

FACILITY ASSOCIATION  
NEWFOUNDLAND --- PUBLIC BUSES  
SUMMARY OF RATE LEVEL CHANGE CALCULATION

THIRD PARTY LIABILITY - TOTAL

Acc. Years	Earned Premium (1)	On-Level Factor (2)	SC 907 Adj. (3)	Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	71,947	1.0000	1.0000	71,947	10,347	1.0351	0.9650	10,335	1.4384	14,866
2002	80,960	1.0000	1.0000	80,960	206,426	0.9960	0.9650	198,404	1.3665	271,119
2003	130,302	1.0000	1.0000	130,302	43,466	1.0510	0.9650	44,084	1.2838	56,595
2004	173,811	1.0000	1.0000	173,811		2.2221	0.9793		1.2208	
2005	205,189	1.0000	1.0000	205,189	10,861	1.4217	1.0000	15,441	1.1567	17,861
<b>Total</b>	<b>662,209</b>			<b>662,209</b>	<b>271,100</b>			<b>268,264</b>		<b>360,441</b>

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001	4	1.0000	4	20.66%	-58.9%		
2002	5	1.0000	5	334.88%	+351.6%		
2003	3	0.9737	3	43.43%	-29.2%		
2004		1.0000			-85.9%		
2005	4	0.9714	4	8.70%	-74.6%		
<b>Total</b>	<b>16</b>		<b>16</b>	<b>54.43%</b>	<b>-14.8%</b>	<b>0.0544</b>	<b>+4.6%</b>

Notes :

- (4) = (1) x (2) x (3)
  - (8) = (5) x (6) x (7)
  - (10) = (8) x (9)
  - (13) = (11) x (12)
  - (14) = (10) / (4)
  - (15) = {[(14) x LDF] + FE} / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 9.58%, VE= 24.20%, LDF= 0.8899, and PDF= 0.9953
  - (16) = SQRT [(13) / FCS] where FCS= 5,410 ultimate number of claims
  - (17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 5.76%
- The assumed future average accident date is 16/Feb/2008

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ACCIDENT BENEFITS - EXCLUDING U.A.

Acc. Years	Earned Premium (1)	On-Level Factor (2)	SC 907 Adj. (3)	Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	3,713	1.0000	1.0000	3,713		0.9998	1.0000		1.2280	
2002	4,209	1.0000	1.0000	4,209		1.0022	1.0000		1.1905	
2003	7,964	1.0000	1.0000	7,964	13,294	0.9830	1.0000	13,068	1.1538	15,078
2004	10,657	1.0000	1.0000	10,657	46	0.9281	1.0000	43	1.1185	48
2005	12,781	1.0000	1.0000	12,781		0.9770	1.0000		1.0842	
<b>Total</b>	<b>39,324</b>			<b>39,324</b>	<b>13,340</b>			<b>13,111</b>		<b>15,126</b>

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001		1.0000			-87.6%		
2002		1.0000			-87.6%		
2003	3	1.0000	3	189.33%	+167.9%		
2004	1	0.9821	1	0.45%	-87.0%		
2005		1.0000			-87.6%		
<b>Total</b>	<b>4</b>		<b>4</b>	<b>38.47%</b>	<b>-35.7%</b>	<b>0.0430</b>	<b>+1.5%</b>

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  - (14) = (10) / (4)
  - (15) = {[(14) x LDF] + FE} / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 8.55%, VE= 23.10%, LDF= 0.9343, and PDF= 0.9953
  - (16) = SQRT [(13) / FCS] where FCS= 2,164 ultimate number of claims
  - (17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 3.16%
- The assumed future average accident date is 16/Feb/2008

FACILITY ASSOCIATION  
NEWFOUNDLAND --- PUBLIC BUSES  
SUMMARY OF RATE LEVEL CHANGE CALCULATION

UNINSURED AUTOMOBILE

Acc. Years	Earned Premium (1)	On-Level Factor (2)	SC 907 Adj. (3)	On-Level Earned Premium (4)	Reported Inc. Loss (5)	Loss Devel (6)	PROD (7)	Ultimate Inc. Loss (8)	Proj. Factor (9)	Projected Inc. Loss (10)
2001	437	1.0000	1.0000	437		1.0149	0.9650		1.4384	
2002	507	1.0000	1.0000	507		1.0554	0.9650		1.3665	
2003	1,069	1.0000	1.0000	1,069	5,150	1.0995	0.9650	5,464	1.2838	7,015
2004	1,410	1.0000	1.0000	1,410		1.2824	0.9793		1.2208	
2005	920	1.0000	1.0000	920		1.7754	1.0000		1.1567	
<b>Total</b>	<b>4,343</b>			<b>4,343</b>	<b>5,150</b>			<b>5,464</b>		<b>7,015</b>

Acc. Years	Reported # Claims (11)	Counts Devel (12)	Ultimate # Claims (13)	Projected On-Level LR (14)	Rate Level Change (15)	Assigned Credibility (16)	Cred Wtd Rate Level Change (17)
2001		0.9920			-87.6%		
2002		0.9893			-87.6%		
2003	1	0.9747	1	656.22%	+734.9%		
2004		0.9578			-87.6%		
2005		1.0305			-87.6%		
<b>Total</b>	<b>1</b>		<b>1</b>	<b>161.52%</b>	<b>+114.8%</b>	<b>0.0215</b>	<b>+8.1%</b>

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  - (13) = (11) x (12)
  - (14) = (10) / (4)
  - (15) = {[(14) x LDF] + FE} / [PDF - VE - PR] - 1 where PR = 7.22%, FE= 8.55%, VE= 23.10%, LDF= 0.8675, and PDF= 0.9953
  - (16) = SQRT [(13) / FCS] where FCS= 2,164 ultimate number of claims
  - (17) = [(16) x (15)] + [1 - (16)] x TR where TR = one year's trend = 5.76%
- The assumed future average accident date is 16/Feb/2008