



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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DIRECTIVE: A.I. 09-01

ISSUED: March 24, 2009

**TO: ALL INSURERS, INCLUDING FACILITY ASSOCIATION,
TRANSACTIONING THE BUSINESS OF AUTOMOBILE INSURANCE IN
THE PROVINCE OF NEWFOUNDLAND AND LABRADOR**

**SUBJECT: Revised Loss Trend Rates, Development Factors and Reform Factors -
Private Passenger and Commercial Automobile**

The Board advises that the Loss Trend Rates, Development Factors and Reform Factors accepted for use by insurers in making Private Passenger and Commercial Automobile rate filings have been updated to include Industry data to June 30, 2008.

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 Rate Filing should reference the attached, or refer to the Board's website at www.pub.nl.ca/insurance.htm.

Questions regarding the foregoing may be directed to the undersigned.

Sincerely,

Robert S. Byrne, B.Comm., A.I.I.C., CD.
Directory of Regulatory and Advisory Services

**Oliver Wyman Selected Annual Loss Trend Rates
As of June 30, 2008
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

Coverage	Past Loss Cost	Future Lost Cost
Bodily Injury	-1.5%	-1.5%
Property Damage	+5.0%	+5.0%
Accident Benefits	+1.0%	+1.0%
Uninsured Automobile	+0.0%	+0.0%
Collision	+3.5%	+3.5%
Comprehensive	+0.0%	+0.0%
Specified Perils	+0.0%	+0.0%
All Perils	+2.5%	+2.5%
SEF 44	+1.0%	+1.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2008
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

**As of 2008-1
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	1.0011	0.9997	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0006	1.0001	0.9996	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	1.0018	1.0023	1.0012	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	1.0025	1.0023	1.0019	1.0002	1.0000	1.0000	1.0000	1.0000
120-Ult	1.0011	1.0021	1.0081	1.0002	1.0000	1.0000	1.0000	1.0000
114-Ult	0.9991	1.0031	1.0207	1.0002	1.0000	1.0000	1.0000	1.0000
108-Ult	0.9991	1.0028	1.0227	1.0002	0.9995	1.0000	1.0000	1.0000
102-Ult	1.0005	1.0023	0.9978	1.0002	0.9995	1.0000	1.0000	1.0000
96-Ult	0.9992	1.0021	0.9982	1.0000	0.9995	1.0000	1.0000	1.0000
90-Ult	1.0003	1.0020	0.9921	1.0013	0.9995	1.0000	1.0000	0.9799
84-Ult	1.0024	1.0021	0.9821	1.0016	0.9995	1.0000	1.0000	0.9763
78-Ult	1.0007	1.0017	0.9772	1.0014	0.9995	1.0000	1.0000	0.9886
72-Ult	1.0018	1.0013	0.9737	1.0011	0.9991	1.0000	1.0000	1.0034
66-Ult	1.0028	1.0006	0.9624	1.0016	0.9991	1.0000	1.0000	1.0051
60-Ult	0.9970	1.0006	0.9607	1.0011	0.9988	1.0000	1.0000	1.0090
54-Ult	1.0092	0.9994	0.9404	1.0008	0.9984	1.0000	1.0000	1.0173
48-Ult	1.0125	0.9987	0.9193	1.0004	0.9981	1.0000	1.0002	1.0319
42-Ult	1.0206	0.9957	0.9136	1.0003	0.9978	1.0000	1.0002	1.0597
36-Ult	1.0233	0.9948	0.8931	0.9989	0.9978	1.0000	0.9964	1.0570
30-Ult	1.0292	0.9913	0.9164	0.9966	0.9977	1.0000	0.9964	1.1034
24-Ult	1.0349	0.9867	0.9129	0.9928	0.9975	1.0000	1.0023	1.1600
18-Ult	1.0467	0.9785	0.9248	0.9851	0.9988	1.0000	0.9978	1.2435
12-Ult	1.0676	0.9660	0.8944	0.9648	1.0098	0.9912	0.9681	1.3884
6-Ult	1.4309	1.0237	0.9824	0.9111	1.2018	0.9710	0.8987	2.0089

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2008
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

**As of 2008-1
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	0.9997	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	0.9995	0.9999	0.9997	0.9999	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9988	0.9999	1.0000	1.0000	1.0000	1.0000	0.9985	1.0000
126-Ult	0.9988	0.9999	1.0000	1.0001	1.0000	1.0000	0.9985	1.0000
120-Ult	0.9969	0.9998	0.9989	1.0001	1.0000	1.0000	0.9985	1.0000
114-Ult	0.9963	0.9996	0.9987	1.0001	1.0001	1.0000	0.9985	1.0000
108-Ult	0.9939	0.9995	0.9984	1.0001	1.0001	1.0000	0.9985	1.0000
102-Ult	0.9917	0.9995	0.9980	1.0000	1.0001	1.0000	0.9985	0.9946
96-Ult	0.9895	0.9995	0.9971	1.0000	1.0001	1.0000	0.9985	0.9927
90-Ult	0.9849	0.9992	0.9949	0.9999	1.0001	1.0000	0.9985	0.9909
84-Ult	0.9809	0.9990	0.9935	1.0001	1.0001	1.0000	0.9985	0.9877
78-Ult	0.9734	0.9987	0.9917	1.0001	1.0001	1.0000	0.9985	0.9846
72-Ult	0.9665	0.9984	0.9899	1.0000	1.0000	1.0000	0.9985	0.9846
66-Ult	0.9590	0.9982	0.9873	0.9998	1.0000	1.0000	0.9985	0.9818
60-Ult	0.9487	0.9976	0.9843	0.9997	1.0000	1.0000	0.9985	0.9779
54-Ult	0.9334	0.9966	0.9781	0.9995	1.0000	1.0000	0.9985	0.9722
48-Ult	0.9204	0.9953	0.9639	0.9996	1.0000	1.0000	0.9985	0.9638
42-Ult	0.9080	0.9940	0.9588	0.9997	1.0000	1.0000	0.9985	0.9638
36-Ult	0.8940	0.9925	0.9428	0.9990	1.0001	1.0000	0.9985	0.9593
30-Ult	0.8671	0.9891	0.9211	0.9976	1.0000	1.0000	0.9940	0.9588
24-Ult	0.8454	0.9852	0.8952	0.9952	1.0016	1.0000	0.9877	0.9507
18-Ult	0.8252	0.9784	0.8696	0.9899	1.0053	0.9915	0.9877	0.9469
12-Ult	0.8089	0.9652	0.8178	0.9790	1.0303	0.9996	0.9739	0.9483
6-Ult	0.9077	0.9862	0.8441	0.9450	1.4296	1.0351	1.0428	1.0844

**Oliver Wyman Selected Reform Factor
As of June 30, 2008
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

- Reform savings for Bodily Injury of -5%.

Oliver Wyman Selected Annual Loss Trend Rates
As of June 30, 2008
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)

Coverage	Past Loss Cost	Future Lost Cost
Bodily Injury	+2.0%	+2.0%
Property Damage	+0.0%	+0.0%
Accident Benefits	+5.0%	+5.0%
Collision	+1.0%	+1.0%
Comprehensive	+2.0%	+2.0%
Specified Perils	+2.0%	+2.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2008
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

**As of 2008-1
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	1.0010	1.0000	1.0000	1.0000	1.0000
132-Ult	1.0030	1.0000	1.0000	1.0000	1.0000
126-Ult	1.0080	1.0000	1.0000	1.0000	1.0000
120-Ult	1.0180	1.0000	1.0000	1.0000	1.0000
114-Ult	1.0150	1.0000	1.0000	1.0000	1.0000
108-Ult	1.0010	1.0000	1.0000	1.0000	1.0000
102-Ult	0.9940	1.0000	1.0000	1.0000	1.0000
96-Ult	1.0330	1.0000	1.0000	1.0000	1.0000
90-Ult	1.0250	1.0000	1.0000	1.0000	1.0000
84-Ult	1.0280	1.0000	1.0000	1.0000	1.0000
78-Ult	1.0320	0.9990	1.0000	1.0000	1.0000
72-Ult	1.0380	0.9970	1.0000	1.0000	1.0000
66-Ult	1.0360	0.9980	1.0000	1.0000	1.0000
60-Ult	1.0640	1.0020	1.0000	1.0000	1.0000
54-Ult	1.0750	1.0030	0.9790	1.0000	1.0000
48-Ult	1.1130	1.0040	0.9680	1.0010	1.0000
42-Ult	1.1590	1.0030	0.9480	1.0010	1.0000
36-Ult	1.2150	0.9970	0.9770	1.0010	1.0000
30-Ult	1.2440	1.0000	0.9220	1.0010	1.0000
24-Ult	1.2990	0.9970	0.9640	1.0020	1.0000
18-Ult	1.4540	0.9880	0.9620	0.9960	1.0000
12-Ult	1.6750	0.9990	1.2070	1.0020	1.0030
6-Ult	2.2690	1.0770	1.6220	0.9690	1.2000

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2008
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

**As of 2008-1
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-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
114-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
108-Ult	1.0000	1.0000	1.0000	1.0000	1.0000
102-Ult	0.9980	1.0000	1.0000	1.0000	1.0000
96-Ult	0.9970	1.0000	1.0000	1.0000	1.0000
90-Ult	1.0020	1.0000	1.0000	1.0000	1.0000
84-Ult	1.0040	1.0000	1.0000	1.0000	1.0000
78-Ult	1.0010	1.0000	1.0000	1.0000	1.0000
72-Ult	1.0030	1.0000	1.0000	1.0000	1.0000
66-Ult	1.0050	1.0000	1.0000	1.0000	1.0000
60-Ult	0.9940	1.0000	1.0000	1.0000	1.0000
54-Ult	0.9890	0.9990	1.0000	1.0000	1.0000
48-Ult	0.9880	0.9990	1.0000	1.0000	1.0000
42-Ult	0.9880	0.9980	0.9910	1.0000	1.0000
36-Ult	0.9840	0.9950	0.9820	1.0000	1.0000
30-Ult	0.9750	0.9930	0.9510	1.0000	1.0000
24-Ult	0.9710	0.9910	0.9460	1.0000	1.0020
18-Ult	0.9720	0.9890	0.9030	1.0070	1.0030
12-Ult	0.9850	0.9840	0.9060	0.9750	1.0210
6-Ult	1.1100	1.0390	1.0330	0.9610	1.3870

**Oliver Wyman Selected Reform Factor
As of June 30, 2008
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

- Reform savings for Bodily Injury of -5%.