NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

DIRECTIVE A.I. 2018-04

ISSUED: **October 9, 2018**

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 Automobiles and Commercial Automobiles

The Board advises that the loss trends and development factors accepted for use by insurers in making Category 2 automobile insurance rate filings have been updated to include industry data to December 31, 2017.

Insurers may use these factors as published without requirement for supporting data or rationale. Insurers opting to use factors other than those accepted by the Board will be required to provide satisfactory data supporting their chosen factors and rationale 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 Mr. Travis Fisher, Regulatory Analyst, at tfisher@pub.nl.ca.

Yours truly,

Sara Kean

Sara Kean
Assistant Board Secretary

Attachment

Oliver Wyman Selected Loss Trend Rates
As of December 31, 2017
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+1.0%	+1.0%
Property Damage	+1.0%	+1.0%
Accident Benefits	+4.5%	+4.5%
Uninsured Automobile	+5.0%	+5.0%
Collision	+4.5%	+4.5%
Comprehensive	+5.0%	+5.0%
Specified Perils	+5.0%	+5.0%
All Perils	+5.5%	+5.5%
Underinsured Motorist	+4.0%	+4.0%

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2017
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

Reported Incurred Claim Amount and ALAE Loss Development Summary
Data as of December 31, 2017
Selected Age-to-Ultimate Development Factors

Maturity	TPL - BI	TPL - PD	AB - Total	UA	Collision	Comp. - Total	All Perils
6	2.113	1.307	0.987	1.956	0.770	1.126	0.765
12	1.266	1.040	1.000	1.320	0.914	1.008	0.915
18	1.157	1.010	1.028	1.177	0.969	1.000	0.976
24	1.086	0.998	1.001	1.096	0.986	1.000	0.995
30	1.055	0.998	1.013	0.988	0.994	0.998	1.002
36	1.030	0.996	1.020	0.940	0.996	0.999	1.003
42	0.999	0.995	1.020	0.935	0.998	0.999	0.999
48	0.982	0.998	1.013	0.911	0.998	0.999	1.000
54	0.975	0.995	1.009	0.927	0.999	0.997	0.999
60	0.974	0.991	1.012	0.930	0.999	0.998	1.000
66	0.978	0.996	1.009	0.942	0.999	1.000	1.000
72	0.986	0.997	1.005	0.944	0.999	0.999	1.000
78	0.989	0.997	1.003	0.959	0.999	1.000	1.000
84	0.990	0.997	0.994	0.966	0.999	1.000	1.000
90	0.991	0.998	0.994	0.973	0.999	1.000	1.000
96	0.993	0.999	0.997	0.973	0.999	1.000	1.000
102	0.999	0.999	1.000	0.992	1.000	1.000	1.000
108	1.000	0.999	1.001	0.995	1.000	1.000	1.000
114	1.002	0.999	1.000	0.992	1.000	1.000	1.000
120	1.003	0.999	1.000	0.999	1.000	1.000	1.000
126	1.001	0.999	1.000	1.000	1.000	1.000	1.000
132	1.001	0.999	1.000	1.000	1.000	1.000	1.000
138	0.999	0.999	1.000	1.000	1.000	1.000	1.000
144	0.997	0.999	1.000	1.000	1.000	1.000	1.000
150	0.998	0.999	1.000	1.000	1.000	1.000	1.000
156	0.999	0.999	1.000	1.000	1.000	1.000	1.000
162	1.000	0.999	1.000	1.000	1.000	1.000	1.000
168	0.999	0.999	1.000	1.000	1.000	1.000	1.000
174	0.999	0.999	1.000	1.000	1.000	1.000	1.000
180	0.998	0.999	1.000	1.000	1.000	1.000	1.000
186	0.998	0.999	1.000	1.000	1.000	1.000	1.000
192	1.001	1.000	1.000	1.000	1.000	1.000	1.000
198	1.000	1.000	1.000	1.000	1.000	1.000	1.000
204	1.000	1.000	1.000	1.000	1.000	1.000	1.000
210	1.000	1.000	1.000	1.000	1.000	1.000	1.000
216	1.000	1.000	1.000	1.000	1.000	1.000	1.000
222	1.000	1.000	1.000	1.000	1.000	1.000	1.000
228	1.000	1.000	1.000	1.000	1.000	1.000	1.000
234	1.000	1.000	1.000	1.000	1.000	1.000	1.000
240	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2017
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

Claim Count Development Summary
Data as of December 31, 2017
Selected Age-to Ultimate Development Factors

Maturity	TPL - BI	TPL - PD	AB - Total	UA	Collision	Comp. - Total	All Perils
6	1.143	1.189	0.851	1.221	0.824	1.302	0.988
12	1.011	1.018	0.937	1.017	0.958	1.018	0.979
18	1.008	1.004	0.970	0.984	0.989	1.004	0.996
24	1.004	1.000	0.977	0.981	0.997	1.001	0.999
30	0.998	0.997	0.981	0.969	0.999	1.001	0.999
36	0.999	0.998	0.988	0.967	1.000	1.000	1.001
42	0.999	0.999	0.988	0.962	1.000	1.000	1.000
48	1.000	0.999	0.991	0.965	1.000	1.000	1.000
54	1.002	0.999	0.994	0.980	1.000	1.000	1.000
60	1.005	0.999	0.996	0.990	1.000	1.000	1.000
66	1.002	1.000	0.998	0.985	1.000	1.000	1.000
72	1.003	1.000	0.998	0.980	1.000	1.000	1.000
78	1.003	1.000	0.999	0.983	1.000	1.000	1.000
84	1.003	1.000	0.999	0.991	1.000	1.000	1.000
90	1.002	1.000	0.999	0.992	1.000	1.000	1.000
96	1.000	1.000	0.999	0.993	1.000	1.000	1.000
102	0.999	1.000	0.999	0.995	1.000	1.000	1.000
108	0.999	1.000	0.999	0.998	1.000	1.000	0.998
114	0.999	1.000	1.000	0.999	1.000	1.000	1.000
120	1.000	1.000	1.000	1.001	1.000	1.000	1.000
126	1.000	1.000	1.000	1.000	1.000	1.000	1.000
132	1.000	1.000	1.000	1.000	1.000	1.000	1.000
138	1.000	1.000	1.000	1.000	1.000	1.000	1.000
144	1.000	1.000	1.000	1.000	1.000	1.000	1.000
150	1.000	1.000	1.000	1.000	1.000	1.000	1.000
156	1.000	1.000	1.000	1.000	1.000	1.000	1.000
162	1.000	1.000	1.000	1.000	1.000	1.000	1.000
168	1.000	1.000	1.000	1.000	1.000	1.000	1.000
174	1.000	1.000	1.000	1.000	1.000	1.000	1.000
180	1.000	1.000	1.000	1.000	1.000	1.000	1.000
186	1.000	1.000	1.000	1.000	1.000	1.000	1.000
192	1.000	1.000	1.000	1.000	1.000	1.000	1.000
198	1.000	1.000	1.000	1.000	1.000	1.000	1.000
204	1.000	1.000	1.000	1.000	1.000	1.000	1.000
210	1.000	1.000	1.000	1.000	1.000	1.000	1.000
216	1.000	1.000	1.000	1.000	1.000	1.000	1.000
222	1.000	1.000	1.000	1.000	1.000	1.000	1.000
228	1.000	1.000	1.000	1.000	1.000	1.000	1.000
234	1.000	1.000	1.000	1.000	1.000	1.000	1.000
240	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Oliver Wyman Selected Loss Trend Rates
As of December 31, 2017
Newfoundland and Labrador
Commercial Automobiles (Including Fleets)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-1.0%	-1.0%
Property Damage	+1.5%	+1.5%
Accident Benefits	+10.0%	+10.0%
Uninsured Automobile	+10.0%	+10.0%
Collision	+0.0%	+0.0%
Comprehensive	+4.0%	+4.0%
Specified Perils	+4.0%	+4.0%
All Perils	+4.0%	+4.0%

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2017
Newfoundland and Labrador
Commercial Automobiles (Including Fleets)

Reported Incurred Claim Amount and ALAE Loss Development Summary
Data as of December 31, 2017
Selected Age-to-Ultimate Development Factors

Maturity	TPL - BI	TPL - PD	AB - Total	Collision	Comp. - Total	All Perils
6	1.677	1.254	1.061	0.851	1.129	0.979
12	1.293	1.068	0.954	0.946	1.002	0.938
18	1.182	1.023	0.981	0.972	0.997	0.992
24	1.103	1.015	0.967	0.994	1.001	0.998
30	1.064	0.990	1.006	0.999	1.000	0.998
36	1.018	0.999	0.994	1.002	1.000	1.000
42	0.998	0.997	0.976	1.001	1.000	1.000
48	0.981	0.999	0.990	1.001	1.000	1.000
54	0.989	0.995	0.984	1.000	1.000	0.999
60	0.990	1.001	1.000	1.000	1.000	1.000
66	0.988	1.005	0.932	1.000	1.000	1.001
72	1.004	1.001	0.933	1.000	1.000	1.000
78	1.018	1.001	0.933	1.000	1.000	1.000
84	1.025	1.003	0.933	1.000	1.000	1.000
90	1.019	1.003	0.931	1.000	1.000	1.001
96	1.024	1.001	0.931	1.000	1.000	1.000
102	1.009	1.000	0.924	1.000	1.000	1.000
108	1.033	0.997	0.924	1.000	1.000	1.000
114	1.030	0.995	0.924	1.000	1.000	1.000
120	0.998	0.995	0.924	1.000	1.000	1.000
126	1.002	1.001	0.924	1.000	1.000	1.000
132	1.002	1.000	0.924	1.000	1.000	1.000
138	0.999	1.000	1.000	1.000	1.000	1.000
144	0.999	1.000	1.000	1.000	1.000	1.000
150	1.001	1.000	1.000	1.000	1.000	1.000
156	1.000	1.000	1.000	1.000	1.000	1.000
162	1.000	1.000	1.000	1.000	1.000	1.000
168	1.000	1.000	1.000	1.000	1.000	1.000
174	1.000	1.000	1.000	1.000	1.000	1.000
180	1.000	1.000	1.000	1.000	1.000	1.000
186	1.000	1.000	1.000	1.000	1.000	1.000
192	1.000	1.000	1.000	1.000	1.000	1.000
198	1.000	1.000	1.000	1.000	1.000	1.000
204	1.000	1.000	1.000	1.000	1.000	1.000
210	1.000	1.000	1.000	1.000	1.000	1.000
216	1.000	1.000	1.000	1.000	1.000	1.000
222	1.000	1.000	1.000	1.000	1.000	1.000
228	1.000	1.000	1.000	1.000	1.000	1.000
234	1.000	1.000	1.000	1.000	1.000	1.000
240	1.000	1.000	1.000	1.000	1.000	1.000

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2017
Newfoundland and Labrador
Commercial Automobiles (Including Fleets)

Claim Count Development Summary
Data as of December 31, 2017
Selected Age-to-Ultimate Development Factors

Maturity	TPL - BI	TPL - PD	AB - Total	Collision	Comp. - Total	All Perils
6	1.102	1.176	0.840	0.910	1.250	0.995
12	0.975	1.031	0.969	0.985	1.013	1.002
18	0.991	1.010	1.003	0.996	1.004	1.008
24	0.980	1.003	0.992	1.001	1.002	1.000
30	0.977	0.998	0.978	1.001	1.000	1.000
36	0.969	0.999	0.987	1.000	1.000	1.000
42	0.970	0.999	0.982	0.998	1.000	1.000
48	0.969	0.998	0.982	0.998	1.000	1.000
54	0.976	0.999	0.987	0.998	1.000	1.000
60	0.979	0.998	0.992	0.998	1.000	1.000
66	0.977	0.998	0.986	1.000	1.000	1.000
72	0.977	0.998	1.000	1.000	1.000	1.000
78	0.979	0.999	1.000	1.000	1.000	1.000
84	0.987	1.000	1.000	1.000	1.000	1.000
90	0.989	1.000	1.000	1.000	1.000	1.000
96	0.992	1.000	1.000	1.000	1.000	1.000
102	0.993	1.000	1.000	1.000	1.000	1.000
108	0.998	1.000	1.000	1.000	1.000	1.000
114	0.998	1.000	1.000	1.000	1.000	1.000
120	1.002	1.000	1.000	1.000	1.000	1.000
126	1.002	1.000	1.000	1.000	1.000	1.000
132	1.002	1.000	1.000	1.000	1.000	1.000
138	1.002	1.000	1.000	1.000	1.000	1.000
144	1.002	1.000	1.000	1.000	1.000	1.000
150	1.002	1.000	1.000	1.000	1.000	1.000
156	1.002	1.000	1.000	1.000	1.000	1.000
162	1.002	1.000	1.000	1.000	1.000	1.000
168	1.002	1.000	1.000	1.000	1.000	1.000
174	1.002	1.000	1.000	1.000	1.000	1.000
180	1.002	1.000	1.000	1.000	1.000	1.000
186	1.000	1.000	1.000	1.000	1.000	1.000
192	1.000	1.000	1.000	1.000	1.000	1.000
198	1.000	1.000	1.000	1.000	1.000	1.000
204	1.000	1.000	1.000	1.000	1.000	1.000
210	1.000	1.000	1.000	1.000	1.000	1.000
216	1.000	1.000	1.000	1.000	1.000	1.000
222	1.000	1.000	1.000	1.000	1.000	1.000
228	1.000	1.000	1.000	1.000	1.000	1.000
234	1.000	1.000	1.000	1.000	1.000	1.000
240	1.000	1.000	1.000	1.000	1.000	1.000