



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. 2014-01

ISSUED: March 28, 2014

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 June 30, 2013.

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 Mr. Ryan Oake, Regulatory Analyst, at roake@pub.nl.ca.

Yours truly,

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

Cheryl Blundon
Board Secretary

Attachment

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2013
Newfoundland and Labrador
Private Passenger Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	+5.5%	+5.5%
Property Damage	+6.5%	+6.5%
Accident Benefits	+5.0%	+5.0%
Uninsured Automobile	+3.5%	+3.5%
Collision	+6.5%	+8.0%
Comprehensive	+7.0%	+6.0%
Specified Perils	+7.0%	+6.0%
All Perils	+6.5%	+7.5%
SEF 44	+6.5%	+6.5%

**Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2013
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)**

As of 2013-1
Age-to-Ultimate Factors
Incurred Claim Amount

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Underinsured Motorists	Uninsured
180-Ult	1.0000	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	1.0000
168-Ult	1.0000	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	1.0000
156-Ult	1.0000	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	1.0000
144-Ult	0.9999	1.0000	1.0002	1.0000	1.0000	1.0000	1.0000	1.0000	0.9975
138-Ult	1.0004	1.0000	1.0001	0.9998	1.0000	1.0000	1.0000	1.0000	0.9956
132-Ult	1.0001	1.0000	1.0001	0.9998	1.0000	1.0000	1.0000	1.0000	0.9947
126-Ult	1.0033	1.0000	1.0001	0.9998	1.0000	1.0000	1.0000	1.0000	0.9933
120-Ult	1.0039	1.0000	1.0001	0.9997	1.0000	1.0000	1.0000	1.0000	0.9938
114-Ult	1.0045	0.9999	1.0001	0.9997	1.0000	1.0000	1.0000	1.0000	0.9856
108-Ult	1.0048	0.9994	1.0001	0.9997	1.0000	1.0000	1.0000	1.0000	0.9847
102-Ult	1.0057	0.9994	1.0038	0.9997	1.0000	1.0000	1.0000	1.0000	0.9805
96-Ult	1.0063	0.9995	1.0011	0.9997	1.0000	1.0000	1.0000	1.0000	0.9805
90-Ult	1.0139	0.9988	1.0047	0.9997	1.0000	1.0000	1.0000	1.0000	0.9782
84-Ult	1.0128	0.9994	0.9979	0.9997	0.9999	1.0000	1.0000	1.0000	0.9536
78-Ult	1.0179	0.9993	0.9972	0.9997	0.9999	1.0000	1.0000	1.0000	0.9651
72-Ult	1.0184	0.9984	0.9905	0.9997	0.9999	1.0000	1.0000	1.0000	0.9569
66-Ult	1.0266	0.9993	0.9913	0.9997	1.0000	1.0000	0.9995	1.0000	0.9549
60-Ult	1.0328	0.9996	1.0022	0.9997	1.0000	1.0000	0.9995	1.0390	0.9550
54-Ult	1.0373	0.9989	0.9989	0.9997	0.9973	1.0000	0.9995	1.1210	0.9532
48-Ult	1.0495	0.9995	0.9906	0.9997	0.9973	1.0000	0.9994	1.1670	0.9588
42-Ult	1.0588	0.9959	0.9905	0.9997	0.9973	1.0000	0.9992	1.2240	0.9980
36-Ult	1.0885	0.9951	0.9791	0.9989	0.9966	1.0000	0.9906	1.3110	0.9964
30-Ult	1.1168	0.9941	0.9667	0.9962	0.9968	0.9898	0.9797	1.4710	1.0261
24-Ult	1.1568	0.9907	0.9668	0.9899	0.9969	0.9684	0.9506	1.8020	1.1151
18-Ult	1.1815	0.9927	0.9607	0.9752	0.9978	0.9645	0.9148	2.1030	1.2171
12-Ult	1.2350	0.9884	0.9029	0.9360	1.0113	0.9164	0.8471	2.7440	1.3408
6-Ult	1.6713	1.0413	0.8813	0.8239	1.2769	1.0578	0.7972	4.7060	1.9661

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2013
Newfoundland and Labrador
Private Passenger Automobile (Excluding Farmers)

As of 2013-1
Age-to-Ultimate Factors
Incurred Claim Count

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Underinsured Motorists	Uninsured
180-Ult	1.0000	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	1.0000
168-Ult	1.0000	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	1.0000
156-Ult	1.0000	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	1.0000
144-Ult	1.0000	1.0000	1.0002	1.0000	1.0000	1.0000	1.0000	1.0000	0.9983
138-Ult	1.0002	1.0000	1.0002	1.0000	1.0000	1.0000	1.0000	1.0000	0.9983
132-Ult	1.0003	0.9999	1.0002	1.0000	1.0000	1.0000	1.0000	1.0000	0.9969
126-Ult	1.0002	0.9998	0.9998	0.9999	1.0000	1.0000	1.0000	1.0000	0.9995
120-Ult	1.0003	0.9999	0.9996	0.9999	1.0000	1.0000	1.0000	1.0000	1.0007
114-Ult	1.0003	0.9999	0.9996	0.9997	1.0000	1.0000	1.0000	1.0000	0.9996
108-Ult	0.9996	0.9999	0.9996	0.9997	1.0000	1.0000	1.0000	1.0000	0.9996
102-Ult	0.9993	0.9999	0.9996	0.9997	1.0000	1.0000	1.0000	1.0000	0.9965
96-Ult	0.9987	0.9996	0.9996	0.9995	1.0000	1.0000	1.0000	1.0000	0.9937
90-Ult	0.9984	0.9996	0.9993	0.9995	1.0000	1.0000	1.0000	0.9860	0.9893
84-Ult	0.9985	0.9996	0.9993	0.9995	1.0000	1.0000	1.0000	0.9830	0.9868
78-Ult	0.9974	0.9993	0.9983	0.9995	1.0000	1.0000	1.0000	0.9310	0.9806
72-Ult	0.9974	0.9990	0.9981	0.9995	1.0000	1.0000	1.0000	0.8900	0.9748
66-Ult	0.9955	0.9990	0.9971	0.9995	1.0000	1.0000	1.0000	0.8780	0.9775
60-Ult	0.9918	0.9986	0.9950	0.9995	1.0001	1.0000	1.0000	0.8730	0.9782
54-Ult	0.9915	0.9982	0.9953	0.9995	1.0000	1.0000	1.0000	0.8280	0.9714
48-Ult	0.9890	0.9978	0.9937	0.9995	1.0000	1.0000	1.0000	0.8030	0.9569
42-Ult	0.9842	0.9975	0.9928	0.9995	1.0000	1.0000	1.0000	0.7920	0.9492
36-Ult	0.9840	0.9966	0.9904	0.9988	1.0001	1.0000	1.0000	0.8360	0.9429
30-Ult	0.9770	0.9950	0.9882	0.9981	1.0004	1.0000	0.9986	0.8620	0.9408
24-Ult	0.9718	0.9933	0.9775	0.9963	1.0015	1.0000	0.9946	1.0030	0.9267
18-Ult	0.9653	0.9944	0.9679	0.9939	1.0037	0.9934	0.9970	1.0740	0.9191
12-Ult	0.9279	0.9932	0.9287	0.9839	1.0265	0.9647	0.9840	1.2790	0.9410
6-Ult	1.0105	1.0551	0.8727	0.9608	1.4452	1.0919	1.0388	1.5320	1.0881

Oliver Wyman Selected Loss Trend Rates
As of June 30, 2013
Newfoundland and Labrador
Commercial Automobiles (Excluding Farmers)

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-0.5%	-0.5%
Property Damage	+0.5%	+0.5%
Accident Benefits	+3.0%	+3.0%
Collision	0.0%	0.0%
Comprehensive	+2.0%	+2.0%
Specified Perils	+2.0%	+2.0%

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2013
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)

As of 2013-1
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	1.000	1.000	1.000	1.000	1.000
84-Ult	1.000	1.001	1.000	1.000	1.000
78-Ult	1.000	1.004	1.000	1.000	1.000
72-Ult	1.005	1.006	0.993	1.000	1.000
66-Ult	1.010	1.006	0.993	1.000	1.000
60-Ult	1.023	1.013	0.991	1.000	1.000
54-Ult	1.005	1.011	0.960	1.000	1.000
48-Ult	1.025	1.006	0.983	0.999	1.000
42-Ult	1.051	1.004	0.956	0.999	1.000
36-Ult	1.073	1.017	0.988	0.997	1.000
30-Ult	1.098	1.018	0.933	0.994	1.000
24-Ult	1.144	1.020	0.957	0.991	1.008
18-Ult	1.238	1.017	0.915	0.970	1.013
12-Ult	1.343	1.050	0.806	0.931	1.015
6-Ult	1.878	1.166	0.873	0.889	1.185

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of June 30, 2013
Newfoundland and Labrador
Commercial Automobile (Excluding Farmers)

As of 2013-1
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	1.000	1.000	1.000
84-Ult	1.000	1.000	1.000	1.000	1.000
78-Ult	1.000	1.000	1.000	1.000	1.000
72-Ult	0.999	1.000	1.000	1.000	1.000
66-Ult	0.999	1.000	1.000	1.000	1.000
60-Ult	0.999	1.000	0.991	1.000	1.000
54-Ult	0.998	1.000	0.988	1.000	1.000
48-Ult	0.995	1.000	0.988	1.000	1.000
42-Ult	0.992	1.000	0.985	1.000	1.000
36-Ult	0.982	0.997	0.995	1.000	1.000
30-Ult	0.978	0.996	0.968	0.997	1.000
24-Ult	0.975	0.996	0.945	1.000	1.001
18-Ult	0.986	0.993	0.936	0.995	1.003
12-Ult	0.988	1.000	0.887	0.980	1.019
6-Ult	1.098	1.102	0.905	0.957	1.284