

FACILITY ASSOCIATION
NEWFOUNDLAND --- SCHOOL BUSES
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	23,696	1.0000	1.0000	23,696	8,716	1.0351	0.9650	8,706	1.4384	12,523
2002	31,942	1.0000	1.0000	31,942	65,311	0.9960	0.9650	62,773	1.3665	85,779
2003	79,192	1.0000	1.0000	79,192	60,441	1.0510	0.9650	61,300	1.2838	78,697
2004	131,619	1.0000	1.0000	131,619	298,390	2.2221	0.9793	649,327	1.2208	792,698
2005	125,229	1.0000	1.0000	125,229	123,518	1.4217	1.0000	175,606	1.1567	203,123
Total	391,678			391,678	556,376			957,712		1,172,820

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	52.85%	-11.7%		
2002	2	1.0000	2	268.55%	+287.5%		
2003	7	0.9737	7	99.37%	+52.8%		
2004	8	1.0000	8	602.27%	+750.5%		
2005	7	0.9714	7	162.20%	+140.0%		
Total	26		26	299.43%	+330.4%	0.0693	+28.3%

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= 28.17%, 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

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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	1,916	1.0000	1.0000	1,916		0.9998	1.0000		1.2280	
2002	1,884	1.0000	1.0000	1,884		1.0022	1.0000		1.1905	
2003	9,971	1.0000	1.0000	9,971	255	0.9830	1.0000	251	1.1538	290
2004	23,184	1.0000	1.0000	23,184		0.9281	1.0000		1.1185	
2005	22,395	1.0000	1.0000	22,395	11,000	0.9770	1.0000	10,747	1.0842	11,652
Total	59,350			59,350	11,255			10,998		11,942

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			-86.9%		
2002		1.0000			-86.9%		
2003	1	1.0000	1	2.91%	-82.7%		
2004		0.9821			-86.9%		
2005	2	1.0000	2	52.03%	-12.4%		
Total	3		3	20.12%	-58.1%	0.0372	+0.9%

Notes :

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 - (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 = 8.55%, VE = 27.07%, 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 --- SCHOOL BUSES
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	582	1.0000	1.0000	582	783	1.0149	0.9650	767	1.4384	1,103
2002	768	1.0000	1.0000	768		1.0554	0.9650		1.3665	
2003	2,283	1.0000	1.0000	2,283		1.0995	0.9650		1.2838	
2004	4,026	1.0000	1.0000	4,026		1.2824	0.9793		1.2208	
2005	2,652	1.0000	1.0000	2,652	12,850	1.7754	1.0000	22,814	1.1567	26,389
Total	10,311			10,311	13,633			23,581		27,492

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	0.9920	1	189.52%	+165.1%		
2002		0.9893			-86.9%		
2003		0.9747			-86.9%		
2004		0.9578			-86.9%		
2005	1	1.0305	1	995.06%	+1,236.2%		
Total	2		2	266.63%	+267.6%	0.0304	+13.7%

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) = $\{[(14) \times \text{LDF}] + \text{FE}\} / [\text{PDF} - \text{VE} - \text{PR}] - 1$ where PR = 7.22%, FE= 8.55%, VE= 27.07%, LDF= 0.8675, and PDF= 0.9953
 - (16) = SQRT [(13) / FCS] where FCS= 2,164 ultimate number of claims
 - (17) = $[(16) \times (15)] + [1 - (16)] \times \text{TR}$ where TR = one year's trend = 5.76%
- The assumed future average accident date is 16/Feb/2008