



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador
Canada, A1A 5B2

DIRECTIVE A.I. 2012-01

ISSUED: April 24, 2012

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

SUBJECT: Revised Loss Trends and Development Factors
Private Passenger Automobiles and Commercial Automobiles

The Board advises that the Loss Trends and Development Factors accepted for use by insurers in making Category 2 automobile insurance rate filings have been updated to include industry data to June 30, 2011.

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.

Should you have any questions regarding this matter please contact Mr. Ryan Oake, Regulatory Analyst, at roake@pub.nl.ca.

Yours truly,

A handwritten signature in blue ink that reads "Cheryl Blundon".

Cheryl Blundon
Board Secretary

Attachment

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2011
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+2.0%	+2.5%
Property Damage	+3.0%	+3.0%
Accident Benefits	0.0%	+7.0%
Uninsured Automobile	0.0%	0.0%
Collision	+1.0%	+1.0%
Comprehensive	+11.0%	+12.0%
Specified Perils	+11.0%	+12.0%
All Perils	+4.0%	+4.5%
SEF 44	+5.0%	+5.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2011
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)**

**As of 2011-1
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	1.0003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0008	1.0000	1.0000	0.9998	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9988	0.9999	1.0000	0.9998	0.9999	1.0000	1.0000	1.0000
126-Ult	1.0018	0.9999	1.0000	0.9998	0.9999	1.0000	1.0000	1.0000
120-Ult	1.0057	0.9998	1.0000	0.9998	0.9999	1.0000	1.0000	1.0000
114-Ult	1.0063	0.9997	1.0026	0.9996	0.9999	1.0000	1.0000	0.9966
108-Ult	1.0042	0.9997	1.0017	0.9999	0.9999	1.0000	1.0000	0.9965
102-Ult	1.0087	0.9995	1.0034	0.9999	0.9999	1.0000	1.0000	0.9619
96-Ult	1.0081	0.9997	1.0009	0.9998	0.9998	1.0000	1.0000	0.9573
90-Ult	1.0114	1.0013	1.0023	0.9984	0.9998	1.0000	1.0000	0.9515
84-Ult	1.0080	1.0015	1.0120	0.9995	0.9998	1.0000	0.9995	0.9269
78-Ult	1.0126	1.0012	1.0154	0.9993	0.9998	1.0000	0.9995	0.9368
72-Ult	1.0120	1.0013	1.0146	0.9992	0.9999	1.0000	0.9995	0.9437
66-Ult	1.0142	1.0007	1.0106	0.9987	0.9998	1.0000	0.9995	0.9413
60-Ult	1.0181	1.0015	1.0054	0.9984	0.9999	1.0000	0.9995	0.9492
54-Ult	1.0257	1.0010	0.9938	0.9984	0.9999	1.0000	0.9995	0.9621
48-Ult	1.0286	1.0009	0.9608	0.9984	0.9999	1.0000	0.9996	0.9712
42-Ult	1.0521	0.9985	0.9578	0.9981	0.9999	1.0000	0.9995	1.0100
36-Ult	1.0614	0.9953	0.9501	0.9976	0.9999	1.0003	0.9969	1.0125
30-Ult	1.0820	0.9924	0.9282	0.9942	1.0010	0.9912	0.9984	1.0517
24-Ult	1.1058	0.9895	0.9204	0.9890	1.0002	0.9715	0.9967	1.1482
18-Ult	1.1357	0.9888	0.9201	0.9783	1.0016	0.9710	0.9849	1.2585
12-Ult	1.1948	0.9770	0.8636	0.9420	1.0103	0.9575	0.9352	1.4154
6-Ult	1.6381	1.0182	0.8722	0.8572	1.2529	0.9277	0.9165	2.0130

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2011
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)**

**As of 2011-1
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	0.9998	1.0000	0.9997	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	1.0000	1.0000	0.9997	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9998	1.0000	0.9997	0.9999	1.0000	1.0000	1.0000	1.0000
120-Ult	0.9993	1.0000	0.9995	0.9999	1.0000	1.0000	1.0000	1.0011
114-Ult	0.9993	1.0000	0.9995	0.9999	1.0000	1.0000	1.0000	1.0021
108-Ult	0.9967	1.0000	0.9988	1.0000	1.0000	1.0000	1.0000	1.0002
102-Ult	0.9967	1.0000	0.9979	1.0000	1.0000	1.0000	1.0000	0.9965
96-Ult	0.9958	1.0000	0.9981	0.9999	1.0001	1.0000	1.0000	0.9939
90-Ult	0.9943	1.0000	0.9977	0.9999	1.0001	1.0000	1.0000	0.9890
84-Ult	0.9941	1.0000	0.9977	0.9998	1.0001	1.0000	1.0000	0.9851
78-Ult	0.9929	1.0000	0.9948	0.9996	1.0001	1.0000	1.0000	0.9791
72-Ult	0.9879	0.9994	0.9943	0.9995	1.0001	1.0000	1.0000	0.9749
66-Ult	0.9824	0.9991	0.9950	0.9995	1.0001	1.0000	1.0000	0.9742
60-Ult	0.9799	0.9989	0.9908	0.9995	1.0000	1.0000	1.0000	0.9736
54-Ult	0.9772	0.9982	0.9886	0.9995	0.9998	1.0000	1.0000	0.9710
48-Ult	0.9702	0.9977	0.9829	0.9995	0.9998	1.0000	1.0000	0.9564
42-Ult	0.9605	0.9968	0.9781	0.9996	0.9998	1.0000	1.0000	0.9501
36-Ult	0.9472	0.9952	0.9706	0.9988	0.9999	1.0000	1.0000	0.9425
30-Ult	0.9357	0.9927	0.9650	0.9976	1.0004	1.0000	1.0000	0.9406
24-Ult	0.9151	0.9909	0.9344	0.9958	1.0018	0.9975	0.9967	0.9245
18-Ult	0.8970	0.9885	0.9004	0.9930	1.0058	0.9949	0.9978	0.9109
12-Ult	0.8635	0.9815	0.8445	0.9819	1.0273	0.9922	0.9806	0.9228
6-Ult	0.9214	1.0403	0.8254	0.9643	1.4068	1.0161	1.0216	1.0305

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2011
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-0.5%	-0.5%
Property Damage	+1.5%	+1.5%
Accident Benefits	+5.0%	+5.0%
Collision	+1.0%	+1.0%
Comprehensive	+1.0%	+1.0%
Specified Perils	+1.0%	+1.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2011
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)**

**As of 2011-1
Age-to-Ultimate Factors
Incurred Claim Amount**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive
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	0.997	1.000	1.000	1.000	1.000
84-Ult	0.995	1.001	1.000	1.000	1.000
78-Ult	0.993	1.002	1.000	1.000	1.000
72-Ult	0.998	1.004	0.993	1.000	1.000
66-Ult	0.993	1.004	0.964	1.000	1.000
60-Ult	1.016	1.012	1.005	1.000	1.000
54-Ult	1.002	1.007	0.974	1.000	1.000
48-Ult	1.010	1.005	0.990	1.000	1.000
42-Ult	1.034	1.009	0.994	1.000	1.000
36-Ult	1.058	1.015	1.004	1.000	1.000
30-Ult	1.078	1.007	0.978	1.000	1.000
24-Ult	1.065	1.000	0.925	1.000	1.010
18-Ult	1.155	1.000	0.920	0.989	1.010
12-Ult	1.273	1.034	0.886	0.968	1.009
6-Ult	1.846	1.146	0.968	0.988	1.192

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2011
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)**

**As of 2011-1
Age-to-Ultimate Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive
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	1.002	1.000	1.000	1.000	1.000
72-Ult	1.003	1.000	0.995	1.000	1.000
66-Ult	1.005	1.000	0.992	1.000	1.000
60-Ult	1.001	1.000	0.989	1.000	1.000
54-Ult	0.998	1.000	0.987	1.000	1.000
48-Ult	0.988	1.000	0.984	1.000	1.000
42-Ult	0.977	1.000	0.973	1.000	1.000
36-Ult	0.971	0.997	0.971	1.000	1.000
30-Ult	0.959	0.997	0.941	0.997	1.000
24-Ult	0.955	0.995	0.933	1.002	1.001
18-Ult	0.961	0.993	0.945	0.997	1.001
12-Ult	0.966	0.994	0.875	0.974	1.021
6-Ult	1.072	1.084	0.929	0.954	1.289