Nova Scotia

Commercial Vehicles

Oliver Wyman Selected Loss Trend Rates
Based on Industry Data Through December 31, 2013

Selected Trend Rates - Summary

The following table presents our selected past and future annual loss cost trend rates as of December 2013. We discuss and present our methodology and assumptions in selecting our trend rates in this report.

Coverage	Past Loss Cost	Future Loss Cost
Bodily Injury	-3.0%	-3.0%
Property Damage	-1.0%	-1.0%
Accident Benefits	+0.0%	+0.0%
Collision	-3.0%	-3.0%
Comprehensive	+1.0%	+1.0%
Specified Perils	+1.0%	+1.0%

In selecting loss trend rates we consider the Bill 52 reforms enacted on April 28, 2010 that changed the definition of a minor injury and the cap amount applied to such minor injuries for pain and suffering awards. We also consider the Fair Insurance Act effective April 1, 2012 that enhanced the Accident Benefit coverage limits; and the introduction of DCPD in April 2013. We discuss these considerations more fully in this report.

Loss Trend Rates

Loss trend rates are factors that are used to determine rate level indications. They 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 loss trend rates presented in this report are Board approved for use by insurers either directly or as a credibility complement to their own experience-based loss trend rates in those cases where their own data is too limited to serve as the sole basis for selecting loss trend rates.

The 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 which 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 three to five years ending December 31, 2013. Future trend rates should reflect those same patterns that occurred during the experience period, as well as the likelihood that those patterns may change.

We select trend rates based on historical Industry Nova Scotia claim experience. The Industry data is organized by half-year, and in this report we refer to the first half of an accident half year as XXXX-1 and the second half of the accident year as XXXX-2. So, for example, the accident half-year spanning January 1, 2013 through June 30, 2013 is referred to as 2013-1.

We derive indicated 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 consider the latest fifteen years of Industry Nova Scotia claim experience, but generally select past trend rates based on the claim experience for the accident years spanning 2004 through 2013. For purposes of data stability we typically review the data in annual accident periods. As described more fully below, due to the introduction of Bill 1 in November 2003 and Bill 52 in April 2010, which increases the Bodily Injury minor injury cap on pain and suffering to $7,500[1] from $2,500, we first adjust the experience data by accident half-year, but the trend analysis is performed on the adjusted annual accident year experience.

In selecting future trend rates, we adjust (as appropriate) our selected past trend rates after giving consideration to the changes that have occurred over the past three years where we see a (consistent) new pattern emerging.

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. And, the pattern is even more difficult to decipher due to the challenge to the Bodily Injury reforms during 2007 to 2009, the new MIR reforms implemented in the first half of 2010, and the increase in Accident Benefits sub coverage limits effective April 1, 2012. 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.

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 claim 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, 2013. 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:

[1] *The amount of the cap is indexed, and increased to $7,956 on January 1, 2012, $8,100 on January 1, 2013 and $8,213 on January 1, 2014.*

Bodily Injury	Claim Count	114-ultimate	1.00
Bodily Injury	Claim Amount	60-66, 72-78; 114-ultimate	All period average excluding high/low; 1.00
Property Damage	Claim Amount	36-42; 96-ultimate	All period average excluding high/low; 1.00
Accident Benefits Including UM	Claim Count	114-ultimate	1.00
Accident Benefits Including UM	Claim Amount	6-108; 108 – ultimate	All period average excluding high/low;100
Collision	Claim Count	54-66, 114-ultimate	1.00
Collision	Claim Amount	54-60, 114-ultimate	1.00
Comprehensive	Claim Count	114-ultimate	1.00
Comprehensive	Claim Amount	48-54, 60-72,114-ultimate	1.00

Exhibit II, Page 1 and Exhibit II, Page 2 attached present our selected cumulative claim count and claim amount development factors, respectively. We note that as a result of these selected development factors, our estimated ultimate claim amounts by accident half-year have changed from our last study, and these changes contribute to the changes in our selected trend rates.

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 over different time periods. For this reason we tend to select past and future trend rates by directly examining the trend pattern for loss cost.

Selection of Past Trend Rates

The Time Period We Consider

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.

We also give consideration to a possible change in reporting pattern that might have occurred beginning January 2008 as a result of challenges to the Minor Injury Regulations - in particular, the Decision by the Supreme Court of Nova Scotia to uphold the Minor Injury Regulation released on December 15, 2009, and the Supreme Court of Canada's Decision on May 27, 2010 to refuse leave to appeal the Decision.

As well, we give consideration to Bill 52, an amendment to the Automobile Accident Minor Injury Regulations of the Insurance Act, enacted on April 28, 2010; and the Fair Act Insurance Reforms enacted on April 1, 2012 which introduced higher maximum benefit levels for Accident Benefits sub-coverages.

And effective April 1, 2013, the DCPD coverage was introduced in Nova Scotia. We give consideration to this change in our selected trend rates for both Property Damage (which includes DCPD) and Collision.

The Data Points We Consider

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. Thus, 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 we selected in our prior loss trend analysis and as we select for our private passenger vehicle loss trend analysis. We make an appropriate adjustment to the estimated Bodily Injury losses for Bill 1 and Bill 52 before performing the trend analysis.

Selection

Given the extent to which calculated loss trend rates vary, sometimes considerably, depending on the trend measurement period – even with the various exclusions - we find that a selected trend rate based on an average of calculated trend rates to be appropriate. An averaging approach also introduces stability in the selected trend rates over time.

Our Selected Past Trend Rates

Bodily Injury

Based on data as of December 31, 2012, we selected a past loss cost trend rate of -3.0%.

The unadjusted annual data through December 31, 2013 shows the 2013 loss cost to have decreased by approximately 31% over the 2012 loss cost. Although the introduction of Bill 52 in April 2010 would have affected the loss costs in 2010, we suggest the steep increase (+97%) in 2010 over 2009 is due to volatility, and not Bill 52 - as the average severity increased from $29,000 (2009) to $56,000 (2010), but then declined to $38,000 (2011).

This coverage has exhibited a high degree of loss cost volatility as indicated from the January-December accident year-to-accident year loss cost changes based on the unadjusted data:

2006 to 2007: -2%
2007 to 2008: -13%
2008 to 2009: -23%
2009 to 2010: +97%
2010 to 2011: -21%
2011 to 2012: -7%
2012 to 2013: -31%

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

Ten-year ending 2013: -6.5%
Ten-year ending 2012: -6.1%
Ten-year ending 2011: -7.7%
Ten-year ending 2013 ex high/low: -3.7%
Ten-year ending 2012 ex high/low: -4.4%
Ten-year ending 2011ex high/low: -5.4%

Five-year ending 2013: -6.5%
Five-year ending 2012: +1.8%
Five-year ending 2011: +0.5%
Five-year ending 2013 ex high/low: +8.3%
Five-year ending 2012 ex high/low: -0.8%
Five-year ending 2011 ex high/low: -2.2%

We continue to select a past trend rate of **-3%,** the approximate average of the above indicated trend rates.

Property Damage (including DCPD)

Based on data as of December 31, 2012, we selected a past loss cost trend rate of +0.0%.

The data through December 31, 2013 shows the 2013 loss cost to have decreased by approximately 11% compared to the 2012 loss cost. This 11% decrease is driven by a 25% decrease in the frequency rate, offset by an 18% increase in severity. Other than volatility, we are unable to explain why the frequency rate would decline to this extent. We note that the Private Passenger Vehicles experience (where we observed an increase in the PD/ DCPD frequency rate and a decrease in the Collision frequency rate which we suggest is due to introduction of DCPD in 2013) is unlike the Commercial Vehicle experience.

This coverage has exhibited some loss cost volatility as indicated from the January- December accident year-to-accident year loss cost changes:

2006 to 2007: -9%
2007 to 2008: -10%

2008 to 2009: +5%
2009 to 2010: +1%
2010 to 2011: -1%
2011 to 2012: -2%
2012 to 2013: -11%

Historical loss cost trends are as follows:

Ten-year ending 2013: -2.1%
Ten-year ending 2012: -0.9%
Ten-year ending 2013 ex high/low: -1.3%
Ten-year ending 2012 ex high/low: -0.6%

Five-year ending 2013: -3.1%
Five-year ending 2012: +0.5%
Five-year ending 2013 ex high/low: -0.6%
Five-year ending 2012 ex high/low: -0.6%

We select a past trend rate of **-1.0%,** the approximate average of the above indicated trend rates.

Accident Benefits

Based on data as of December 31, 2012, we selected a past loss cost trend rate of +0.0%.

This coverage has exhibited a high degree of loss cost volatility as indicated from the January-December accident year-to-accident year loss cost changes:

2006 to 2007: -60%
2007 to 2008: +226 %
2008 to 2009: -63%
2009 to 2010: -18%
2010 to 2011: +154%
2011 to 2012: -31%
2012 to 2013: +61%

The data through December 31, 2013 shows the 2013 loss cost to have increased by approximately 61%, over the 2012 loss cost. This is attributed to a 24% increase in severity and a 30% increase in frequency. Although the introduction of the Fair Insurance Act in April 2012 was expected to increase loss costs, the 2012 loss costs[2] decreased from 2011.

However, we observe that the average severity for the two years 2012 to 2013 is approximately $11,200; and this is higher than the average severity for the prior period (2004 to 2011) at approximately $7,700. We assume some of this increase in the severity is related to the reforms.

Given the uncertainty of the impact of the reforms and the volatility in the loss experience, we consider the loss cost trend rates for the periods ending December 2010, 2011, 2012 and 2013.

Historical loss cost trends are as follows:

Ten-year ending 2013: +3.5%
Ten-year ending 2012: -1.3%
Ten-year ending 2011: -4.1%
Ten-year ending 2010: -8.6%

Ten-year ending 2013 ex high/low: +5.1%
Ten-year ending 2012 ex high/low: -0.1%
Ten-year ending 2011 ex high/low: -3.3%
Ten-year ending 2010 ex high/low: -11.4%

We also considered the five-year trends rates, with and without the exclusion of high and low points and calculated loss cost trend rates ranging from +26% to -18%.

In light of these indicated trend rates and the loss cost volatility, we continue to select a past trend rate of +**0.0%**.

[2] *There were not any reported death benefit/funeral claims in the five years ending 2012; with 1 funeral claim and 2 death benefits claims in 2013. Hence, it is not likely any increase in the 2012 severity is due to the increased benefit level for these subcoverages.*

Collision

Based on data as of December 31, 2012, we selected a past loss cost trend rate of -1.5%.

The data through December 31, 2013 shows the 2013 loss cost to be less than the 2012 loss cost by approximately 5%.

This coverage has exhibited less loss cost volatility in the last six years compared to the other coverages. The following are the January- December accident year-to-accident year loss cost changes:

2006 to 2007: +4%
2007 to 2008: -5%
2008 to 2009: -7%
2009 to 2010: -8%
2010 to 2011: -4%
2011 to 2012: -8%
2012 to 2013: -5%

Historical loss cost trends are as follows:

Ten-year ending 2013: -0.9%
Ten-year ending 2012: +2.1%
Ten-year ending 2013 ex high/low: -2.2%
Ten-year ending 2012 ex high/low: +0.5%

Five-year ending 2013: -6.1%
Five-year ending 2012: -6.6%
Five-year ending 2013 ex high/low: -5.8%
Five-year ending 2012 ex high/low: -6.1%

We select a past trend rate of **-3.0%,** the approximate average of the above trend rates.

Comprehensive

Based on data as of December 31, 2012, we selected a past loss cost trend rate of -1.5%.

The data through December 31, 2013 shows the 2013 loss cost to be less than the 2012 loss cost by approximately 2%.

This coverage has exhibited loss cost volatility as indicated from the January- December accident year-to-accident year loss cost changes:

2006 to 2007: +52%
2007 to 2008: -14%
2008 to 2009: -19%
2009 to 2010: -11%
2010 to 2011: +23%
2011 to 2012: -2%
2012 to 2013: -2%

Historical loss cost trends are as follows:

Ten-year ending 2013: -1.0%
Ten-year ending 2012: +1.2%
Ten-year ending 2013 ex high/low: -0.1%
Ten-year ending 2012 ex high/low: -0.7%

Five-year ending 2013: +3.2%
Five-year ending 2012: -1.7%
Five-year ending 2013 ex high/low: +1.7%
Five-year ending 2012 ex high/low: +2.9%

We select a past trend rate of **+1.0%,** 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, **+1.0%.**

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 we select a future trend rate that is the same as our selected past trend rate.

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	-3.0%	-3.0%
Property Damage	-1.0%	-1.0%
Accident Benefits	+0.0%	+0.0%
Collision	-3.0%	-3.0%
Comprehensive	+1.0%	+1.0%
Specified Perils	+1.0%	+1.0%

Reform Factors

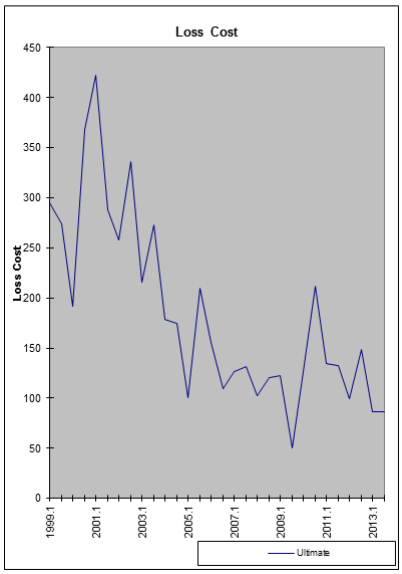
For reasons of data credibility, we select a Bill 1 reform factor for Bodily Injury of -21% and a Bill 52 reform factor for Bodily Injury of +17% - the same as we selected in our prior loss trend report and the same as that we presented in our May 12, 2010 report to the Superintendent of Insurance. Given the limited and volatile commercial automobile accident benefits claims experience, we make no direct adjustment to the 2012 Accident Benefit loss cost experience at this time for the FAIR Insurance reforms implemented in April 2012.

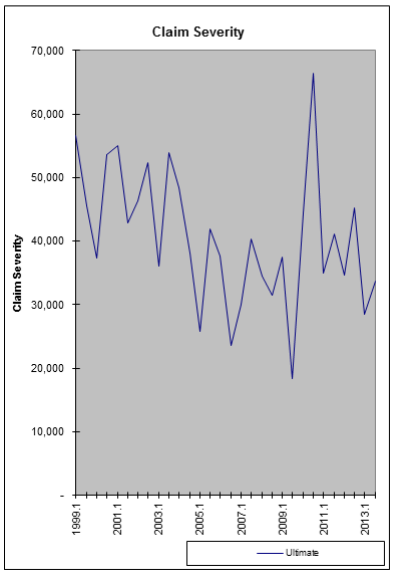
Exhibits

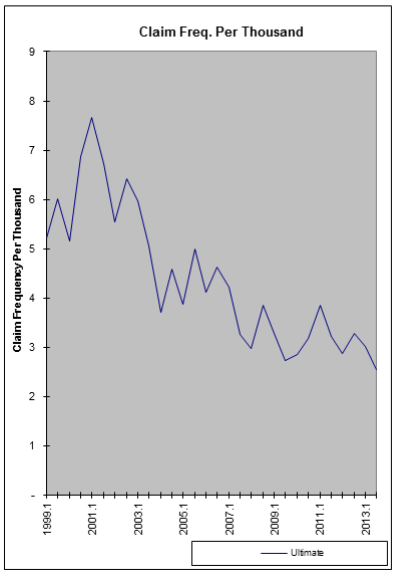
In Exhibit I we present the historical loss cost, severity and frequency data by accident half year over the fifteen year period from 1999 to 2013, as well as the data points in graph form. In Exhibit II we present our selected cumulative claim count and claim amount development factors.

Third Party Liability - Bodily Injury

	Accident Period	Time x	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq. per 1000
x	1999.1	1	22,637	118	6,147	1.088	6,688	295.44	56,677	5.21
x	1999.2	2	22,959	138	5,785	1.088	6,295	274.17	45,613	6.01
x	2000.1	3	22,509	116	3,996	1.082	4,324	192.09	37,273	5.15
x	2000.2	4	22,992	158	7,826	1.082	8,467	368.27	53,591	6.87
x	2001.1	5	23,720	182	9,410	1.065	10,021	422.49	55,063	7.67
x	2001.2	6	24,108	162	6,530	1.065	6,954	288.47	42,928	6.72
x	2002.1	7	22,681	126	5,427	1.077	5,845	257.72	46,392	5.56
x	2002.2	8	23,064	148	7,194	1.077	7,748	335.94	52,352	6.42
x	2003.1	9	22,451	134	4,487	1.078	4,837	215.45	36,099	5.97
x	2003.2	10	23,120	117	5,856	1.078	6,312	273.02	53,952	5.06
x	2004.1	11	23,228	86	3,646	1.140	4,156	178.93	48,330	3.70
x	2004.2	12	24,230	111	3,720	1.140	4,240	175.01	38,202	4.58
x	2005.1	13	24,264	94	2,217	1.097	2,431	100.20	25,863	3.87
x	2005.2	14	25,169	126	4,813	1.097	5,278	209.69	41,914	5.00
x	2006.1	15	24,461	101	3,455	1.099	3,796	155.17	37,652	4.12
x	2006.2	16	25,257	117	2,508	1.099	2,755	109.08	23,592	4.62
x	2007.1	17	24,821	105	2,849	1.105	3,148	126.82	30,077	4.22
x	2007.2	18	25,326	83	3,016	1.105	3,332	131.57	40,360	3.26
x	2008.1	19	24,677	74	2,313	1.095	2,532	102.59	34,419	2.98
x	2008.2	20	26,246	101	2,900	1.095	3,174	120.92	31,448	3.85
x	2009.1	21	25,562	84	2,842	1.106	3,142	122.90	37,445	3.28
x	2009.2	22	25,691	70	1,162	1.106	1,285	50.02	18,351	2.73
x	2010.1	23	25,067	72	2,874	1.108	3,183	126.98	44,436	2.86
x	2010.2	24	25,724	82	4,921	1.108	5,450	211.88	66,412	3.19
x	2011.1	25	25,420	98	3,096	1.105	3,422	134.62	34,902	3.86
x	2011.2	26	26,561	86	3,187	1.105	3,522	132.61	41,072	3.23
x	2012.1	27	26,472	76	2,421	1.090	2,640	99.72	34,591	2.88
x	2012.2	28	27,538	90	3,757	1.090	4,096	148.74	45,267	3.29
x	2013.1	29	26,864	81	2,118	1.093	2,316	86.23	28,484	3.03
x	2013.2	30	27,227	70	2,149	1.093	2,350	86.31	33,741	2.56

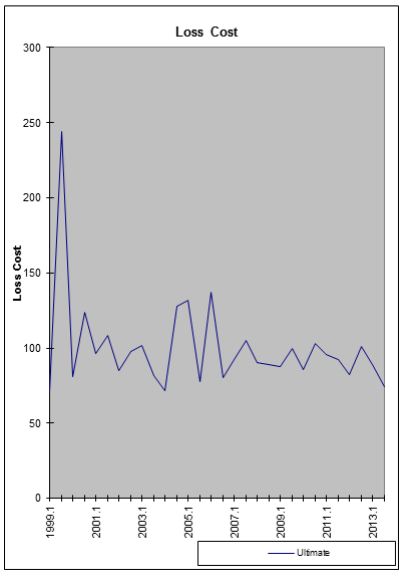


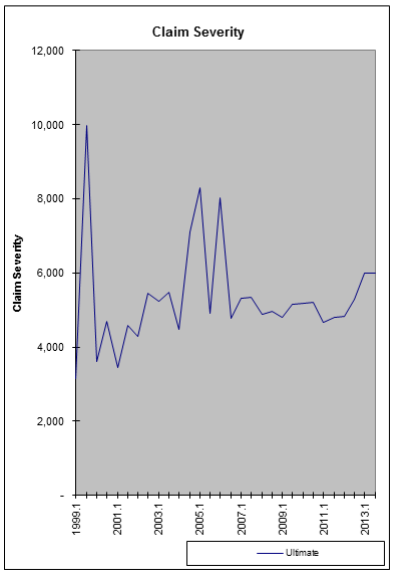


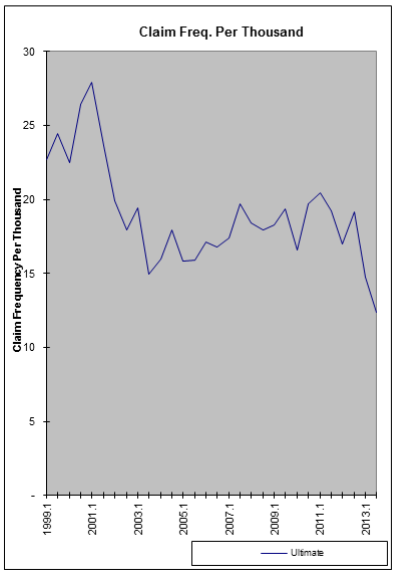


Third Party Liability - Property Damage

	Accident Period	Time x	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq. per 1000
x	1999.1	1	22,637	513	1,489	1.088	1,620	71.58	3,159	22.66
x	1999.2	2	22,959	562	5,151	1.088	5,604	244.10	9,972	24.48
x	2000.1	3	22,509	506	1,689	1.082	1,827	81.17	3,611	22.48
x	2000.2	4	22,992	607	2,626	1.082	2,841	123.57	4,681	26.40
x	2001.1	5	23,720	663	2,152	1.065	2,292	96.63	3,457	27.95
x	2001.2	6	24,108	570	2,452	1.065	2,611	108.32	4,581	23.64
x	2002.1	7	22,681	451	1,790	1.077	1,928	84.99	4,274	19.88
x	2002.2	8	23,064	414	2,091	1.077	2,252	97.63	5,439	17.95
x	2003.1	9	22,451	436	2,117	1.078	2,283	101.67	5,235	19.42
x	2003.2	10	23,120	345	1,754	1.078	1,891	81.80	5,482	14.92
x	2004.1	11	23,228	371	1,457	1.140	1,661	71.50	4,475	15.98
x	2004.2	12	24,230	434	2,710	1.140	3,089	127.51	7,116	17.92
x	2005.1	13	24,264	384	2,910	1.097	3,191	131.51	8,307	15.83
x	2005.2	14	25,169	400	1,789	1.097	1,961	77.93	4,902	15.90
x	2006.1	15	24,461	418	3,059	1.099	3,361	137.39	8,037	17.09
x	2006.2	16	25,257	424	1,842	1.099	2,023	80.10	4,770	16.79
x	2007.1	17	24,821	432	2,081	1.105	2,300	92.65	5,321	17.41
x	2007.2	18	25,326	499	2,415	1.105	2,669	105.38	5,349	19.70
x	2008.1	19	24,677	454	2,031	1.095	2,222	90.06	4,896	18.40
x	2008.2	20	26,246	470	2,134	1.095	2,336	89.01	4,971	17.91
x	2009.1	21	25,562	467	2,033	1.106	2,247	87.92	4,813	18.27
x	2009.2	22	25,691	498	2,316	1.106	2,560	99.64	5,141	19.38
x	2010.1	23	25,067	415	1,942	1.108	2,151	85.82	5,184	16.55
x	2010.2	24	25,724	507	2,389	1.108	2,647	102.89	5,221	19.71
x	2011.1	25	25,420	520	2,194	1.105	2,424	95.37	4,662	20.46
x	2011.2	26	26,561	512	2,218	1.105	2,451	92.27	4,791	19.26
x	2012.1	27	26,472	451	1,996	1.090	2,176	82.19	4,830	17.02
x	2012.2	28	27,538	528	2,557	1.090	2,788	101.24	5,285	19.16
x	2013.1	29	26,864	397	2,179	1.093	2,383	88.69	6,007	14.77
x	2013.2	30	27,227	337	1,849	1.093	2,022	74.27	6,001	12.38

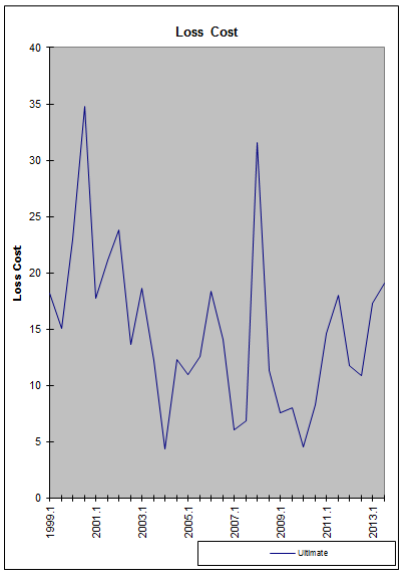


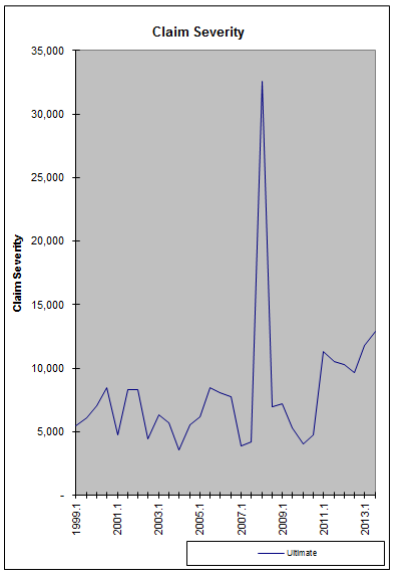


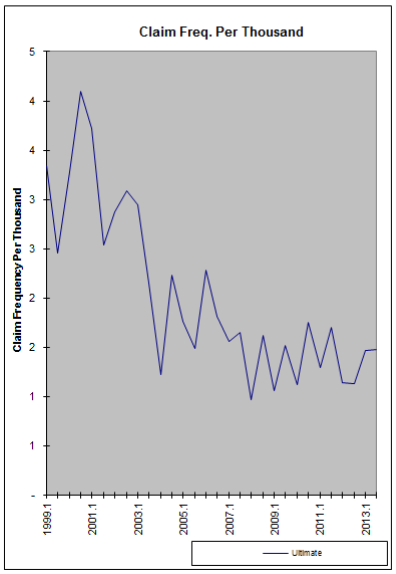


Accident Benefits

	Accident Period	Time x	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq. per 1000
x	1999.1	1	21,861	73	367	1.088	399	18.24	5,463	3.34
x	1999.2	2	22,343	55	309	1.088	336	15.06	6,116	2.46
x	2000.1	3	21,957	72	467	1.082	505	22.99	7,011	3.28
x	2000.2	4	22,483	92	723	1.082	783	34.82	8,508	4.09
x	2001.1	5	23,118	86	385	1.065	410	17.74	4,768	3.72
x	2001.2	6	23,680	60	469	1.065	500	21.11	8,332	2.53
x	2002.1	7	22,265	64	492	1.077	530	23.79	8,277	2.87
x	2002.2	8	22,661	70	287	1.077	309	13.63	4,412	3.09
x	2003.1	9	22,077	65	382	1.078	412	18.66	6,339	2.94
x	2003.2	10	22,799	49	259	1.078	279	12.25	5,701	2.15
x	2004.1	11	22,808	28	88	1.140	101	4.42	3,603	1.23
x	2004.2	12	23,713	53	257	1.140	293	12.35	5,525	2.24
x	2005.1	13	23,795	42	238	1.097	261	10.95	6,204	1.77
x	2005.2	14	24,802	37	286	1.097	313	12.63	8,463	1.49
x	2006.1	15	24,088	55	403	1.099	443	18.37	8,047	2.28
x	2006.2	16	24,750	45	317	1.099	348	14.08	7,744	1.82
x	2007.1	17	24,431	38	134	1.105	149	6.08	3,910	1.56
x	2007.2	18	24,880	41	156	1.105	172	6.92	4,198	1.65
x	2008.1	19	24,770	24	714	1.095	782	31.56	32,571	0.97
x	2008.2	20	25,959	42	269	1.095	294	11.32	6,999	1.62
x	2009.1	21	25,430	27	175	1.106	193	7.60	7,174	1.06
x	2009.2	22	25,611	39	187	1.106	206	8.05	5,287	1.52
x	2010.1	23	24,951	28	102	1.108	113	4.51	4,030	1.12
x	2010.2	24	25,590	45	191	1.108	212	8.29	4,733	1.75
x	2011.1	25	25,328	33	335	1.105	370	14.62	11,319	1.29
x	2011.2	26	26,528	45	432	1.105	477	17.99	10,552	1.70
x	2012.1	27	26,449	30	285	1.090	311	11.74	10,278	1.14
x	2012.2	28	27,499	31	275	1.090	300	10.89	9,645	1.13
x	2013.1	29	26,830	40	425	1.093	465	17.32	11,754	1.47
x	2013.2	30	27,194	40	476	1.093	520	19.13	12,920	1.48

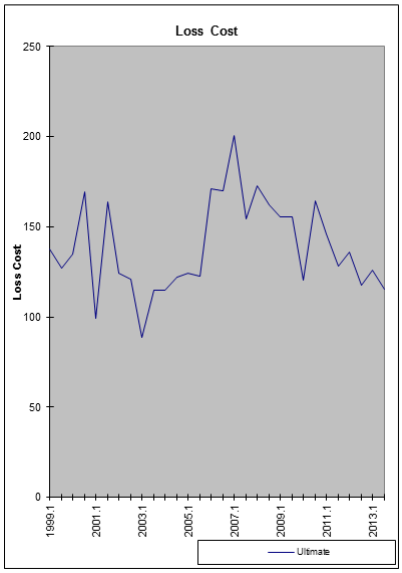


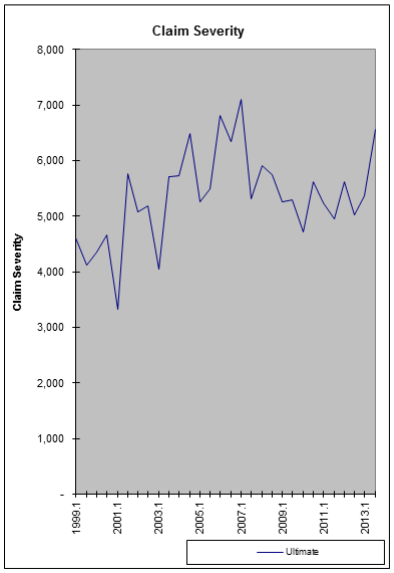


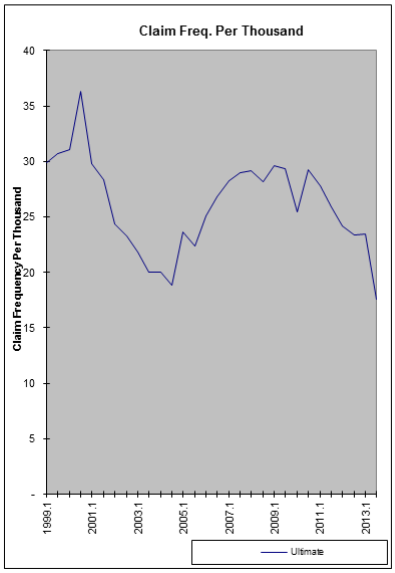


Collision

	Accident Period	Time x	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq. per 1000
x	1999.1	1	6,126	183	776	1.088	844	137.78	4,612	29.87
x	1999.2	2	6,049	186	705	1.088	767	126.87	4,126	30.75
x	2000.1	3	6,087	189	760	1.082	823	135.16	4,353	31.05
x	2000.2	4	6,386	232	1,000	1.082	1,081	169.35	4,662	36.33
x	2001.1	5	6,738	201	627	1.065	668	99.14	3,323	29.83
x	2001.2	6	6,878	195	1,057	1.065	1,126	163.65	5,772	28.35
x	2002.1	7	6,269	153	723	1.077	779	124.21	5,089	24.41
x	2002.2	8	6,184	144	693	1.077	747	120.75	5,186	23.29
x	2003.1	9	6,000	131	493	1.078	531	88.51	4,054	21.83
x	2003.2	10	6,034	121	642	1.078	692	114.65	5,718	20.05
x	2004.1	11	5,980	120	603	1.140	687	114.92	5,727	20.07
x	2004.2	12	6,169	116	661	1.140	754	122.20	6,498	18.80
x	2005.1	13	6,136	145	695	1.097	763	124.28	5,259	23.63
x	2005.2	14	6,385	143	716	1.097	785	122.90	5,487	22.40
x	2006.1	15	6,340	159	987	1.099	1,084	170.97	6,817	25.08
x	2006.2	16	6,635	178	1,028	1.099	1,130	170.24	6,346	26.83
x	2007.1	17	6,660	188	1,208	1.105	1,335	200.41	7,100	28.23
x	2007.2	18	7,002	203	978	1.105	1,080	154.27	5,321	28.99
x	2008.1	19	6,914	202	1,092	1.095	1,195	172.81	5,915	29.22
x	2008.2	20	7,056	199	1,046	1.095	1,145	162.27	5,754	28.20
x	2009.1	21	6,929	205	974	1.106	1,077	155.45	5,255	29.58
x	2009.2	22	7,077	208	995	1.106	1,100	155.49	5,291	29.39
x	2010.1	23	6,989	178	760	1.108	841	120.38	4,726	25.47
x	2010.2	24	7,209	211	1,070	1.108	1,185	164.43	5,618	29.27
x	2011.1	25	7,104	198	940	1.105	1,038	146.16	5,251	27.83
x	2011.2	26	7,352	191	853	1.105	943	128.26	4,946	25.93
x	2012.1	27	7,284	176	908	1.090	990	135.89	5,622	24.17
x	2012.2	28	7,483	175	806	1.090	879	117.46	5,030	23.35
x	2013.1	29	7,401	174	853	1.093	933	126.05	5,363	23.50
x	2013.2	30	7,635	134	807	1.093	883	115.63	6,564	17.61

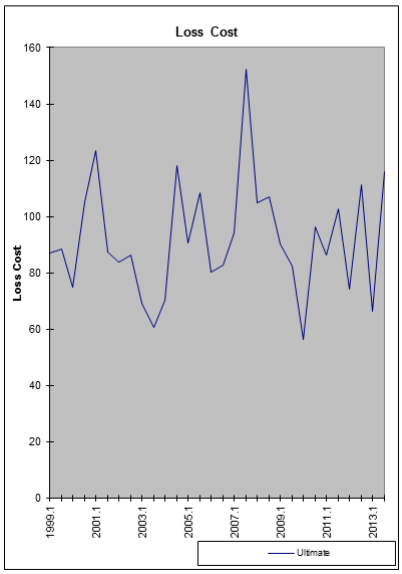


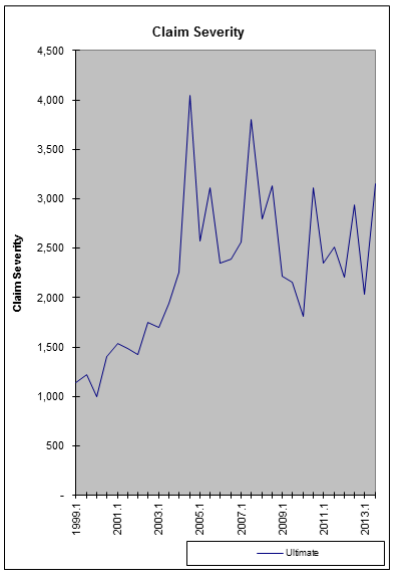


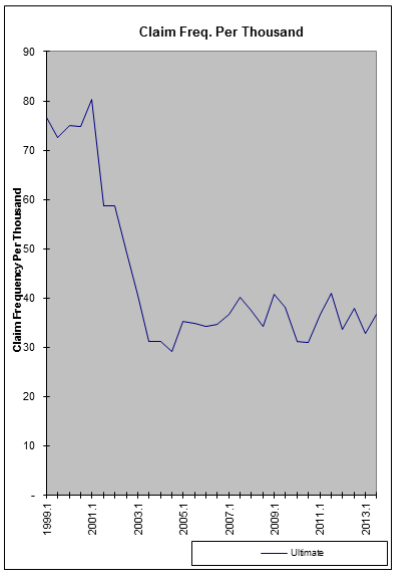


Comprehensive

	Accident Period	Time x	Earned Exposures	Ultimate Counts	Ultimate Losses	ULAE Adjustment	Adjusted Ultimate Losses	Ultimate Loss Cost	Ultimate Severity	Ultimate Freq. per 1000
x	1999.1	1	8,597	659	688	1.088	748	87.03	1,135	76.66
x	1999.2	2	8,501	617	690	1.088	751	88.37	1,218	72.58
x	2000.1	3	8,398	630	583	1.082	630	75.06	1,001	75.01
x	2000.2	4	8,591	642	836	1.082	904	105.25	1,408	74.73
x	2001.1	5	9,044	726	1,049	1.065	1,117	123.50	1,538	80.28
x	2001.2	6	9,172	539	754	1.065	803	87.50	1,489	58.76
x	2002.1	7	8,679	510	676	1.077	728	83.93	1,428	58.77
x	2002.2	8	8,801	433	705	1.077	759	86.29	1,754	49.20
x	2003.1	9	8,439	343	541	1.078	583	69.11	1,700	40.64
x	2003.2	10	8,406	263	474	1.078	511	60.77	1,942	31.29
x	2004.1	11	8,295	259	512	1.140	584	70.35	2,253	31.22
x	2004.2	12	8,323	243	862	1.140	982	118.04	4,043	29.20
x	2005.1	13	8,182	289	677	1.097	743	90.76	2,570	35.32
x	2005.2	14	8,482	296	839	1.097	920	108.46	3,108	34.90
x	2006.1	15	8,398	287	613	1.099	674	80.23	2,347	34.18
x	2006.2	16	8,686	301	654	1.099	718	82.72	2,387	34.66
x	2007.1	17	8,672	319	741	1.105	818	94.36	2,565	36.79
x	2007.2	18	8,956	359	1,234	1.105	1,364	152.30	3,799	40.09
x	2008.1	19	8,906	334	853	1.095	934	104.89	2,797	37.50
x	2008.2	20	9,113	312	892	1.095	977	107.15	3,130	34.24
x	2009.1	21	9,006	367	735	1.106	812	90.21	2,214	40.75
x	2009.2	22	9,185	350	684	1.106	756	82.28	2,159	38.10
x	2010.1	23	9,135	285	466	1.108	516	56.52	1,812	31.20
x	2010.2	24	9,396	291	818	1.108	907	96.49	3,115	30.97
x	2011.1	25	9,295	342	726	1.105	802	86.32	2,346	36.79
x	2011.2	26	9,561	391	888	1.105	981	102.61	2,509	40.89
x	2012.1	27	9,518	320	647	1.090	705	74.12	2,206	33.61
x	2012.2	28	9,714	368	993	1.090	1,083	111.45	2,939	37.92
x	2013.1	29	9,608	315	584	1.093	639	66.46	2,030	32.73
x	2013.2	30	9,841	362	1,044	1.093	1,142	116.00	3,155	36.76







Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2013
Nova Scotia
Commercial Automobile (Excluding Farmers)

As of 2013-2
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	0.997	1.000	1.000	1.000	1.000
102-Ult	0.991	1.000	1.003	1.000	1.000
96-Ult	0.985	1.000	1.003	1.000	1.000
90-Ult	0.988	0.994	1.003	1.000	1.000
84-Ult	0.996	0.994	1.004	1.000	1.000
78-Ult	0.994	0.993	1.006	1.000	1.000
72-Ult	0.982	0.988	1.009	1.000	1.000
66-Ult	0.980	0.985	1.010	1.000	1.000
60-Ult	1.004	0.990	1.025	1.000	1.000
54-Ult	1.024	0.989	1.040	1.000	1.000
48-Ult	1.035	0.994	1.041	1.000	1.000
42-Ult	1.090	0.992	1.049	1.000	1.000
36-Ult	1.158	0.989	1.060	0.997	1.000
30-Ult	1.206	0.986	1.057	0.993	1.000
24-Ult	1.258	0.981	1.164	0.986	1.002
18-Ult	1.319	0.978	1.185	0.975	1.002
12-Ult	1.346	1.007	1.187	0.923	1.004
6-Ult	1.523	1.168	1.240	0.780	1.073

Oliver Wyman Selected Age-to-Ultimate Development Factors
As of December 31, 2013
Nova Scotia
Commercial Automobile (Excluding Farmers)

As of 2013-2
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	0.999	1.000	1.000	1.000	1.000
96-Ult	0.998	1.000	1.000	1.000	1.000
90-Ult	0.998	1.000	1.000	1.000	1.000
84-Ult	0.997	1.000	1.000	1.000	1.000
78-Ult	0.995	1.000	1.000	1.000	1.000
72-Ult	0.994	1.000	1.000	1.000	1.000
66-Ult	0.989	1.000	1.000	1.000	1.000
60-Ult	0.987	1.000	0.998	1.000	1.000
54-Ult	0.986	1.000	1.000	1.000	1.000
48-Ult	0.981	1.000	0.998	1.000	1.000
42-Ult	0.977	1.000	0.996	1.000	1.000
36-Ult	0.980	1.000	0.992	0.999	1.000
30-Ult	0.986	1.001	0.983	0.998	1.000
24-Ult	0.966	1.003	0.975	0.995	1.000
18-Ult	0.933	1.005	0.941	0.987	1.001
12-Ult	0.884	1.007	0.878	0.966	1.008
6-Ult	0.882	1.094	0.760	0.873	1.171

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