



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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DIRECTIVE A.I. 2011-02

ISSUED: February 23, 2011

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 and Commercial Vehicles**

The Board advises that the Loss Trends and Development Factors accepted for use by insurers in making Private Passenger and Commercial automobile insurance rate filings have been updated to include industry data to June 30, 2010.

Insurers may use these factors as published without requirement for supporting data or rational. Insurers opting to use factors other than those accepted by the Board will be required to provide satisfactory data supporting their chosen factors and rational 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 the Board's Compliance Auditor, Mr. Ryan Oake, roake@pub.nl.ca.

Yours truly,

A handwritten signature in blue ink that reads "Cheryl Blundon".

Cheryl Blundon
Board Secretary

Attachment

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2010
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	0.0%	0.0%
Property Damage	+3.0%	+3.0%
Accident Benefits	0.0%	+5.0%
Uninsured Automobile	0.0%	0.0%
Collision	+2.5%	+2.5%
Comprehensive	+8.0%	+10.0%
Specified Perils	+8.0%	+10.0%
All Perils	+4.0%	+5.0%
SEF 44	+5.0%	+5.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2010
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

**As of 2010-1
Age-to-Ultimate Factors
Incurred Claim Amount**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Uninsured
180-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
174-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
168-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
162-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
144-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	0.9996	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9982	0.9998	1.0000	1.0000	0.9999	1.0000	1.0000	1.0000
126-Ult	0.9995	0.9998	1.0000	1.0000	0.9999	1.0000	1.0000	1.0000
120-Ult	1.0030	0.9996	1.0000	1.0000	0.9999	1.0000	1.0000	1.0000
114-Ult	1.0030	0.9994	1.0031	1.0000	0.9999	1.0000	1.0000	1.0000
108-Ult	1.0001	0.9992	1.0025	1.0003	0.9999	1.0000	1.0000	1.0000
102-Ult	1.0048	0.9992	0.9974	0.9991	0.9999	1.0000	1.0000	1.0000
96-Ult	1.0030	0.9993	0.9957	0.9989	0.9998	1.0000	1.0000	0.9923
90-Ult	1.0016	1.0014	0.9928	0.9988	0.9998	1.0000	1.0000	0.9849
84-Ult	0.9994	1.0015	0.9980	1.0001	0.9998	1.0000	1.0000	0.9548
78-Ult	0.9978	1.0011	0.9915	0.9999	0.9998	1.0000	1.0000	0.9573
72-Ult	0.9972	1.0011	0.9901	0.9998	0.9999	1.0000	1.0000	0.9607
66-Ult	1.0019	1.0008	0.9828	0.9993	0.9999	1.0000	1.0015	0.9444
60-Ult	0.9977	1.0005	0.9772	0.9993	1.0000	1.0000	1.0015	0.9501
54-Ult	1.0036	1.0001	0.9467	0.9996	0.9995	1.0000	1.0050	0.9383
48-Ult	1.0040	0.9999	0.9164	0.9994	0.9985	1.0000	1.0051	0.9524
42-Ult	1.0235	0.9971	0.9085	0.9994	0.9985	1.0000	1.0051	0.9820
36-Ult	1.0313	0.9947	0.8969	0.9991	0.9979	1.0000	1.0032	0.9749
30-Ult	1.0405	0.9931	0.8887	0.9951	0.9985	1.0000	0.9951	0.9982
24-Ult	1.0570	0.9899	0.8896	0.9905	0.9973	1.0000	0.9959	1.0578
18-Ult	1.0721	0.9868	0.8938	0.9822	1.0000	1.0000	0.9860	1.1608
12-Ult	1.1098	0.9730	0.8275	0.9518	1.0101	0.9814	0.9403	1.2940
6-Ult	1.5164	1.0130	0.8599	0.8843	1.2508	0.9575	0.9017	1.9341

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2010
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

**As of 2010-1
Age-to-Ultimate Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Uninsured
180-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
174-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
168-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
162-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
156-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
150-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
144-Ult	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0000	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9998	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9996	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	0.9989	0.9997	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
114-Ult	0.9991	0.9996	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
108-Ult	0.9966	0.9996	0.9993	1.0001	1.0000	1.0000	1.0000	1.0000
102-Ult	0.9960	0.9995	0.9986	1.0001	1.0000	1.0000	1.0000	0.9962
96-Ult	0.9950	0.9995	0.9989	1.0001	1.0001	1.0000	1.0000	0.9933
90-Ult	0.9931	0.9994	0.9984	1.0000	1.0001	1.0000	1.0000	0.9873
84-Ult	0.9925	0.9992	0.9984	0.9999	1.0001	1.0000	1.0000	0.9824
78-Ult	0.9913	0.9994	0.9968	0.9999	1.0001	1.0000	1.0000	0.9744
72-Ult	0.9858	0.9988	0.9959	0.9998	1.0002	1.0000	1.0000	0.9664
66-Ult	0.9810	0.9985	0.9971	0.9994	1.0001	1.0000	1.0000	0.9653
60-Ult	0.9777	0.9984	0.9937	0.9994	1.0000	1.0000	1.0000	0.9642
54-Ult	0.9747	0.9975	0.9908	0.9992	0.9999	1.0000	1.0000	0.9619
48-Ult	0.9679	0.9968	0.9827	0.9993	0.9999	1.0000	1.0000	0.9432
42-Ult	0.9592	0.9959	0.9775	0.9994	0.9999	1.0000	1.0000	0.9350
36-Ult	0.9483	0.9945	0.9694	0.9989	0.9999	1.0000	1.0000	0.9276
30-Ult	0.9361	0.9921	0.9623	0.9974	1.0004	1.0000	1.0000	0.9167
24-Ult	0.9163	0.9902	0.9348	0.9954	1.0023	1.0000	0.9961	0.8866
18-Ult	0.8995	0.9857	0.9041	0.9922	1.0075	1.0000	0.9961	0.8687
12-Ult	0.8752	0.9766	0.8431	0.9809	1.0324	0.9950	0.9795	0.8797
6-Ult	0.9747	0.9958	0.8506	0.9571	1.4469	1.0775	1.0214	1.0375

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2010
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	0.0%	0.0%
Property Damage	+1.5%	+1.5%
Accident Benefits	+5.0%	+5.0%
Collision	+2.0%	+2.0%
Comprehensive	+3.0%	+3.0%
Specified Perils	+3.0%	+3.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2010
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

**As of 2010-1
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	0.995	1.000	0.991	1.000	1.000
84-Ult	0.993	1.000	0.984	1.000	1.000
78-Ult	0.990	1.000	0.984	1.000	1.000
72-Ult	0.998	1.000	0.975	1.000	1.000
66-Ult	1.006	0.989	0.943	1.000	1.000
60-Ult	1.029	0.998	0.985	1.000	1.000
54-Ult	1.021	0.992	0.960	1.000	1.000
48-Ult	1.032	0.994	0.975	1.000	1.000
42-Ult	1.065	0.995	0.984	1.000	1.000
36-Ult	1.091	0.999	0.974	1.000	1.000
30-Ult	1.100	0.997	0.963	0.998	1.000
24-Ult	1.080	0.990	1.022	0.995	1.010
18-Ult	1.255	0.982	1.022	0.987	1.010
12-Ult	1.386	1.018	1.147	0.968	1.006
6-Ult	2.045	1.114	1.555	1.001	1.157

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2010
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)**

**As of 2010-1
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	0.993	1.000	1.000
84-Ult	0.995	1.000	0.993	1.000	1.000
78-Ult	0.996	1.000	0.993	1.000	1.000
72-Ult	0.998	1.000	0.988	1.000	1.000
66-Ult	0.999	1.000	0.988	1.000	1.000
60-Ult	0.993	1.000	0.985	1.000	1.000
54-Ult	0.989	1.000	0.985	1.000	1.000
48-Ult	0.979	1.000	0.982	1.000	1.000
42-Ult	0.970	0.999	0.972	1.000	1.000
36-Ult	0.969	0.995	0.964	1.000	1.000
30-Ult	0.957	0.995	0.944	0.997	1.000
24-Ult	0.955	0.992	0.952	0.996	1.001
18-Ult	0.962	0.988	0.969	0.991	1.001
12-Ult	0.977	0.989	0.918	0.963	1.018
6-Ult	1.106	1.070	1.031	0.943	1.295