



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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DIRECTIVE A.I. 2010-03

ISSUED: June 15, 2010

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

**SUBJECT: Revised Loss Trend Rates and Development Factors
Private Passenger and Commercial Vehicles**

The Board advises that the Loss Trend Rates and Development Factors accepted for use by insurers in making Private Passenger and Commercial automobile insurance rate filings have been updated to include industry data to June 30, 2009.

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 Ryan Oake at roake@pub.nl.ca or Robert Byrne at rbyrne@pub.nl.ca.

Yours truly,

A handwritten signature in black ink, appearing to read 'Cheryl Blundon'.

Cheryl Blundon
Director of Corporate Services

**Oliver Wyman Selected Annual Loss Trend Rates
As of June 30, 2009
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+1.5%	+1.5%
Property Damage	+5.0%	+4.0%
Accident Benefits	+2.5%	+2.5%
Uninsured Automobile	+0.0%	+0.0%
Collision	+3.5%	+3.5%
Comprehensive	+5.0%	+5.0%
Specified Perils	+5.0%	+5.0%
All Perils	+4.0%	+4.0%
SEF 44	+0.0%	+0.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2009
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

As of 2009-1

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	1.0000	0.9996	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0000	0.9985	1.0041	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	1.0000	0.9983	1.0041	1.0000	0.9999	1.0000	1.0000	1.0000
126-Ult	1.0000	0.9983	1.0057	1.0000	0.9999	1.0000	1.0000	1.0000
120-Ult	1.0001	0.9980	1.0140	1.0000	0.9999	1.0000	1.0000	1.0000
114-Ult	0.9988	0.9990	1.0220	1.0000	0.9999	1.0000	1.0000	1.0000
108-Ult	0.9978	0.9987	1.0256	1.0002	0.9994	1.0000	1.0000	1.0000
102-Ult	0.9990	0.9994	1.0235	0.9990	0.9994	1.0000	1.0000	1.0000
96-Ult	1.0020	1.0003	1.0236	0.9992	0.9993	1.0000	1.0000	0.9947
90-Ult	1.0005	1.0026	1.0236	1.0009	0.9993	1.0000	1.0000	0.9783
84-Ult	1.0028	1.0031	1.0283	1.0016	0.9993	1.0000	1.0000	0.9752
78-Ult	1.0063	1.0032	1.0244	1.0018	0.9993	1.0000	1.0000	0.9831
72-Ult	1.0123	1.0034	1.0229	1.0018	0.9990	1.0000	1.0000	0.9936
66-Ult	1.0184	1.0029	1.0162	1.0010	0.9991	1.0000	1.0000	0.9931
60-Ult	1.0226	1.0026	1.0093	1.0010	0.9988	1.0000	1.0000	0.9963
54-Ult	1.0315	1.0013	0.9832	1.0011	0.9985	1.0000	1.0068	1.0021
48-Ult	1.0407	1.0001	0.9558	1.0008	0.9982	1.0000	1.0068	1.0191
42-Ult	1.0574	0.9979	0.9513	1.0009	0.9981	1.0000	1.0068	1.0509
36-Ult	1.0771	0.9973	0.9370	1.0003	0.9973	1.0000	1.0029	1.0433
30-Ult	1.1003	0.9934	0.9404	0.9974	0.9978	1.0000	0.9987	1.0828
24-Ult	1.1153	0.9896	0.9393	0.9941	0.9962	1.0000	1.0071	1.1543
18-Ult	1.1582	0.9833	0.9406	0.9865	0.9992	1.0000	0.9953	1.2358
12-Ult	1.2143	0.9719	0.8888	0.9625	1.0095	0.9913	0.9694	1.3687
6-Ult	1.6417	1.0129	0.9386	0.8975	1.2330	0.9684	0.9735	1.9650

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2009
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

**As of 2009-1
Age-to-Ultimate Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive	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	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	0.9995	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9995	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9995	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	0.9987	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0012
114-Ult	0.9980	0.9996	1.0000	1.0000	1.0001	1.0000	1.0000	1.0012
108-Ult	0.9955	0.9996	1.0000	1.0001	1.0001	1.0000	1.0000	1.0022
102-Ult	0.9955	1.0002	1.0000	1.0003	1.0001	1.0000	1.0000	0.9968
96-Ult	0.9949	1.0008	1.0000	1.0005	1.0001	1.0000	1.0000	0.9944
90-Ult	0.9924	1.0016	1.0000	1.0009	1.0001	1.0000	1.0000	0.9928
84-Ult	0.9891	1.0016	0.9995	1.0013	1.0001	1.0000	1.0000	0.9892
78-Ult	0.9880	1.0021	0.9982	1.0013	1.0001	1.0000	1.0000	0.9850
72-Ult	0.9849	1.0019	0.9970	1.0013	1.0001	1.0000	1.0000	0.9823
66-Ult	0.9815	1.0015	0.9961	1.0010	1.0001	1.0000	1.0000	0.9823
60-Ult	0.9773	1.0014	0.9951	1.0009	1.0001	1.0000	1.0000	0.9811
54-Ult	0.9723	1.0004	0.9909	1.0008	1.0000	1.0000	1.0000	0.9751
48-Ult	0.9665	0.9993	0.9829	1.0009	1.0000	1.0000	1.0000	0.9627
42-Ult	0.9590	0.9983	0.9781	1.0011	1.0000	1.0000	1.0000	0.9606
36-Ult	0.9522	0.9970	0.9694	1.0005	1.0001	1.0000	1.0000	0.9595
30-Ult	0.9410	0.9939	0.9549	0.9992	1.0005	1.0000	0.9962	0.9576
24-Ult	0.9235	0.9922	0.9363	0.9976	1.0026	1.0000	0.9962	0.9454
18-Ult	0.9146	0.9864	0.9178	0.9936	1.0076	0.9911	0.9944	0.9405
12-Ult	0.9045	0.9770	0.8759	0.9842	1.0358	0.9821	0.9812	0.9426
6-Ult	1.0166	0.9710	0.9016	0.9500	1.4635	1.0184	1.0634	1.0767

**Oliver Wyman Selected Annual Loss Trend Rates
As of June 30, 2009
Newfoundland and Labrador
Commercial Automobile**

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

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2009
Newfoundland and Labrador
Commercial Automobile**

**As of 2009-1
Age-to-Ultimate Factors
Incurred Claim Amount**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive
180-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
174-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
168-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
162-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
144-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
114-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
108-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
102-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
96-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
90-Ult	0.9901	1.0000	1.0000	1.0000	1.0000
84-Ult	0.9902	1.0000	1.0000	1.0000	1.0000
78-Ult	0.9919	1.0000	1.0000	1.0000	1.0000
72-Ult	0.9985	1.0000	1.0000	1.0000	1.0000
66-Ult	0.9994	1.0000	1.0000	1.0000	1.0000
60-Ult	1.0229	1.0060	1.0000	1.0000	1.0000
54-Ult	1.0226	1.0046	0.9898	1.0002	1.0000
48-Ult	1.0469	1.0053	1.0016	1.0003	1.0000
42-Ult	1.0855	1.0050	0.9797	1.0003	1.0000
36-Ult	1.1195	1.0093	1.0115	1.0003	1.0000
30-Ult	1.1328	1.0048	0.9764	0.9997	1.0000
24-Ult	1.1479	1.0030	1.0029	0.9936	1.0004
18-Ult	1.2813	0.9920	1.0133	0.9875	0.9995
12-Ult	1.4902	1.0108	1.1373	0.9742	0.9966
6-Ult	2.0271	1.0870	1.4861	1.0028	1.1607

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2009
Newfoundland and Labrador
Commercial Automobile**

**As of 2009-1
Age-to-Ultimate Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive
180-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
174-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
168-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
162-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
144-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
114-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
108-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
102-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
96-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
90-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
84-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
78-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
72-Ult	1.0018	1.0000	1.0000	1.0000	1.0000
66-Ult	1.0018	1.0000	1.0000	1.0000	1.0000
60-Ult	0.9921	1.0000	1.0000	1.0000	1.0000
54-Ult	0.9898	1.0000	1.0000	1.0000	1.0000
48-Ult	0.9855	1.0000	1.0000	1.0000	1.0000
42-Ult	0.9827	1.0000	0.9867	1.0000	1.0000
36-Ult	0.9768	1.0000	0.9796	1.0000	1.0000
30-Ult	0.9694	0.9978	0.9546	1.0000	1.0000
24-Ult	0.9647	0.9961	0.9562	0.9966	1.0013
18-Ult	0.9669	0.9932	0.9300	0.9966	1.0040
12-Ult	0.9808	0.9894	0.9246	0.9789	1.0266
6-Ult	1.1122	1.0465	1.0440	0.9766	1.3852