



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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DIRECTIVE: A.I. 09-06

ISSUED: November 25, 2009

TO: All insurers, including Facility Association, transacting the business of automobile insurance in the province of Newfoundland and Labrador

SUBJECT: Revised Loss Trend Rates, Development Factors and Reform Factors – Private Passenger and Commercial Automobile

The Board advises that the Loss Trend Rates, Development Factors and Reform Factors accepted for use by insurers in making Private Passenger and Commercial automobile insurance rate filings have been updated to include industry data to December 31, 2008.

Insurers may use these factors as published without requirement for supporting data or rational. Insurers opting to use factors other than those accepted by the Board will be required to provide satisfactory data supporting their chosen factors and rational why their selected factors are more appropriate for use by the insurer.

Insurers contemplating a Category 2 automobile insurance rate filing should reference the attached, or refer to the Board's website at www.pub.nl.ca/insurance.htm.

Questions regarding the foregoing may be directed to the undersigned.

A handwritten signature in black ink, appearing to be 'R. Byrne'.

Robert S. Byrne, B.Comm., CIP., CD.
Director of Regulatory and Advisory Services

**Oliver Wyman Selected Annual Loss Trend Rates
As of December 31, 2008
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

Coverage	Past Loss Cost	Future Lost Cost
Bodily Injury	-3.0%	-3.0%
Property Damage	+3.5%	+3.5%
Accident Benefits	+2.0%	+2.0%
Uninsured Automobile	+0.0%	+0.0%
Collision	+3.5%	+3.5%
Comprehensive	+3.0%	+3.0%
Specified Perils	+3.0%	+3.0%
All Perils	+3.5%	+3.5%
SEF 44	+0.0%	+0.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2008
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

**As of 2008-2
Age-to-Ultimate Factors
Incurred Claim Amount**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Uninsured
180-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
174-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
168-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
162-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
144-Ult	1.0009	0.9997	1.0000	1.0000	1.0000	1.0000	1.0000	0.9999
138-Ult	1.0007	0.9997	0.9999	1.0000	1.0000	1.0000	1.0000	0.9999
132-Ult	1.0001	0.9995	0.9999	1.0000	0.9999	1.0000	1.0000	0.9999
126-Ult	1.0019	0.9995	1.0015	1.0002	0.9999	1.0000	1.0000	0.9999
120-Ult	1.0026	0.9992	1.0078	1.0002	0.9999	1.0000	1.0000	0.9999
114-Ult	1.0027	0.9992	1.0155	1.0002	0.9999	1.0000	1.0000	0.9999
108-Ult	1.0022	0.9989	1.0175	1.0002	0.9999	1.0000	1.0000	0.9999
102-Ult	1.0043	0.9985	1.0160	1.0002	0.9999	1.0000	1.0000	0.9999
96-Ult	1.0045	0.9988	1.0167	1.0000	0.9999	1.0000	1.0000	0.9999
90-Ult	1.0055	1.0004	1.0191	1.0010	0.9999	1.0000	1.0000	0.9826
84-Ult	1.0059	1.0006	1.0199	1.0012	0.9999	1.0000	1.0000	0.9791
78-Ult	1.0044	1.0001	1.0161	1.0012	0.9999	1.0000	1.0000	0.9877
72-Ult	1.0072	0.9999	1.0180	1.0011	0.9996	1.0000	1.0000	1.0009
66-Ult	1.0079	0.9987	1.0079	1.0006	0.9996	1.0000	1.0000	1.0009
60-Ult	1.0002	0.9983	1.0024	1.0011	0.9994	1.0000	1.0000	1.0048
54-Ult	1.0118	0.9976	0.9742	1.0013	0.9990	1.0000	1.0077	1.0113
48-Ult	1.0157	0.9961	0.9426	1.0011	0.9987	1.0000	1.0079	1.0259
42-Ult	1.0340	0.9935	0.9399	1.0008	0.9986	1.0000	1.0079	1.0529
36-Ult	1.0243	0.9916	0.9182	1.0000	0.9985	1.0000	1.0079	1.0458
30-Ult	1.0328	0.9868	0.9359	0.9979	0.9990	1.0000	1.0035	1.0850
24-Ult	1.0297	0.9828	0.9253	0.9932	0.9985	1.0000	1.0120	1.1468
18-Ult	1.0407	0.9749	0.9378	0.9853	1.0006	1.0000	1.0052	1.2276
12-Ult	1.0682	0.9627	0.8819	0.9621	1.0107	0.9676	0.9732	1.3619
6-Ult	1.4338	1.0279	0.9417	0.9396	1.1288	1.0312	0.9419	1.9652

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2008
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

**As of 2008-2
Age-to-Ultimate Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Uninsured
180-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
174-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
168-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
162-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
144-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	0.9998	1.0000	1.0003	0.9999	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9998	0.9999	1.0003	0.9999	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9998	0.9999	1.0003	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	0.9998	0.9997	1.0003	1.0000	1.0000	1.0000	1.0000	1.0000
114-Ult	0.9994	0.9995	1.0000	1.0000	1.0001	1.0000	1.0000	1.0000
108-Ult	0.9968	0.9994	1.0000	1.0000	1.0001	1.0000	1.0000	1.0000
102-Ult	0.9944	0.9993	0.9998	0.9999	1.0001	1.0000	1.0000	0.9951
96-Ult	0.9918	0.9993	1.0003	0.9999	1.0001	1.0000	1.0000	0.9942
90-Ult	0.9867	0.9993	0.9993	0.9998	1.0001	1.0000	1.0000	0.9926
84-Ult	0.9825	0.9991	0.9982	0.9998	1.0001	1.0000	1.0000	0.9887
78-Ult	0.9767	0.9991	0.9966	0.9998	1.0001	1.0000	1.0000	0.9844
72-Ult	0.9687	0.9987	0.9951	0.9997	1.0000	1.0000	1.0000	0.9823
66-Ult	0.9606	0.9983	0.9937	0.9995	1.0000	1.0000	1.0000	0.9823
60-Ult	0.9512	0.9980	0.9910	0.9995	1.0000	1.0000	1.0000	0.9810
54-Ult	0.9391	0.9969	0.9852	0.9993	0.9999	1.0000	1.0000	0.9749
48-Ult	0.9245	0.9956	0.9734	0.9995	1.0000	1.0000	1.0000	0.9620
42-Ult	0.9116	0.9943	0.9699	0.9997	1.0000	1.0000	1.0000	0.9603
36-Ult	0.8980	0.9926	0.9574	0.9991	1.0001	1.0000	1.0000	0.9593
30-Ult	0.8745	0.9889	0.9386	0.9976	1.0002	1.0000	1.0000	0.9567
24-Ult	0.8530	0.9858	0.9115	0.9953	1.0018	1.0000	1.0000	0.9461
18-Ult	0.8305	0.9786	0.8855	0.9904	1.0054	0.9919	1.0000	0.9424
12-Ult	0.8199	0.9673	0.8312	0.9808	1.0310	0.9832	0.9845	0.9450
6-Ult	0.9190	0.9961	0.8602	0.9464	1.3033	1.0699	1.0195	1.0820

**Oliver Wyman Selected Reform Factor
As of December 31, 2008
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

- Reform savings for Bodily Injury of 0%.

**Oliver Wyman Selected Annual Loss Trend Rates
As of December 31, 2008
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

Coverage	Past Loss Cost	Future Lost Cost
Bodily Injury	+0.0%	+0.0%
Property Damage	+0.0%	+0.0%
Accident Benefits	+5.0%	+5.0%
Collision	+10.0%	+10.0%
Comprehensive	+2.0%	+2.0%
Specified Perils	+2.0%	+2.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2008
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

**As of 2008-2
Age-to-Ultimate Factors
Incurred Claim Amount**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive
180-Ult	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000
138-Ult	1.000	1.000	1.000	1.000	1.000
132-Ult	1.000	1.000	1.000	1.000	1.000
126-Ult	1.000	1.000	1.000	1.000	1.000
120-Ult	1.000	1.000	1.000	1.000	1.000
114-Ult	1.000	1.000	1.000	1.000	1.000
108-Ult	1.000	1.000	1.000	1.000	1.000
102-Ult	1.000	1.000	1.000	1.000	1.000
96-Ult	1.000	1.000	1.000	1.000	1.000
90-Ult	0.991	1.000	1.000	1.000	1.000
84-Ult	0.990	1.000	1.000	1.000	1.000
78-Ult	0.991	1.000	1.000	1.000	1.000
72-Ult	0.999	1.000	1.000	1.000	1.000
66-Ult	0.997	1.000	0.999	1.000	1.000
60-Ult	1.022	1.006	1.012	1.000	1.000
54-Ult	1.022	1.005	0.998	1.000	1.000
48-Ult	1.045	1.005	1.011	1.001	1.000
42-Ult	1.080	1.004	0.993	1.001	1.000
36-Ult	1.117	1.002	1.026	1.001	1.000
30-Ult	1.138	1.003	0.984	1.000	1.000
24-Ult	1.155	1.000	1.015	0.998	1.000
18-Ult	1.289	0.988	1.017	0.999	1.000
12-Ult	1.495	1.004	1.157	0.981	0.999
6-Ult	2.032	1.071	1.558	1.069	1.171

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2008
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

**As of 2008-2
Age-to-Ultimate Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive
180-Ult	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000
138-Ult	1.000	1.000	1.000	1.000	1.000
132-Ult	1.000	1.000	1.000	1.000	1.000
126-Ult	1.000	1.000	1.000	1.000	1.000
120-Ult	1.000	1.000	1.000	1.000	1.000
114-Ult	1.000	1.000	1.000	1.000	1.000
108-Ult	1.000	1.000	1.000	1.000	1.000
102-Ult	1.000	1.000	1.000	1.000	1.000
96-Ult	1.000	1.000	1.000	1.000	1.000
90-Ult	1.000	1.000	1.000	1.000	1.000
84-Ult	1.000	1.000	1.000	1.000	1.000
78-Ult	1.000	0.999	1.000	1.000	1.000
72-Ult	1.002	1.000	1.000	1.000	1.000
66-Ult	1.003	1.000	1.000	1.000	1.000
60-Ult	0.993	0.999	0.990	1.000	1.000
54-Ult	0.991	0.999	0.990	1.000	1.000
48-Ult	0.986	0.999	0.986	1.000	1.000
42-Ult	0.984	0.998	0.973	1.000	1.000
36-Ult	0.977	0.993	0.966	1.000	1.000
30-Ult	0.969	0.992	0.937	1.000	1.000
24-Ult	0.966	0.990	0.937	0.997	1.001
18-Ult	0.968	0.988	0.913	0.997	1.004
12-Ult	0.978	0.989	0.909	0.978	1.026
6-Ult	1.104	1.080	1.028	0.973	1.383

**Oliver Wyman Selected Reform Factor
As of December 31, 2008
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

- Reform savings for Bodily Injury of 0%.