



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. 2016-02**

**ISSUED:** April 22, 2016

**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, 2015.

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](http://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](mailto:roake@pub.nl.ca).

Yours truly,

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

Cheryl Blundon  
Board Secretary

Attachment

**Oliver Wyman Selected Loss Trend Rates  
As of June 30, 2015  
Newfoundland and Labrador  
Private Passenger Automobiles (Excluding Farmers)**

<b>Coverage</b>	<b>Past Loss Cost</b>	<b>Future Loss Cost</b>
Bodily Injury	+4.5%	+4.5%
Property Damage	+5.0%	+5.0%
Accident Benefits	+4.0%	+4.0%
Uninsured Automobile	+2.5%	+2.5%
Collision	+6.0%	+6.0%
Comprehensive	+6.5%	+6.5%
Specified Perils	+6.5%	+6.5%
All Perils	+5.5%	+5.5%
SEF 44	+5.5%	+5.5%

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of June 30, 2015  
Newfoundland and Labrador  
Private Passenger Automobile (Excluding Farmers)**

**As of 2015-1  
Age-to-Ultimate Factors  
Incurred Claim Amount**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Compre- hensive</b>	<b>Specified Perils</b>	<b>All Perils</b>	<b>Uninsured</b>
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	0.9997	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	0.9971
138-Ult	1.0041	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	0.9939
132-Ult	1.0067	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	0.9898
126-Ult	1.0054	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	0.9940
120-Ult	1.0077	0.9998	0.9994	0.9998	1.0000	1.0000	1.0000	0.9964
114-Ult	1.0087	0.9991	0.9993	0.9999	0.9999	1.0000	1.0000	0.9949
108-Ult	1.0058	0.9995	1.0029	0.9998	0.9999	1.0000	1.0000	0.9953
102-Ult	1.0107	0.9994	1.0019	0.9998	0.9999	1.0000	1.0000	0.9892
96-Ult	1.0091	0.9992	1.0006	0.9991	0.9999	1.0000	1.0000	0.9469
90-Ult	1.0060	0.9989	1.0012	0.9991	0.9999	1.0000	1.0000	0.9430
84-Ult	1.0090	0.9987	0.9946	0.9991	0.9999	1.0000	1.0000	0.9240
78-Ult	1.0105	0.9976	1.0018	0.9991	0.9999	1.0000	1.0000	0.9019
72-Ult	1.0088	0.9971	1.0016	0.9988	0.9999	1.0000	1.0000	0.8644
66-Ult	1.0164	0.9977	0.9957	0.9987	0.9999	1.0000	0.9996	0.8924
60-Ult	1.0257	0.9958	1.0035	0.9984	0.9998	1.0000	0.9996	0.8988
54-Ult	1.0227	0.9942	1.0045	0.9981	0.9977	1.0000	0.9996	0.9092
48-Ult	1.0379	0.9944	0.9971	0.9978	0.9977	1.0000	0.9997	0.8970
42-Ult	1.0562	0.9899	1.0006	0.9973	0.9976	1.0000	0.9987	0.8821
36-Ult	1.0966	0.9864	0.9911	0.9928	0.9963	1.0000	0.9953	0.9345
30-Ult	1.1244	0.9821	0.9675	0.9902	0.9961	1.0000	0.9818	0.9703
24-Ult	1.1746	0.9751	0.9639	0.9818	0.9973	1.0000	0.9646	1.0602
18-Ult	1.2272	0.9825	0.9526	0.9663	0.9998	0.9877	0.9493	1.1032
12-Ult	1.3380	0.9983	0.8855	0.9197	1.0102	0.8739	0.8760	1.1539
6-Ult	1.8354	1.0942	0.8153	0.7743	1.2258	1.2022	0.7536	1.6626

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of June 30, 2015  
Newfoundland and Labrador  
Private Passenger Automobile (Excluding Farmers)**

**As of 2015-1  
Age-to-Ultimate Factors  
Incurred Claim Count**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Compre- hensive</b>	<b>Specified Perils</b>	<b>All Perils</b>	<b>Uninsured</b>
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	0.9977
138-Ult	1.0000	0.9999	1.0002	1.0000	1.0000	1.0000	1.0000	1.0003
132-Ult	1.0002	0.9999	1.0002	1.0000	1.0000	1.0000	1.0000	0.9974
126-Ult	0.9998	0.9999	1.0002	0.9999	1.0000	1.0000	1.0000	0.9943
120-Ult	0.9998	0.9999	1.0002	0.9999	1.0000	1.0000	1.0000	0.9943
114-Ult	0.9989	0.9999	1.0002	1.0000	1.0000	1.0000	1.0000	0.9943
108-Ult	0.9983	0.9999	1.0000	0.9999	1.0000	1.0000	1.0000	0.9885
102-Ult	0.9987	0.9999	0.9997	0.9999	1.0000	1.0000	1.0000	0.9885
96-Ult	0.9989	0.9998	0.9997	0.9999	1.0000	1.0000	1.0000	0.9885
90-Ult	0.9989	0.9998	0.9997	0.9998	1.0000	1.0000	1.0000	0.9885
84-Ult	0.9985	0.9998	0.9997	0.9998	1.0000	1.0000	1.0000	0.9885
78-Ult	0.9964	0.9996	0.9997	0.9998	1.0000	1.0000	1.0000	0.9803
72-Ult	0.9918	0.9995	0.9997	0.9997	1.0000	1.0000	1.0000	0.9777
66-Ult	0.9930	0.9993	0.9982	0.9996	1.0000	1.0000	1.0000	0.9910
60-Ult	0.9911	0.9989	0.9970	0.9996	1.0000	1.0000	1.0000	0.9961
54-Ult	0.9931	0.9986	0.9964	0.9994	1.0001	1.0000	1.0000	0.9912
48-Ult	0.9905	0.9980	0.9952	0.9991	1.0001	1.0000	1.0000	0.9843
42-Ult	0.9953	0.9976	0.9909	0.9989	1.0000	1.0000	1.0000	0.9734
36-Ult	0.9979	0.9966	0.9914	0.9983	1.0001	1.0000	1.0000	0.9937
30-Ult	0.9952	0.9948	0.9860	0.9974	1.0002	1.0000	1.0000	1.0069
24-Ult	1.0062	0.9940	0.9827	0.9947	1.0012	1.0000	0.9982	1.0434
18-Ult	1.0134	0.9940	0.9766	0.9898	1.0034	0.9828	0.9954	1.0482
12-Ult	0.9997	0.9963	0.9345	0.9733	1.0237	0.9303	0.9859	1.0667
6-Ult	1.0598	1.0584	0.8220	0.9340	1.3984	1.2224	1.0034	1.2261

**Oliver Wyman Selected Loss Trend Rates**  
**As of June 30, 2015**  
**Newfoundland and Labrador**  
**Commercial Automobiles (Excluding Farmers)**

<b>Coverage</b>	<b>Past Loss Cost</b>	<b>Future Loss Cost</b>
Bodily Injury	+3.0%	+3.0%
Property Damage	+2.5%	+2.5%
Accident Benefits	+7.0%	+7.0%
Collision	-3.5%	-3.5%
Comprehensive	+0.0%	+0.0%
Specified Perils	+0.0%	+0.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of June 30, 2015  
Newfoundland and Labrador  
Commercial Automobile (Excluding Farmers)**

**As of 2015-1  
Age-to-Ultimate Factors  
Incurred Claim Amount**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Comprehensive</b>
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	1.000	1.000	1.003	1.000	1.000
72-Ult	0.999	1.000	1.003	1.000	1.000
66-Ult	1.001	0.999	1.004	1.000	1.000
60-Ult	1.010	0.995	0.999	1.000	1.000
54-Ult	1.017	0.980	0.952	1.000	1.000
48-Ult	1.034	0.983	0.960	1.000	1.000
42-Ult	1.049	0.982	0.926	1.000	1.000
36-Ult	1.066	0.989	0.963	0.997	1.000
30-Ult	1.115	0.976	0.936	0.991	1.000
24-Ult	1.143	0.975	0.899	0.988	1.020
18-Ult	1.222	0.967	0.835	0.965	1.026
12-Ult	1.325	1.011	0.754	0.914	1.036
6-Ult	1.853	1.176	0.822	0.811	1.140

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of June 30, 2015  
Newfoundland and Labrador  
Commercial Automobile (Excluding Farmers)**

**As of 2015-1  
Age-to-Ultimate Factors  
Incurred Claim Count**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Comprehensive</b>
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	1.000	1.000	1.000	1.000	1.000
72-Ult	1.000	1.000	1.000	1.000	1.000
66-Ult	1.000	1.000	1.000	1.000	1.000
60-Ult	1.003	1.000	0.993	1.000	1.000
54-Ult	1.000	1.000	0.986	1.000	1.000
48-Ult	0.999	1.000	0.990	1.000	1.000
42-Ult	1.000	1.000	0.987	1.000	1.000
36-Ult	0.996	0.999	0.993	1.000	1.000
30-Ult	1.000	1.000	0.984	0.995	1.000
24-Ult	1.001	1.001	0.959	0.998	1.002
18-Ult	1.008	1.000	0.962	0.987	1.004
12-Ult	1.003	1.007	0.910	0.971	1.020
6-Ult	1.083	1.130	0.949	0.933	1.261