

FACILITY ASSOCIATION

NEWFOUNDLAND - PRIVATE PASSENGER VEHICLES

Calculation of Limit Drift Assumptions

<u>Coverage</u>	<u>Accident Year</u>	<u>Average Limit Diff'l</u>	<u>Yr/(Yr-1)</u>	<u>Average Last 4</u>	<u>Average Last 3</u>	<u>Selected</u>
Third Party Liability	2001	1.065	-			
	2002	1.067	1.0019			
	2003	1.071	1.0037			
	2004	1.069	0.9981			
	2005	1.070	1.0009	1.0011	1.0009	0.00%

INDUSTRY

NEWFOUNDLAND - PRIVATE PASSENGER VEHICLES

Calculation of Limit Drift Assumptions

<u>Coverage</u>	<u>Accident Year</u>	<u>Average Limit Diff'l</u>	<u>Yr/(Yr-1)</u>	<u>Average Last 4</u>	<u>Average Last 3</u>	<u>Selected</u>
Third Party Liability	2001	1.15	-			
	2002	1.15	1.0000			
	2003	1.15	1.0000			
	2004	1.153	1.0026			
	2005	1.16	1.0061	1.0022	1.0029	0.00%

5.492

FACILITY ASSOCIATION

NEWFOUNDLAND - PRIVATE PASSENGER VEHICLES

Calculation of Deductible Drift Assumptions

<u>Coverage</u>	<u>Accident Year</u>	<u>Average Deductible Diff'l</u>	<u>Yr/(Yr-1)</u>	<u>Average Last 4</u>	<u>Average Last 3</u>	<u>Selected</u>
Collision	2001	1.014	-			
	2002	1.001	0.9872			
	2003	0.994	0.9930			
	2004	0.985	0.9909			
	2005	0.987	1.0020	0.9933	0.9953	-0.50%
Comprehensive	2001	1.150	-			
	2002	1.131	0.9835			
	2003	1.117	0.9876			
	2004	1.114	0.9973			
	2005	1.118	1.0036	0.9930	0.9961	-0.40%
Specified Perils	2001	1.161	-			
	2002	1.138	0.9802			
	2003	1.128	0.9912			
	2004	1.128	1.0000			
	2005	1.125	0.9973	0.9921	0.9962	-0.40%

INDUSTRY

NEWFOUNDLAND - PRIVATE PASSENGER VEHICLES

Calculation of Deductible Drift Assumptions

<u>Coverage</u>	<u>Accident Year</u>	<u>Average Deductible Diff'l</u>	<u>Yr/(Yr-1)</u>	<u>Average Last 4</u>	<u>Average Last 3</u>	<u>Selected</u>
Collision	2001	1.058	-			
	2002	1.049	0.9915			
	2003	1.042	0.9933			
	2004	1.043	1.0010			
	2005	1.041	0.9981	0.9960	0.9975	-0.30%
Comprehensive	2001	1.222	-			
	2002	1.217	0.9959			
	2003	1.214	0.9975			
	2004	1.216	1.0016			
	2005	1.216	1.0000	0.9987	0.9997	0.00%
Specified Perils	2001	1.221	-			
	2002	1.215	0.9951			
	2003	1.207	0.9934			
	2004	1.202	0.9959			
	2005	1.204	1.0017	0.9965	0.9970	-0.30%

**Facility Association
Newfoundland Private Passenger
Derivation of Facility Association Rate Group Drift**

Collision

MSRP							
Year	Avg. Diff.	Yr/Yr-1	Avg. Last 4	Avg. Last 3	Avg. Last 2	IBC	Selected
2001	1.6570						
2002	1.7810	1.0748					
2003	1.8910	1.0618					
2004	1.9990	1.0571					
2005	2.0770	1.0390	5.82%	5.26%	4.81%	6.29%	5.50%

CLEAR							
Year	Avg. Diff.	Yr/Yr-1	Avg. Last 4	Avg. Last 3	Avg. Last 2	IBC	Selected
2001	1.5150						
2002	1.6790	1.1083					
2003	1.8470	1.1001					
2004	2.0000	1.0828					
2005	2.1070	1.0535	8.62%	7.88%	6.82%	9.28%	7.50%

Comprehensive

MSRP							
Year	Avg. Diff.	Yr/Yr-1	Avg. Last 4	Avg. Last 3	Avg. Last 2	IBC	Selected
2001	1.5950						
2002	1.7180	1.0771					
2003	1.8280	1.0640					
2004	1.9490	1.0662					
2005	2.0260	1.0395	6.17%	5.66%	5.28%	6.41%	6.00%

CLEAR							
Year	Avg. Diff.	Yr/Yr-1	Avg. Last 4	Avg. Last 3	Avg. Last 2	IBC	Selected
2001	1.4660						
2002	1.6180	1.1037					
2003	1.7780	1.0989					
2004	1.9360	1.0889					
2005	2.0370	1.0522	8.59%	8.00%	7.05%	7.57%	8.00%

Specified Perils

MSRP							
Year	Avg. Diff.	Yr/Yr-1	Avg. Last 4	Avg. Last 3	Avg. Last 2	IBC	Selected
2001	1.0640						
2002	1.1910	1.1194					
2003	1.2970	1.0890					
2004	1.3880	1.0702					
2005	1.4870	1.0713	8.75%	7.68%	7.07%	6.41%	6.00%

CLEAR							
Year	Avg. Diff.	Yr/Yr-1	Avg. Last 4	Avg. Last 3	Avg. Last 2	IBC	Selected
2001	0.9710						
2002	1.0600	1.0917					
2003	1.2090	1.1406					
2004	1.3280	1.0984					
2005	1.3940	1.0497	9.51%	9.62%	7.41%	7.57%	8.00%

Note:
IBC rate group drift assumptions are taken from IBC Bulletin No 2006-1 dated April 21, 2006
RG Table used for each year: 2001-3 for 2001, 2002-3 for 2002, 2003-3 for 2003, 2004-3 for 2004 and 2005-1 for 2005.

FACILITY ASSOCIATION
NEW BRUNSWICK - PRIVATE PASSENGER VEHICLES

COLLISION

Combination of MSRP and CLEAR Rate Group Drift Assumptions
For premium earned in 2002 - 2006-1

	2002	2003	2004	2005	2006-1
<u>Policies written under MSRP</u>	(Jan.-Jun.)	No	No	No	No
Average Written Date	07-Nov-2002				
CLEAR Implementation Date	01-Sep-2003				
Trend Period for MSRP (years)	0.82				
Average Policy Duration (months)	11.5				
Selected Annual Drift Rate - MSRP	5.50%				
Drift Factor under MSRP	1.0447				
Rate Programme Effective Date	01-Mar-2007				
Average Written Date for New Rate Programme	01-Sep-2007				
Trend Period for CLEAR (years)	4.00				
Selected Annual Drift Rate - CLEAR	7.50%				
Drift Factor under CLEAR	1.3355				
Combined Drift Factor	1.3952				
<u>Policies written under CLEAR</u>	(Jul.-Dec.)	Yes	Yes	Yes	Yes
Average Written Date	09-May-2003	07-Jan-2003	07-Jan-2004	07-Jan-2005	07-Oct-2005
Rate Programme Effective Date	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007
Average Written Date for New Rate Programme	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007
Trend Period (years)	4.31	4.65	3.65	2.65	1.90
Selected Annual Drift Rate	7.50%	7.50%	7.50%	7.50%	7.50%
Drift Factor	1.3658	1.3997	1.3021	1.2112	1.1473
<u>Weighted Average MSRP & CLEAR Annual Drift Factor</u>					
MSRP Combined Drift Factor	1.3952	0	0	0	0
MSRP weight (months)	6.0	0.0	0.0	0.0	0.0
CLEAR Drift Factor	1.3658	1.3997	1.3021	1.2112	1.1473
CLEAR weight (months)	6.0	12.0	12.0	12.0	12.0
Weighted Average Drift Factor	1.3804	1.3997	1.3021	1.2112	1.1473
Average Written Date	07-Jan-2002	07-Jan-2003	07-Jan-2004	07-Jan-2005	07-Oct-2005
Rate Programme Effective Date	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007
Average Written Date for New Rate Programme	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007
Trend Period (years)	5.65	4.65	3.65	2.65	1.90
Implied Annual Drift Rate	5.87%	7.50%	7.50%	7.50%	7.50%

Note:

MSRP drift assumptions are based on FA Newfoundland Private Passenger Auto MSRP Rate Group Distribution for 2001 to 2005
CLEAR drift assumptions are based on FA Newfoundland Private Passenger Auto CLEAR Rate Group Distribution for 2001 to 2005

FACILITY ASSOCIATION
NEW BRUNSWICK - PRIVATE PASSENGER VEHICLES

COMPREHENSIVE

Combination of MSRP and CLEAR Rate Group Drift Assumptions
For premium earned in 2002 - 2006-1

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006-1</u>
<u>Policies written under MSRP</u>	(Jan.-Jun.)	No	No	No	No
Average Written Date	07-Nov-2002				
CLEAR Implementation Date	01-Sep-2003				
Trend Period for MSRP (years)	0.82				
Average Policy Duration (months)	11.5				
Selected Annual Drift Rate - MSRP	6.00%				
Drift Factor under MSRP	1.0488				
Rate Programme Effective Date	01-Mar-2007				
Average Written Date for New Rate Programme	01-Sep-2007				
Trend Period for CLEAR (years)	4.00				
Selected Annual Drift Rate - CLEAR	8.00%				
Drift Factor under CLEAR	1.3605				
Combined Drift Factor	1.4269				
<u>Policies written under CLEAR</u>	(Jul.-Dec.)	Yes	Yes	Yes	Yes
Average Written Date	09-May-2003	07-Jan-2003	07-Jan-2004	07-Jan-2005	07-Oct-2005
Rate Programme Effective Date	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007
Average Written Date for New Rate Programme	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007
Trend Period (years)	4.31	4.65	3.65	2.65	1.90
Selected Annual Drift Rate	8.00%	8.00%	8.00%	8.00%	8.00%
Drift Factor	1.3934	1.4303	1.3243	1.2262	1.1575
<u>Weighted Average MSRP & CLEAR Annual Drift Factor</u>					
MSRP Combined Drift Factor	1.4269	0	0	0	0
MSRP weight (months)	6.0	0.0	0.0	0.0	0.0
CLEAR Drift Factor	1.3934	1.4303	1.3243	1.2262	1.1575
CLEAR weight (months)	6.0	12.0	12.0	12.0	12.0
Weighted Average Drift Factor	1.4101	1.4303	1.3243	1.2262	1.1575
Average Written Date	07-Jan-2002	07-Jan-2003	07-Jan-2004	07-Jan-2005	07-Oct-2005
Rate Programme Effective Date	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007
Average Written Date for New Rate Programme	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007
Trend Period (years)	5.65	4.65	3.65	2.65	1.90
Implied Annual Drift Rate	6.27%	8.00%	8.00%	8.00%	8.00%

Note:

MSRP drift assumptions are based on FA Newfoundland Private Passenger Auto MSRP Rate Group Distribution for 2001 to 2005
CLEAR drift assumptions are based on FA Newfoundland Private Passenger Auto CLEAR Rate Group Distribution for 2001 to 2005

FACILITY ASSOCIATION
NEW BRUNSWICK - PRIVATE PASSENGER VEHICLES

SPECIFIED PERILS

Combination of MSRP and CLEAR Rate Group Drift Assumptions
For premium earned in 2002 ~ 2006-1

	2002	2003	2004	2005	2006-1
<u>Policies written under MSRP</u>	(Jan.-Jun.)	No	No	No	No
Average Written Date	07-Nov-2002				
CLEAR Implementation Date	01-Sep-2003				
Trend Period for MSRP (years)	0.82				
Average Policy Duration (months)	11.5				
Selected Annual Drift Rate - MSRP	6.00%				
Drift Factor under MSRP	1.0488				
Rate Programme Effective Date	01-Mar-2007				
Average Written Date for New Rate Programme	01-Sep-2007				
Trend Period for CLEAR (years)	4.00				
Selected Annual Drift Rate - CLEAR	8.00%				
Drift Factor under CLEAR	1.3605				
Combined Drift Factor	1.4269				
<u>Policies written under CLEAR</u>	(Jul.-Dec.)	Yes	Yes	Yes	Yes
Average Written Date	09-May-2003	07-Jan-2003	07-Jan-2004	07-Jan-2005	07-Oct-2005
Rate Programme Effective Date	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007
Average Written Date for New Rate Programme	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007
Trend Period (years)	4.31	4.65	3.65	2.65	1.90
Selected Annual Drift Rate	8.00%	8.00%	8.00%	8.00%	8.00%
Drift Factor	1.3934	1.4303	1.3243	1.2262	1.1575
<u>Weighted Average MSRP & CLEAR Annual Drift Factor</u>					
MSRP Combined Drift Factor	1.4269	0	0	0	0
MSRP weight (months)	6.0	0.0	0.0	0.0	0.0
CLEAR Drift Factor	1.3934	1.4303	1.3243	1.2262	1.1575
CLEAR weight (months)	6.0	12.0	12.0	12.0	12.0
Weighted Average Drift Factor	1.4101	1.4303	1.3243	1.2262	1.1575
Average Written Date	07-Jan-2002	07-Jan-2003	07-Jan-2004	07-Jan-2005	07-Oct-2005
Rate Programme Effective Date	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007	01-Mar-2007
Average Written Date for New Rate Programme	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007	01-Sep-2007
Trend Period (years)	5.65	4.65	3.65	2.65	1.90
Implied Annual Drift Rate	6.27%	8.00%	8.00%	8.00%	8.00%

Note:

MSRP drift assumptions are based on FA Newfoundland Private Passenger Auto MSRP Rate Group Distribution for 2001 to 2005
CLEAR drift assumptions are based on FA Newfoundland Private Passenger Auto CLEAR Rate Group Distribution for 2001 to 2005

FACILITY ASSOCIATION
NEWFOUNDLAND - PRIVATE PASSENGER VEHICLES
Amalgamation of Premium Drift Assumptions

	Accident Year	Rate Group	Limit	Deductible	Combined	Earned Premium		Written Premium	
						Projection Period	Drift Factor	Projection Period	Drift Factor
TPL	2002	0.00%	0.00%	0.00%	0.00%	5.65	1.0000	5.17	1.0000
	2003	0.00%	0.00%	0.00%	0.00%	4.65	1.0000	4.17	1.0000
	2004	0.00%	0.00%	0.00%	0.00%	3.65	1.0000	3.17	1.0000
	2005	0.00%	0.00%	0.00%	0.00%	2.65	1.0000	2.17	1.0000
	2006-1	0.00%	0.00%	0.00%	0.00%	1.90	1.0000	1.42	1.0000
Accident Benefit.	2002	0.00%	0.00%	0.00%	0.00%	5.65	1.0000	5.17	1.0000
	2003	0.00%	0.00%	0.00%	0.00%	4.65	1.0000	4.17	1.0000
	2004	0.00%	0.00%	0.00%	0.00%	3.65	1.0000	3.17	1.0000
	2005	0.00%	0.00%	0.00%	0.00%	2.65	1.0000	2.17	1.0000
	2006-1	0.00%	0.00%	0.00%	0.00%	1.90	1.0000	1.42	1.0000
Uninsured Automol	2002	0.00%	0.00%	0.00%	0.00%	5.65	1.0000	5.17	1.0000
	2003	0.00%	0.00%	0.00%	0.00%	4.65	1.0000	4.17	1.0000
	2004	0.00%	0.00%	0.00%	0.00%	3.65	1.0000	3.17	1.0000
	2005	0.00%	0.00%	0.00%	0.00%	2.65	1.0000	2.17	1.0000
	2006-1	0.00%	0.00%	0.00%	0.00%	1.90	1.0000	1.42	1.0000
Collision	2002	5.87%	0.00%	-0.50%	5.34%	5.65	1.3417	5.17	1.3086
	2003	7.50%	0.00%	-0.50%	6.96%	4.65	1.3673	4.17	1.3239
	2004	7.50%	0.00%	-0.50%	6.96%	3.65	1.2784	3.17	1.2377
	2005	7.50%	0.00%	-0.50%	6.96%	2.65	1.1952	2.17	1.1572
	2006-1	7.50%	0.00%	-0.50%	6.96%	1.90	1.1364	1.42	1.1003
Comprehensive	5.492	6.27%	0.00%	-0.40%	5.84%	5.65	1.3781	5.17	1.3410
	6.492	8.00%	0.00%	-0.40%	7.57%	4.65	1.4040	4.17	1.3557
	7.492	8.00%	0.00%	-0.40%	7.57%	3.65	1.3052	3.17	1.2603
	8.492	8.00%	0.00%	-0.40%	7.57%	2.65	1.2133	2.17	1.1716
	2006-1	8.00%	0.00%	-0.40%	7.57%	1.90	1.1487	1.42	1.1092
Specified Perils	2002	6.27%	0.00%	-0.40%	5.84%	5.65	1.3781	5.17	1.3410
	2003	8.00%	0.00%	-0.40%	7.57%	4.65	1.4040	4.17	1.3557
	2004	8.00%	0.00%	-0.40%	7.57%	3.65	1.3052	3.17	1.2603
	2005	8.00%	0.00%	-0.40%	7.57%	2.65	1.2133	2.17	1.1716
	2006-1	8.00%	0.00%	-0.40%	7.57%	1.90	1.1487	1.42	1.1092

INDUSTRY

NEWFOUNDLAND - PRIVATE PASSENGER VEHICLES

Amalgamation of Premium Drift Assumptions

	<u>Rate Group</u>	<u>Limit</u>	<u>Deductible</u>	<u>Combined</u>	<u>Projection Period</u>	<u>Drift Factor</u>
TPL - BI/PD	0.00%	0.00%	0.00%	0.00%	3.4986	1.0000
Accident Benefits	0.00%	0.00%	0.00%	0.00%	3.4986	1.0000
Uninsured Automobile	0.00%	0.00%	0.00%	0.00%	3.4986	1.0000
Collision	9.28%	0.00%	-0.30%	8.95%	3.4986	1.3497
Comprehensive	7.57%	0.00%	0.00%	7.57%	3.4986	1.2908
Specified Perils	7.57%	0.00%	-0.30%	7.25%	3.4986	1.2775
New rate program effective date:			1-Mar-2007			
Previous rate program effective date:			1-Sep-2003			
Projection period in years:			3.4986			