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. 2019-02

ISSUED: **April 26, 2019**

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 Vehicles and Commercial Vehicles

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 as of June 30, 2018.

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 Advisor, at roake@pub.nl.ca.

Yours truly,

Cheryl Blundon
Board Secretary

Attachment

Newfoundland and Labrador
Private Passenger Vehicles (Excluding Farmers)
Oliver Wyman Selected Loss Trend Rates
Based on Industry Data as of June 30, 2018

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+1.0%	+1.0%
Property Damage*	+2.0%	+2.0%
Accident Benefits	+4.5%	+4.5%
Uninsured Automobile	+4.0%	+4.0%
Collision	+4.0%	+4.0%
Comprehensive	+5.5%	+5.5%
Specified Perils	+5.5%	+5.5%
All Perils	+5.0%	+5.0%
Underinsured Motorist	+4.0%	+4.0%

**With a level change factor of 1.20 at July 1, 2012*

Newfoundland and Labrador
Private Passenger Vehicles (Excluding Farmers)
Oliver Wyman Selected Loss Trend Rates
Based on Industry Data as of June 30, 2018

Reported Incurred Claim Amount and ALAE Loss Development Summary
Data as of June 30, 2018
Selected Age-to-Ultimate Development Factors

Maturity	TPL - BI	TPL - PD	AB - Total	UA	Collision	Comp. - Total	All Perils
6	1.810	1.237	1.030	1.964	0.729	1.213	0.746
12	1.250	1.050	1.012	1.308	0.914	1.008	0.920
18	1.135	1.013	1.023	1.167	0.972	0.999	0.978
24	1.064	1.001	1.006	1.086	0.990	0.999	0.998
30	1.033	0.999	1.010	0.980	0.997	0.998	0.998
36	1.007	0.994	1.016	0.933	0.998	0.999	0.999
42	0.979	0.994	1.014	0.928	0.998	0.999	0.997
48	0.969	0.996	1.001	0.906	0.999	0.999	0.999
54	0.968	0.992	1.000	0.922	0.999	0.998	0.999
60	0.965	0.992	1.004	0.926	0.999	0.998	1.000
66	0.973	0.997	1.001	0.937	1.000	1.000	1.000
72	0.980	0.997	0.997	0.940	1.000	0.999	1.000
78	0.984	0.997	0.995	0.958	1.000	1.000	1.000
84	0.985	0.997	0.989	0.964	1.000	1.000	1.000
90	0.987	0.998	0.992	0.971	1.000	1.000	1.000
96	0.987	0.999	0.997	0.973	1.000	1.000	1.000
102	0.992	0.999	0.999	0.991	1.000	1.000	1.000
108	0.994	0.999	1.001	0.995	1.000	1.000	1.000
114	0.996	0.999	1.000	0.992	1.000	1.000	1.000
120	0.998	0.999	1.000	0.999	1.000	1.000	1.000
126	0.996	0.999	1.000	1.000	1.000	1.000	1.000
132	0.997	0.999	1.000	1.000	1.000	1.000	1.000
138	0.997	0.999	1.000	1.000	1.000	1.000	1.000
144	0.999	0.999	1.000	1.000	1.000	1.000	1.000
150	1.000	0.999	1.000	1.000	1.000	1.000	1.000
156	1.001	0.999	1.000	1.000	1.000	1.000	1.000
162	1.002	0.999	1.000	1.000	1.000	1.000	1.000
168	1.001	0.999	1.000	1.000	1.000	1.000	1.000
174	1.001	0.999	1.000	1.000	1.000	1.000	1.000
180	1.001	0.999	1.000	1.000	1.000	1.000	1.000
186	1.001	0.999	1.000	1.000	1.000	1.000	1.000
192	1.001	1.000	1.000	1.000	1.000	1.000	1.000
198	1.000	1.000	1.000	1.000	1.000	1.000	1.000
204	1.000	1.000	1.000	1.000	1.000	1.000	1.000
210	1.000	1.000	1.000	1.000	1.000	1.000	1.000
216	1.000	1.000	1.000	1.000	1.000	1.000	1.000
222	1.000	1.000	1.000	1.000	1.000	1.000	1.000
228	1.000	1.000	1.000	1.000	1.000	1.000	1.000
234	1.000	1.000	1.000	1.000	1.000	1.000	1.000
240	1.000	0.000	0.000	0.000	0.000	0.000	1.000

Newfoundland and Labrador
Private Passenger Vehicles (Excluding Farmers)
Oliver Wyman Selected Loss Trend Rates
Based on Industry Data as of June 30, 2018

Claim Count Development Summary
Data as of June 30, 2018
Selected Age-to-Ultimate Development Factors

Maturity	TPL - BI	TPL - PD	AB - Total	UA	Collision	Comp. - Total	All Perils
6	1.131	1.155	0.867	1.278	0.829	1.359	1.019
12	1.053	1.035	0.961	1.054	0.959	1.019	0.982
18	1.044	1.010	0.987	1.017	0.991	1.004	0.996
24	1.037	1.003	0.991	1.011	0.999	1.001	0.998
30	1.025	0.998	0.992	0.991	1.000	1.001	1.000
36	1.022	0.998	0.999	0.983	1.000	1.000	1.001
42	1.020	0.999	0.997	0.972	1.000	1.000	1.000
48	1.014	0.999	0.997	0.973	1.000	1.000	1.000
54	1.013	0.999	0.998	0.984	1.000	1.000	1.000
60	1.012	0.999	0.999	0.992	1.000	1.000	1.000
66	1.004	1.000	1.000	0.984	1.000	1.000	1.000
72	1.005	1.000	1.000	0.981	1.000	1.000	1.000
78	1.004	1.000	1.001	0.985	1.000	1.000	1.000
84	1.004	1.000	1.001	0.992	1.000	1.000	1.000
90	1.003	1.000	1.001	0.993	1.000	1.000	1.000
96	1.001	1.000	0.999	0.995	1.000	1.000	1.000
102	1.000	1.000	0.999	0.995	1.000	1.000	1.000
108	1.000	1.000	0.999	0.998	1.000	1.000	0.998
114	1.000	1.000	1.000	0.999	1.000	1.000	1.000
120	1.001	1.000	1.000	1.001	1.000	1.000	1.000
126	1.001	1.000	1.000	1.000	1.000	1.000	1.000
132	1.000	1.000	1.000	1.000	1.000	1.000	1.000
138	1.000	1.000	1.000	1.000	1.000	1.000	1.000
144	1.000	1.000	1.000	1.000	1.000	1.000	1.000
150	1.000	1.000	1.000	1.000	1.000	1.000	1.000
156	1.000	1.000	1.000	1.000	1.000	1.000	1.000
162	1.001	1.000	1.000	1.000	1.000	1.000	1.000
168	1.000	1.000	1.000	1.000	1.000	1.000	1.000
174	1.000	1.000	1.000	1.000	1.000	1.000	1.000
180	1.000	1.000	1.000	1.000	1.000	1.000	1.000
186	1.000	1.000	1.000	1.000	1.000	1.000	1.000
192	1.000	1.000	1.000	1.000	1.000	1.000	1.000
198	1.000	1.000	1.000	1.000	1.000	1.000	1.000
204	1.000	1.000	1.000	1.000	1.000	1.000	1.000
210	1.000	0.000	0.000	0.000	0.000	0.000	1.000
216	1.000	0.000	0.000	0.000	0.000	0.000	1.000
222	1.000	0.000	0.000	0.000	0.000	0.000	1.000
228	1.000	0.000	0.000	0.000	0.000	0.000	1.000
234	1.000	0.000	0.000	0.000	0.000	0.000	1.000
240	1.000	0.000	0.000	0.000	0.000	0.000	1.000

Newfoundland and Labrador
Commercial Vehicles (Including Fleets)
Oliver Wyman Selected Loss Trend Rates
Based on Industry Data as of June 30, 2018

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-2.5%	-2.5%
Property Damage	+1.0%	+1.0%
Accident Benefits	+7.0%	+7.0%
Uninsured Automobile	+7.0%	+7.0%
Collision	+4.0%	+4.0%
Comprehensive	+4.0%	+4.0%
Specified Perils	+4.0%	+4.0%
All Perils	+4.0%	+4.0%
Underinsured Motorist	+2.5%	+2.5%

Newfoundland and Labrador
Commercial Vehicles (Including Fleets)
Oliver Wyman Selected Loss Trend Rates
Based on Industry Data as of June 30, 2018

Reported Incurred Claim Amount and ALAE Loss Development Summary
Data as of June 30, 2018
Selected Age-to-Ultimate Development Factors

Maturity	TPL - BI	TPL - PD	AB - Total	Collision	Comp. - Total	All Perils
6	1.608	1.294	0.989	0.818	1.110	1.009
12	1.220	1.086	0.863	0.926	0.991	0.937
18	1.116	1.043	0.897	0.972	0.993	0.992
24	1.052	1.030	0.901	0.992	1.001	0.999
30	1.013	0.999	0.920	0.993	1.000	1.001
36	0.969	1.008	0.905	0.996	1.000	0.999
42	0.959	1.010	0.897	0.996	1.000	0.999
48	0.949	1.008	0.913	0.996	1.000	0.999
54	0.953	1.005	0.921	0.995	1.000	0.999
60	0.960	1.004	0.934	0.995	1.000	1.000
66	0.960	1.004	0.933	0.995	1.000	1.001
72	0.979	1.001	0.935	0.996	1.000	1.000
78	0.993	1.000	0.926	0.996	1.000	1.000
84	1.001	1.002	0.925	1.000	1.000	1.000
90	0.993	1.003	0.924	1.000	1.000	1.000
96	0.999	1.001	0.924	1.000	1.000	1.000
102	0.986	1.000	0.916	1.000	1.000	1.000
108	1.004	0.997	0.916	1.000	1.000	1.000
114	1.002	0.995	0.922	1.000	1.000	1.000
120	0.996	0.995	0.922	1.000	1.000	1.000
126	1.000	1.001	0.922	1.000	1.000	1.000
132	1.000	1.000	0.922	1.000	1.000	1.000
138	0.999	1.000	1.000	1.000	1.000	1.000
144	0.999	1.000	1.000	1.000	1.000	1.000
150	1.001	1.000	1.000	1.000	1.000	1.000
156	1.000	1.000	1.000	1.000	1.000	1.000
162	1.000	1.000	1.000	1.000	1.000	1.000
168	1.000	1.000	1.000	1.000	1.000	1.000
174	1.000	1.000	1.000	1.000	1.000	1.000
180	1.000	1.000	1.000	1.000	1.000	1.000
186	1.000	1.000	1.000	1.000	1.000	1.000
192	1.000	1.000	1.000	1.000	1.000	1.000
198	1.000	1.000	1.000	1.000	1.000	1.000
204	1.000	1.000	1.000	1.000	1.000	1.000
210	1.000	1.000	1.000	1.000	1.000	1.000
216	1.000	1.000	1.000	1.000	1.000	1.000
222	1.000	1.000	1.000	1.000	1.000	1.000
228	1.000	1.000	1.000	1.000	1.000	1.000
234	1.000	1.000	1.000	1.000	1.000	1.000
240	1.000	1.000	1.000	1.000	1.000	1.000

Newfoundland and Labrador
Commercial Vehicles (Including Fleets)
Oliver Wyman Selected Loss Trend Rates
Based on Industry Data as of June 30, 2018

Claim Count Development Summary
Data as of June 30, 2018
Selected Age-to-Ultimate Development Factors

Maturity	TPL - BI	TPL - PD	AB - Total	Collision	Comp. - Total	All Perils
6	1.101	1.187	0.833	0.880	1.246	0.997
12	0.967	1.034	0.943	0.963	1.013	0.997
18	0.984	1.013	0.985	0.990	1.004	1.005
24	0.976	1.004	0.979	0.999	1.003	0.998
30	0.973	0.999	0.974	0.998	1.001	1.000
36	0.966	0.999	0.988	1.000	1.000	1.000
42	0.969	0.999	0.983	0.999	1.000	1.000
48	0.970	0.998	0.979	0.999	1.000	1.000
54	0.976	0.998	0.988	0.999	1.000	1.000
60	0.979	0.998	0.993	0.999	1.000	1.000
66	0.978	0.998	0.988	1.000	1.000	1.000
72	0.979	0.998	1.000	1.000	1.000	1.000
78	0.981	0.999	1.000	1.000	1.000	1.000
84	0.988	1.000	1.000	1.000	1.000	1.000
90	0.988	1.000	1.000	1.000	1.000	1.000
96	0.992	1.000	1.000	1.000	1.000	1.000
102	0.993	1.000	1.000	1.000	1.000	1.000
108	0.998	1.000	1.000	1.000	1.000	1.000
114	0.998	1.000	1.000	1.000	1.000	1.000
120	1.001	1.000	1.000	1.000	1.000	1.000
126	1.001	1.000	1.000	1.000	1.000	1.000
132	1.001	1.000	1.000	1.000	1.000	1.000
138	1.001	1.000	1.000	1.000	1.000	1.000
144	1.001	1.000	1.000	1.000	1.000	1.000
150	1.001	1.000	1.000	1.000	1.000	1.000
156	1.001	1.000	1.000	1.000	1.000	1.000
162	1.001	1.000	1.000	1.000	1.000	1.000
168	1.001	1.000	1.000	1.000	1.000	1.000
174	1.001	1.000	1.000	1.000	1.000	1.000
180	1.001	1.000	1.000	1.000	1.000	1.000
186	1.000	1.000	1.000	1.000	1.000	1.000
192	1.000	1.000	1.000	1.000	1.000	1.000
198	1.000	1.000	1.000	1.000	1.000	1.000
204	1.000	1.000	1.000	1.000	1.000	1.000
210	1.000	1.000	1.000	1.000	1.000	1.000
216	1.000	1.000	1.000	1.000	1.000	1.000
222	1.000	1.000	1.000	1.000	1.000	1.000
228	1.000	1.000	1.000	1.000	1.000	1.000
234	1.000	1.000	1.000	1.000	1.000	1.000
240	1.000	1.000	1.000	1.000	1.000	1.000