

- 1 Q. Oliver Wyman (OW) suggests that FA use the PUB's Guideline commercial vehicle
 2 (CV) loss trend rates (per Directive A.1, 2013-02) instead of the CV rates selected
 3 by FA shown below. Please file a copy of the detailed analysis underlying Directive
 4 A.1, 2013-02.

Facility Association selections

	Frequency	Severity	Loss Cost
Bodily Injury	-2.3%	+6.9%	+4.4%
Property Damage	+0.3%	+2.1%	+2.4%
Accident Benefits	-0.8%	+8.5%	+7.6%

Oliver Wyman selections

	Loss Cost
Bodily Injury	-1.5%
Property Damage	0.0%
Accident Benefits	+1.0%

- 5 A. Please see the attached report *Newfoundland & Labrador Commercial Vehicles*
 6 *Oliver Wyman Selected Loss Trend Rates Based on Industry Data Through*
 7 *December 31, 2012* prepared by the Board's actuarial consultants, Oliver Wyman.



Newfoundland & Labrador

Commercial Vehicles

Oliver Wyman Selected Loss Trend Rates

Based on Industry Data Through December 31, 2012

Loss Trend Rates

Loss trend rates are factors that are used to determine rate level indications. They are applied to the experience period incurred losses to adjust for the cost levels that are anticipated during the policy period covered under the proposed rate program.

The selection and application of trend rates is, essentially, a two-step process. The data in the experience period under consideration must be adjusted to reflect changes in cost conditions that have taken place (i.e., “past trend”), and then the data must be further adjusted to reflect changes in cost conditions that are expected to take place between the present time and the time during which the new premiums will be in effect (i.e., “future trend”).

Therefore, past trend rates should reflect the underlying trend patterns that occurred during the experience period, which we have assumed to be the five years ending December 31, 2012. Future trend rates should reflect those same patterns that occurred during the experience period, as well as the likelihood that those patterns may change.

The identification of the underlying trend patterns over the experience period, which is a matter of actuarial judgment, is challenging because factors such as statistical fluctuation in the data points, changes in the underlying exposures, or abnormal weather conditions, etc., can make the underlying trend patterns difficult to discern. In addition, the data points analyzed are estimates that change over time as the claim experience matures. For this reason, we model the data several different ways in an attempt to identify the underlying trends during the experience period: with and without certain data points that are considered to be statistical outliers, and over time periods that are longer than the experience period as a means of increasing the stability/reliability of the data being analyzed.

We select trend rates based on Industry Newfoundland & Labrador data – as published by the General Insurance Statistical Agency (GISA) - to determine appropriate loss trends for use in deriving the rate level indications. We derive annual loss trend rates based on a regression model using Industry historical accident year loss and loss adjustment expense data that we project to ultimate cost level (when all claims are reported and settled) using the Industry loss development factors we select.

We generally consider the Industry Newfoundland & Labrador data for the ten year period spanning 2003-1 through 2012-2 for purposes of selecting trend rates.

Estimation of Industry Ultimate Claim Counts and Loss Amounts

The Industry Newfoundland & Labrador experience upon which the loss trend rates are based must be adjusted to an ultimate claim count and loss amount level. We do so through the application of what are referred to as development factors to the reported claim counts and claim amounts as of December 31, 2012. We select development factors based on a review of the Industry Newfoundland & Labrador loss development patterns; we do this by coverage¹. Our selected development factors are generally based on: (a) the volume weighted average of the last four observed development factors for the half-years ending June (for development period 6 months to 12 months); and (b) the volume weighted average of the last six observed development factors (for the development periods beyond 12 months). However, due to the limited commercial automobile data for Newfoundland & Labrador, we select a longer-term average based on the latest 12 accident half-year development factors for all development periods as our general selection approach. The exceptions are as follows.

¹ Our review of Third Party Liability is split between Bodily Injury and Property Damage.

<u>Coverage</u>	<u>Count/Amount</u>	<u>Interval (in months)</u>	<u>Selected Factor</u>
Bodily Injury	Claim Count	78-ultimate	1.00
Bodily Injury	Claim Amount	102-ultimate	1.00
Property Damage	Claim Count	54-ultimate	1.00
Property Damage	Claim Amount	90-ultimate	1.00
Accident Benefits Including UA	Claim Count	114-ultimate	1.00
Accident Benefits Including UA	Claim Amount	84-ultimate	1.00
Collision	Claim Count	114-ultimate	1.00
Collision	Claim Amount	114-ultimate	1.00
Comprehensive	Claim Count	114-ultimate	1.00
Comprehensive	Claim Amount	114-ultimate	1.00

Exhibit II, Page 1 and Exhibit II, Page 2 attached present our selected cumulative claim count and claim amount development factors, respectively. We note that as a result of these selected development factors and the actual emerged data, our estimated ultimate claim amounts have changed from our last study, and these changes contribute to the changes in our selected trend rates.

Consideration of Severity, Frequency, and Loss Cost Trend Patterns

In selecting past and future trend rates by coverage, we typically examine the separate trend patterns for claim severity and claim frequency, and then combine the selected severity and frequency trend rates to arrive at a selected loss cost trend rate. However, our review of the severity and frequency trend patterns over the recent past suggests to us that we may not fully reflect the correlation that seemingly exists between severity and frequency if we separately select severity and frequency trend rates over different time periods. For this reason we tend to select past and future trend rates by directly examining the trend pattern for loss cost.

Selection of Past Trend Rates

The Time Period We Considered

In our judgment, a ten-year period is, generally, a reasonable time period for determining the underlying trend rates for the Bodily Injury and Accident Benefits coverages, while the five-year period is a reasonable time period for determining the underlying trend rates for the Property Damage, Collision, and Comprehensive coverages.

However, we also consider the indicated loss cost trend over the five-year period ending December 31, 2012 for the Bodily Injury and Accident Benefits coverages. And due to volatility of the data, and the limited number of claims, in this review we also consider the indicated loss cost trend over the ten-year period ending December 31, 2012 in selecting loss trend rates for the Property Damage, Collision, and Comprehensive coverages. While the five-year period is generally more responsive to changing patterns, due to the small number of claims and continuing volatility, we do not find the five-year results sufficiently stable and, therefore give consideration to the ten-year period.

The Data Points We Considered

We recognize that the indicated trends produced by the regression model (particularly those over a five-year period) can be sensitive to one or two of the data points. And since the points represent estimates of ultimate claim frequency rates, or in the case of severity, estimates of ultimate average loss amounts per claim, errors in estimation could lead to over or under estimation of the underlying trend rates. We also recognize that consideration must be given to how closely the regression model fits the data points, and that adjustments may be necessary for outlying data points. For these reasons in selecting what we believe to be appropriate past severity and frequency trend rates we consider the indicated trends with the exclusion of various data points.

Seasonality

In analyzing the trend patterns, we reflect the seasonality (difference between the frequency and/or severity during the first half of the year versus the second half of the year) of the data point. We find seasonality to be evident for the Comprehensive coverage. In the case of Bodily Injury, we find that seasonality is sometimes evident, depending upon the time period selected and the data points excluded. We take this into consideration in our review of the Bodily Injury trend rate patterns. We refer to the first half of accident year XXXX, as XXXX-1 and the second half as XXXX-2.

Our Selected Past Trend Rates

Bodily Injury

Based on data as of June 30, 2012, we selected a past loss cost trend rate of -2.5%.

The data through December 31, 2012 shows the percentage change in the loss cost for accident half-year 2012-2 versus 2011-2 to be -29%, and the accident year ending December 2012 loss cost to be 17% less than the accident year ending December 2011 loss cost. This decrease in 2012 is primarily due to an unusual increase in severity in 2011— seemingly the occurrence of one or more very large claims in the second half of 2011- followed by a decline to more typical levels in 2012.

This coverage has exhibited a high degree of loss cost volatility as indicated from the year-to-year loss cost changes:

2006 to 2007: +29%
2007 to 2008: -11%
2008 to 2009: -9%
2009 to 2010: -6%
2010 to 2011: +34%
2011 to 2012: -17%

Our estimated past loss cost trends based on Industry data as of December 31, 2012 are as follows:

Ten-year period ending December 12, excluding the two highest/lowest values²: -1.7%
Five-year period ending December 12, excluding the highest/lowest values: -0.4%

Ten-year period ending June 12, excluding the two highest/lowest values: -3.6%
Five-year period ending June 12, excluding the highest/lowest values: +1.9%

We select a past loss cost trend rate of -1.5% (the approximate average of (a) the average of the above four trends and (b) our prior selection of -2.5%).

Property Damage

Based on data as of June 30, 2012, we selected a past loss cost trend rate of -1.0%.

The data through December 31, 2012 shows the loss cost for accident half-year 2012-2 to have decreased, by approximately 5% compared to 2011-2. The accident year ending December 2012 loss cost is 12% less than the accident year ending December 2011 loss cost.

Our estimated past loss cost trends based on Industry data as of December 31, 2012 are as follows:

Ten-year period ending December 12, excluding the two highest/lowest values: +0.7%
Five-year period ending December 12, excluding the highest/lowest values: +1.5%

Ten-year period ending June 12, excluding the two highest/lowest values: +0.8%
Five-year period ending June 12, excluding the highest/lowest values: +1.7%

We select a past trend rate of +0.0%, which is the approximate average of (a) these four trend rates and (b) our previous past trend rate selection.

² In this report, for Bodily Injury and the other coverages that we review, the excluded points are those exhibiting the highest/lowest percentage change from the corresponding prior year semester.

Accident Benefits

Based on data as of June 30, 2012, we selected a past loss cost trend rate of +1.5%.

The data through December 31, 2012 shows the loss cost for accident half-year 2012-2 to have decreased, by approximately 24% compared to 2011-2, with decreases in both frequency and severity. The accident year ending December 2012 loss cost is 7% less than the accident year ending December 2011 loss cost.

Like Bodily Injury, this coverage has exhibited a high degree of loss cost volatility as indicated from the year-to-year loss cost changes:

2006 to 2007: +41%
2007 to 2008: -17%
2008 to 2009: -16%
2009 to 2010: +27%
2010 to 2011: +56%
2011 to 2012: -7%

Our estimated past loss cost trends based on Industry data as of December 31, 2012 are as follows:

Ten-year period ending December 12, excluding the two highest/lowest values:	-4.0%
Five-year period ending December 12, excluding the highest/lowest values:	+14.5%
Ten-year period ending June 12, excluding the two highest/lowest values:	-9.2%
Five-year period ending June 12, excluding the highest/lowest values:	+2.1%

We select a past trend rate of +1.0%, which is the approximate average of (a) these four trend rates and (b) our previous past trend rate selection.

Collision

Based on data as of June 30, 2012, we selected a past loss cost trend rate of -2.0%.

The data through December 31, 2012 shows the loss cost for accident half-year 2012-2 to have decreased, by approximately 4% compared to 2011-2. The accident year ending December 2012 loss cost is essentially unchanged from the accident year ending December 2011 loss cost.

With the exception of the last three years, the Collision loss cost has been quite volatile and has exhibited a high degree of loss cost volatility as indicated from the year-to-year loss cost changes:

2006 to 2007: +35%
2007 to 2008: +49%
2008 to 2009: -41%
2009 to 2010: +0%
2010 to 2011: -3%
2011 to 2012: +0%

Given this volatility, we consider longer-term trends excluding outlying data points.

Our estimated past loss cost trends based on Industry data as of December 31, 2012 are as follows:

Ten-year period ending December 12, excluding the two highest/lowest values: +1.8%
Five-year period ending December 12, excluding the highest/lowest values: -9.7%

Ten-year period ending June 12, excluding the two highest/lowest values: +0.8%
Five-year period ending June 12, excluding the highest/lowest values: -12.7%

The approximate average of (a) these four trend rates and (b) our previous past trend rate selection is -3.5%. However, given the relative stability of the loss costs over the past three years, we select a loss cost trend of 0.0%.

Comprehensive

Based on data as of June 30, 2012, we selected a past loss cost trend rate of +1.0%.

The data through December 31, 2012 shows the loss cost for accident half-year 2012-2 to have decreased by approximately 10% compared to 2011-2. The accident year ending December 2012 loss cost is approximately 26% less than the accident year ending December 2011 loss cost. Like the other coverages, the Comprehensive loss cost has been quite volatile and has exhibited a high degree of loss cost volatility as indicated from the year-to-year loss cost changes:

2006 to 2007: +13%
2007 to 2008: +25%
2008 to 2009: -30%
2009 to 2010: +30%
2010 to 2011: +14%
2011 to 2012: -26%

Given this volatility, we consider longer-term trends excluding outlying data points.

Ten-year period ending December 12, excluding the two highest/lowest values:	+7.5%
Five-year period ending December 12, excluding the highest/lowest values:	+3.8%
Ten-year period ending June 12, excluding the two highest/lowest values:	+8.1%
Five-year period ending June 12, excluding the highest/lowest values:	-10.6%

The approximate average of (a) the average of the above four trends and (b) our prior selection of +1.0%) is +1.5%. However, even with the exclusion of the one or two highest and lowest values, there is considerable volatility among the remaining data points. We observed this same issue in our prior study, and as a way to further remove the inherent volatility we considered the Comprehensive loss costs on an annual basis. On an annual basis, the ten-year trend ending December 2012 excluding the two highest and lowest data points, is +2.9%.

We select a past trend rate of +2.0% (as it is the approximate average we calculate noted above (1.5%) and our annual basis ten -year loss trend rate of +2.9%).

Specified Perils

Due to insufficient data, we select the same past loss cost trend rate as we do for Comprehensive, +2.0%

Selection of Future Trend Rates

In our view, it is not yet clear from the data that the economy is having an effect on the loss costs in the province. Hence, for all coverages we select a future trend rate that is the same as our selected past trend rate. However, we do acknowledge that the economic climate increases the uncertainty in the future loss trend rates.

Selected Trend Rates - Summary

The following table presents our selected past and future loss cost trend rates based on industry data through to December 31, 2012.

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-1.5%	-1.5%
Property Damage	+0.0%	+0.0%
Accident Benefits	+1.0%	+1.0%
Collision	+0.0%	+0.0%
Comprehensive	+2.0%	+2.0%
Specified Perils	+2.0%	+2.0%

The following table presents our selected past and future loss cost trend rates we selected in our *prior* review based on industry data through to June 30, 2012.

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-2.5%	-2.5%
Property Damage	-1.0%	-1.0%
Accident Benefits	+1.5%	+1.5%
Collision	-2.0%	-2.0%
Comprehensive	+1.0%	+1.0%
Specified Perils	+1.0%	+1.0%

Reform Factor

For reasons of data credibility, we select a reform factor for Bodily Injury of 0.0% that is the same as the reform factor selected for Newfoundland & Labrador private passenger vehicles.

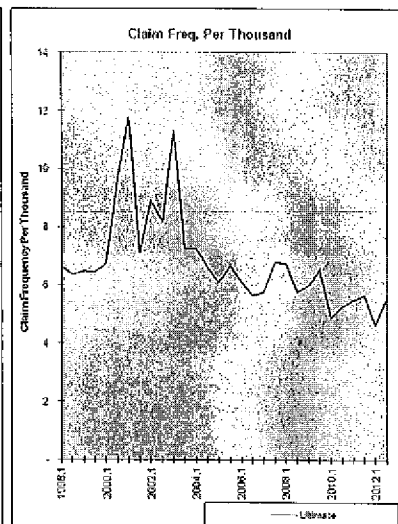
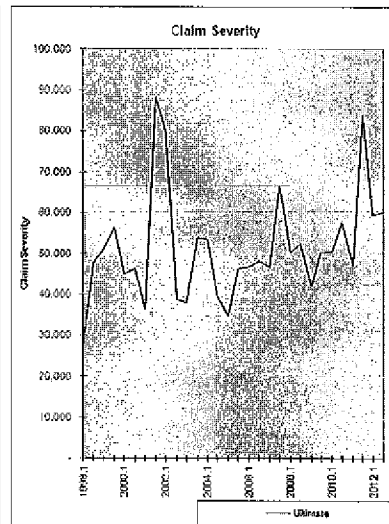
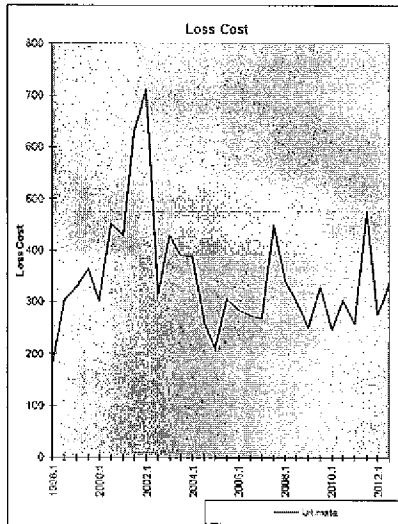
Exhibits

In the Exhibit I we present the historical data points for loss cost per vehicle, severity and frequency for the last fifteen accident half-years, as well as in graph form.

In Exhibit II we present our selected cumulative claim count and claim amount development factors.

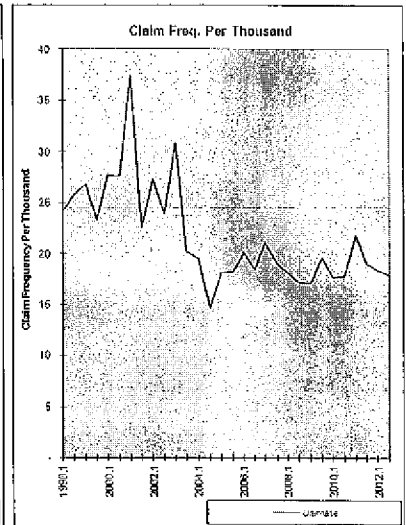
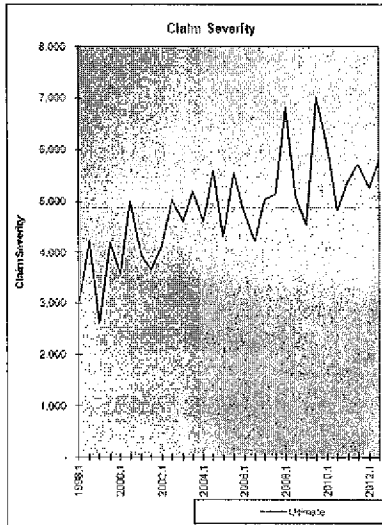
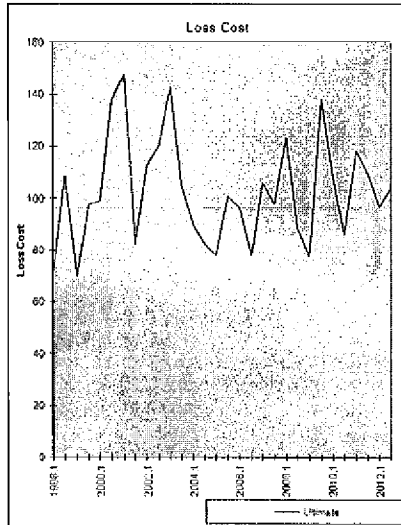
Third Party Liability - Bodily Injury

Accident Period	Time k	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq. per 1000
x 1998 1	1	7 620	60	1 166	1.145	1 360	180 63	27.153	6.65
x 1998 2	2	8 312	53	2 203	1.145	2 523	303 48	47.595	6.38
x 1999 1	3	7 876	51	2 349	1.106	2 698	323 82	50.933	6.48
x 1999 2	4	7 926	51	2 601	1.106	2 877	363 01	56.405	6.44
x 2000 1	5	7 874	63	2 182	1.053	2 385	302 86	44.995	6.73
x 2000 2	6	6 370	82	3 474	1.053	3 790	453 73	46.312	9.80
x 2001 1	7	6 417	99	3 330	1.082	3 603	428 10	36.395	11.76
x 2001 2	8	9 548	68	5 551	1.082	6 005	629 04	88.329	7.12
x 2002 1	9	9 032	81	6 073	1.068	6 485	713 34	80.068	8.91
x 2002 2	10	9 190	75	2 712	1.068	2 897	315 21	38.523	9.16
x 2003 1	11	9 038	103	3 632	1.076	3 909	430 18	37.956	11.33
x 2003 2	12	9 660	70	3 610	1.076	3 779	390 34	53.975	7.23
x 2004 1	13	9 353	68	3 361	1.060	3 630	387 64	53.377	7.26
x 2004 2	14	9 830	65	2 391	1.060	2 582	262 70	39.727	5.61
x 2005 1	15	9 632	59	1 917	1.056	2 045	211 17	34.654	6.09
x 2005 2	16	9 990	65	2 854	1.056	3 043	305 63	46 107	6.63
x 2006 1	17	9 663	59	2 574	1.072	2 760	284 96	46.771	6.09
x 2006 2	18	10 235	68	2 693	1.072	2 790	272 53	46.037	5.67
x 2007 1	19	10 087	68	2 519	1.072	2 700	267 64	46.598	5.74
x 2007 2	20	10 199	69	4 271	1.072	4 577	448 77	66.411	6.76
x 2008 1	21	9 737	65	3 091	1.075	3 312	340 10	50.354	6.75
x 2008 2	22	10 382	60	2 920	1.075	3 138	302 27	52.552	5.75
x 2009 1	23	10 223	61	2 393	1.073	2 567	251 09	42.014	5.90
x 2009 2	24	10 931	71	3 359	1.073	3 603	329 65	50.422	6.54
x 2010 1	25	10 775	62	2 510	1.056	2 650	245 94	50.667	4.86
x 2010 2	26	11 140	59	3 204	1.056	3 382	303 61	57.459	5.28
x 2011 1	27	11 010	60	2 698	1.052	2 839	267 03	47 127	5.47
x 2011 2	28	11 624	65	5 203	1.052	5 475	475 16	83.886	5.66
x 2012 1	29	11 448	63	2 967	1.052	3 154	275 49	59.581	4.62
x 2012 2	30	12 361	69	3 944	1.052	4 150	336 78	60.201	5.58



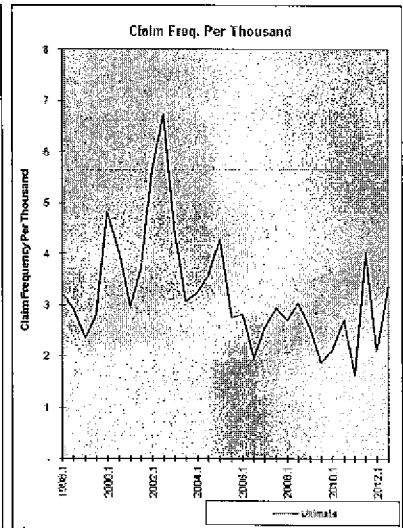
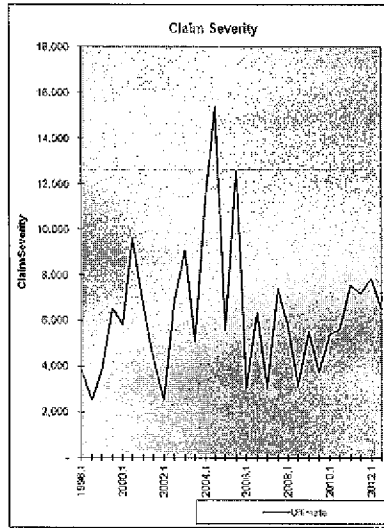
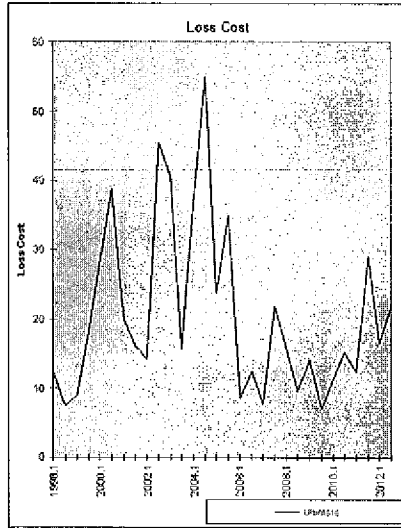
Third Party Liability - Property Damage

Accident Period	Time x	Eamsd Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq. per 1000
x 1998.1	1	7 520	182	470	1.145	538	71.63	2.958	24.20
x 1998.2	2	8 312	214	789	1.145	903	108.68	4.221	25.75
x 1999.1	3	7 878	211	500	1.106	552	70.15	2.618	26.79
x 1999.2	4	7 525	185	700	1.106	775	57.76	4.188	23.35
x 2000.1	5	7 874	218	712	1.093	779	98.90	3.572	27.69
x 2000.2	6	8 370	231	1 058	1.093	1,156	138.17	5.006	27.60
x 2001.1	7	8 417	315	1 149	1.082	1,243	147.72	3.947	37.43
x 2001.2	8	9 548	215	725	1.082	785	82.19	3.650	22.52
x 2002.1	9	9 092	248	960	1.068	1,025	112.73	4.133	27.28
x 2002.2	10	9 190	220	1 035	1.068	1,105	120.29	5.025	23.94
x 2003.1	11	9 086	281	1 203	1.076	1 295	142.46	4.607	30.92
x 2003.2	12	9 580	196	846	1.076	1 013	105.19	5.195	20.25
x 2004.1	13	9 363	183	780	1.080	842	89.92	4.601	19.54
x 2004.2	14	9 830	144	747	1.080	805	82.02	5.599	14.65
x 2005.1	15	9 682	175	708	1.056	755	77.96	4.313	18.07
x 2005.2	16	9 960	181	842	1.056	1,004	100.83	5.549	18.17
x 2006.1	17	9 583	195	871	1.072	934	95.47	4.790	20.14
x 2006.2	18	10 236	189	745	1.072	799	78.92	4.226	18.46
x 2007.1	19	10 067	213	958	1.072	1 070	106.06	5.022	21.12
x 2007.2	20	10 159	194	933	1.072	1 000	98.03	5.154	19.02
x 2008.1	21	9 737	176	1 118	1.075	1,201	123.36	6.825	18.08
x 2008.2	22	10 362	179	855	1.075	915	88.54	5.135	17.24
x 2009.1	23	10 223	175	740	1.073	793	77.51	4.536	17.11
x 2009.2	24	10 931	215	1 407	1.073	1 509	138.06	7.023	19.66
x 2010.1	25	10 775	190	1 100	1.056	1 162	107.82	6.099	17.68
x 2010.2	26	11 140	198	907	1.056	967	85.51	4.824	17.81
x 2011.1	27	11 010	241	1 236	1.052	1 301	118.15	5.380	21.92
x 2011.2	28	11 524	220	1 197	1.052	1 260	109.32	5.733	19.07
x 2012.1	29	11 448	210	1 052	1.052	1 107	56.65	5.266	18.35
x 2012.2	30	12 351	221	1 221	1.052	1 285	103.95	5.802	17.92



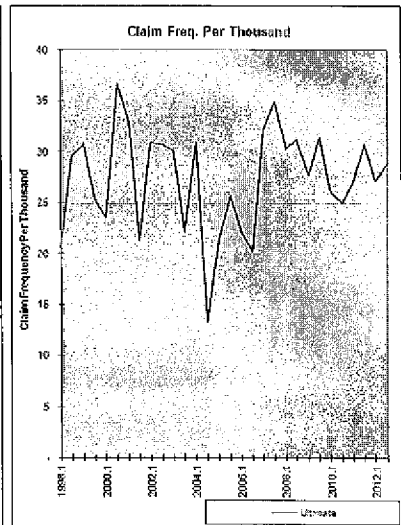
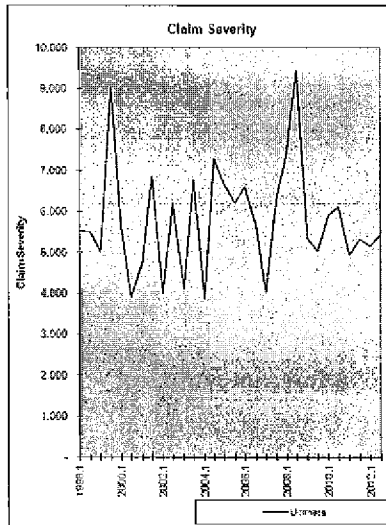
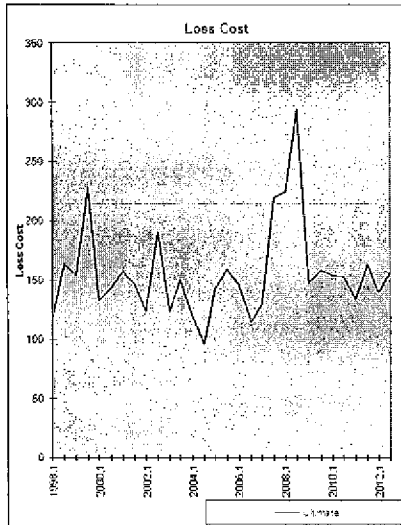
Accident Benefits

Accident Period	Time x	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq. per 1000
x 1998.1	1	6,902	19	64	1.145	74	12.49	3,879	3.22
x 1998.2	2	6,469	19	42	1.145	48	7.44	2,530	2.91
x 1999.1	3	6,368	15	52	1.106	67	9.00	3,816	2.36
x 1999.2	4	6,403	18	106	1.106	117	18.32	6,616	2.81
x 2000.1	5	6,439	31	166	1.093	181	28.11	6,838	4.81
x 2000.2	6	6,913	28	246	1.093	259	36.84	9,590	4.06
x 2001.1	7	7,029	21	130	1.082	141	20.00	6,696	2.99
x 2001.2	8	6,096	30	121	1.082	130	18.12	4,349	3.71
x 2002.1	9	7,806	44	104	1.068	111	14.25	2,528	5.64
x 2002.2	10	7,567	51	322	1.068	344	45.40	6,736	6.74
x 2003.1	11	7,184	32	271	1.076	291	40.87	9,108	4.45
x 2003.2	12	8,140	25	118	1.076	128	15.66	5,100	3.07
x 2004.1	13	8,337	27	286	1.080	308	36.96	11,414	3.24
x 2004.2	14	8,306	30	427	1.080	461	64.94	16,366	3.68
x 2005.1	15	7,961	34	178	1.066	190	23.86	5,687	4.27
x 2005.2	16	8,270	23	270	1.066	288	34.86	12,598	2.77
x 2006.1	17	8,088	23	66	1.072	70	8.68	3,068	2.83
x 2006.2	18	8,578	17	100	1.072	107	12.62	6,362	1.97
x 2007.1	19	8,497	22	62	1.072	66	7.82	3,062	2.66
x 2007.2	20	9,034	27	184	1.072	197	21.84	7,387	2.96
x 2008.1	21	9,054	25	131	1.076	141	15.59	5,754	2.71
x 2008.2	22	9,631	29	87	1.075	93	9.67	3,173	3.06
x 2009.1	23	9,567	24	126	1.073	135	14.12	5,524	2.56
x 2009.2	24	10,269	19	68	1.073	73	7.11	3,768	1.89
x 2010.1	25	10,167	21	109	1.066	116	11.38	5,387	2.11
x 2010.2	26	10,621	28	152	1.066	160	16.26	6,612	2.72
x 2011.1	27	10,426	17	122	1.062	129	12.33	7,543	1.63
x 2011.2	28	10,978	44	302	1.062	316	28.93	7,187	4.02
x 2012.1	29	10,964	23	172	1.062	181	16.48	7,864	2.10
x 2012.2	30	11,858	48	247	1.062	260	21.92	6,456	3.38



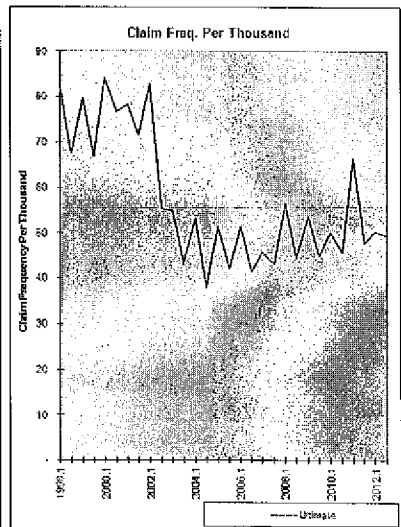
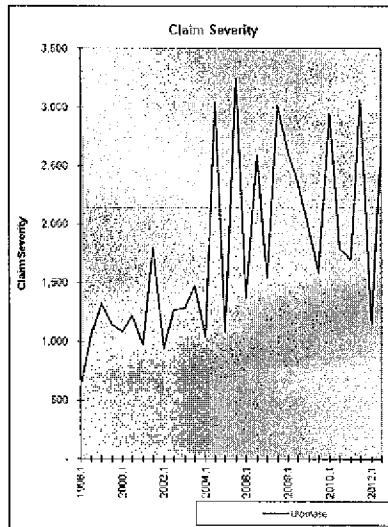
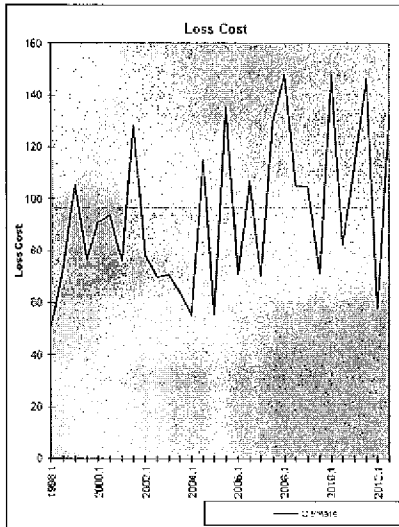
Collision

Accident Period	Time x	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq per 1000
x 1998.1	1	1,938	41	198	1.145	227	117.21	5.542	21.15
x 1998.2	2	2,059	61	293	1.146	336	163.18	6.507	29.63
x 1999.1	3	2,170	67	303	1.106	335	153.98	5.005	30.76
x 1999.2	4	2,240	57	465	1.106	514	228.71	9.018	25.36
x 2000.1	5	2,267	53	273	1.093	259	132.32	5.636	23.48
x 2000.2	6	2,400	58	314	1.093	340	142.82	3.896	36.67
x 2001.1	7	2,625	87	352	1.082	413	157.37	4.749	33.14
x 2001.2	8	2,628	56	356	1.082	385	145.47	6.873	21.31
x 2002.1	9	2,458	76	284	1.058	303	123.43	3.992	36.92
x 2002.2	10	2,474	76	443	1.058	473	191.03	6.219	30.72
x 2003.1	11	2,524	76	290	1.076	312	123.56	4.103	30.11
x 2003.2	12	2,476	56	346	1.076	373	150.54	6.777	22.21
x 2004.1	13	2,103	65	253	1.030	251	119.44	3.964	30.91
x 2004.2	14	2,114	28	169	1.030	204	96.59	7.281	13.25
x 2005.1	15	2,007	43	259	1.056	287	143.01	6.674	21.43
x 2005.2	16	2,068	53	309	1.056	329	159.15	6.210	25.63
x 2006.1	17	2,084	46	284	1.072	304	145.89	6.609	22.08
x 2006.2	18	2,131	43	228	1.072	244	114.58	5.679	20.10
x 2007.1	19	2,050	66	248	1.072	268	129.49	4.023	32.19
x 2007.2	20	2,162	75	442	1.072	473	219.89	6.310	34.86
x 2008.1	21	2,242	68	470	1.075	505	225.34	7.430	30.33
x 2008.2	22	2,437	76	663	1.075	718	284.46	9.444	31.18
x 2009.1	23	2,300	86	328	1.073	352	147.90	5.334	27.73
x 2009.2	24	2,515	79	370	1.073	397	157.97	6.029	31.41
x 2010.1	25	2,454	65	364	1.056	384	153.97	5.908	26.06
x 2010.2	26	2,632	65	382	1.056	403	153.21	6.128	25.00
x 2011.1	27	2,652	72	338	1.052	355	133.51	4.931	27.08
x 2011.2	28	2,025	87	438	1.052	451	163.05	5.316	30.68
x 2012.1	29	2,895	78	383	1.052	463	158.68	5.150	27.12
x 2012.2	30	3,076	89	459	1.052	483	166.88	5.436	28.88



Comprehensive

Accident Period	Time x	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq per 1000
x 1998.1	1	1,996	165	80	1.145	101	60.53	611	82.68
x 1998.2	2	2,087	141	132	1.146	151	72.19	1,068	67.57
x 1999.1	3	2,219	177	212	1.106	234	105.44	1,322	79.78
x 1999.2	4	2,315	155	160	1.106	177	75.59	1,144	66.96
x 2000.1	5	2,388	201	199	1.093	217	91.00	1,081	84.16
x 2000.2	6	2,500	192	214	1.093	234	93.53	1,218	76.79
x 2001.1	7	2,722	213	192	1.032	207	76.23	974	78.26
x 2001.2	8	2,739	196	326	1.032	352	129.53	1,796	71.55
x 2002.1	9	2,568	212	187	1.058	200	78.24	944	82.88
x 2002.2	10	2,634	140	166	1.058	177	70.00	1,267	55.24
x 2003.1	11	2,619	144	172	1.076	185	75.74	1,287	54.98
x 2003.2	12	2,503	113	156	1.076	167	64.89	1,476	43.42
x 2004.1	13	2,232	122	118	1.050	127	55.57	1,044	53.23
x 2004.2	14	2,321	89	247	1.050	267	116.12	3,037	37.91
x 2005.1	15	2,241	115	117	1.056	125	55.53	1,084	51.32
x 2005.2	16	2,230	96	252	1.086	311	135.83	3,240	41.92
x 2006.1	17	2,291	116	151	1.072	162	70.52	1,375	51.50
x 2006.2	18	2,344	97	234	1.072	261	106.97	2,686	41.39
x 2007.1	19	2,301	105	151	1.072	162	70.39	1,543	45.63
x 2007.2	20	2,354	102	267	1.072	305	130.13	3,015	43.16
x 2008.1	21	2,512	142	346	1.075	372	148.12	2,620	56.52
x 2008.2	22	2,728	121	267	1.075	287	105.13	2,370	44.36
x 2009.1	23	2,704	146	264	1.073	283	104.72	1,953	63.63
x 2009.2	24	2,649	128	189	1.073	203	71.18	1,584	44.93
x 2010.1	25	2,674	144	402	1.056	424	147.48	2,944	60.10
x 2010.2	26	2,982	137	232	1.056	245	82.03	1,791	45.79
x 2011.1	27	3,050	203	328	1.052	346	112.76	1,697	66.43
x 2011.2	28	3,219	154	447	1.052	471	146.23	3,064	47.72
x 2012.1	29	3,252	166	181	1.052	191	57.89	1,152	60.26
x 2012.2	30	3,478	172	437	1.052	460	132.22	2,670	49.51



Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2012
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)

As of 2012-2
Age-to-Ultimate Factors
Incurred Claim Amount

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive
180-Ult	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000
138-Ult	1.000	1.000	1.000	1.000	1.000
132-Ult	1.000	1.000	1.000	1.000	1.000
126-Ult	1.000	1.000	1.000	1.000	1.000
120-Ult	1.000	1.000	1.000	1.000	1.000
114-Ult	1.000	1.000	1.000	1.000	1.000
108-Ult	1.000	1.000	1.000	1.000	1.000
102-Ult	1.000	1.000	1.000	1.000	1.000
96-Ult	1.000	1.000	1.000	1.000	1.000
90-Ult	0.999	1.000	1.000	1.000	1.000
84-Ult	0.996	1.001	1.000	1.000	1.000
78-Ult	0.992	1.004	1.000	1.000	1.000
72-Ult	0.987	1.007	0.994	1.000	1.000
66-Ult	0.986	1.006	0.993	1.000	1.000
60-Ult	1.002	1.014	0.986	1.000	1.000
54-Ult	0.976	1.011	0.948	1.000	1.000
48-Ult	0.998	1.008	0.962	1.000	1.000
42-Ult	1.019	1.011	0.907	0.999	1.000
36-Ult	1.048	1.024	0.934	0.997	1.000
30-Ult	1.064	1.024	0.883	0.993	1.000
24-Ult	1.098	1.026	0.955	0.993	1.009
18-Ult	1.190	1.026	0.921	0.981	1.012
12-Ult	1.290	1.063	0.817	0.952	1.015
6-Ult	1.806	1.185	0.881	0.937	1.186

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2012
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)

As of 2012-2
Age-to-Ultimate Factors
Incurred Claim Count

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive
180-Ult	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000
138-Ult	1.000	1.000	1.000	1.000	1.000
132-Ult	1.000	1.000	1.000	1.000	1.000
126-Ult	1.000	1.000	1.000	1.000	1.000
120-Ult	1.000	1.000	1.000	1.000	1.000
114-Ult	1.000	1.000	1.000	1.000	1.000
108-Ult	1.000	1.000	1.000	1.000	1.000
102-Ult	1.000	1.000	1.000	1.000	1.000
96-Ult	1.000	1.000	1.000	1.000	1.000
90-Ult	1.000	1.000	0.995	1.000	1.000
84-Ult	1.000	1.000	0.995	1.000	1.000
78-Ult	1.000	1.000	0.995	1.000	1.000
72-Ult	0.999	1.000	0.989	1.000	1.000
66-Ult	0.999	1.000	0.989	1.000	1.000
60-Ult	0.996	1.000	0.981	1.000	1.000
54-Ult	0.995	1.000	0.978	1.000	1.000
48-Ult	0.985	1.000	0.978	1.000	1.000
42-Ult	0.979	1.000	0.969	1.000	1.000
36-Ult	0.969	0.997	0.975	1.000	1.000
30-Ult	0.965	0.997	0.953	0.997	1.000
24-Ult	0.956	0.997	0.947	1.001	1.001
18-Ult	0.960	0.994	0.940	0.996	1.004
12-Ult	0.962	1.001	0.884	0.978	1.021
6-Ult	1.061	1.102	0.890	0.955	1.295



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