

ADDENDUM TO PAGE 18

Report on Potential Savings Arising From Various Product Changes And Other Considerations Involving Automobile Insurance In Newfoundland and Labrador

This Addendum has been prepared resulting from updated information provided by Mercer Oliver Wyman to their *Actuarial Costing of Private Passenger Automobile Product Changes Report* dated March 5, 2004. This information is more specifically referred to in an Addendum to Appendix 5 of the Board's Report dated March 8th, 2004 and addresses the modeling of the \$2,500 and \$5,000 deductible options. Previously on page 18 average premium savings per private passenger vehicle were estimated at 6.1% @ \$2,500 and 7.9% @ \$5,000 for deductible only (i.e. Scenario 1). The revised determination resulting from modeling these two additional deductibles in combination with other scenarios is now incorporated in the table below.

Estimated Average Percent of Premium Savings Per Private Passenger Vehicle				
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Net Wages Adjustment	No	Yes	No	Yes
Collateral Benefits	No	No	Yes	Yes
Deductible:	Yes	Yes	Yes	Yes
\$ 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