

FACILITY ASSOCIATION (AQ DATA)  
NEWFOUNDLAND

Interurban Vehicles

DERIVATION OF OVERALL INDICATED AVERAGE RATE LEVEL CHANGE

COVERAGE	2005 WRITTEN PREMIUM	WRITTEN ON-LEVEL FACTOR	COMMISSION REMOVAL FACTOR	SC 907 ADJT. FACTOR	ON-LEVEL WRITTEN PREMIUM	INDICATED RATE LEVEL CHANGE
THIRD PARTY LIABILITY - TOTAL	374,642	1.0000	1.0000	1.0000	374,642	+3.9%
ACCIDENT BENEFITS - EXCLUDING U.A.	4,212	1.0000	1.0000	1.0000	4,212	+3.2%
UNINSURED AUTOMOBILE	1,298	1.0000	1.0000	1.0000	1,298	+5.8%
COLLISION	164,844	1.0000	1.0000	1.0000	164,844	+0.3%
COMPREHENSIVE	32,235	1.0000	1.0000	1.0000	32,235	+2.8%
SPECIFIED PERILS	38,417	1.0000	1.0000	1.0000	38,417	+2.3%
<b>TOTAL</b>	<b>615,648</b>				<b>615,648</b>	<b>+2.8%</b>

FACILITY ASSOCIATION  
NEWFOUNDLAND --- INTERURBAN  
SUMMARY OF RATE LEVEL CHANGE CALCULATION

THIRD PARTY LIABILITY - TOTAL

Acc. Years	Earned Premium (1)	On-Level Factor (2)	SC 907 Adj. (3)	On-Level Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	142,292	1.1060	1.0000	157,375	24,759	1.0351	0.9650	24,731	1.4384	35,573
2002	175,811	1.1060	1.0000	194,447	37,776	0.9960	0.9650	36,308	1.3665	49,615
2003	285,657	1.1059	1.0000	315,908	225,922	1.0510	0.9650	229,133	1.2838	294,161
2004	454,868	1.0403	1.0000	473,199	40,631	2.2221	0.9793	88,417	1.2208	107,939
2005	404,200	1.0000	1.0000	404,200	205,794	1.4217	1.0000	292,577	1.1567	338,424
<b>Total</b>	<b>1,462,828</b>			<b>1,545,129</b>	<b>534,882</b>			<b>671,166</b>		<b>825,712</b>

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001	6	1.0000	6	22.60%	-56.4%		
2002	6	1.0000	6	25.52%	-52.6%		
2003	12	0.9737	12	93.12%	+35.7%		
2004	5	1.0000	5	22.81%	-56.1%		
2005	9	0.9714	9	83.73%	+23.5%		
<b>Total</b>	<b>38</b>		<b>38</b>	<b>53.44%</b>	<b>-16.1%</b>	<b>0.0838</b>	<b>+3.9%</b>

Notes :

- (4) = (1) x (2) x (3)
  - (8) = (5) x (6) x (7)
  - (10) = (8) x (9)
  - (13) = (11) x (12)
  - (14) = (10) / (4)
  - (15) = {[(14) x LDF] + FE} / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 9.58%, VE= 24.20%, LDF= 0.8899, and PDF= 0.9953
  - (16) = SQRT [(13) / FCS] where FCS= 5,410 ultimate number of claims
  - (17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 5.76%
- The assumed future average accident date is 16/Feb/2008

FACILITY ASSOCIATION  
NEWFOUNDLAND --- INTERURBAN  
SUMMARY OF RATE LEVEL CHANGE CALCULATION

ACCIDENT BENEFITS - EXCLUDING U.A.

Acc. Years	Earned Premium (1)	On-Level Factor (2)	SC 907 Adj. (3)	On-Level Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	1,716	1.0417	1.0000	1,788	6,719	0.9998	1.0000	6,718	1.2280	8,250
2002	1,799	1.0403	1.0000	1,871		1.0022	1.0000		1.1905	
2003	3,010	1.0406	1.0000	3,132		0.9830	1.0000		1.1538	
2004	4,757	1.0163	1.0000	4,835		0.9281	1.0000		1.1185	
2005	3,480	1.0000	1.0000	3,480	2,000	0.9770	1.0000	1,954	1.0842	2,119
<b>Total</b>	<b>14,762</b>			<b>15,106</b>	<b>8,719</b>			<b>8,672</b>		<b>10,369</b>

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001	2	1.0000	2	461.41%	+535.2%		
2002		1.0000			-87.6%		
2003		1.0000			-87.6%		
2004		0.9821			-87.6%		
2005	1	1.0000	1	60.89%	-5.4%		
<b>Total</b>	<b>3</b>		<b>3</b>	<b>68.64%</b>	<b>+5.0%</b>	<b>0.0372</b>	<b>+3.2%</b>

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  - (13) = (11) x (12)
  - (14) = (10) / (4)
  - (15) = {[(14) x LDF] + FE} / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 8.55%, VE= 23.10%, LDF= 0.9343, and PDF= 0.9953
  - (16) = SQRT [(13) / FCS] where FCS= 2,164 ultimate number of claims
  - (17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 3.16%
- The assumed future average accident date is 16/Feb/2008

FACILITY ASSOCIATION  
NEWFOUNDLAND --- INTERURBAN  
SUMMARY OF RATE LEVEL CHANGE CALCULATION

UNINSURED AUTOMOBILE

Acc. Years	Earned Premium (1)	On-Level Factor (2)	SC 907 Adj. (3)	On-Level Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	419	1.1077	1.0000	464		1.0149	0.9650		1.4384	
2002	515	1.1057	1.0000	569		1.0554	0.9650		1.3665	
2003	944	1.1088	1.0000	1,047		1.0995	0.9650		1.2838	
2004	1,317	1.0448	1.0000	1,376		1.2824	0.9793		1.2208	
2005	1,160	1.0000	1.0000	1,160		1.7754	1.0000		1.1567	
<b>Total</b>	<b>4,355</b>			<b>4,616</b>						

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001		0.9920			-87.6%		
2002		0.9893			-87.6%		
2003		0.9747			-87.6%		
2004		0.9578			-87.6%		
2005		1.0305			-87.6%		
<b>Total</b>					<b>-87.6%</b>		<b>+5.8%</b>

Notes :

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(13) = (11) x (12)

(14) = (10) / (4)

(15) = {[(14) x LDF] + FE} / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 8.55%, VE= 23.10%, LDF= 0.8675, and PDF= 0.9953

(16) = SQRT [(13) / FCS] where FCS= 2,164 ultimate number of claims

(17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 5.76%

The assumed future average accident date is 16/Feb/2008

FACILITY ASSOCIATION  
NEWFOUNDLAND --- INTERURBAN  
SUMMARY OF RATE LEVEL CHANGE CALCULATION

COLLISION

Acc. Years	Earned Premium (1)	On-Level Factor (2)	907 Adj. SC (3)	Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	58,682	0.9969	1.0000	58,500	56,791	1.0000	1.0000	56,791	1.0451	59,352
2002	78,251	0.9969	1.0000	78,008	35,568	1.0000	1.0000	35,568	1.0488	37,304
2003	91,027	0.9970	1.0000	90,754	100,964	1.0000	1.0000	100,964	1.0527	106,285
2004	124,769	0.9989	1.0000	124,632		0.9985	1.0000		1.0563	
2005	151,229	1.0000	1.0000	151,229	88,382	0.7379	1.0000	65,217	1.0404	67,852
<b>Total</b>	<b>503,958</b>			<b>503,123</b>	<b>281,705</b>			<b>258,540</b>		<b>270,793</b>

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001	3	1.0000	3	101.46%	+55.4%		
2002	1	1.0000	1	47.82%	-20.2%		
2003	4	1.0000	4	117.11%	+77.5%		
2004		1.0000			-87.6%		
2005	3	0.5714	2	44.87%	-24.4%		
<b>Total</b>	<b>11</b>		<b>10</b>	<b>53.82%</b>	<b>-11.7%</b>	<b>0.0961</b>	<b>+0.3%</b>

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  - (14) = (10) / (4)
  - (15) = {[(14) x LDF] + FE} / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 8.55%, VE= 23.10%, LDF= 0.9760, and PDF= 0.9953
  - (16) = SQRT [(13) / FCS] where FCS= 1,082 ultimate number of claims
  - (17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 1.53%
- The assumed future average accident date is 16/Feb/2008

FACILITY ASSOCIATION  
NEWFOUNDLAND --- INTERURBAN  
SUMMARY OF RATE LEVEL CHANGE CALCULATION

COMPREHENSIVE

Acc. Years	Earned Premium (1)	On-Level Factor (2)	SC 907 Adj. (3)	On-Level Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	13,460	0.9905	1.0000	13,332		1.0000	1.0000		1.1072	
2002	11,599	0.9904	1.0000	11,488		1.0000	1.0000		1.1118	
2003	19,979	0.9905	1.0000	19,789	9,707	1.0000	1.0000	9,707	1.1166	10,839
2004	27,292	0.9965	1.0000	27,196	36,791	1.0000	1.0000	36,791	1.1212	41,250
2005	27,768	1.0000	1.0000	27,768		1.1374	1.0000		1.0855	
<b>Total</b>	<b>100,098</b>			<b>99,573</b>	<b>46,498</b>			<b>46,498</b>		<b>52,089</b>

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001		1.0000			-87.6%		
2002		1.0000			-87.6%		
2003	1	1.0000	1	54.77%	-10.3%		
2004	1	1.0000	1	151.68%	+126.5%		
2005		1.1111			-87.6%		
<b>Total</b>	<b>2</b>		<b>2</b>	<b>52.31%</b>	<b>-13.8%</b>	<b>0.0248</b>	<b>+2.8%</b>

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  - (14) = (10) / (4)
  - (15) = {[(14) x LDF] + FE} / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 8.55%, VE= 23.10%, LDF= 0.9769, and PDF= 0.9953
  - (16) = SQRT [(13) / FCS] where FCS= 3,246 ultimate number of claims
  - (17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 3.21%
- The assumed future average accident date is 16/Feb/2008

FACILITY ASSOCIATION  
NEWFOUNDLAND --- INTERURBAN  
SUMMARY OF RATE LEVEL CHANGE CALCULATION

SPECIFIED PERILS

Acc. Years	Earned Premium (1)	On-Level Factor (2)	SC 907 Adj. (3)	On-Level Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	10,341	0.9906	1.0000	10,244		1.0000	1.0000		1.1072	
2002	15,586	0.9905	1.0000	15,438		1.0000	1.0000		1.1118	
2003	22,961	0.9905	1.0000	22,743		1.0000	1.0000		1.1166	
2004	27,878	0.9960	1.0000	27,766		1.0000	1.0000		1.1212	
2005	34,374	1.0000	1.0000	34,374	28,439	0.9925	1.0000	28,226	1.0855	30,639
<b>Total</b>	<b>111,140</b>			<b>110,565</b>	<b>28,439</b>			<b>28,226</b>		<b>30,639</b>

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001		1.0000			-87.6%		
2002		1.0000			-87.6%		
2003		1.0000			-87.6%		
2004		1.0000			-87.6%		
2005	1	1.0000	1	89.13%	+37.8%		
<b>Total</b>	<b>1</b>		<b>1</b>	<b>27.71%</b>	<b>-48.6%</b>	<b>0.0176</b>	<b>+2.3%</b>

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  - (13) = (11) x (12)
  - (14) = (10) / (4)
  - (15) = { [(14) x LDF] + FE } / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 8.55%, VE= 23.10%, LDF= 0.9744, and PDF= 0.9953
  - (16) = SQRT [(13) / FCS] where FCS= 3,246 ultimate number of claims
  - (17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 3.21%
- The assumed future average accident date is 16/Feb/2008

FACILITY ASSOCIATION  
 NEWFOUNDLAND - INTERURBAN  
 CALCULATION OF ON-LEVEL PREMIUMS  
 ALL TERRITORIES COMBINED

TPL - TOTAL						
Year	Written Premium [1]	On-level Written Premium [2]	Written On-level Factor [3]	Earned Premium [4]	On-level Earned Premium [5]	Earned On-level Factor [6]
2001	166,848	184,533	1.1060	142,997	158,155	1.1060
2002	190,149	210,308	1.1060	174,541	193,044	1.1060
2003	365,927	404,421	1.1052	277,773	307,202	1.1059
2004	474,968	474,968	1.0000	445,849	463,821	1.0403
2005	363,426	363,426	1.0000	416,076	416,076	1.0000
Total	1,561,318	1,637,656	-	1,457,236	1,538,298	-

NOTES:

- [1] Data from 01/2001 to 12/2005  
 [1] From Facility Association's data repository  
 [2] = [1] x on-level factors  
 [3] = [2] / [1]  
 [4] Calculated by applying earning pattern to [1]  
 [5] Calculated by applying earning pattern to [2]  
 [6] = [5] / [4]



FACILITY ASSOCIATION  
 NEWFOUNDLAND - INTERURBAN  
 CALCULATION OF ON-LEVEL PREMIUMS  
 ALL TERRITORIES COMBINED

Year	AB - TOTAL					
	Written Premium [1]	On-level Written Premium [2]	Written On-level Factor [3]	Earned Premium [4]	On-level Earned Premium [5]	Earned On-level Factor [6]
2001	1,996	2,078	1.0411	1,725	1,797	1.0417
2002	1,764	1,834	1.0397	1,827	1,900	1.0403
2003	4,135	4,297	1.0392	2,851	2,966	1.0406
2004	3,971	3,971	1.0000	4,673	4,749	1.0163
2005	4,051	4,051	1.0000	3,611	3,611	1.0000
Total	15,917	16,231	-	14,687	15,024	-

NOTES:

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FACILITY ASSOCIATION  
 NEWFOUNDLAND - INTERURBAN  
 CALCULATION OF ON-LEVEL PREMIUMS  
 ALL TERRITORIES COMBINED

UNINSURED AUTOMOBILE						
Year	Written Premium [1]	On-level Written Premium [2]	Written On-level Factor [3]	Earned Premium [4]	On-level Earned Premium [5]	Earned On-level Factor [6]
2001	464	514	1.1078	417	462	1.1077
2002	595	659	1.1076	518	573	1.1057
2003	1,193	1,321	1.1073	895	992	1.1088
2004	1,182	1,182	1.0000	1,280	1,337	1.0448
2005	1,253	1,253	1.0000	1,171	1,171	1.0000
Total	4,687	4,929	-	4,281	4,535	-

NOTES:

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FACILITY ASSOCIATION  
 NEWFOUNDLAND - INTERURBAN  
 CALCULATION OF ON-LEVEL PREMIUMS  
 ALL TERRITORIES COMBINED

Year	COLLISION					
	Written Premium [1]	On-level Written Premium [2]	Written On-level Factor [3]	Earned Premium [4]	On-level Earned Premium [5]	Earned On-level Factor [6]
2001	84,309	84,051	0.9969	59,447	59,265	0.9969
2002	68,548	68,340	0.9970	78,255	78,016	0.9969
2003	101,621	101,327	0.9971	85,642	85,382	0.9970
2004	139,437	139,437	1.0000	120,793	120,662	0.9989
2005	159,868	159,868	1.0000	147,828	147,828	1.0000
Total	553,783	553,023	-	491,963	491,152	-

NOTES:

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 [5] Calculated by applying earning pattern to [2]  
 [6] = [5] / [4]

FACILITY ASSOCIATION  
 NEWFOUNDLAND - INTERURBAN  
 CALCULATION OF ON-LEVEL PREMIUMS  
 ALL TERRITORIES COMBINED

Year	COMPREHENSIVE					
	Written Premium [1]	On-level Written Premium [2]	Written On-level Factor [3]	Earned Premium [4]	On-level Earned Premium [5]	Earned On-level Factor [6]
2001	13,665	13,535	0.9905	13,794	13,663	0.9905
2002	12,813	12,690	0.9904	11,679	11,566	0.9904
2003	23,536	23,335	0.9915	18,068	17,896	0.9905
2004	27,506	27,506	1.0000	25,552	25,463	0.9965
2005	33,358	33,358	1.0000	28,351	28,351	1.0000
Total	110,878	110,424	-	97,443	96,938	-

NOTES:

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 [2] = [1] x on-level factors  
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 [6] = [5] / [4]

FACILITY ASSOCIATION  
 NEWFOUNDLAND - INTERURBAN  
 CALCULATION OF ON-LEVEL PREMIUMS  
 ALL TERRITORIES COMBINED

SPECIFIED PERILS						
Year	Written Premium [1]	On-level Written Premium [2]	Written On-level Factor [3]	Earned Premium [4]	On-level Earned Premium [5]	Earned On-level Factor [6]
2001	14,262	14,127	0.9905	10,133	10,038	0.9906
2002	17,506	17,339	0.9905	15,746	15,596	0.9905
2003	27,433	27,201	0.9915	22,435	22,222	0.9905
2004	28,348	28,348	1.0000	28,366	28,253	0.9960
2005	40,042	40,042	1.0000	33,760	33,760	1.0000
Total	127,591	127,057	-	110,440	109,869	-

NOTES:

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