



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. 2012-03

ISSUED: October 10, 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 December 31, 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 cursive script, appearing to read 'C. Blundon'.

Cheryl Blundon
Board Secretary

Attachment

**Oliver Wyman Selected Loss Trend Rates
As of December 31, 2011
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)**

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+3.5%	+3.5%
Property Damage	+3.5%	+4.5%
Accident Benefits	-0.5%	+1.5%
Uninsured Automobile	0.0%	0.0%
Collision	+1.0%	+2.0%
Comprehensive	+9.0%	+9.0%
Specified Perils	+9.0%	+9.0%
All Perils	+3.5%	+4.0%
SEF 44	+7.5%	+7.5%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2011
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)**

**As of 2011-2
Age-to-Ultimate Factors
Incurred Claim Amount**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Under- insured Motorist	Uninsured
180-Ult	1.0000	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	1.0000
168-Ult	1.0000	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	0.9998
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9998
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9998
144-Ult	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9998
138-Ult	1.0014	1.0000	1.0000	0.9998	1.0000	1.0000	1.0000	1.0000	0.9998
132-Ult	1.0001	0.9999	1.0000	0.9998	1.0000	1.0000	1.0000	1.0000	0.9998
126-Ult	1.0023	0.9998	1.0000	0.9998	1.0000	1.0000	1.0000	1.0000	0.9998
120-Ult	1.0033	0.9998	1.0000	0.9998	1.0000	1.0000	1.0000	1.0000	0.9998
114-Ult	1.0042	0.9997	1.0022	0.9994	1.0000	1.0000	1.0000	1.0000	0.9933
108-Ult	1.0027	0.9997	1.0018	0.9995	1.0000	1.0000	1.0000	1.0000	0.9930
102-Ult	1.0061	0.9997	1.0037	0.9995	1.0000	1.0000	1.0000	1.0000	0.9584
96-Ult	1.0057	0.9999	1.0003	0.9995	0.9999	1.0000	1.0000	1.0000	0.9540
90-Ult	1.0122	0.9999	0.9983	0.9995	0.9999	1.0000	1.0000	1.0000	0.9488
84-Ult	1.0093	1.0000	0.9977	0.9995	0.9999	1.0000	1.0000	1.0000	0.9242
78-Ult	1.0205	0.9998	0.9928	0.9995	0.9999	1.0000	1.0000	1.0000	0.9306
72-Ult	1.0193	0.9996	0.9902	0.9995	1.0000	1.0000	1.0000	1.0000	0.9363
66-Ult	1.0224	0.9993	0.9899	0.9995	0.9999	1.0000	1.0000	1.0000	0.9324
60-Ult	1.0295	0.9998	0.9853	0.9995	1.0000	1.0000	1.0000	1.0290	0.9375
54-Ult	1.0340	1.0004	0.9780	0.9995	0.9987	1.0000	1.0000	1.1100	0.9469
48-Ult	1.0430	1.0015	0.9488	0.9995	0.9980	1.0000	1.0001	1.1600	0.9467
42-Ult	1.0565	0.9996	0.9413	0.9994	0.9981	1.0000	1.0000	1.2200	0.9860
36-Ult	1.0803	0.9968	0.9329	0.9989	0.9973	1.0003	0.9976	1.3250	0.9797
30-Ult	1.1038	0.9963	0.9112	0.9952	0.9980	0.9911	0.9992	1.4610	1.0071
24-Ult	1.1465	0.9927	0.9035	0.9899	0.9971	0.9705	0.9913	1.8360	1.0888
18-Ult	1.1762	0.9927	0.8962	0.9790	0.9987	0.9697	0.9718	2.2010	1.1906
12-Ult	1.2331	0.9818	0.8210	0.9414	1.0092	0.9571	0.9246	2.7860	1.3362
6-Ult	1.7239	1.1057	0.8126	0.8490	1.1473	0.9300	0.9030	5.2990	1.9357

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2011
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)**

**As of 2011-2
Age-to-Ultimate Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Under- insured Motorist	Uninsured
180-Ult	1.0000	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	1.0000
168-Ult	1.0000	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	1.0000
156-Ult	1.0000	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	1.0000
144-Ult	0.9998	1.0000	1.0000	1.0000	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	1.0000
132-Ult	1.0000	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9998	0.9999	1.0000	0.9999	1.0000	1.0000	1.0000	1.0000	1.0012
120-Ult	0.9995	0.9999	1.0000	0.9999	1.0000	1.0000	1.0000	1.0000	1.0024
114-Ult	0.9995	0.9999	1.0000	0.9997	1.0000	1.0000	1.0000	1.0000	1.0024
108-Ult	0.9974	0.9998	1.0000	0.9996	1.0000	1.0000	1.0000	1.0000	1.0024
102-Ult	0.9974	0.9998	1.0000	0.9996	1.0000	1.0000	1.0000	1.0000	0.9986
96-Ult	0.9964	0.9995	1.0000	0.9996	1.0001	1.0000	1.0000	1.0030	0.9950
90-Ult	0.9957	0.9995	1.0000	0.9996	1.0001	1.0000	1.0000	0.9890	0.9899
84-Ult	0.9954	0.9995	1.0000	0.9996	1.0001	1.0000	1.0000	0.9840	0.9859
78-Ult	0.9936	0.9995	0.9975	0.9996	1.0001	1.0000	1.0000	0.9280	0.9798
72-Ult	0.9899	0.9995	0.9968	0.9996	1.0001	1.0000	1.0000	0.8940	0.9748
66-Ult	0.9851	0.9995	0.9966	0.9996	1.0001	1.0000	1.0000	0.8760	0.9734
60-Ult	0.9824	0.9991	0.9932	0.9996	1.0001	1.0000	1.0000	0.8660	0.9728
54-Ult	0.9778	0.9986	0.9925	0.9996	1.0000	1.0000	1.0000	0.8210	0.9682
48-Ult	0.9724	0.9983	0.9866	0.9996	0.9999	1.0000	1.0000	0.7940	0.9554
42-Ult	0.9639	0.9975	0.9809	0.9994	1.0000	1.0000	1.0000	0.7750	0.9490
36-Ult	0.9530	0.9963	0.9739	0.9986	1.0001	1.0000	1.0000	0.8220	0.9413
30-Ult	0.9419	0.9941	0.9677	0.9976	1.0005	1.0000	1.0000	0.8430	0.9386
24-Ult	0.9236	0.9918	0.9439	0.9957	1.0019	1.0000	0.9961	0.9960	0.9233
18-Ult	0.9090	0.9904	0.9162	0.9933	1.0061	0.9972	0.9950	1.0770	0.9154
12-Ult	0.8648	0.9850	0.8596	0.9822	1.0269	0.9943	0.9792	1.2820	0.9316
6-Ult	0.9490	1.1113	0.8244	0.9700	1.3219	1.0392	1.0285	1.6330	1.0419

**Oliver Wyman Selected Loss Trend Rates
As of December 31, 2011
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)**

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	0.0%	0.0%
Property Damage	+0.5%	+0.5%
Accident Benefits	+5.0%	+5.0%
Collision	-0.5%	-0.5%
Comprehensive	+3.0%	+3.0%
Specified Perils	+3.0%	+3.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2011
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)**

**As of 2011-2
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	1.004	1.000	1.000	1.000	1.000
102-Ult	1.007	1.000	1.000	1.000	1.000
96-Ult	1.007	1.000	1.000	1.000	1.000
90-Ult	1.007	1.000	1.000	1.000	1.000
84-Ult	1.006	1.001	0.994	1.000	1.000
78-Ult	1.003	1.001	0.994	1.000	1.000
72-Ult	1.007	1.004	0.993	1.000	1.000
66-Ult	1.002	1.003	0.992	1.000	1.000
60-Ult	1.026	1.011	0.982	1.000	1.000
54-Ult	1.009	1.010	0.961	1.000	1.000
48-Ult	1.022	1.007	0.948	1.000	1.000
42-Ult	1.061	1.010	0.932	1.000	1.000
36-Ult	1.082	1.015	0.941	1.000	1.000
30-Ult	1.097	1.010	0.911	1.000	1.000
24-Ult	1.160	1.010	0.950	1.000	1.009
18-Ult	1.254	1.006	0.933	0.990	1.010
12-Ult	1.396	1.026	0.881	0.964	1.009
6-Ult	2.010	1.139	0.990	0.976	1.180

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2011
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)**

**As of 2011-2
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	1.001	1.000	1.000	1.000	1.000
72-Ult	1.001	1.000	0.995	1.000	1.000
66-Ult	1.002	1.000	0.995	1.000	1.000
60-Ult	0.999	1.000	0.987	1.000	1.000
54-Ult	0.996	1.000	0.984	1.000	1.000
48-Ult	0.987	1.000	0.981	1.000	1.000
42-Ult	0.980	0.999	0.973	1.000	1.000
36-Ult	0.973	0.996	0.973	1.000	1.000
30-Ult	0.960	0.996	0.952	1.000	1.000
24-Ult	0.953	0.996	0.943	1.003	1.001
18-Ult	0.959	0.992	0.946	0.999	1.002
12-Ult	0.964	0.993	0.891	0.976	1.023
6-Ult	1.058	1.087	0.938	0.957	1.298