

ADDENDUM TO PAGE 2 and 25

Actuarial Costing of Private Passenger Automobile Product Changes

Subsequent to the release of our report for the Newfoundland and Labrador Board of Commissioners of Public Utilities, “Actuarial Costing of Private Passenger Automobile Product Changes,” we were asked to provide average premium savings estimates for two additional deductible options: \$2,500 and \$5,000. Our estimated average premium savings per car for these deductible options are presented in the attached exhibit. The following exhibit updates the exhibit presented in pages 2 and 25 of our report.

Please note that we have not performed sensitivity tests on these two additional deductibles. Therefore, Exhibits 2a – 2e of our report have not been updated.

Scenarios 1,2,3, and 4							Revised	
Estimated Average Premium Savings per car								
Deductible	Net Wages: Collateral Benefits:	Ded	Net	Collateral	All			
		Only	Wages Only	Benefits Only	Scenarios			
		No	Yes	No	Yes			
		No	No	Yes	Yes			
\$0		0.0%	2.1%	3.2%	5.3%			
\$2,500		3.9%	6.0%	7.0%	9.1%			
\$5,000		7.3%	9.4%	10.4%	12.5%			
\$7,500		10.1%	12.2%	13.3%	15.4%			
\$10,000		12.5%	14.6%	15.7%	17.8%			
\$12,500		14.5%	16.6%	17.7%	19.8%			
\$15,000		16.2%	18.3%	19.3%	21.4%			

March 12, 2004