



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. 2018-02

ISSUED: March 28, 2018

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**

The Board advises that the Private Passenger Automobiles ("PPA") loss trends and development factors accepted for use by insurers in making Category 2 PPA insurance rate filings have been updated to include industry data to June 30, 2017.

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 PPA 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. Travis Fisher, Regulatory Analyst, at tfisher@pub.nl.ca.

Yours truly,

A handwritten signature in cursive script, appearing to read 'Cheryl Blundon'.

Cheryl Blundon
Board Secretary

Attachment

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2017
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+3.0%	+3.0%
Property Damage	+4.0%	+4.0%
Accident Benefits	+4.5%	+4.5%
Uninsured Automobile	+5.0%	+5.0%
Collision	+4.5%	+4.5%
Comprehensive	+6.5%	+6.5%
Specified Perils	+6.5%	+6.5%
All Perils	+6.0%	+6.0%
SEF 44	+6.5%	+6.5%

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2017
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

As of 2017-1
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	0.9988	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	0.9990	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	1.0005	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9985	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	1.0003	1.0000	1.0000	0.9996	1.0000	1.0000	1.0000	1.0000
114-Ult	0.9991	1.0000	1.0000	0.9996	1.0000	1.0000	1.0000	1.0000
108-Ult	0.9987	1.0000	1.0000	0.9995	0.9999	1.0000	1.0000	1.0000
102-Ult	1.0004	1.0000	0.9998	0.9995	0.9999	1.0000	1.0000	1.0000
96-Ult	0.9962	1.0000	0.9977	0.9995	0.9999	1.0000	1.0000	1.0000
90-Ult	0.9949	0.9984	0.9942	0.9995	0.9999	1.0000	1.0000	1.0000
84-Ult	0.9966	0.9980	0.9913	0.9995	1.0000	1.0000	1.0000	1.0000
78-Ult	0.9960	0.9975	1.0016	0.9995	1.0001	1.0000	1.0000	1.0000
72-Ult	0.9922	0.9977	1.0014	0.9995	1.0001	1.0000	1.0000	1.0000
66-Ult	0.9873	0.9970	1.0021	0.9995	1.0011	1.0000	1.0000	1.0000
60-Ult	0.9870	0.9915	1.0073	0.9990	1.0001	1.0000	1.0000	0.9859
54-Ult	0.9880	0.9953	1.0054	0.9988	0.9992	1.0000	1.0000	0.9846
48-Ult	0.9959	0.9940	1.0148	0.9982	1.0006	1.0000	1.0001	0.9800
42-Ult	1.0102	0.9906	1.0248	0.9976	1.0011	1.0000	0.9995	1.0094
36-Ult	1.0449	0.9903	1.0216	0.9947	1.0003	1.0000	0.9978	1.0135
30-Ult	1.0709	0.9909	1.0086	0.9926	1.0003	1.0000	0.9922	1.0612
24-Ult	1.1092	0.9854	1.0138	0.9840	1.0012	1.0000	0.9821	1.1718
18-Ult	1.1964	0.9928	1.0460	0.9693	1.0030	0.9967	0.9614	1.2647
12-Ult	1.3308	1.0419	1.0194	0.9144	1.0109	0.8620	0.8970	1.4216
6-Ult	1.9688	1.2307	1.0212	0.7383	1.2079	1.3872	0.7879	2.1410

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2017
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)**

**As of 2017-1
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	1.0000	1.0001	1.0000	1.0000	1.0000	1.0000
138-Ult	0.9998	0.9999	1.0000	1.0001	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9998	0.9999	1.0000	1.0001	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9998	0.9999	1.0000	1.0001	1.0000	1.0000	1.0000	1.0000
120-Ult	1.0000	0.9999	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000
114-Ult	1.0000	0.9998	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000
108-Ult	0.9996	0.9998	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000
102-Ult	0.9998	0.9998	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000
96-Ult	0.9989	0.9998	0.9995	1.0000	1.0000	1.0000	1.0000	1.0000
90-Ult	0.9990	0.9997	0.9995	1.0000	1.0000	1.0000	1.0000	1.0000
84-Ult	0.9985	0.9997	0.9995	1.0000	1.0000	1.0000	1.0000	1.0000
78-Ult	0.9961	0.9996	0.9995	1.0000	1.0000	1.0000	1.0000	1.0000
72-Ult	0.9931	0.9996	0.9984	0.9999	1.0000	1.0000	1.0000	1.0000
66-Ult	0.9917	0.9994	0.9977	1.0000	1.0000	1.0000	1.0000	1.0000
60-Ult	0.9921	0.9991	0.9954	0.9999	1.0000	1.0000	1.0000	1.0032
54-Ult	0.9889	0.9992	0.9936	0.9998	1.0000	1.0000	1.0000	0.9948
48-Ult	0.9863	0.9987	0.9905	0.9996	1.0001	1.0000	1.0000	0.9800
42-Ult	0.9857	0.9979	0.9870	0.9995	1.0002	1.0000	1.0000	0.9765
36-Ult	0.9836	0.9970	0.9843	0.9995	1.0003	1.0000	1.0004	0.9820
30-Ult	0.9767	0.9958	0.9768	0.9995	1.0006	1.0037	1.0000	0.9847
24-Ult	0.9810	0.9980	0.9752	0.9975	1.0015	1.0037	0.9987	0.9900
18-Ult	0.9822	0.9996	0.9684	0.9927	1.0038	0.9918	0.9987	0.9894
12-Ult	0.9803	1.0341	0.9304	0.9718	1.0172	0.8861	0.9845	1.0261
6-Ult	0.9907	1.1701	0.8368	0.8836	1.3429	1.3140	0.9913	1.2423