



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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DIRECTIVE: A.I. 08-01

ISSUED: April 10, 2008

**TO: ALL INSURERS, INCLUDING FACILITY ASSOCIATION,
TRANSACTIONING THE BUSINESS OF AUTOMOBILE INSURANCE
IN THE PROVINCE OF NEWFOUNDLAND AND LABRADOR.**

**SUBJECT: Revised Loss Trend Rates, Development Factors and Reform Factor –
Private Passenger and Commercial Auto.**

The Board advises that the Loss Trend Rates, Development Factors and Reform Factor for use in the making of private passenger and commercial automobile rate filings have been updated. The update for private passenger includes Industry data to 2007-01 and while commercial includes Industry data to 2006-02.

Insurers contemplating a Category 2 Rate Filing should have reference to the revised factor posted on the Board's website at <http://www.pub.nl.ca/insurance.htm> .

Questions regarding the foregoing may be directed to the undersigned.

A handwritten signature in black ink, appearing to be 'R. Byrne'.

Robert S. Byrne, B.Comm. A.I.I.C., CD.
Director Regulatory and Advisory Services

Oliver Wyman's Selected Annual Loss Trend Rates

As of December 31, 2006

Newfoundland and Labrador

Commercial Automobile

	<u>Bodily Injury</u>	<u>Property Damage</u>	<u>Accident Benefits</u>	<u>Uninsured Motorists</u>	<u>Collision</u>	<u>Comprehensive</u>	<u>Specified Perils</u>	<u>AllPerils</u>	<u>SEF #44</u>
Past	8.0%	0.00%	6.0%	3.5%	0.0%	0.0%	0.0%	0.0%	1.0%
Future	8.0%	0.00%	6.0%	3.5%	0.0%	0.0%	0.0%	0.0%	1.0%

**Oliver Wyman's Selected Age-to-Age Development Factors
As of December 31, 2006
Newfoundland and Labrador
Commercial Automobile**

As of 2006-2
Age-to-Age Factors
Incurred Claim Amount

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Uninsured	Sef #44
180 to ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
174-180	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
168-174	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
162-168	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
156-162	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
150-156	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
144-150	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9999	1.0000	1.0000
138-144	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
132-138	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
126-132	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
120-126	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
114-120	1.0000	0.9995	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
108-114	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
102-108	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
96-102	1.0347	1.0004	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
90-96	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
84-90	1.0057	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
78-84	1.0073	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
72-78	1.0072	1.0000	1.0086	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
66-72	1.0009	1.0002	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
60-66	1.0404	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.1240
54-60	1.0110	1.0000	0.9907	1.0000	1.0000	1.0000	1.0000	1.0080	1.0747
48-54	1.0131	1.0000	0.9916	1.0000	1.0000	1.0000	1.0000	1.0159	1.0944
42-48	1.0181	0.9958	0.9611	1.0020	1.0000	1.0000	1.0031	1.0303	1.0772
36-42	1.0267	1.0140	1.0431	1.0001	1.0000	1.0000	0.9950	1.0123	1.1081
30-36	1.0327	0.9912	0.9730	0.9871	0.9997	1.0000	0.9983	1.0478	1.0970
24-30	0.9939	1.0009	0.9858	0.9973	1.0015	1.0000	0.9953	1.0742	1.2091
18-24	1.1335	0.9726	1.0060	0.9926	1.0000	1.0000	0.9986	1.1215	1.2418
12-18	1.2118	1.0365	1.1467	0.9693	1.0008	1.0000	0.9819	1.1224	1.4202
6-12	1.4229	1.1173	1.3840	1.0244	1.0414	1.0000	1.0231	1.4243	1.7537

**Oliver Wyman's Selected Age-to-Age Development Factors
As of December 31, 2006
Newfoundland and Labrador
Commercial Automobile**

**As of 2006-2
Age-to-Age Factors
Incurred Claim Count**

	Bodily Injury	Property Damage	Accident Benefits	Collision	Compre- hensive	Specified Perils	All Perils	Uninsured	Sef #44
180 to ult	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
174-180	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
168-174	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
162-168	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
156-162	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
150-156	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
144-150	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
138-144	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
132-138	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
126-132	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
120-126	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
114-120	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
108-114	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
102-108	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
96-102	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
90-96	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
84-90	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
78-84	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
72-78	1.0050	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
66-72	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
60-66	0.9942	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9860	0.8540
54-60	1.0013	1.0000	1.0000	0.9976	1.0000	1.0000	1.0000	0.9980	0.9379
48-54	1.0051	1.0000	1.0000	1.0023	1.0000	1.0000	1.0000	0.9929	0.9938
42-48	0.9976	0.9974	0.9881	0.9978	1.0000	1.0000	1.0000	1.0031	0.9874
36-42	0.9908	1.0000	0.9889	1.0000	1.0000	1.0000	1.0000	0.9878	1.0585
30-36	1.0000	0.9978	0.9756	1.0000	0.9989	1.0000	0.9958	0.9876	1.0577
24-30	1.0033	0.9992	0.9943	0.9947	1.0012	1.0000	0.9844	1.0010	1.2080
18-24	1.0133	0.9967	0.9791	0.9971	1.0000	1.0000	1.0039	0.9906	1.0903
12-18	1.0223	0.9975	0.9983	0.9727	1.0211	1.0000	0.9778	1.0074	1.1950
6-12	1.1720	1.0540	1.1670	1.0101	1.2706	1.1000	1.0568	1.1026	1.2130