



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

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**DIRECTIVE A.I. 2010-04**

**ISSUED: October 26, 2010**

**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 December 31, 2009.

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](http://www.pub.nl.ca/insurance.htm).

Should you have any questions regarding this matter please contact the Board's Director of Regulatory and Advisory Services, Mr. Robert Byrne, [rbyrne@pub.nl.ca](mailto:rbyrne@pub.nl.ca), or the Board's Compliance Auditor, Mr. Ryan Oake, [roake@pub.nl.ca](mailto:roake@pub.nl.ca).

Yours truly,

Handwritten signature of Barbara Thistle in cursive script.

Barbara Thistle  
Assistant Board Secretary

Attachment

**Oliver Wyman Selected Annual Loss Trend Rates**  
**As of December 31, 2009**  
**Newfoundland and Labrador**  
**Private Passenger Automobile (Excluding Farmers)**

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-1.5%	-1.5%
Property Damage	+4.5%	+4.5%
Accident Benefits	+0.0%	+0.0%
Uninsured Automobile	+0.0%	+0.0%
Collision	+3.5%	+4.0%
Comprehensive	+7.5%	+9.0%
Specified Perils	+7.5%	+9.0%
All Perils	+4.5%	+5.5%
SEF 44	+5.0%	+5.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of December 31, 2009  
Newfoundland and Labrador  
Private Passenger Automobile (Excluding Farmers)**

**As of 2009-2**

**Age-to-Ultimate Factors**

**Incurred Claim Amount**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Compre- hensive</b>	<b>Specified Perils</b>	<b>All Perils</b>	<b>Uninsured</b>
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	1.0037	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	0.9998	0.9988	1.0080	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9996	0.9986	1.0080	1.0000	0.9999	1.0000	1.0000	1.0000
126-Ult	1.0010	0.9986	1.0091	1.0000	0.9999	1.0000	1.0000	1.0000
120-Ult	1.0059	0.9984	1.0153	1.0000	0.9999	1.0000	1.0000	1.0018
114-Ult	1.0052	0.9992	1.0225	1.0000	0.9999	1.0000	1.0000	1.0094
108-Ult	1.0029	0.9988	1.0219	1.0000	0.9994	1.0000	1.0000	1.0027
102-Ult	1.0050	0.9988	1.0195	0.9987	0.9994	1.0000	1.0000	0.9675
96-Ult	1.0058	0.9992	1.0182	0.9987	0.9993	1.0000	1.0000	0.9615
90-Ult	1.0053	1.0010	1.0155	0.9997	0.9993	1.0000	1.0000	0.9558
84-Ult	1.0044	1.0011	1.0205	1.0010	0.9993	1.0000	0.9994	0.9259
78-Ult	1.0053	1.0007	1.0178	1.0010	0.9993	1.0000	0.9994	0.9308
72-Ult	1.0088	1.0007	1.0167	1.0010	0.9994	0.9972	0.9994	0.9352
66-Ult	1.0106	1.0004	1.0108	1.0006	0.9994	0.9972	1.0010	0.9206
60-Ult	1.0096	1.0002	1.0050	1.0006	0.9991	0.9972	1.0010	0.9262
54-Ult	1.0179	0.9988	0.9737	1.0009	0.9988	0.9972	1.0044	0.9165
48-Ult	1.0220	0.9978	0.9434	1.0006	0.9985	0.9972	1.0045	0.9337
42-Ult	1.0341	0.9954	0.9364	1.0007	0.9988	0.9972	1.0045	0.9752
36-Ult	1.0402	0.9934	0.9238	1.0005	0.9979	0.9972	1.0027	0.9654
30-Ult	1.0560	0.9904	0.9140	0.9976	0.9987	0.9780	0.9944	0.9879
24-Ult	1.0710	0.9872	0.9141	0.9934	0.9972	0.9780	0.9956	1.0428
18-Ult	1.0974	0.9836	0.9173	0.9850	1.0003	0.9798	0.9890	1.1520
12-Ult	1.1259	0.9699	0.8464	0.9566	1.0095	0.9598	0.9501	1.2604
6-Ult	1.5198	1.0794	0.9059	0.9291	1.1322	0.9121	0.9256	1.7924

**Oliver Wyman Selected Age-to-Ultimate Development Factors**  
**As of December 31, 2009**  
**Newfoundland and Labrador**  
**Private Passenger Automobile (Excluding Farmers)**

**As of 2009-2**  
**Age-to-Ultimate Factors**  
**Incurred Claim Count**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Compre- hensive</b>	<b>Specified Perils</b>	<b>All Perils</b>	<b>Uninsured</b>
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	1.0000	1.0000	1.0003	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	0.9998	0.9999	1.0003	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	0.9996	0.9999	1.0003	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	0.9975	0.9997	1.0003	1.0000	1.0000	1.0000	1.0000	1.0024
114-Ult	0.9970	0.9997	1.0001	1.0000	1.0001	1.0000	1.0000	1.0036
108-Ult	0.9935	0.9997	0.9993	1.0000	1.0001	1.0000	1.0000	1.0036
102-Ult	0.9922	0.9996	0.9988	0.9999	1.0001	0.9975	1.0000	0.9998
96-Ult	0.9902	0.9996	0.9988	0.9999	1.0001	0.9975	1.0000	0.9969
90-Ult	0.9859	0.9996	0.9980	0.9998	1.0001	0.9975	1.0000	0.9912
84-Ult	0.9821	0.9994	0.9973	0.9998	1.0001	0.9975	1.0000	0.9862
78-Ult	0.9771	0.9995	0.9950	0.9997	1.0001	0.9975	1.0000	0.9785
72-Ult	0.9677	0.9990	0.9941	0.9997	1.0002	0.9975	1.0000	0.9715
66-Ult	0.9583	0.9987	0.9943	0.9993	1.0002	0.9975	1.0000	0.9715
60-Ult	0.9487	0.9987	0.9910	0.9992	1.0000	0.9975	1.0000	0.9726
54-Ult	0.9357	0.9976	0.9873	0.9990	1.0000	0.9975	1.0000	0.9714
48-Ult	0.9208	0.9968	0.9769	0.9992	0.9999	0.9975	1.0000	0.9533
42-Ult	0.9057	0.9958	0.9686	0.9994	0.9999	0.9975	0.9990	0.9452
36-Ult	0.8890	0.9942	0.9580	0.9989	0.9999	0.9975	0.9990	0.9393
30-Ult	0.8681	0.9912	0.9435	0.9976	1.0004	0.9975	0.9970	0.9308
24-Ult	0.8420	0.9898	0.9123	0.9957	1.0024	0.9975	0.9931	0.8971
18-Ult	0.8159	0.9843	0.8778	0.9917	1.0076	0.9929	0.9941	0.8858
12-Ult	0.7943	0.9749	0.8112	0.9800	1.0344	0.9831	0.9789	0.8881
6-Ult	0.8872	1.0439	0.8269	0.9509	1.3147	1.0189	1.0244	1.0045

**Oliver Wyman Selected Annual Loss Trend Rates  
As of December 31, 2009  
Newfoundland and Labrador  
Commercial Automobile**

<b>Coverage</b>	<b>Past Loss Cost</b>	<b>Future Loss Cost</b>
Bodily Injury	+0.0%	+0.0%
Property Damage	+1.5%	+1.5%
Accident Benefits	+5.0%	+5.0%
Collision	+4.0%	+4.0%
Comprehensive	+3.0%	+3.0%
Specified Perils	+3.0%	+3.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of December 31, 2009  
Newfoundland and Labrador  
Commercial Automobile (Excluding Farmers)**

**As of 2009-2  
Age-to-Ultimate Factors  
Incurred Claim Amount**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Comprehensive</b>
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	0.998	1.000	0.991	1.000	1.000
84-Ult	0.996	1.000	0.983	1.000	1.000
78-Ult	0.990	1.000	0.983	1.000	1.000
72-Ult	0.997	1.000	0.973	1.000	1.000
66-Ult	0.999	0.995	0.935	1.000	1.000
60-Ult	1.023	1.004	0.980	1.000	1.000
54-Ult	1.020	0.998	0.976	1.000	1.000
48-Ult	1.030	0.999	0.993	1.000	1.000
42-Ult	1.063	0.998	0.972	1.000	1.000
36-Ult	1.084	1.009	0.961	1.000	1.000
30-Ult	1.095	1.006	0.939	1.000	1.000
24-Ult	1.080	1.007	0.969	0.997	1.001
18-Ult	1.240	0.994	0.968	0.988	1.000
12-Ult	1.385	1.026	1.088	0.965	0.996
6-Ult	2.026	1.111	1.497	1.006	1.155

**Oliver Wyman Selected Age-to-Ultimate Development Factors**  
**As of December 31, 2009**  
**Newfoundland and Labrador**  
**Commercial Automobile (Excluding Farmers)**

**As of 2009-2**  
**Age-to-Ultimate Factors**  
**Incurred Claim Count**

	<b>Bodily Injury</b>	<b>Property Damage</b>	<b>Accident Benefits</b>	<b>Collision</b>	<b>Comprehensive</b>
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	0.996	1.000	1.000
84-Ult	0.995	1.000	0.996	1.000	1.000
78-Ult	0.996	1.000	0.996	1.000	1.000
72-Ult	0.995	1.000	0.990	1.000	1.000
66-Ult	0.995	1.000	0.990	1.000	1.000
60-Ult	0.988	1.000	0.985	1.000	1.000
54-Ult	0.985	1.000	0.985	1.000	1.000
48-Ult	0.974	1.000	0.980	1.000	1.000
42-Ult	0.968	0.999	0.967	1.000	1.000
36-Ult	0.963	0.996	0.959	1.000	1.000
30-Ult	0.951	0.995	0.941	1.000	1.000
24-Ult	0.956	0.994	0.951	0.999	1.001
18-Ult	0.967	0.990	0.968	0.996	1.001
12-Ult	1.004	0.991	0.918	0.968	1.022
6-Ult	1.144	1.063	1.054	0.964	1.309