

Nova Scotia
Commercial Vehicles
Oliver Wyman Selected Loss Trend Rates
and
Bill 1 Factor
Based on Industry Data Through December 31, 2010

Loss Trend Rates

Loss trend rates are factors that are applied to the experience period incurred losses to adjust for the cost levels that are anticipated during the policy period covered under the proposed rate program.

The selection and application of trend rates is, essentially, a two-step process. The data in the experience period under consideration must be adjusted to reflect changes in cost conditions that have taken place (i.e., “past trend”), and then the data must be further adjusted to reflect changes in cost conditions that are expected to take place between the present time and the time during the new premiums will be in effect (i.e., “future trend”).

Therefore, past trend rates should reflect the underlying trend patterns that occurred during the experience period, which we have assumed to be the five years ending December 31, 2010. Future trend rates should reflect those same patterns that occurred during the experience period, as well as the likelihood that those patterns may change.

The identification of the underlying trend patterns over the experience period, which is a matter of actuarial judgment, is challenging because factors such as statistical fluctuation in the data points, changes in the underlying exposure, or abnormal weather conditions, etc., can make the underlying trend patterns difficult to discern. For this reason, we model the data several different ways in an attempt to identify the underlying trends during the experience period: with and without certain data points that are considered to be statistical outliers, and over time periods that are longer than the experience period as a means of increasing the stability/reliability of the data being analyzed.

We select trend rates based on Industry Nova Scotia data to determine appropriate loss trends for use in deriving the rate level indications. We derive annual loss trend rates based on a regression model using Industry historical accident year loss and loss adjustment expense data that we project to ultimate cost level (when all claims are reported and settled) using the Industry loss development factors we select.

We generally consider the Industry Nova Scotia data for the accident years spanning 2000 through 2010 for purposes of selecting trend rates. For purposes of data stability we typically review the data in annual accident periods. However, in this review, due to the introduction of Bill 52 in April 2010, which increases the Bodily Injury minor injury cap on pain and suffering to \$7,500 from \$2,500, we also review the experience by accident half-year.

Estimation of Industry Ultimate Claim Counts and Loss Amounts

The Industry Nova Scotia experience upon which the loss trend rates are based must be adjusted to an ultimate claim count and loss amount level. We do so through the application of what are referred to as development factors to the reported claim counts and claim amounts as of December 31, 2010. We select development factors based on a review of the Industry Nova Scotia loss development patterns; we do this by coverage. Our selected development factors are generally based on the volume weighted average of the last twelve observed (accident half-year) development factors. The exceptions are as follows:

Bodily Injury	Claim Count	96-ultimate	1.00
Bodily Injury	Claim Amount	114-ultimate	1.00
Property Damage	Claim Count	24-ultimate	1.00
Property Damage	Claim Amount	60-ultimate	1.00
Accident Benefits Including UM	Claim Count	42-ultimate	1.00
Accident Benefits Including UM	Claim Amount	90-ultimate	1.00
Collision	Claim Count	42-ultimate	1.00
Collision	Claim Amount	6-12; 42-ultimate	4 point seasonal weighted average; 1.00

Comprehensive	Claim Count	114-ult	1.00
Comprehensive	Claim Amount	66-ult	1.00
Specified Perils	Claim Count	12-ult	1.00
Specified Perils	Claim Amount	24-ult	1.00

Exhibit II, Page 1 and Exhibit I, Page 2 attached present our selected cumulative claim count and claim amount development factors, respectively.

Consideration of Severity, Frequency, and Loss Cost Trend Patterns

In selecting past and future trend rates by coverage, we typically examine the separate trend patterns for claim severity and claim frequency, and then combine the selected severity and frequency trend rates to arrive at a selected loss cost trend rate. However, our review of the severity and frequency trend patterns over the recent past suggests to us that we may not fully reflect the correlation that seemingly exists between severity and frequency if we separately select severity and frequency trend rates. For this reason we tend to select past and future trend rates by directly examining the trend pattern for loss cost.

Impact of the Economy

Because the data points are somewhat erratic, it is difficult to discern whether the change in economic conditions has had any impact on loss costs. For this reason, we have not explicitly reflected the change in economic conditions in making our trend selections.

Selection of Past Trend Rates

The Time Period We Considered

In our judgment, a ten-year period is, generally, a reasonable time period for determining the underlying trend rates for the Bodily Injury and Accident Benefits coverages, while the five-year period is a reasonable time period for determining the underlying trend rates for the property damage, collision, and comprehensive coverages. However, given the relatively low volume of claim data, and the volatility of the data points, we also consider the indicated loss cost trends over the ten-year periods ending December 31, 2009 and ending December 31, 2010, as well as the indicated loss cost trend over the five-year

periods ending December 31, 2009 and ending December 31, 2010 in selecting loss trend rates.

The Data Points We Considered

We recognize that the indicated trends produced by the regression model (particularly those over a five-year period) can be sensitive to one or two of the data points. And since the points represent estimates of ultimate claim frequency rates, or in the case of severity, estimates of ultimate average loss amounts per claim, errors in estimation could lead to over or under estimation of the underlying trend rates. We also recognize that consideration must be given to how closely the regression model fits the data points, and that adjustments may be necessary for outlying data points. For these reasons in selecting what we believe to be appropriate loss cost trend rates we consider the indicated trends with the exclusion of various data points.

Adjustment of Bodily Injury Data for Reforms

In our opinion, the Bodily Injury data is not sufficiently credible for estimating the effect of the reforms on the Bodily Injury loss costs. We, therefore, assume the Bill 1 reform savings estimate of -21% for private passenger vehicles that we presented in our May 12, 2010 report to the Superintendent of Insurance applies to commercial vehicles. Hence, we reduce the pre-reform Bodily Injury loss costs by 21% before performing the trend analysis. In addition, we assume the Bill 52 reform costs estimate of +17% we presented in our May 12, 2010 report to the Superintendent of Insurance for private passenger vehicles also applies to commercial vehicles and make an appropriate adjustment to the estimated 2010 Bodily Injury losses to remove the assumed effect of Bill 52.

Our Selected Past Trend Rates

Bodily Injury

Based on data as of December 31, 2009, we selected a past loss cost trend rate of -7.5%.

The unadjusted annual data through December 31, 2010 shows the 2010 loss cost to have sharply increased by approximately 188% over the 2009 loss cost, and this follows a 36%

decline in the 2009 loss cost compared to 2008. However, the 2010 loss cost is relatively uncertain, and while the Bodily Injury loss cost has exhibited considerable volatility historically, the 188% increase is by far the largest year to year change observed over the last fifteen years ending December 2010. This sharp increase for 2010 is driven by a 140% increase in severity. While we expect part of the increase is due to the introduction of Bill 52, we are unable to quantify the degree to which the 2010 loss cost was affected by Bill 52.

We present the following calculated historical annual loss cost trend rates below based on the adjusted loss costs.

Ten-year ending 2010: -7.7%

Ten-year ending 2009: -11.0%

Ten-year ending 2008: -8.3%

Ten-year ending 2010 ex high/low: -3.1%

Ten-year ending 2009 ex high/low: -8.4%

Ten-year ending 2008 ex high/low: -7.6%

Five-year ending 2010: +4.5%

Five-year ending 2009: -16.5%

Five-year ending 2008: -6.3%

Five-year ending 2010 ex high/low: -3.3%

Five-year ending 2009 ex high/low: -3.3%

Five-year ending 2008 ex high/low: -3.3%

We select a past trend rate of -7%, the approximate average of the above indicated trend rates.

Property Damage

Based on data as of December 31, 2009, we selected a past loss cost trend rate of +0.0%.

The data through December 31, 2010 shows the 2010 loss cost to have decreased by approximately 3% compared to the 2009 loss cost (for which, in hindsight, our prior estimated loss cost for 2009 was too low by approximately 7%). Compared to the other coverages, the property damage loss costs have been stable.

Historical loss cost trends are as follows:

Ten-year ending 2010: +1.3%

Ten-year ending 2009: +0.8%

Ten-year ending 2010 ex high/low: +0.6%

Ten-year ending 2009 ex high/low: -0.1%

Five-year ending 2010: +1.1%

Five-year ending 2009: -0.2%

Five-year ending 2010 ex high/low: +0.7%

Five-year ending 2009 ex high/low: -0.9%

We select a past trend rate of +0.5%, the approximate average of the above indicated trend rates.

Accident Benefits

Based on data as of December 31, 2009, we selected a past loss cost trend rate of +0.0%.

The data through December 31, 2010 shows the 2010 loss cost to have increased significantly, by approximately 57%, over the 2009 loss cost. However, the 2009 loss cost is 47% less than the 2008 loss cost. Further, as evidenced by the change in our estimate of the 2009 loss cost from \$15.80 (in our prior report) to \$11.30, the 2010 loss cost must be considered to be relatively uncertain. Historically, the loss cost has exhibited considerable year-to-year volatility.

Historical loss cost trends are as follows:

Ten-year ending 2010: -1.4%
Ten-year ending 2009: -6.7%

Ten-year ending 2010 ex high/low: -1.5%
Ten-year ending 2009 ex high/low: -1.6%

Five-year ending 2010: +3.6%
Five-year ending 2009: +1.3%

Five-year ending 2010 ex high/low: -4.7%
Five-year ending 2009 ex high/low: -3.8%

In light of these indicated trend rates and the loss cost volatility, we select a past trend rate of +0%.

Collision

Based on data as of December 31, 2009, we selected a past loss cost trend rate of +5.0%.

The data through December 31, 2010 shows the 2010 loss cost to be higher than the 2009 loss cost by approximately 2%.

Historical loss cost trends are as follows:

Ten-year ending 2010: +4.9%
Ten-year ending 2009: +3.4%

Ten-year ending 2010 ex high/low: +3.8%
Ten-year ending 2009 ex high/low: +2.4%

Five-year ending 2010: -1.8%
Five-year ending 2009: +5.2%

Five-year ending 2010 ex high/low: -0.9%
Five-year ending 2009 ex high/low: -1.8%

We select a past trend rate of +2%, the approximate average of the above trend rates.

Comprehensive

Based on data as of December 31, 2009, we selected a past loss cost trend rate of +1.0%.

The data through December 31, 2010 shows the 2010 loss cost to be lower than the 2009 loss cost by approximately 13% and that there has been a decline in the loss cost each year since 2007, which had the highest loss cost over the past fifteen years.

Historical loss cost trends are as follows:

Ten-year ending 2010: -0.0%

Ten-year ending 2009: +1.3%

Ten-year ending 2010 ex high/low: -1.8%

Ten-year ending 2009 ex high/low: -0.2%

Five-year ending 2010: -5.4%

Five-year ending 2009: -0.4%

Five-year ending 2010 ex high/low: +3.3%

Five-year ending 2009 ex high/low: -2.4%

We select a past trend rate of -1%, the approximate average of the above trend rates.

Specified Perils

Due to insufficient data, we select the same past loss cost trend rate as we do for Comprehensive, -1%.

Selection of Future Trend Rates

The data is not credible enough to discern any changes in trend patterns that may have occurred over the past one to three years. Hence, for all coverages except Bodily Injury we select a future trend rate that is the same as our selected past trend rate. For Bodily Injury, because of the unexplained decline in 2009, followed by a very sharp increase in 2010, we select a future trend rate of -5%, the same as our prior selection.

Selected Trend Rates - Summary

The following table presents our selected past and future annual frequency, severity, and loss cost (the product of frequency and severity) trend rates.

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-7.0%	-5.0%
Property Damage	+0.5%	+0.5%
Accident Benefits	+0.0%	+0.0%
Collision	+2.0%	+2.0%
Comprehensive	-1.0%	-1.0%
Specified Perils	-1.0%	-1.0%

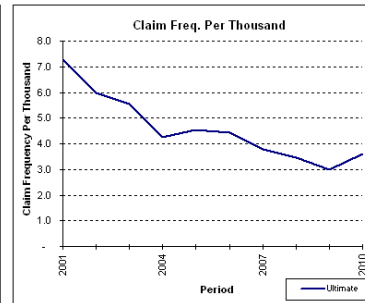
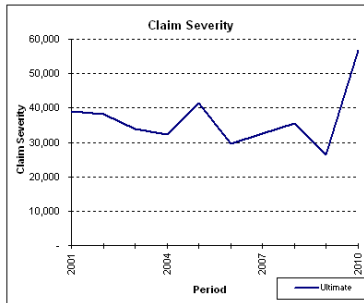
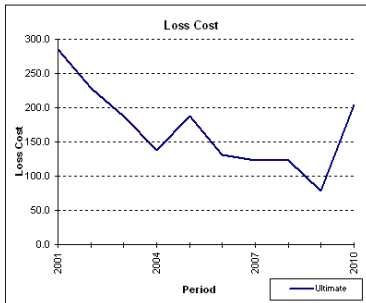
Reform Factors

For reasons of data credibility, we select a Bill 1 reform factor for Bodily Injury of -21% and a Bill 52 reform factor for Bodily Injury of +17% - the same as that we presented in our May 12, 2010 report to the Superintendent of Insurance.

Third Party Liability - Bodily Injury

Annual Basis

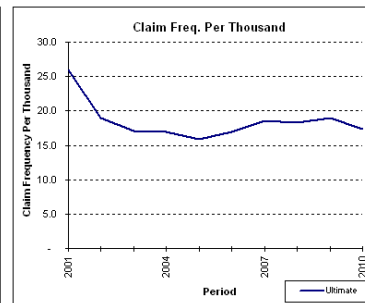
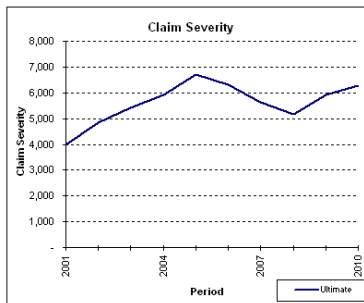
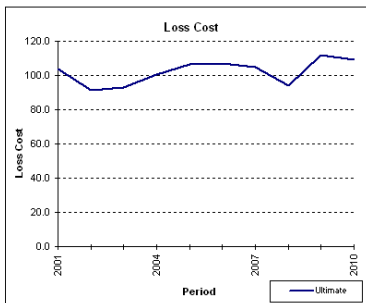
Excluded Points		Trend			R Squared		
		Loss Cost	Severity	Freq	Loss Cost	Severity	Freq
None	Last 5 yrs	4.50%	11.47%	-6.26%	0.0426	0.3367	0.5286
2009	5 yrs excl. lowest LC	12.44%	17.88%	-4.61%	0.6687	0.9434	0.5502
2009	5 yrs excl. lowest Sev	12.44%	17.88%	-4.61%	0.6687	0.9434	0.5502
2009	5 yrs excl. lowest Freq	12.44%	17.88%	-4.61%	0.6687	0.9434	0.5502
2010	5 yrs excl. highest LC	-14.18%	-2.73%	-11.77%	0.7093	0.0763	0.9928
2010	5 yrs excl. highest Sev	-14.18%	-2.73%	-11.77%	0.7093	0.0763	0.9928
2006	5 yrs excl. highest Freq	11.34%	14.72%	-2.94%	0.1274	0.2960	0.1505
2010, 2009	5 yrs excl. H/L LC	-3.31%	9.46%	-11.67%	0.8085	1.0000	0.9819
2010, 2009	5 yrs excl. H/L Sev	-3.31%	9.46%	-11.67%	0.8085	1.0000	0.9819
2006, 2009	5 yrs excl. H/L Freq	19.81%	21.30%	-1.23%	0.8872	0.9667	0.1580
None	Last 10 yrs	-7.71%	0.43%	-8.10%	0.4175	0.0038	0.8753
2009	10 yrs excl. lowest LC	-5.51%	2.29%	-7.62%	0.3029	0.1191	0.8665
2009	10 yrs excl. lowest Sev	-5.51%	2.29%	-7.62%	0.3029	0.1191	0.8665
2009	10 yrs excl. lowest Freq	-5.51%	2.29%	-7.62%	0.3029	0.1191	0.8665
2001	10 yrs excl. highest LC	-5.96%	1.33%	-7.20%	0.2546	0.0268	0.8420
2010	10 yrs excl. highest Sev	-12.31%	-3.21%	-9.40%	0.8630	0.3880	0.9369
2001	10 yrs excl. highest Freq	-5.96%	1.33%	-7.20%	0.2546	0.0268	0.8420
2001, 2009	10 yrs excl. H/L LC	-3.06%	3.69%	-6.51%	0.1099	0.2238	0.8266
2010, 2009	10 yrs excl. H/L Sev	-10.94%	-1.88%	-9.24%	0.8117	0.1692	0.9102
2001, 2009	10 yrs excl. H/L Freq	-3.06%	3.69%	-6.51%	0.1099	0.2238	0.8266



Third Party Liability - Property Damage

Annual Basis

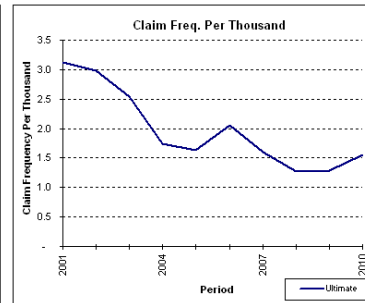
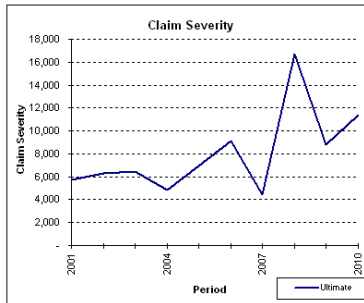
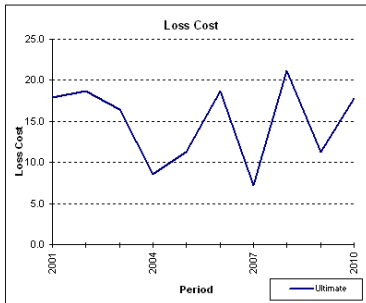
Excluded Points		Trend			R Squared		
		Loss Cost	Severity	Freq	Loss Cost	Severity	Freq
None	Last 5 yrs	1.10%	0.38%	0.72%	0.0677	0.0051	0.0586
2008	5 yrs excl. lowest LC	1.10%	0.38%	0.72%	0.4635	0.0167	0.0607
2008	5 yrs excl. lowest Sev	1.10%	0.38%	0.72%	0.4635	0.0167	0.0607
2006	5 yrs excl. lowest Freq	3.01%	4.73%	-1.64%	0.2534	0.5134	0.3484
2009	5 yrs excl. highest LC	0.34%	0.23%	0.11%	0.0081	0.0017	0.0019
2006	5 yrs excl. highest Sev	3.01%	4.73%	-1.64%	0.2534	0.5134	0.3484
2009	5 yrs excl. highest Freq	0.34%	0.23%	0.11%	0.0081	0.0017	0.0019
2009, 2008	5 yrs excl. H/L LC	0.71%	0.70%	0.00%	0.5129	0.0520	0.0000
2006, 2008	5 yrs excl. H/L Sev	1.68%	3.49%	-1.76%	0.5406	0.9521	0.3718
2009, 2006	5 yrs excl. H/L Freq	2.24%	4.57%	-2.23%	0.2026	0.4837	0.9896
None	Last 10 yrs	1.28%	3.09%	-1.75%	0.2915	0.3626	0.1570
2002	10 yrs excl. lowest LC	0.91%	2.89%	-1.93%	0.1737	0.2971	0.1602
2001	10 yrs excl. lowest Sev	1.91%	1.43%	0.47%	0.4671	0.1367	0.0454
2005	10 yrs excl. lowest Freq	1.32%	3.23%	-1.85%	0.3217	0.4874	0.2046
2009	10 yrs excl. highest LC	1.00%	3.34%	-2.27%	0.1879	0.3610	0.2230
2005	10 yrs excl. highest Sev	1.32%	3.23%	-1.85%	0.3217	0.4874	0.2046
2001	10 yrs excl. highest Freq	1.91%	1.43%	0.47%	0.4671	0.1367	0.0454
2009, 2002	10 yrs excl. H/L LC	0.58%	3.15%	-2.49%	0.0776	0.2996	0.2269
2005, 2001	10 yrs excl. H/L Sev	2.03%	1.75%	0.28%	0.5497	0.2664	0.0272
2001, 2005	10 yrs excl. H/L Freq	2.03%	1.75%	0.28%	0.5497	0.2664	0.0272



Accident Benefits

Annual Basis

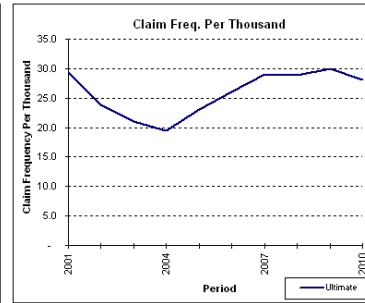
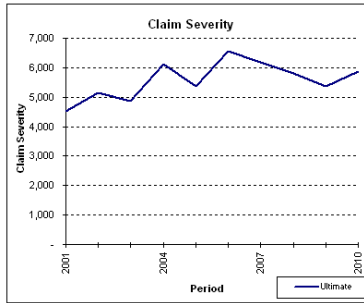
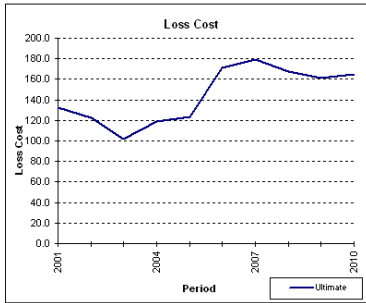
Excluded Points		Trend			R Squared		
		Loss Cost	Severity	Freq	Loss Cost	Severity	Freq
None	Last 5 yrs	3.63%	11.94%	-7.42%	0.0158	0.1378	0.3833
2007	5 yrs excl. lowest LC	-5.51%	2.51%	-7.82%	0.1253	0.0207	0.3810
2007	5 yrs excl. lowest Sev	-5.51%	2.51%	-7.82%	0.1253	0.0207	0.3810
2008	5 yrs excl. lowest Freq	3.63%	11.94%	-7.42%	0.0211	0.2596	0.5316
2008	5 yrs excl. highest LC	3.63%	11.94%	-7.42%	0.0211	0.2596	0.5316
2008	5 yrs excl. highest Sev	3.63%	11.94%	-7.42%	0.0211	0.2596	0.5316
2006	5 yrs excl. highest Freq	23.37%	24.21%	-0.68%	0.3103	0.2547	0.0050
2008, 2007	5 yrs excl. H/L LC	-4.72%	4.15%	-8.51%	0.1325	0.3702	0.6130
2008, 2007	5 yrs excl. H/L Sev	-4.72%	4.15%	-8.51%	0.1325	0.3702	0.6130
2006, 2008	5 yrs excl. H/L Freq	33.97%	37.14%	-2.31%	0.9657	0.9955	0.0869
None	Last 10 yrs	-1.42%	8.41%	-9.07%	0.0133	0.3675	0.7764
2007	10 yrs excl. lowest LC	-0.07%	9.85%	-9.04%	0.0001	0.6027	0.7699
2007	10 yrs excl. lowest Sev	-0.07%	9.85%	-9.04%	0.0001	0.6027	0.7699
2008	10 yrs excl. lowest Freq	-3.03%	6.04%	-8.55%	0.0657	0.3484	0.7663
2008	10 yrs excl. highest LC	-3.03%	6.04%	-8.55%	0.0657	0.3484	0.7663
2008	10 yrs excl. highest Sev	-3.03%	6.04%	-8.55%	0.0657	0.3484	0.7663
2001	10 yrs excl. highest Freq	0.07%	9.33%	-8.47%	0.0000	0.3438	0.6959
2008, 2007	10 yrs excl. H/L LC	-1.46%	7.60%	-8.42%	0.0245	0.7116	0.7537
2008, 2007	10 yrs excl. H/L Sev	-1.46%	7.60%	-8.42%	0.0245	0.7116	0.7537
2001, 2008	10 yrs excl. H/L Freq	-1.68%	6.71%	-7.86%	0.0161	0.3294	0.6823



Collision

Annual Basis

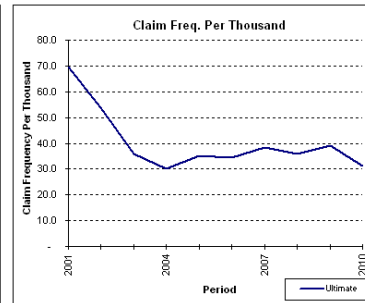
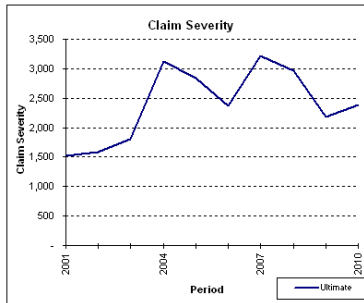
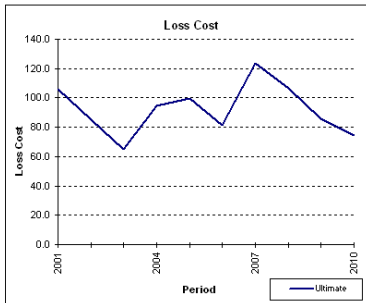
Excluded Points		Trend			R Squared		
		Loss Cost	Severity	Freq	Loss Cost	Severity	Freq
None	Last 5 yrs	-1.75%	-3.54%	1.85%	0.4828	0.5759	0.2878
2009	5 yrs excl. lowest LC	-1.35%	-2.62%	1.30%	0.4249	0.6546	0.1889
2009	5 yrs excl. lowest Sev	-1.35%	-2.62%	1.30%	0.4249	0.6546	0.1889
2006	5 yrs excl. lowest Freq	-2.84%	-2.20%	-0.66%	0.6656	0.2441	0.0934
2007	5 yrs excl. highest LC	-1.15%	-3.52%	2.46%	0.6186	0.5400	0.4655
2006	5 yrs excl. highest Sev	-2.84%	-2.20%	-0.66%	0.6656	0.2441	0.0934
2009	5 yrs excl. highest Freq	-1.35%	-2.62%	1.30%	0.4249	0.6546	0.1889
2007, 2009	5 yrs excl. H/L LC	-0.87%	-2.71%	1.89%	0.9993	0.6574	0.4771
2006, 2009	5 yrs excl. H/L Sev	-2.45%	-1.27%	-1.20%	0.7523	0.3597	0.9495
2009, 2006	5 yrs excl. H/L Freq	-2.45%	-1.27%	-1.20%	0.7523	0.3597	0.9495
None	Last 10 yrs	4.90%	2.32%	2.52%	0.5573	0.3574	0.2428
2003	10 yrs excl. lowest LC	4.08%	2.04%	2.00%	0.5597	0.3015	0.1790
2001	10 yrs excl. lowest Sev	6.19%	1.48%	4.64%	0.6489	0.1701	0.6495
2004	10 yrs excl. lowest Freq	4.68%	2.60%	2.02%	0.5477	0.4739	0.2486
2007	10 yrs excl. highest LC	4.55%	2.17%	2.33%	0.5678	0.3377	0.2203
2006	10 yrs excl. highest Sev	4.79%	2.21%	2.52%	0.5971	0.4384	0.2419
2009	10 yrs excl. highest Freq	5.15%	2.98%	2.10%	0.5404	0.4925	0.1641
2007, 2003	10 yrs excl. H/L LC	3.80%	1.91%	1.85%	0.5926	0.2860	0.1617
2006, 2001	10 yrs excl. H/L Sev	6.19%	1.48%	4.64%	0.7254	0.2494	0.6530
2009, 2004	10 yrs excl. H/L Freq	4.94%	3.22%	1.67%	0.5378	0.6110	0.1683



Comprehensive

Annual Basis

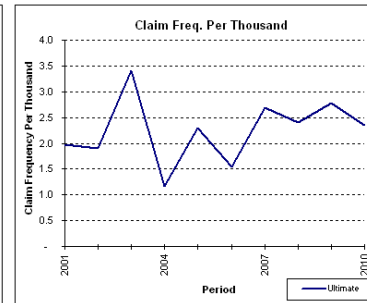
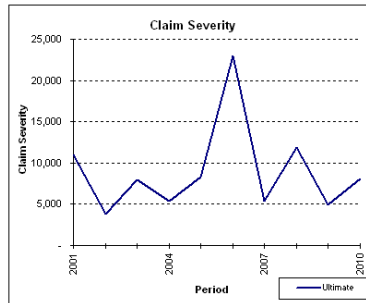
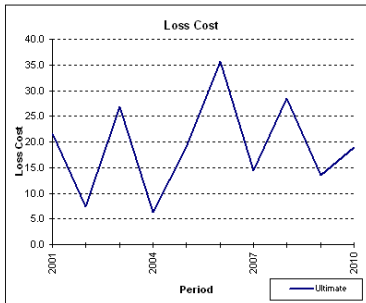
Excluded Points		Trend			R Squared		
		Loss Cost	Severity	Freq	Loss Cost	Severity	Freq
None	Last 5 yrs	-5.39%	-3.64%	-1.81%	0.1760	0.1264	0.1005
2010	5 yrs excl. lowest LC	-0.04%	-3.10%	3.15%	0.0000	0.0497	0.4594
2009	5 yrs excl. lowest Sev	-5.06%	-1.78%	-3.33%	0.1415	0.0392	0.4349
2010	5 yrs excl. lowest Freq	-0.04%	-3.10%	3.15%	0.0000	0.0497	0.4594
2007	5 yrs excl. highest LC	-2.18%	-1.17%	-1.02%	0.0607	0.0236	0.0351
2007	5 yrs excl. highest Sev	-2.18%	-1.17%	-1.02%	0.0607	0.0236	0.0351
2009	5 yrs excl. highest Freq	-5.06%	-1.78%	-3.33%	0.1415	0.0392	0.4349
2007, 2010	5 yrs excl. H/L LC	3.34%	-0.62%	3.98%	0.1232	0.0036	0.8586
2007, 2009	5 yrs excl. H/L Sev	-2.29%	0.17%	-2.46%	0.0612	0.0007	0.4718
2009, 2010	5 yrs excl. H/L Freq	14.35%	12.00%	2.10%	0.4033	0.5080	0.1394
None	Last 10 yrs	-0.03%	5.45%	-5.20%	0.0000	0.3354	0.3934
2003	10 yrs excl. lowest LC	-1.26%	4.99%	-5.95%	0.0595	0.2680	0.4827
2001	10 yrs excl. lowest Sev	1.26%	3.83%	-2.48%	0.0311	0.1721	0.1685
2004	10 yrs excl. lowest Freq	0.05%	6.28%	-5.86%	0.0001	0.4981	0.5554
2007	10 yrs excl. highest LC	-0.68%	4.91%	-5.32%	0.0166	0.3200	0.4009
2007	10 yrs excl. highest Sev	-0.68%	4.91%	-5.32%	0.0166	0.3200	0.4009
2001	10 yrs excl. highest Freq	1.26%	3.83%	-2.48%	0.0311	0.1721	0.1685
2007, 2003	10 yrs excl. H/L LC	-1.79%	4.53%	-6.04%	0.2009	0.2771	0.4868
2007, 2001	10 yrs excl. H/L Sev	0.65%	3.35%	-2.61%	0.0137	0.1581	0.1864
2001, 2004	10 yrs excl. H/L Freq	1.60%	5.20%	-3.43%	0.0468	0.3376	0.3687



Specified Perils

Annual Basis

Excluded Points		Trend			R Squared		
		Loss Cost	Severity	Freq	Loss Cost	Severity	Freq
None	Last 5 yrs	-12.36%	-19.55%	8.94%	0.2435	0.2938	0.3357
2009	5 yrs excl. lowest LC	-8.68%	-14.98%	7.42%	0.1459	0.1997	0.2545
2009	5 yrs excl. lowest Sev	-8.68%	-14.98%	7.42%	0.1459	0.1997	0.2545
2006	5 yrs excl. lowest Freq	0.93%	3.76%	-2.73%	0.0013	0.0137	0.1858
2006	5 yrs excl. highest LC	0.93%	3.76%	-2.73%	0.0013	0.0137	0.1858
2006	5 yrs excl. highest Sev	0.93%	3.76%	-2.73%	0.0013	0.0137	0.1858
2009	5 yrs excl. highest Freq	-8.68%	-14.98%	7.42%	0.1459	0.1997	0.2545
2006, 2009	5 yrs excl. H/L LC	5.17%	9.65%	-4.09%	0.0506	0.1253	0.7352
2006, 2009	5 yrs excl. H/L Sev	5.17%	9.65%	-4.09%	0.0506	0.1253	0.7352
2009, 2006	5 yrs excl. H/L Freq	5.17%	9.65%	-4.09%	0.0506	0.1253	0.7352
None	Last 10 yrs	4.03%	1.18%	2.82%	0.0448	0.0046	0.0744
2004	10 yrs excl. lowest LC	2.03%	0.44%	1.59%	0.0181	0.0007	0.0462
2002	10 yrs excl. lowest Sev	0.03%	-2.57%	2.66%	0.0000	0.0246	0.0966
2004	10 yrs excl. lowest Freq	2.03%	0.44%	1.59%	0.0181	0.0007	0.0462
2006	10 yrs excl. highest LC	3.52%	0.44%	3.06%	0.0436	0.0014	0.1017
2006	10 yrs excl. highest Sev	3.52%	0.44%	3.06%	0.0436	0.0014	0.1017
2003	10 yrs excl. highest Freq	6.21%	1.32%	4.83%	0.1039	0.0053	0.2666
2006, 2004	10 yrs excl. H/L LC	1.73%	-0.05%	1.79%	0.0177	0.0000	0.0999
2006, 2002	10 yrs excl. H/L Sev	-0.09%	-2.75%	2.73%	0.0000	0.0689	0.0706
2003, 2004	10 yrs excl. H/L Freq	3.79%	0.36%	3.42%	0.0603	0.0004	0.3083



Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2010
Nova Scotia
Commercial Automobile (Excluding Farmers)

As of 2010-2
Age-to-Ultimate Factors
Incurred Claim Amount

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive	Specified Perils
180-Ult	1.000	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000	1.000
138-Ult	1.000	1.000	1.000	1.000	1.000	1.000
132-Ult	1.000	1.000	1.000	1.000	1.000	1.000
126-Ult	1.000	1.000	1.000	1.000	1.000	1.000
120-Ult	1.000	1.000	1.000	1.000	1.000	1.000
114-Ult	1.000	1.000	1.000	1.000	1.000	1.000
108-Ult	0.993	1.000	1.000	1.000	1.000	1.000
102-Ult	0.986	1.000	1.000	1.000	1.000	1.000
96-Ult	0.969	1.000	1.000	1.000	1.000	1.000
90-Ult	0.967	1.000	1.000	1.000	1.000	1.000
84-Ult	0.971	1.000	1.002	1.000	1.000	1.000
78-Ult	0.974	1.000	1.004	1.000	1.000	1.000
72-Ult	0.971	1.000	0.980	1.000	1.000	1.000
66-Ult	0.968	1.000	0.975	1.000	1.000	1.000
60-Ult	1.011	1.000	1.011	1.000	1.000	1.000
54-Ult	1.050	1.004	1.035	1.000	1.000	1.000
48-Ult	1.055	1.014	1.061	1.000	0.999	1.000
42-Ult	1.103	1.010	1.061	1.000	0.999	1.000
36-Ult	1.169	1.034	1.113	0.999	0.999	1.000
30-Ult	1.246	1.031	1.087	0.997	0.999	1.000
24-Ult	1.322	1.047	1.231	0.992	1.002	1.000
18-Ult	1.435	1.059	1.442	0.985	1.002	1.002
12-Ult	1.467	1.107	1.201	0.955	0.997	1.002
6-Ult	1.760	1.287	1.332	0.864	1.058	0.971

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2010
Nova Scotia
Commercial Automobile (Excluding Farmers)

As of 2010-2
Age-to-Ultimate Factors
Incurred Claim Count

	Bodily Injury	Property Damage	Accident Benefits	Collision	Comprehensive	Specified Perils
180-Ult	1.000	1.000	1.000	1.000	1.000	1.000
174-Ult	1.000	1.000	1.000	1.000	1.000	1.000
168-Ult	1.000	1.000	1.000	1.000	1.000	1.000
162-Ult	1.000	1.000	1.000	1.000	1.000	1.000
156-Ult	1.000	1.000	1.000	1.000	1.000	1.000
150-Ult	1.000	1.000	1.000	1.000	1.000	1.000
144-Ult	1.000	1.000	1.000	1.000	1.000	1.000
138-Ult	1.000	1.000	1.000	1.000	1.000	1.000
132-Ult	1.000	1.000	1.000	1.000	1.000	1.000
126-Ult	1.000	1.000	1.000	1.000	1.000	1.000
120-Ult	1.000	1.000	1.000	1.000	1.000	1.000
114-Ult	1.000	1.000	1.000	1.000	1.000	1.000
108-Ult	1.000	1.000	1.000	1.000	1.000	1.000
102-Ult	1.000	1.000	1.000	1.000	1.000	1.000
96-Ult	1.000	1.000	1.000	1.000	1.000	1.000
90-Ult	0.999	1.000	1.000	1.000	1.000	1.000
84-Ult	0.999	1.000	1.000	1.000	1.000	1.000
78-Ult	0.998	1.000	1.000	1.000	1.000	1.000
72-Ult	0.998	1.000	1.000	1.000	1.000	1.000
66-Ult	0.996	1.000	1.000	1.000	1.000	1.000
60-Ult	0.998	1.000	1.000	1.000	1.000	1.000
54-Ult	0.998	1.000	1.000	1.000	1.000	1.000
48-Ult	0.996	1.000	1.000	1.000	1.000	1.000
42-Ult	0.987	1.000	1.000	1.000	1.000	1.000
36-Ult	0.991	1.000	0.998	0.999	1.000	1.000
30-Ult	0.998	1.000	0.989	0.999	1.000	1.000
24-Ult	0.992	1.000	0.978	0.998	1.001	1.000
18-Ult	0.977	1.005	0.944	0.994	1.002	1.000
12-Ult	0.927	1.002	0.910	0.979	1.007	1.000
6-Ult	0.976	1.083	0.831	0.894	1.186	0.949