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. 2013-01

ISSUED: **May 1, 2013**

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, 2012.

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,

Cheryl Blundon
Board Secretary

Attachment

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2012
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+4.0%	+4.0%
Property Damage	+3.5%	+3.5%
Accident Benefits	+2.5%	+2.5%
Uninsured Automobile	0.0%	0.0%
Collision	+2.5%	+4.5%
Comprehensive	+8.0%	+5.0%
Specified Perils	+8.0%	+5.0%
All Perils	+4.0%	+4.5%
SEF 44	+7.5%	+7.5%

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2012
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

As of 2012-1
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	1.0005
144-Ult	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0006
138-Ult	1.0014	1.0000	1.0000	0.9998	1.0000	1.0000	1.0000	1.0036
132-Ult	1.0002	1.0000	1.0000	0.9998	1.0000	1.0000	1.0000	1.0029
126-Ult	1.0036	0.9999	1.0000	0.9998	1.0000	1.0000	1.0000	1.0003
120-Ult	1.0049	0.9999	1.0000	0.9998	1.0000	1.0000	1.0000	1.0009
114-Ult	1.0053	0.9998	1.0000	0.9998	1.0000	1.0000	1.0000	0.9935
108-Ult	1.0043	0.9998	1.0000	0.9998	1.0000	1.0000	1.0000	0.9948
102-Ult	1.0070	0.9998	1.0024	0.9998	1.0000	1.0000	1.0000	0.9948
96-Ult	1.0061	1.0001	0.9996	0.9998	1.0000	1.0000	1.0000	0.9896
90-Ult	1.0165	1.0000	0.9999	0.9998	1.0000	1.0000	1.0000	0.9874
84-Ult	1.0141	1.0002	0.9941	0.9998	1.0000	1.0000	0.9995	0.9874
78-Ult	1.0191	1.0001	0.9898	0.9995	1.0000	1.0000	0.9995	0.9994
72-Ult	1.0192	0.9995	0.9880	0.9995	1.0000	1.0000	0.9907	1.0051
66-Ult	1.0248	0.9992	0.9863	0.9995	0.9996	1.0000	0.9917	1.0004
60-Ult	1.0295	0.9996	0.9815	0.9995	0.9997	1.0000	0.9917	1.0060
54-Ult	1.0331	1.0005	0.9729	0.9995	0.9984	1.0000	0.9938	1.0021
48-Ult	1.0436	1.0011	0.9521	0.9995	0.9977	1.0000	0.9938	1.0087
42-Ult	1.0532	0.9996	0.9471	0.9995	0.9978	1.0000	0.9938	1.0530
36-Ult	1.0759	0.9976	0.9384	0.9990	0.9976	1.0000	0.9913	1.0416
30-Ult	1.1061	0.9968	0.9230	0.9954	0.9980	0.9898	0.9937	1.0751
24-Ult	1.1497	0.9935	0.9210	0.9886	0.9979	0.9694	0.9851	1.1744
18-Ult	1.1804	0.9937	0.9180	0.9747	0.9988	0.9686	0.9670	1.2964
12-Ult	1.2478	0.9867	0.8484	0.9347	1.0100	0.9553	0.9186	1.4309
6-Ult	1.6831	1.0380	0.8404	0.8344	1.2746	0.9279	0.8915	2.1049

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2012
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

As of 2012-1
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	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0002	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9985
132-Ult	1.0002	0.9999	0.9998	1.0000	1.0000	1.0000	1.0000	0.9971
126-Ult	1.0000	0.9999	0.9998	0.9999	1.0000	1.0000	1.0000	0.9984
120-Ult	0.9997	0.9999	0.9998	0.9999	1.0000	1.0000	1.0000	0.9995
114-Ult	0.9990	0.9999	0.9998	0.9997	1.0000	1.0000	1.0000	0.9984
108-Ult	0.9971	0.9999	0.9998	0.9995	1.0000	1.0000	1.0000	0.9984
102-Ult	0.9958	0.9998	0.9991	0.9995	1.0000	1.0000	1.0000	0.9946
96-Ult	0.9942	0.9996	0.9986	0.9995	1.0000	1.0000	1.0000	0.9910
90-Ult	0.9926	0.9996	0.9976	0.9995	1.0000	1.0000	1.0000	0.9858
84-Ult	0.9919	0.9998	0.9976	0.9995	1.0000	1.0000	1.0000	0.9818
78-Ult	0.9897	0.9998	0.9954	0.9995	1.0000	1.0000	1.0000	0.9750
72-Ult	0.9865	0.9998	0.9947	0.9995	1.0001	1.0000	1.0000	0.9700
66-Ult	0.9826	0.9998	0.9942	0.9995	1.0000	1.0000	1.0000	0.9700
60-Ult	0.9796	0.9998	0.9906	0.9995	1.0000	1.0000	1.0000	0.9693
54-Ult	0.9762	0.9998	0.9892	0.9995	0.9999	1.0000	1.0000	0.9628
48-Ult	0.9715	0.9998	0.9857	0.9995	0.9999	1.0000	1.0000	0.9492
42-Ult	0.9620	0.9988	0.9819	0.9995	0.9999	1.0000	0.9994	0.9447
36-Ult	0.9528	0.9977	0.9762	0.9988	1.0000	1.0000	0.9983	0.9367
30-Ult	0.9409	0.9955	0.9718	0.9976	1.0003	1.0000	0.9983	0.9327
24-Ult	0.9223	0.9934	0.9494	0.9955	1.0014	0.9972	0.9940	0.9165
18-Ult	0.9100	0.9928	0.9275	0.9930	1.0045	0.9943	0.9950	0.9086
12-Ult	0.8659	0.9887	0.8778	0.9819	1.0245	0.9912	0.9791	0.9314
6-Ult	0.9045	1.0515	0.8353	0.9730	1.4151	1.0144	1.0250	1.0517

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2012
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-2.5%	-2.5%
Property Damage	-1.0%	-1.0%
Accident Benefits	+1.5%	+1.5%
Collision	-2.0%	-2.0%
Comprehensive	+1.0%	+1.0%
Specified Perils	+1.0%	+1.0%

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2012
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)

As of 2012-1
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	1.003	1.000	1.000	1.000	1.000
102-Ult	1.005	1.000	1.000	1.000	1.000
96-Ult	1.004	1.000	1.000	1.000	1.000
90-Ult	1.004	1.000	1.000	1.000	1.000
84-Ult	1.002	1.001	1.000	1.000	1.000
78-Ult	0.998	1.004	1.000	1.000	1.000
72-Ult	1.003	1.006	0.994	1.000	1.000
66-Ult	0.996	1.006	0.994	1.000	1.000
60-Ult	1.014	1.014	0.987	1.000	1.000
54-Ult	0.994	1.011	0.948	1.000	1.000
48-Ult	1.005	1.008	0.964	1.000	1.000
42-Ult	1.033	1.012	0.913	1.000	1.000
36-Ult	1.058	1.017	0.934	0.999	1.000
30-Ult	1.076	1.020	0.904	0.996	1.000
24-Ult	1.100	1.023	0.945	0.997	1.009
18-Ult	1.198	1.024	0.913	0.987	1.012
12-Ult	1.328	1.043	0.849	0.957	1.014
6-Ult	1.822	1.166	0.900	0.947	1.183

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2012
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)

As of 2012-1
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	0.994	1.000	1.000
84-Ult	1.000	1.000	0.994	1.000	1.000
78-Ult	1.000	1.000	0.994	1.000	1.000
72-Ult	1.000	1.000	0.989	1.000	1.000
66-Ult	1.001	1.000	0.989	1.000	1.000
60-Ult	0.998	1.000	0.981	1.000	1.000
54-Ult	0.995	1.000	0.978	1.000	1.000
48-Ult	0.986	0.999	0.975	1.000	1.000
42-Ult	0.977	0.999	0.963	1.000	1.000
36-Ult	0.969	0.997	0.969	1.000	1.000
30-Ult	0.958	0.996	0.945	0.997	1.000
24-Ult	0.952	0.997	0.936	1.001	1.001
18-Ult	0.956	0.995	0.948	0.996	1.004
12-Ult	0.957	0.999	0.884	0.975	1.022
6-Ult	1.051	1.098	0.892	0.956	1.299