



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. 2017-02**

**ISSUED: May 9, 2017**

**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, 2016.

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](http://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](mailto:tfisher@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, 2016**  
**Newfoundland and Labrador**  
**Private Passenger Automobiles (Excluding Farmers)**

<b>Coverage</b>	<b>Past Loss Cost</b>	<b>Future Loss Cost</b>
Bodily Injury	+3.5%	+3.5%
Property Damage	+4.0%	+4.0%
Accident Benefits	+2.0%	+2.0%
Uninsured Automobile	+5.0%	+5.0%
Collision	+6.5%	+6.5%
Comprehensive	+6.5%	+6.5%
Specified Perils	+6.5%	+6.5%
All Perils	+6.5%	+6.5%
SEF 44	+6.0%	+6.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of June 30, 2016  
Newfoundland and Labrador  
Private Passenger Automobile (Excluding Farmers)**

**As of 2016-1  
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	0.9999	1.0000	1.0002	1.0000	0.9999	1.0000	1.0000	1.0000
138-Ult	1.0026	1.0000	1.0002	1.0000	0.9999	1.0000	1.0000	1.0000
132-Ult	1.0043	1.0001	1.0002	1.0000	0.9999	1.0000	1.0000	1.0000
126-Ult	1.0024	1.0000	1.0002	1.0000	0.9999	1.0000	1.0000	1.0000
120-Ult	1.0048	1.0000	1.0002	0.9998	0.9999	1.0000	1.0000	1.0000
114-Ult	1.0040	1.0000	1.0002	0.9999	0.9999	1.0000	1.0000	1.0000
108-Ult	0.9999	1.0008	1.0002	0.9998	0.9999	1.0000	1.0000	1.0000
102-Ult	1.0035	1.0008	1.0002	0.9998	0.9999	1.0000	1.0000	1.0000
96-Ult	0.9995	1.0007	1.0002	0.9996	0.9999	1.0000	1.0000	1.0000
90-Ult	0.9988	0.9990	0.9962	0.9995	0.9999	1.0000	1.0000	1.0000
84-Ult	1.0039	0.9985	0.9914	0.9995	0.9999	1.0000	1.0000	1.0000
78-Ult	1.0042	0.9975	0.9964	0.9995	0.9999	1.0000	1.0000	1.0000
72-Ult	1.0020	0.9972	0.9995	0.9995	0.9999	1.0005	1.0000	1.0000
66-Ult	1.0022	0.9963	0.9931	0.9995	0.9998	1.0005	1.0000	1.0000
60-Ult	1.0053	0.9947	0.9916	0.9992	0.9998	1.0005	1.0000	0.9948
54-Ult	1.0043	0.9975	0.9911	0.9988	0.9999	1.0005	1.0016	0.9982
48-Ult	1.0187	0.9968	0.9939	0.9983	1.0013	1.0005	1.0017	0.9978
42-Ult	1.0370	0.9931	0.9948	0.9977	1.0014	1.0005	1.0010	1.0211
36-Ult	1.0795	0.9898	0.9821	0.9938	1.0005	1.0005	0.9983	1.0351
30-Ult	1.1038	0.9881	0.9576	0.9914	1.0001	1.0005	0.9922	1.0942
24-Ult	1.1458	0.9797	0.9485	0.9826	1.0010	1.0005	0.9802	1.2199
18-Ult	1.1988	0.9868	0.9394	0.9672	1.0033	0.9971	0.9609	1.3176
12-Ult	1.3109	1.0053	0.8691	0.9135	1.0117	0.8659	0.9025	1.4458
6-Ult	1.7827	1.1224	0.8159	0.7410	1.2232	1.2807	0.8072	2.1675

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of June 30, 2016  
Newfoundland and Labrador  
Private Passenger Automobile (Excluding Farmers)**

**As of 2016-1  
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	0.9998	1.0000	1.0000	1.0001	1.0000	1.0000	1.0000	0.9971
138-Ult	0.9998	0.9999	1.0000	1.0001	1.0000	1.0000	1.0000	0.9971
132-Ult	0.9998	0.9999	1.0000	1.0001	1.0000	1.0000	1.0000	0.9941
126-Ult	0.9998	0.9999	1.0000	1.0001	1.0000	1.0000	1.0000	0.9884
120-Ult	1.0000	0.9999	1.0000	1.0001	1.0000	1.0000	1.0000	0.9884
114-Ult	1.0000	0.9999	1.0000	1.0001	1.0000	1.0000	1.0000	0.9884
108-Ult	1.0000	0.9998	0.9998	1.0001	1.0000	1.0000	1.0000	0.9884
102-Ult	1.0000	0.9998	0.9995	1.0001	1.0000	1.0000	1.0000	0.9884
96-Ult	0.9998	0.9997	0.9995	1.0001	1.0000	1.0000	1.0000	0.9884
90-Ult	1.0000	0.9996	0.9995	1.0001	1.0000	1.0000	1.0000	0.9884
84-Ult	0.9996	0.9996	0.9995	1.0001	1.0000	1.0000	1.0000	0.9884
78-Ult	0.9974	0.9995	0.9995	1.0000	1.0000	1.0000	1.0000	0.9884
72-Ult	0.9918	0.9993	0.9995	1.0000	1.0000	1.0000	1.0000	0.9884
66-Ult	0.9922	0.9990	0.9979	1.0000	1.0000	1.0000	1.0000	0.9884
60-Ult	0.9918	0.9986	0.9958	1.0000	1.0000	1.0000	1.0000	0.9907
54-Ult	0.9913	0.9985	0.9938	0.9998	1.0001	1.0000	1.0000	0.9822
48-Ult	0.9886	0.9979	0.9916	0.9994	1.0001	1.0000	1.0000	0.9656
42-Ult	0.9929	0.9972	0.9877	0.9990	1.0002	1.0000	1.0000	0.9599
36-Ult	0.9934	0.9961	0.9878	0.9985	1.0004	1.0000	1.0000	0.9641
30-Ult	0.9897	0.9942	0.9817	0.9978	1.0005	1.0035	1.0000	0.9648
24-Ult	0.9982	0.9950	0.9795	0.9957	1.0016	1.0035	0.9977	0.9689
18-Ult	1.0039	0.9945	0.9741	0.9907	1.0037	0.9887	0.9977	0.9682
12-Ult	0.9975	0.9992	0.9334	0.9719	1.0196	0.9111	0.9870	0.9938
6-Ult	1.0086	1.0790	0.8335	0.9139	1.3855	1.2489	0.9953	1.1995

**Oliver Wyman Selected Loss Trend Rates  
As of June 30, 2016  
Newfoundland and Labrador  
Commercial Automobiles (Excluding Farmers)**

<b>Coverage</b>	<b>Past Loss Cost</b>	<b>Future Loss Cost</b>
Bodily Injury	+2.5%	+2.5%
Property Damage	+2.5%	+2.5%
Accident Benefits	+6.5%	+6.5%
Collision	+0.0%	+0.0%
Comprehensive	+0.0%	+0.0%
Specified Perils	+0.0%	+0.0%
All Perils	+0.0%	+0.0%

**Oliver Wyman Selected Age-to-Ultimate Development Factors  
As of June 30, 2016  
Newfoundland and Labrador  
Commercial Automobile (Excluding Farmers)**

**As of 2016-1  
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>	<b>All Perils</b>
180-Ult	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
168-Ult	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
156-Ult	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
144-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0005
132-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0005
126-Ult	1.0000	1.0003	1.0000	1.0000	1.0000	1.0005
120-Ult	1.0000	0.9907	1.0000	1.0000	1.0000	1.0005
114-Ult	1.0000	0.9907	1.0000	1.0000	1.0000	1.0005
108-Ult	1.0000	0.9907	1.0000	1.0000	1.0000	1.0005
102-Ult	1.0000	0.9949	1.0000	1.0000	1.0000	1.0005
96-Ult	1.0000	0.9949	1.0000	1.0000	1.0000	1.0005
90-Ult	1.0000	0.9978	1.0000	1.0000	1.0000	1.0005
84-Ult	1.0000	0.9978	1.0000	1.0000	1.0000	1.0005
78-Ult	1.0000	0.9949	1.0031	1.0000	1.0000	1.0005
72-Ult	0.9787	0.9942	1.0042	1.0000	1.0000	1.0005
66-Ult	0.9853	0.9905	1.0043	1.0000	1.0000	1.0005
60-Ult	0.9931	0.9815	0.9912	1.0000	1.0000	1.0005
54-Ult	1.0005	0.9753	0.9939	1.0000	1.0000	1.0005
48-Ult	1.0132	0.9816	0.9965	1.0004	1.0000	1.0005
42-Ult	1.0267	0.9839	0.9806	1.0004	1.0000	1.0012
36-Ult	1.0445	0.9843	1.0203	0.9990	1.0000	1.0005
30-Ult	1.1012	0.9618	1.0043	0.9951	0.9997	0.9981
24-Ult	1.1385	0.9963	0.9543	0.9905	1.0141	1.0005
18-Ult	1.2127	1.0015	0.9388	0.9682	1.0159	0.9959
12-Ult	1.3161	1.0463	0.8928	0.9147	1.0255	0.9401
6-Ult	1.8281	1.2388	1.0674	0.8161	1.1949	0.9829

**Oliver Wyman Selected Age-to-Ultimate Development Factors**  
**As of June 30, 2016**  
**Newfoundland and Labrador**  
**Commercial Automobile (Excluding Farmers)**

**As of 2016-1**  
**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>	<b>All Perils</b>
180-Ult	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
168-Ult	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
156-Ult	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
144-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
132-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
126-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
120-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
114-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
108-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
102-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
96-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
90-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
84-Ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
78-Ult	1.0000	0.9982	1.0000	1.0000	1.0000	1.0000
72-Ult	1.0000	0.9973	1.0000	1.0000	1.0000	1.0000
66-Ult	1.0000	0.9965	1.0000	1.0000	1.0000	1.0000
60-Ult	1.0027	0.9965	0.9928	1.0000	1.0000	1.0000
54-Ult	1.0027	0.9973	0.9828	1.0000	1.0000	1.0000
48-Ult	0.9973	0.9965	0.9828	1.0000	1.0000	1.0000
42-Ult	0.9987	0.9965	0.9797	1.0000	1.0000	1.0000
36-Ult	0.9948	0.9958	0.9883	1.0011	1.0000	1.0000
30-Ult	0.9974	0.9971	0.9774	0.9989	1.0000	0.9989
24-Ult	1.0011	1.0031	0.9589	1.0000	1.0027	0.9949
18-Ult	1.0085	1.0070	0.9614	0.9939	1.0053	0.9930
12-Ult	1.0061	1.0212	0.9149	0.9774	1.0196	0.9809
6-Ult	1.1019	1.1371	0.9368	0.9328	1.3029	0.9937