the year	80,729	(iii)	(80,729)	-
	80,729		(80,729)	-
Reclassification of net realized gains on sale of investments included in operations	(62,727)	(iii)	62,727	-
Reclassification for investment write-downs included in operations	1,318	(iii)	(1,318)	-
Other comprehensive income	**19,320**		(19,320)	-
Comprehensive income	**$ 87,672**		$ 5,075	**$ 92,747**

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(i) Auto Fund constructive obligation to SGI CANADA

SGI CANADA allocates a portion of its retirement benefit costs associated with its defined benefit pension plan and defined benefit service recognition plans to the Auto Fund for those employees of SGI CANADA who provide service to the Auto Fund. The employee benefit adjustments required in SGI CANADA, as part of its transition to IFRS, results in the Auto Fund having a constructive obligation to SGI CANADA. The constructive obligation arises from events and transactions before the date of transition to IFRS and accordingly has been recognized directly in the Rate Stabilization Reserve. The impact to the Auto Fund at January 1, 2010, as a result of revising the allocation due to the employee benefit adjustments, is a decrease to the Rate Stabilization Reserve of $5,868,000 and an increase to accounts payable of $5,868,000.

For the year ended December 31, 2010, this accounting policy difference resulted in a decrease to administrative expenses of $715,000. The total adjustment to the Rate Stabilization Reserve between Canadian GAAP and IFRS at December 31, 2010, was a decrease of $5,153,000.

(ii) Property and equipment

Upon transition to IFRS, the Auto Fund is measuring its property and equipment using cost less depreciation, as if the requirements of IFRS had always been applied.

The cost less depreciation method under IFRS requires that each component of an item of property and equipment, with a cost that is significant compared to the total cost of the item, should be depreciated separately. Under Canadian GAAP, the Auto Fund had capitalized the cost of acquiring its buildings, including all its components, and depreciated them over their useful lives of either 20 or 40 years. Depreciating the significant components of the buildings separately over their estimated useful lives, as required under IFRS, resulted in a decrease in the Rate Stabilization Reserve and property and equipment of $2,489,000 as at January 1, 2010.

For the year ended December 31, 2010, this accounting policy difference resulted in a decrease to depreciation expense of $24,000. The total adjustment to the Rate Stabilization Reserve at December 31, 2010, was a decrease of $2,465,000.

The Auto Fund has also incurred additional depreciation expenses related to the use of the deemed cost exemption in SGI CANADA. SGI CANADA used the deemed cost exemption to record its head office building as its fair value upon adoption of IFRS. An independent valuation was performed effective January 1, 2010, which resulted in a fair value of the land and building of $31.6 million compared to the net book value under Canadian GAAP of $10.4 million. This fair value increase results in additional depreciation annually. The additional depreciation incurred in SGI CANADA is allocated to the Auto Fund based on related space usage of the Auto Fund.

For the year ended December 31, 2010, this accounting policy difference resulted in an increase to administrative expenses of $788,000 and an increase to claims incurred of $268,000. The total adjustment to the Rate Stabilization Reserve at December 31, 2010, was a decrease of $1,056,000.

As a result of IFRS adjustments made at January 1, 2010, which increased the accumulated depreciation of a number of buildings and components in the Auto Fund, the gain or loss on sale was adjusted in accordance with IFRS. For the year ended December 31, 2010, there is an increase in the gain on sale of property and equipment of $137,000 and a corresponding increase in the Rate Stabilization Reserve.

(iii) Reclassification of unrealized gains on investments

Upon adoption of IFRS, the Auto Fund has elected to use the IFRS 1 exemption available and change the designation of investments from available for sale to fair value through profit and loss. As such, unrealized gains and losses are now included as a component of investment income, and consequently recognized within the Rate Stabilization Reserve. Under Canadian GAAP, unrealized gains and losses were recorded as other comprehensive income and recognized within accumulated other comprehensive income.

At January 1, 2010, this reclassification of net unrealized gains resulted in a decrease in accumulated other comprehensive income of $66,505,000 and a corresponding increase in the Rate Stabilization Reserve.

For the period ended December 31, 2010, this accounting policy difference resulted in an increase to investment earnings of $19,320,000 and a decrease to other comprehensive income of $19,320,000. The total adjustment was a decrease to accumulated other comprehensive income of $85,825,000 and a corresponding increase in the Rate Stabilization Reserve.

(iv) Discounting of provision for unpaid claims

Under Canadian GAAP, the Auto Fund did not discount its provision for unpaid claims for all lines of business. In transitioning to IFRS, the Auto Fund is changing this policy to discount the provision for unpaid claims, for all lines of business. At January 1, 2010, this change in accounting policy results in a decrease in the provision for unpaid claims of $47,059,000 and an increase in the Rate Stabilization Reserve of $47,059,000.

For the year ended December 31, 2010, this accounting policy difference resulted in a decrease in the provision for unpaid claims of $5,255,000 and a decrease in claims incurred of $5,255,000. The cumulative impact on the Rate Stabilization Reserve was an increase of $52,314,000.

Future anticipated impacts

The significant future anticipated impact of IFRS on the Auto Fund will be from the International Accounting Standards Board's (IASB) project to develop a new accounting standard for insurance contracts. The IASB issued exposure draft ED/2010/8 Insurance Contracts (the ED) on July 30, 2010. The ED proposed a new standard on accounting for insurance contracts, which would replace IFRS 4, *Insurance Contracts*. The proposal represents the first comprehensive IFRS accounting model for insurance contracts and is expected to have a significant impact on the financial reporting of insurers. The IASB received significant responses to the original exposure draft and it is expected that a re-exposure draft will be issued in late 2012, although what changes will be made from the original exposure draft are unclear. It is also unclear when the final standard will be issued, however implementation is not expected before 2015.

Other Income

128. Please provide a schedule showing the variance between budgeted amounts and actual results for the 4 components of Other Income, and discuss all significant variances from 2006 to projected 2011.

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