

July 19, 2010

Addendum to Report:
Actuarial Analysis for
Industry-Wide Rate
Adjustment

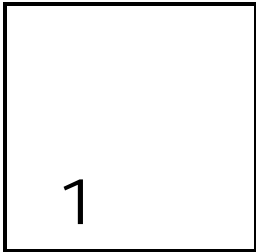
Effective November 1, 2010

Prepared for the
Alberta Automobile Insurance Rate Board

OLIVER WYMAN

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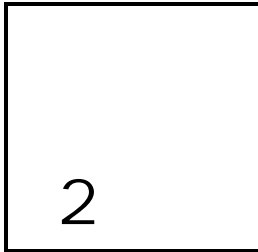
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INTRODUCTION

This is an Addendum to the June 1, 2010 report prepared by Oliver, Wyman Limited (Oliver Wyman) for the Alberta Automobile Insurance Rate Board (the Board) titled, “Actuarial Analysis for Industry-Wide Rate Adjustment, November 1, 2010” (the OW IWA Report).

In this Addendum we provide our comments on certain of the information that was presented and views that were expressed during the Public Meeting that was held in Calgary on June 15, 2010, and we provide our final finding to the Board as respects the Industry-Wide Rate Adjustment to become effective November 1, 2010.



BACKGROUND

At the Public Meeting we presented, as a range, the indicated 2010 IWA that results from the methodology, assumptions, factors, and provisions that we had initially selected and applied for the Board's consideration:

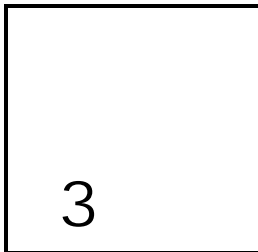
“Low Range”: -3.3%

“Mid Range”: -0.9%

“High Range”: +1.6%

The range of estimates reflected differences in the underlying selected future claim frequency trend rate for the Bodily Injury coverage. The “Low Range” estimate was based on a selected future claim frequency trend rate of -6.4%; the “Mid Range” estimate was based on a selected future claim frequency trend rate of -3.2%; and the “High Range” estimate was based on a selected future claim frequency trend rate of 0.0%. The rationale for this variation in selected trend rates was presented at the meeting and in the OW IWA Report.

In the following sections we discuss the additional consideration we have given to certain of the components of the range of indicated adjustments that we had initially presented to the Board, and present our final 2010 IWA findings.



INDICATED IWA – ADDITIONAL CONSIDERATIONS

Unlike prior Public Meetings, no party presented alternative IWA calculations to those we presented. However, some parties did comment on certain aspects of our analysis.

Claim Costs

Development Factors

Dr. Miller, representing IBC, noted that the “development factors”¹ we selected were generally somewhat lower than those presented in the “Green Book,”² and that all else being equal had Oliver Wyman selected higher development factors the indicated IWA would be higher. TD Insurance also commented that it believed certain of our selected development factors to be low.

Following the Public Meeting we reviewed each of the development factors we had selected and in doing so considered the comments expressed at the Public Meeting. Based on our review we decided to change three claim amount development factors:

¹ “Development factors” are factors applied to the reported claim amounts and claim counts to estimate what the claim amounts and claim counts that occurred in a particular year will be when all claims are reported and settled. Development factors are selected for each coverage. Development factors are selected for six-month time intervals that reflect the age of the year in which the claims occurred.

² The “Green Book” is the annual report issued by the General Insurance Statistical Agency that presents its estimates of Industry private passenger premiums, claim costs, loss ratios, and other statistical information, by province, accident year, and coverage.

Coverage	Time Interval	Initial Factor	Revised Factor
Bodily Injury	6-12 months	1.149	1.178
Bodily Injury	66-72 months	1.004	1.008
Property Damage	6-12 months	1.246	1.259

The 1.178 factor represents the average of the reported Industry 6-12 month development factors for the July-December 2004, July-December 2005, and July-December 2006 semesters. These three semesters preceded the various court rulings concerning the Minor Injury Regulation cap and resulting data issues that we commented on in the OW IWA Report.

We accept Dr. Miller's point on the impact of the Minor Injury Regulation cap on Bodily Injury coverage development patterns and have adjusted our selected 66-72 month development factor to 1.008.

The 1.259 factor represents the average of (a) the average of the reported Industry 6-12 month development factors for the July-December 2005, July-December 2006, July-December 2007, and the July-December 2008 semesters, and (b) the reported Industry 6-12 month development factor for the January-June 2009 semester, increased by 9.4% to reflect seasonality.

Medical Expense Claim Cost

In the OW IWA Report we noted that the total incurred claim amount reported by the Industry for the December 2009 semester was high relative to the amounts reported for the June 2009 and December 2008 semesters, and that most of the increase was from one unidentified company group. This matter was discussed with Intact and TD Insurance at the Public Meeting. Intact stated that it had observed a "most significant and alarming" nearly 30% increase in Accident Benefits coverage claim costs, which it attributed to a number of factors including "the increase in the cost of diagnostic treatment protocols introduced in 2009."³ TD Insurance also reported an increase in medical expense costs, but also noted a change it made to its claim reserving practices, which caused some distortion (higher than actual) in the numbers reported to GISA.

Based on this input, we changed the way we selected our ultimate claim amount estimate for accident year 2009. We now select the average of the results produced by applying the incurred development factors and paid development factors we had selected and presented in our IWA Report to the reported industry incurred/paid claim amounts.

³ Martin Beaulieu, Intact Financial Corporation, Public Meeting Transcript, pages 141 and 142

Essentially, this is equivalent to our selecting a new development factor for the 2009 accident year.

Economy

As we had explained, we did not explicitly consider the Alberta economic conditions in projecting claim costs in preparing our IWA Report. At the Public Meeting Dr. Miller referred to the analysis he prepared for the 2009 IWA in which he had forecasted that as the Alberta economy recovered, claim costs would increase by more than what we had projected. And he noted, “To some degree, the data we have at hand, subject to all the uncertainty in it, supports that that’s what’s happening...”⁴ Allstate expressed a similar position as it had at the 2009 Public Meeting. Intact, however, stated – as it had at the 2009 Public Meeting – that it had conducted “...an exhaustive study to determine the impact of economic conditions on the underwriting results of the industry...” and did not find any significant correlations, nor did it find any correlation between levels of employment and automobile claim costs.

Our position on this issue remains unchanged from that which we expressed –at some length - in our 2009 IWA Addendum. We make no further adjustments.

Comment

The changes we have made to our selected development factors (including medical expense) causes our selected past and future trend rates to change as follows.

Selected Past Claim Cost Trend Rates

	Initial Selection	Revised Selection
Bodily Injury – Low Range	-5.8%	-5.7%
Bodily Injury – Mid Range	-5.8%	-5.7%
Bodily Injury – High Range	-5.8%	-5.7%
Property Damage	+5.4%	+5.5%
Medical Expense	+0.8%	+1.1%

⁴ Dr. Miller, Insurance Bureau of Canada, Public Meeting, Transcript, page 71

Selected Future Claim Cost Trend Rates

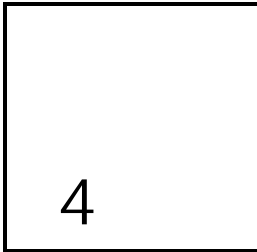
	Initial Selection	Revised Selection
Bodily Injury – Low Range	-5.8%	-5.7%
Bodily Injury – Mid Range	-2.6%	-2.4%
Bodily Injury – High Range	+0.7%	+0.8%
Property Damage	+5.4%	+5.5%
Medical Expense	+0.8%	+1.1%

Investment Rate

In deriving the range of indications that we presented to the Board, we selected an investment rate of 2% based on an average of the 3-Year Government of Canada Bond rate of 2.24% and the 2-Year Government of Canada Bond rate of 1.87% as of May 17, 2010. This was in keeping with the manner in which we selected an investment rate of 1.34% for the 2009 IWA.

Since May 17, 2010, interest rates have fallen. As of July 16, 2010 the 3-Year Government of Canada Bond rate was 1.80% and the 2-Year Government of Canada Bond rate was 1.59%. Based on these rates we have changed our selected investment rate from 2.0% to 1.75%.

This change, only, causes the Indicated IWA to increase by approximately 0.5 percentage points (leaving all other of our assumptions and calculations as they were originally presented in the OW IWA Report).



FINDINGS

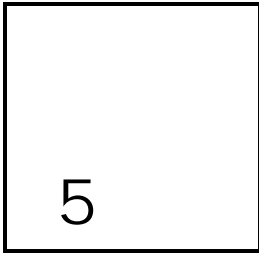
Based on the aforementioned changes to the Bodily Injury, Property Damage, and Medical Expense development factors, and to the Investment Rate (from 2.0% to 1.75%), – and leaving all other assumptions and calculations the same as they are presented in the OW IWA Report – we estimate the Indicated IWA to be within the following range:

“Low Range”: -2.1%

“Mid Range”: +0.5%

“High Range”: +3.0%

Based on this range of indications, we recommend no IWA for the policy period beginning November 1, 2010.



EXHIBITS

Province of Alberta
Alberta Automobile Insurance Rate Board
2010 Private Passenger Industry-Wide Review

Projected Loss Cost Calculation
Third Party Liability

LOW RANGE BODILY INJURY FREQUENCY ESTIMATE

Bodily Injury

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDL (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,823,002	366,728,639	201.17	1.030	1.097	1.000	1.000	227.48	0.779	0.885	156.86	5%
2006	1,945,152	370,090,007	190.26	1.058	1.087	1.000	1.000	218.81	0.826	0.885	160.00	10%
2007	2,057,136	337,497,301	164.06	1.131	1.089	1.000	1.000	201.97	0.876	0.885	156.62	15%
2008	2,154,224	302,400,557	140.38	1.220	1.095	1.000	1.000	187.58	0.929	0.885	154.25	30%
2009	2,209,571	269,788,866	122.10	1.326	1.095	1.000	1.000	177.24	0.985	0.885	154.56	40%
Weighted Average											155.43	
Offset for AB limit changes											1.99	
Weighted Average											153.44	

Property Damage

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDL (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,823,002	183,172,544	100.48	0.997	1.087	1.000	0.981	107.90	1.256	1.118	151.45	0%
2006	1,945,152	230,308,051	118.40	0.996	1.087	1.000	0.986	125.71	1.190	1.118	167.25	0%
2007	2,057,136	277,661,267	134.97	0.992	1.089	1.000	0.991	143.80	1.128	1.118	181.35	20%
2008	2,154,224	293,151,821	136.08	1.029	1.095	1.000	1.000	151.94	1.069	1.118	181.62	30%
2009	2,209,571	265,916,127	120.35	1.201	1.095	1.000	1.000	158.23	1.013	1.118	179.28	50%
Weighted Average											180.40	

Notes:

- (2), (3) From AIX70A 2009-2
- (4) = (3) / (2)
- (5) From Exhibit 6 (with noted changes)
- (6) From 2009 AIX05
- (7) Not applicable
- (8) GST change from 7% to 6% effective July 1, 2006 and from 6% to 5% effective January 1, 2008
- (9) = (4) x (5) x (6) x (7) x (8)
- (10) From Exhibit 4 (with noted changes)
- (11) From Exhibit 4 (with noted changes)
- (12) = (9) x (10) x (11)
- (13) Judgment

Province of Alberta
Alberta Automobile Insurance Rate Board
2010 Private Passenger Industry-Wide Review

Projected Loss Cost Calculation
Third Party Liability

MID RANGE BODILY INJURY FREQUENCY ESTIMATE

Bodily Injury

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,823,002	366,728,639	201.17	1.030	1.097	1.000	1.000	227.48	0.779	0.951	168.51	5%
2006	1,945,152	370,090,007	190.26	1.058	1.087	1.000	1.000	218.81	0.826	0.951	171.89	10%
2007	2,057,136	337,497,301	164.06	1.131	1.089	1.000	1.000	201.97	0.876	0.951	168.25	15%
2008	2,154,224	302,400,557	140.38	1.220	1.095	1.000	1.000	187.58	0.929	0.951	165.71	30%
2009	2,209,571	269,788,866	122.10	1.326	1.095	1.000	1.000	177.24	0.985	0.951	166.04	40%
Weighted Average											166.98	
Offset for AB limit changes											1.99	
Offset for AB limit changes											164.99	

Property Damage

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,823,002	183,172,544	100.48	0.997	1.097	1.000	0.981	107.90	1.256	1.118	151.45	0%
2006	1,945,152	230,308,051	118.40	0.996	1.087	1.000	0.986	125.71	1.190	1.118	167.25	0%
2007	2,057,136	277,661,267	134.97	0.992	1.089	1.000	0.991	143.80	1.128	1.118	181.35	20%
2008	2,154,224	293,151,821	136.08	1.029	1.095	1.000	1.000	151.94	1.069	1.118	181.62	30%
2009	2,209,571	265,916,127	120.35	1.201	1.095	1.000	1.000	158.23	1.013	1.118	179.28	50%
Weighted Average											180.40	

Notes:

- (2), (3) From AIX70A 2009-2
- (4) = (3) / (2)
- (5) From Exhibit 6 (with noted changes)
- (6) From 2009 AIX05
- (7) Not applicable
- (8) GST change from 7% to 6% effective July 1, 2006 and from 6% to 5% effective January 1, 2008
- (9) = (4) x (5) x (6) x (7) x (8)
- (10) From Exhibit 4 (with noted changes)
- (11) From Exhibit 4 (with noted changes)
- (12) = (9) x (10) x (11)
- (13) Judgment

Province of Alberta
Alberta Automobile Insurance Rate Board
2010 Private Passenger Industry-Wide Review

Projected Loss Cost Calculation
Third Party Liability

HIGH RANGE BODILY INJURY FREQUENCY ESTIMATE

Bodily Injury

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,823,002	366,728,639	201.17	1.030	1.097	1,000	1,000	227.48	0.779	1.017	180.23	5%
2006	1,945,152	370,090,007	190.26	1.058	1.087	1,000	1,000	218.81	0.826	1.017	183.84	10%
2007	2,057,136	337,497,301	164.06	1.131	1.089	1,000	1,000	201.97	0.876	1.017	179.95	15%
2008	2,154,224	302,400,557	140.38	1.220	1.095	1,000	1,000	187.58	0.929	1.017	177.23	30%
2009	2,209,571	269,788,866	122.10	1.326	1.095	1,000	1,000	177.24	0.985	1.017	177.58	40%
Weighted Average											178.59	
Offset for AB limit changes											1.99	
Weighted Average											176.60	

Property Damage

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,823,002	183,172,544	100.48	0.997	1.097	1,000	0.981	107.90	1.256	1.118	151.45	0%
2006	1,945,152	230,308,051	118.40	0.996	1.087	1,000	0.986	125.71	1.190	1.118	167.25	0%
2007	2,057,136	277,661,267	134.97	0.992	1.089	1,000	0.991	143.80	1.128	1.118	181.35	20%
2008	2,154,224	293,151,821	136.08	1.029	1.095	1,000	1,000	151.94	1.069	1.118	181.62	30%
2009	2,209,571	265,916,127	120.35	1.201	1.095	1,000	1,000	158.23	1.013	1.118	179.28	50%
Weighted Average											180.40	

Notes:

- (2), (3) From AIX70A, 2009-2
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- (13) Judgment

Province of Alberta
Alberta Automobile Insurance Rate Board
2010 Private Passenger Industry-Wide Review

Projected Loss Cost Calculation
Accident Benefit

Funeral												
Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,829,193	642,063	0.35	0.999	1.097	2,500	1,000	0.96	0.934	0.967	0.87	5%
2006	1,944,125	604,009	0.31	0.992	1.087	2,500	1,000	0.84	0.949	0.967	0.77	10%
2007	2,056,450	1,079,627	0.52	0.987	1.089	1,250	1,000	0.71	0.964	0.967	0.66	15%
2008	2,155,593	1,210,698	0.56	0.985	1.095	1,000	1,000	0.61	0.980	0.967	0.57	30%
2009	2,210,826	1,115,443	0.50	1.020	1.095	1,000	1,000	0.56	0.996	0.967	0.54	40%
Weighted Average											0.61	

Death Benefit												
Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,829,193	3,144,764	1.72	1.000	1.097	1,000	1,000	1.89	0.819	0.907	1.40	5%
2006	1,944,125	2,810,882	1.45	0.996	1.087	1,000	1,000	1.57	0.858	0.907	1.22	10%
2007	2,056,450	2,656,576	1.29	0.992	1.089	1,000	1,000	1.40	0.899	0.907	1.14	15%
2008	2,155,593	3,163,677	1.47	0.968	1.095	1,000	1,000	1.56	0.943	0.907	1.33	30%
2009	2,210,826	2,227,669	1.01	1.026	1.095	1,000	1,000	1.13	0.988	0.907	1.01	40%
Weighted Average											1.17	

Medical Rehabilitation												
Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,829,193	41,702,657	22.80	1.008	1.097	1,000	0.981	24.76	1.048	1.023	26.53	5%
2006	1,944,125	43,178,288	22.21	1.008	1.087	1,000	0.986	23.86	1.036	1.023	25.29	10%
2007	2,056,450	44,543,890	21.66	1.002	1.089	1,000	0.991	23.30	1.025	1.023	24.43	15%
2008	2,155,593	49,961,638	23.18	0.969	1.095	1,000	1,000	24.35	1.014	1.023	25.26	30%
2009	2,210,826	66,623,183	30.13	0.778	1.095	1,000	1,000	25.69	1.003	1.023	26.35	40%
Weighted Average											25.64	

Disability Income

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,829,193	16,303,508	8.91	1.013	1.097	1.350	1.000	13.37	0.793	0.893	9.47	5%
2006	1,944,125	16,805,873	8.64	1.008	1.087	1.350	1.000	12.79	0.838	0.893	9.56	10%
2007	2,056,450	20,802,725	10.12	1.022	1.089	1.058	1.000	11.91	0.885	0.893	9.41	15%
2008	2,155,593	21,801,971	10.11	1.037	1.095	1.000	1.000	11.49	0.934	0.893	9.58	30%
2009	2,210,826	16,898,252	7.64	1.304	1.095	1.000	1.000	10.92	0.986	0.893	9.61	40%
Weighted Average											9.56	

Supplementary

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,829,193	0	0.00	1.000	1.097	1.000	1.000	0.00	1.000	1.000	0.00	5%
2006	1,944,125	0	0.00	1.000	1.087	1.000	1.000	0.00	1.000	1.000	0.00	10%
2007	2,056,450	0	0.00	1.000	1.089	1.000	1.000	0.00	1.000	1.000	0.00	15%
2008	2,155,593	0	0.00	1.000	1.095	1.000	1.000	0.00	1.000	1.000	0.00	30%
2009	2,210,826	0	0.00	1.000	1.095	1.000	1.000	0.00	1.000	1.000	0.00	40%
Weighted Average											0.00	

Uninsured Motorist

Accident Year (1)	Earned Cars (2)	Reported Losses & ALAE (3)	Reported Losses & ALAE Cost per Car (4)	LDF (5)	ULAE (6)	Reform Adjustment (7)	GST Adjustment (8)	Adjusted Ultimate Losses & LAE per Car (9)	Past Trend to Oct 1, 2009 (10)	Future Trend to Nov 1, 2011 (11)	Projected Ultimate Losses & LAE per Car (12)	Weights (13)
2005	1,829,193	1,148,024	0.63	0.928	1.097	1.000	1.000	0.64	1.048	1.023	0.69	5%
2006	1,944,125	832,859	0.43	0.959	1.087	1.000	1.000	0.45	1.036	1.023	0.47	10%
2007	2,056,450	1,200,037	0.58	1.023	1.089	1.000	1.000	0.65	1.025	1.023	0.68	15%
2008	2,155,593	446,695	0.21	1.518	1.095	1.000	1.000	0.34	1.014	1.023	0.36	30%
2009	2,210,826	58,516	0.03	3.991	1.095	1.000	1.000	0.12	1.003	1.023	0.12	40%
Weighted Average											0.34	

Notes:

- (2), (3) From AIX70A 2009-2
- (4) = (3) / (2)
- (5) From Exhibit 6 (with noted changes)
- (6) From 2009 AIX03-B
- (7) Exhibit 4 for Disability Income
- (8) GST change from 7% to 6% effective July 1, 2006 and from 6% to 5% effective January 1, 2008
- (9) = (4) x (5) x (6) x (7) x (8)
- (10) From Exhibit 4 (with noted changes)
- (11) From Exhibit 4 (with noted changes)
- (12) = (9) x (10) x (11)
- (13) Judgment

**Province of Alberta
Alberta Automobile Insurance Rate Board
2010 Private Passenger Industry-Wide Review**

Indicated Average Premium - Low Range

		(1) Projected Average Loss Cost	(2) Present Value Discount Factor	(3) Premium Delay Factor	(4) Expense	(5) Health Levy	(6) Profit Provision	(7) Indicated Average Premium
TPL	Bodily Injury	153.44	0.930	1.0050	20.1%	6.320%	7.0%	215.28
	Property Damage	180.40	0.981	1.0050	20.1%	6.320%	7.0%	267.20
	TPL Total							482.48
AB	Funeral	0.61	0.980	1.0050	20.1%	0.0%	7.0%	0.82
	Death Benefit	1.17	0.979	1.0050	20.1%	0.0%	7.0%	1.58
	Medical Rehab	25.64	0.978	1.0050	20.1%	0.0%	7.0%	34.55
	Disability Income	9.56	0.974	1.0050	20.1%	0.0%	7.0%	12.84
	Supplementary	-	1.000	1.0050	20.1%	0.0%	7.0%	-
	Uninsured	0.34	0.930	1.0050	20.1%	0.0%	7.0%	0.43
	AB Total	37.31						50.22
	Fixed Expense	27.82	1.000	1.0050	20.1%	0.00%	7.0%	38.35
	(8) Total							\$571
	(9) Estimated Street Premium							\$583
	(10) Indicated IWA							-2.1%

Notes:

- (1) From Addendum Exhibits 1 & 4
- (2) From Exhibit 4
- (3) Assume 90 day delay in receipt of premium
- (4) From Exhibit 3
- (5) Judgment
- (6) Provided by the Board
- (7) = (1) x (2) x (3) / [1 - (4) - (5) - (6)]

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Indicated Average Premium - Mid Range

		(1) Projected Average Loss Cost	(2) Present Value Discount Factor	(3) Premium Delay Factor	(4) Expense	(5) Health Levy	(6) Profit Provision	(7) Indicated Average Premium
TPL	Bodily Injury	164.99	0.930	1.0050	20.1%	6.130%	7.0%	230.82
	Property Damage	180.40	0.981	1.0050	20.1%	6.130%	7.0%	266.44
	TPL Total							497.26
AB	Funeral	0.61	0.980	1.0050	20.1%	0.0%	7.0%	0.82
	Death Benefit	1.17	0.979	1.0050	20.1%	0.0%	7.0%	1.58
	Medical Rehab	25.64	0.978	1.0050	20.1%	0.0%	7.0%	34.55
	Disability Income	9.56	0.974	1.0050	20.1%	0.0%	7.0%	12.84
	Supplementary	-	1.000	1.0050	20.1%	0.0%	7.0%	-
	Uninsured	0.34	0.930	1.0050	20.1%	0.0%	7.0%	0.43
	AB Total	37.31						50.22
	Fixed Expense	27.82	1.000	1.0050	20.1%	0.00%	7.0%	38.35
	(8) Total							\$586
	(9) Estimated Street Premium							\$583
	(10) Indicated IWA							0.5%

Notes:

- (1) From Addendum Exhibits 2 & 4
- (2) From Exhibit 4
- (3) Assume 90 day delay in receipt of premium
- (4) From Exhibit 3
- (5) Judgment
- (6) Provided by the Board
- (7) = (1) x (2) x (3) / [1 - (4) - (5) - (6)]

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Indicated Average Premium - High Range

		(1) Projected Average Loss Cost	(2) Present Value Discount Factor	(3) Premium Delay Factor	(4) Expense	(5) Health Levy	(6) Profit Provision	(7) Indicated Average Premium
TPL	Bodily Injury	176.60	0.930	1.0050	20.1%	5.950%	7.0%	246.40
	Property Damage	180.40	0.981	1.0050	20.1%	5.950%	7.0%	265.72
	TPL Total							512.12
AB	Funeral	0.61	0.980	1.0050	20.1%	0.0%	7.0%	0.82
	Death Benefit	1.17	0.979	1.0050	20.1%	0.0%	7.0%	1.58
	Medical Rehab	25.64	0.978	1.0050	20.1%	0.0%	7.0%	34.55
	Disability Income	9.56	0.974	1.0050	20.1%	0.0%	7.0%	12.84
	Supplementary	-	1.000	1.0050	20.1%	0.0%	7.0%	-
	Uninsured	0.34	0.930	1.0050	20.1%	0.0%	7.0%	0.43
	AB Total	37.31						50.22
	Fixed Expense	27.82	1.000	1.0050	20.1%	0.00%	7.0%	38.35
	(8) Total							\$601
	(9) Estimated Street Premium							\$583
	(10) Indicated IWA							3.0%

Notes:

- (1) From Addendum Exhibits 3 & 4
- (2) From Exhibit 4
- (3) Assume 90 day delay in receipt of premium
- (4) From Exhibit 3
- (5) Judgment
- (6) Provided by the Board
- (7) = (1) x (2) x (3) / [1 - (4) - (5) - (6)]

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