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. 2015-01

ISSUED: **April 13, 2015**

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, 2014.

Insurers may use these factors as published without requirement for supporting data or rationale. Insurers opting to use factors other than those accepted by the Board will be required to provide satisfactory data supporting their chosen factors and rationale 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, 2014
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+5.5%	+5.5%
Property Damage	+9.5%	+6.5%
Accident Benefits	+5.0%	+5.0%
Uninsured Automobile	+0.5%	+0.5%
Collision	+7.0%	+7.0%
Comprehensive	+5.0%	+5.0%
Specified Perils	+5.0%	+5.0%
All Perils	+6.5%	+6.5%
SEF 44	+4.0%	+4.0%

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2014
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)

As of 2014-1
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	0.9983
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9981
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9988
144-Ult	1.0006	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	0.9960
138-Ult	1.0018	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	0.9940
132-UIt	1.0017	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	0.9908
126-UIt	1.0022	1.0000	1.0003	0.9999	1.0000	1.0000	1.0000	0.9937
120-UIt	1.0040	1.0000	1.0003	0.9998	1.0000	1.0000	1.0000	0.9941
114-UIt	1.0050	0.9992	1.0003	0.9999	0.9999	1.0000	1.0000	0.9861
108-Ult	1.0004	0.9996	1.0038	0.9996	0.9999	1.0000	1.0000	0.9851
102-Ult	1.0019	0.9996	1.0032	0.9996	0.9999	1.0000	1.0000	0.9779
96-Ult	1.0013	0.9996	1.0015	0.9996	0.9999	1.0000	1.0000	0.9472
90-Ult	1.0055	0.9990	1.0009	0.9996	0.9999	1.0000	1.0000	0.9492
84-Ult	1.0077	0.9989	0.9896	0.9996	0.9999	1.0000	1.0000	0.9413
78-Ult	1.0190	0.9983	0.9924	0.9995	0.9999	1.0000	1.0000	0.9391
72-UIt	1.0195	0.9970	0.9886	0.9999	0.9999	1.0000	1.0000	0.9160
66-UIt	1.0299	0.9979	0.9679	0.9998	0.9999	1.0000	0.9996	0.9175
60-UIt	1.0357	0.9970	0.9937	0.9997	0.9999	1.0000	0.9996	0.9168
54-UIt	1.0328	0.9963	0.9913	0.9997	0.9976	1.0000	0.9996	0.9113
48-Ult	1.0501	0.9982	0.9782	0.9997	0.9976	1.0000	0.9995	0.9148
42-Ult	1.0597	0.9957	0.9860	0.9997	0.9975	1.0000	0.9985	0.9551
36-Ult	1.0982	0.9940	0.9749	0.9988	0.9975	1.0000	0.9932	0.9612
30-Ult	1.1262	0.9948	0.9568	0.9959	0.9973	0.9891	0.9748	0.9830
24-Ult	1.1748	0.9931	0.9545	0.9879	0.9981	0.9685	0.9490	1.0638
18-Ult	1.2139	0.9984	0.9451	0.9720	1.0001	0.9648	0.9179	1.1503
12-Ult	1.2720	1.0024	0.8836	0.9274	1.0142	0.8567	0.8438	1.2506
6-Ult	1.7132	1.0707	0.8434	0.8040	1.2408	1.0521	0.7619	1.8834

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2014
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)

As of 2014-1
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	1.0002	1.0000	1.0000	1.0000	1.0000	0.9981
138-Ult	1.0002	1.0000	1.0002	1.0000	1.0000	1.0000	1.0000	0.9981
132-UIt	1.0003	0.9999	1.0002	1.0000	1.0000	1.0000	1.0000	0.9950
126-UIt	1.0002	0.9998	0.9998	0.9999	1.0000	1.0000	1.0000	0.9964
120-UIt	1.0003	0.9998	0.9998	0.9999	1.0000	1.0000	1.0000	0.9978
114-UIt	0.9996	0.9998	0.9998	0.9999	1.0000	1.0000	1.0000	0.9965
108-Ult	0.9993	0.9998	0.9998	0.9998	1.0000	1.0000	1.0000	0.9965
102-Ult	0.9985	0.9998	0.9995	0.9997	1.0000	1.0000	1.0000	0.9933
96-Ult	0.9985	0.9996	0.9995	0.9997	1.0000	1.0000	1.0000	0.9923
90-Ult	0.9983	0.9996	0.9995	0.9996	1.0001	1.0000	1.0000	0.9876
84-Ult	0.9987	0.9996	0.9995	0.9995	1.0001	1.0000	1.0000	0.9858
78-Ult	0.9987	0.9996	0.9995	0.9995	1.0001	1.0000	1.0000	0.9768
72-UIt	0.9972	0.9996	0.9995	0.9995	1.0000	1.0000	1.0000	0.9706
66-UIt	0.9977	0.9996	0.9984	0.9995	1.0001	1.0000	1.0000	0.9743
60-UIt	0.9951	0.9996	0.9968	0.9995	1.0001	1.0000	1.0000	0.9743
54-UIt	0.9977	0.9996	0.9962	0.9995	1.0001	1.0000	1.0000	0.9671
48-Ult	0.9962	0.9996	0.9953	0.9995	1.0001	1.0000	1.0000	0.9533
42-Ult	0.9995	0.9996	0.9941	0.9995	1.0001	1.0000	1.0000	0.9448
36-Ult	1.0047	0.9990	0.9968	0.9990	1.0003	1.0000	1.0000	0.9405
30-Ult	1.0034	0.9977	0.9932	0.9984	1.0004	1.0000	1.0000	0.9376
24-Ult	1.0098	0.9974	0.9887	0.9964	1.0015	1.0000	0.9967	0.9277
18-Ult	1.0144	0.9985	0.9836	0.9922	1.0036	0.9932	1.0016	0.9161
12-Ult	0.9889	1.0005	0.9469	0.9765	1.0264	0.9443	0.9889	0.9429
6-Ult	1.0506	1.0645	0.8553	0.9465	1.4036	1.1437	1.0164	1.1212

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2014
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+1.0%	+1.0%
Property Damage	+1.0%	+1.0%
Accident Benefits	+9.0%	+9.0%
Collision	-0.5%	-0.5%
Comprehensive	+0.5%	+0.5%
Specified Perils	+0.5%	+0.5%

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2014
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)

As of 2014-1
Age-to-Ultimate Factors
Incurred Claim Amount

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive
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-UIt	1.0000	1.0000	1.0000	1.0000	1.0000
126-UIt	1.0000	1.0000	1.0000	1.0000	1.0000
120-UIt	1.0000	1.0000	1.0000	1.0000	1.0000
114-UIt	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-UIt	1.0050	1.0000	1.0000	1.0000	1.0000
66-UIt	1.0100	0.9990	1.0000	0.9980	1.0000
60-UIt	1.0240	1.0000	0.9960	0.9980	1.0000
54-UIt	1.0180	0.9870	0.9640	0.9980	1.0000
48-Ult	1.0420	0.9870	1.0060	0.9980	1.0000
42-Ult	1.0580	0.9860	0.9740	0.9980	1.0000
36-Ult	1.0800	0.9970	1.0200	0.9960	1.0000
30-Ult	1.1180	0.9800	0.9720	0.9920	1.0000
24-Ult	1.1360	0.9800	0.9610	0.9890	1.0220
18-Ult	1.2140	0.9760	0.9150	0.9650	1.0270
12-Ult	1.2900	1.0160	0.8180	0.9170	1.0300
6-Ult	1.7840	1.1640	0.9150	0.8540	1.1610

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2014
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)

As of 2014-1
Age-to-Ultimate Factors
Incurred Claim Count

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive
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-UIt	1.0000	1.0000	1.0000	1.0000	1.0000
126-UIt	1.0000	1.0000	1.0000	1.0000	1.0000
120-UIt	1.0000	1.0000	1.0000	1.0000	1.0000
114-UIt	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-UIt	0.9980	1.0000	1.0000	1.0000	1.0000
66-UIt	0.9980	1.0000	1.0000	1.0000	1.0000
60-UIt	1.0000	1.0000	0.9940	1.0000	1.0000
54-UIt	0.9990	1.0000	0.9900	1.0000	1.0000
48-Ult	0.9980	1.0000	0.9870	1.0000	1.0000
42-Ult	0.9950	1.0000	0.9840	1.0000	1.0000
36-Ult	0.9900	0.9990	0.9980	1.0000	1.0000
30-Ult	0.9900	0.9990	0.9850	0.9960	1.0000
24-Ult	0.9830	0.9980	0.9620	0.9990	1.0020
18-Ult	0.9880	0.9970	0.9510	0.9900	1.0040
12-Ult	0.9840	1.0040	0.9000	0.9710	1.0220
6-Ult	1.0690	1.1170	0.9560	0.9320	1.2840