



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, A1A 5B2

EFFECTIVE: October 11, 2023

SUBJECT: Automobile Insurance Benchmark Schedule

The Board's Benchmark Schedule includes assumptions to be used by automobile insurers in the rate filing process. Insurers are not required to use any of the Board's guideline assumptions, but supporting justification for the use of alternate assumptions must be provided.

In the preparation of a rate filing insurers should confirm they are referencing the most recently accepted Benchmark Schedule when proposing to adopt any of the Board's guideline assumptions.

Loss Trends

The current guideline loss trend rates for use by insurers in developing filings, based on industry data through December 31, 2022, are outlined as follows:

Private Passenger Automobiles		Commercial Vehicles	
Coverage	Pass Loss Cost	Coverage	Pass Loss Cost
Bodily Injury	-2.0%	Bodily Injury	-3.0%
Property Damage (incl. DCPD)	+1.0%	Property Damage (incl. DCPD)	+0.5%
Accident Benefits	+0.0%	Accident Benefits	+2.0%
Uninsured Auto	+1.5%	Uninsured Auto	+2.0%
Collision	+2.5%	Collision	+2.5%
Comprehensive	+3.5%	Comprehensive	+1.5%
Specified Perils	+3.5%	Specified Perils	+1.5%
All Perils	+3.0%	All Perils	+1.5%
Underinsured Motorist	+3.0%	Underinsured Motorist	+1.5%

The current loss trend analyses, including development factors, prepared by the Board's actuarial consultants, Oliver Wyman Limited, can be found as follows:

- [Oliver Wyman Limited - NL Private Passenger Loss Trends w/ Appendices - 2022-02](#)
- [Oliver Wyman Limited - NL Commercial Loss Trends w/ Appendices - 2022-02](#)

Guidance regarding the calculation of future loss trends can also be found in the above noted reports.

Profit Provision

All insurers must derive their rate indications based on a target profit provision stated as a percentage of premium, with the same provision for all coverages. The guideline profit range as a percentage of premium that the Board will generally accept as reasonable in rate filings is 5%-6%.

Health Levy

The Government of Newfoundland and Labrador assesses an annually adjusted amount to industry to cover the cost of health services provided to victims of automobile accidents. The annual levy is set as a dollar amount per insured vehicle and is reset annually.

The current Health Levy provision to be included in rate filings is **\$26.24 per vehicle**.

CLEAR

The Board's benchmark CLEAR base rate adjustment factors for the 2023 CLEAR rate group table are provided below:

Coverage	Rate Group Drift	Loss Trend*	2023 CLEAR Base Rate Adjustment
Collision	4.18%	6.5%	1.9%
Comprehensive/Specified Perils	4.76%	7.5%	2.3%
All Perils	4.35%	7.0%	2.7%
Accident Benefits	-1.06%	0.0%	1.1%

*Selected loss trend are Board approved guidelines based on data through Dec. 31, 2021.

Includes +4% adjustment for inflation based on an approximate expected range of +3% to +5%.

Insurers proposing to adopt the 2023 CLEAR table may do so by submitting a rate filing to the Board in accordance with the CLEAR Filing Guidelines, or as part of a Mandatory, Mandatory Simplified or Supplemental rate filing. Please see Information Bulletin A.I. 2023-01 for additional information.