



2017 ANNUAL INDUSTRY REVIEW –
PRELIMINARY FINDINGS
PRIVATE PASSENGER AUTOMOBILE
PRESENTATION TO THE AIRB
15 August 2017

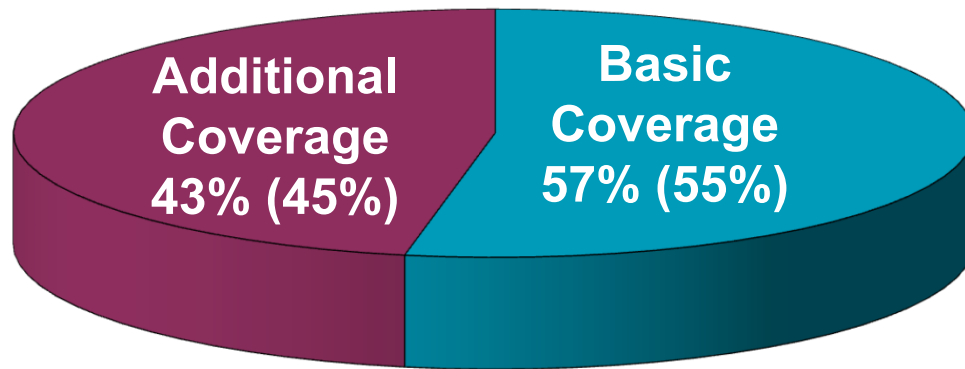
Ted Zubulake

Background - General

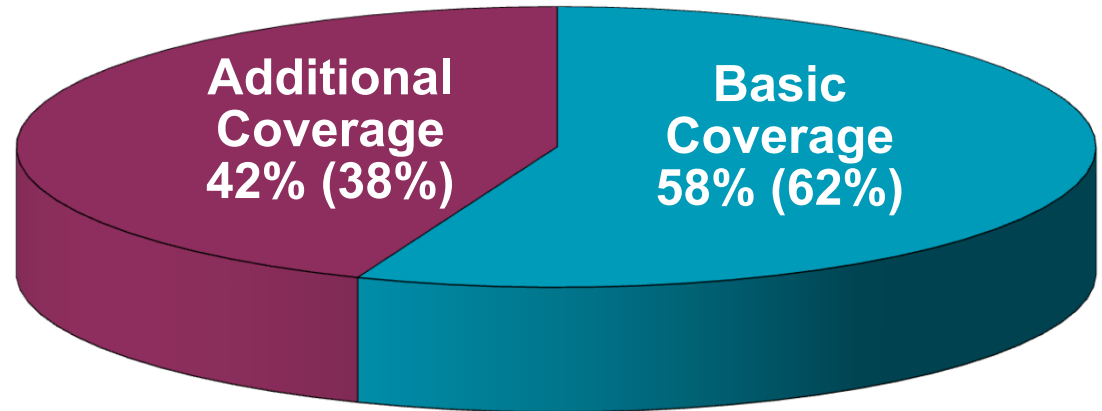
- The Premiums Regulation requires the AIRB to conduct an Annual Review for private passenger vehicles. A component of that review is to analyze Industry experience and develop benchmarks for rate filings.
- The benchmarks are for use in rate filings, measuring Industry performance, and for calculating the rate level needs of the Grid.

Breakdown of Basic and Additional Coverages

2016 (2015) - Written Premium

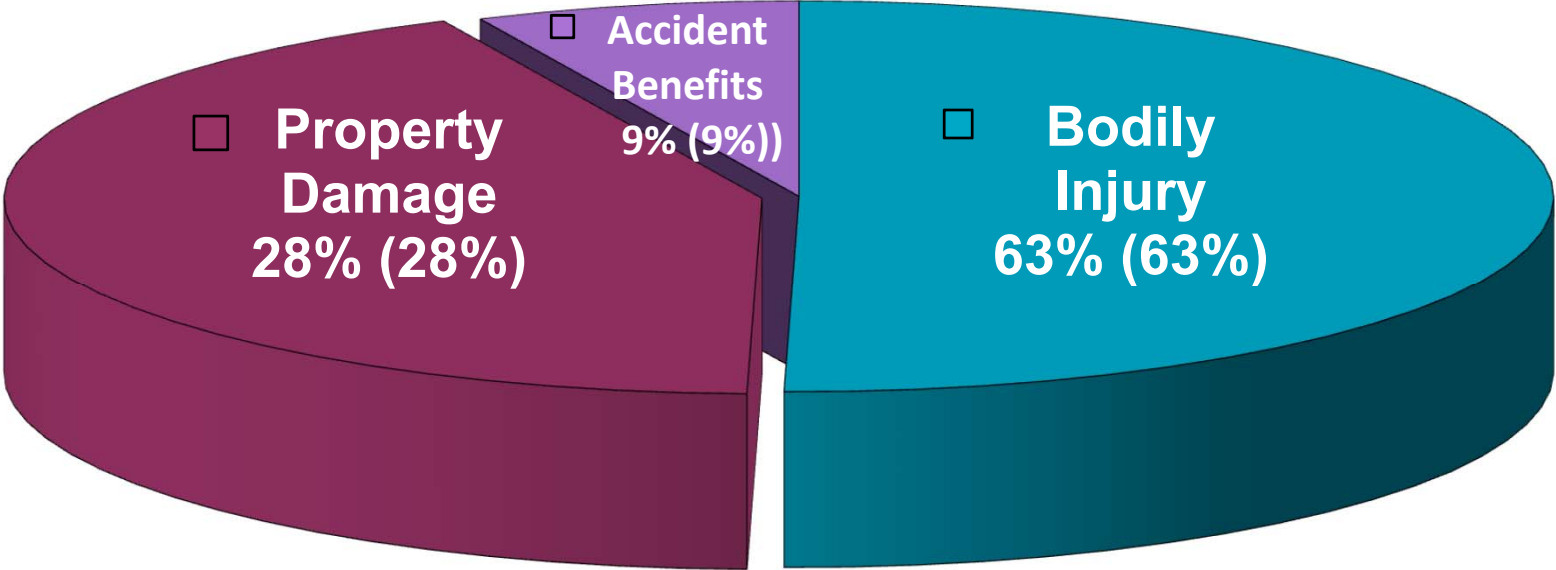


2016 (2015) - Claim Costs



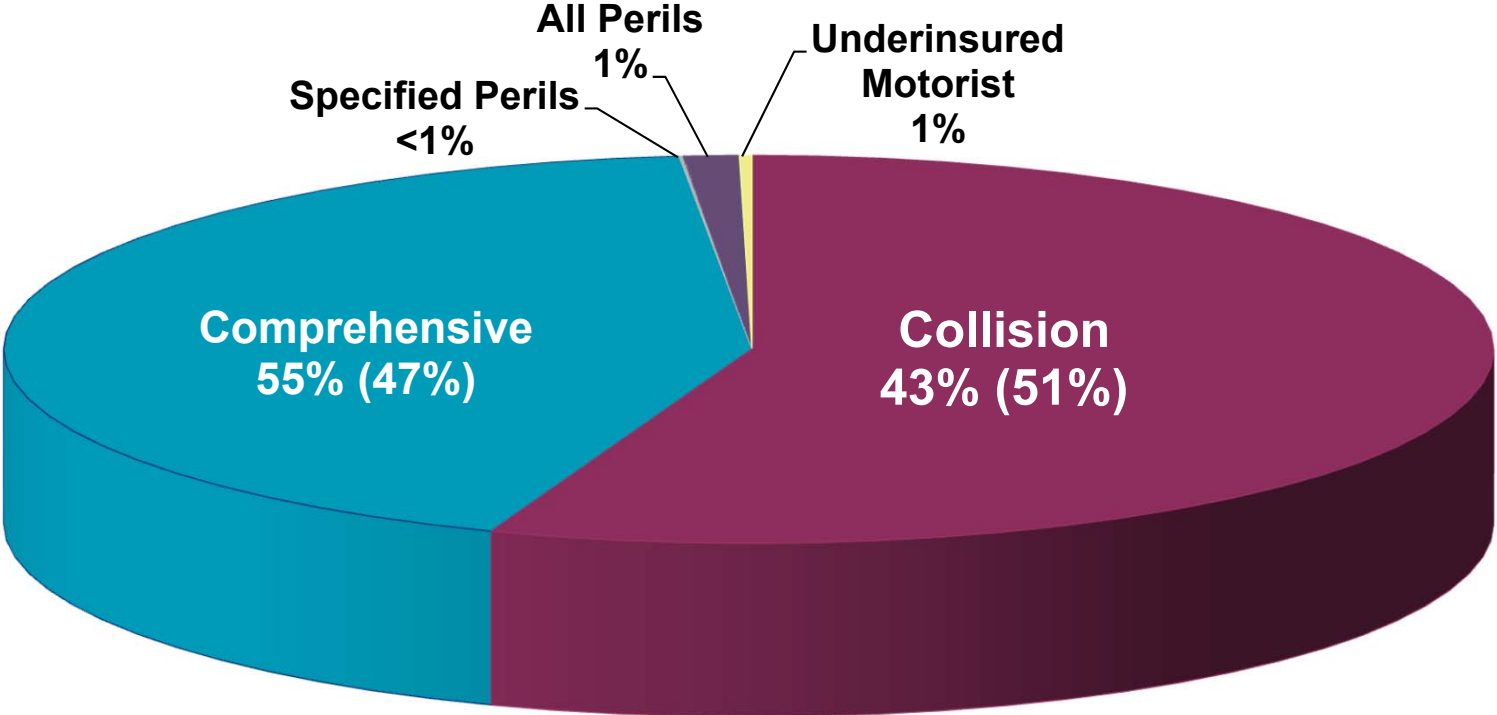
Breakdown of Basic Coverage Claim Costs

2016 (2015) – Claim Costs



Breakdown of Additional Coverage Claim Costs

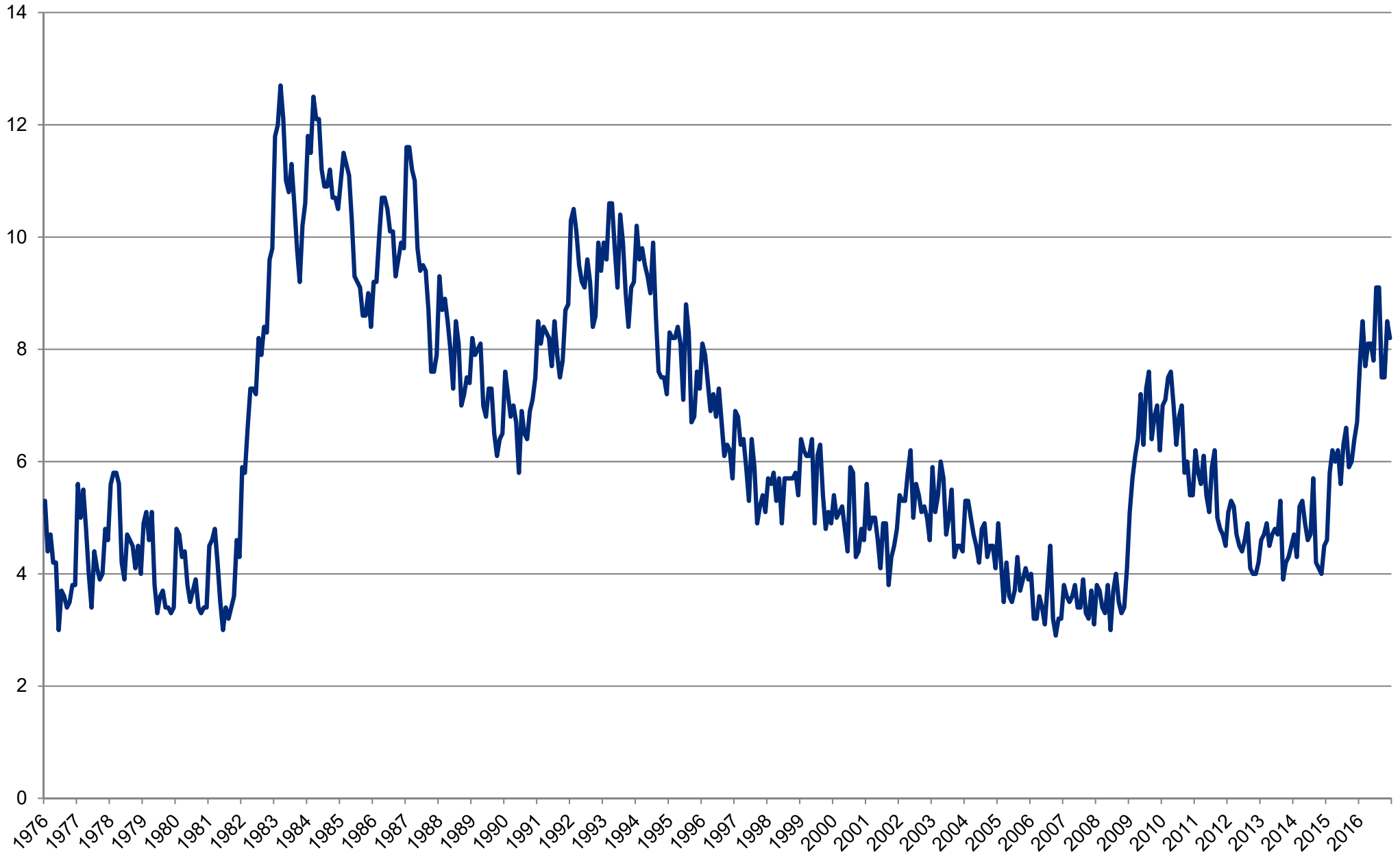
2016 (2015) – Claim Costs



Change in Economic Conditions

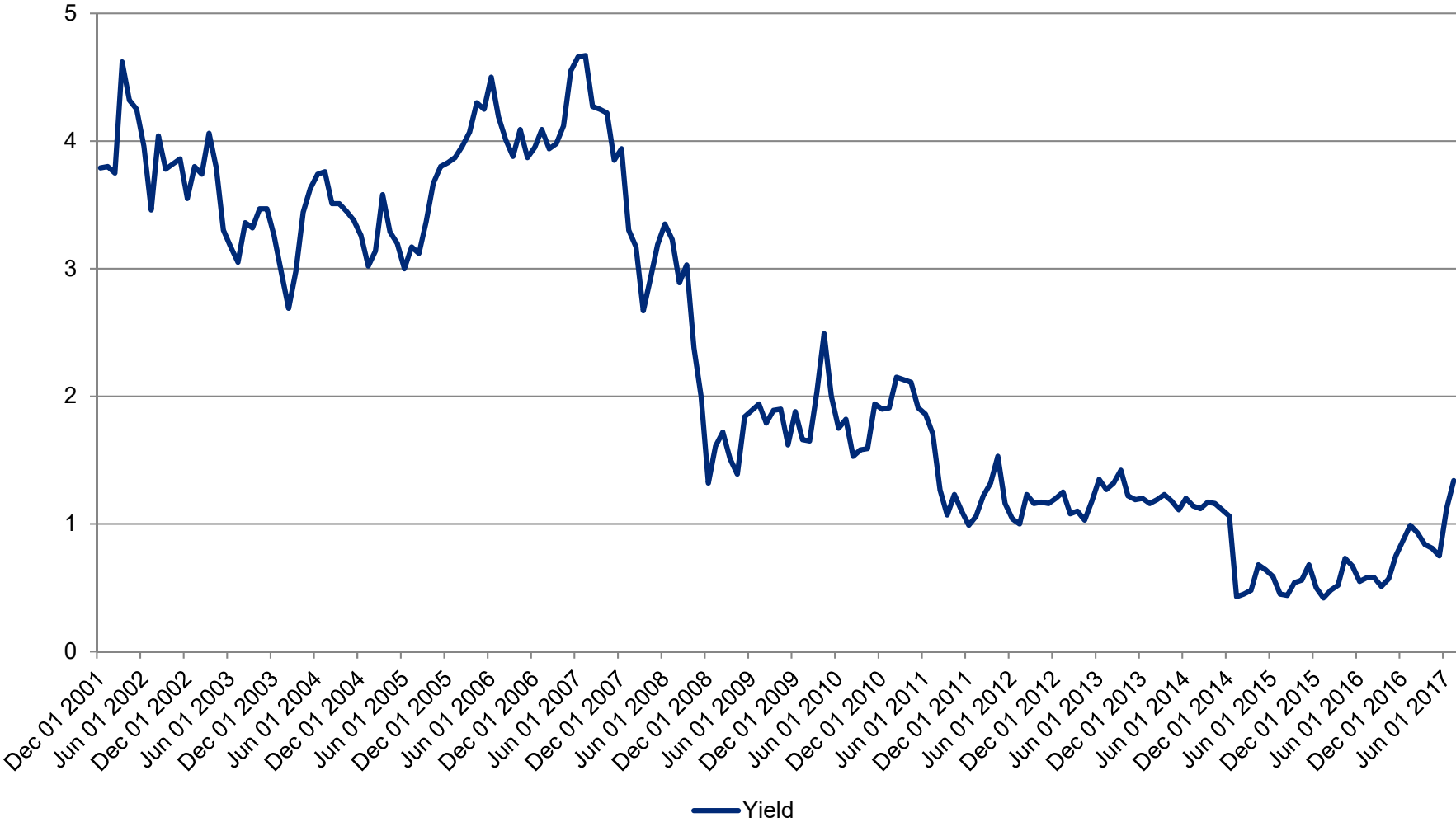
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Alberta Unemployment Rate	4.9% (June)	5.8% (June)	7.9% (June)	7.4% (June)
Alberta CPI (Total)	132.3 (June)	134.5 (June)	136.3 (June)	136.9 (June)
Alberta CPI (ex. Energy)	129.5 (June)	132.8 (July)	133.9 (June)	136.1 (June)
Alberta Gasoline Prices (CAN c/L)	\$1.15 (Aug)	\$1.08 (Aug)	\$1.06 (June)	\$0.96 (July)
Natural Gas Prices (\$/GJ)	\$4.21 (May)	\$2.33 (May)	\$0.94 (May)	\$2.46 (May)
3 Year Canada Benchmark Bond Rates	1.13% (July)	0.38% (July)	0.54% (July)	1.39% (July)
# Insured Cars	2.63 million	2.69 million	2.69 million	NA
Population	4.11 million	4.18 million	4.25 million	NA

Alberta Unemployment Rate

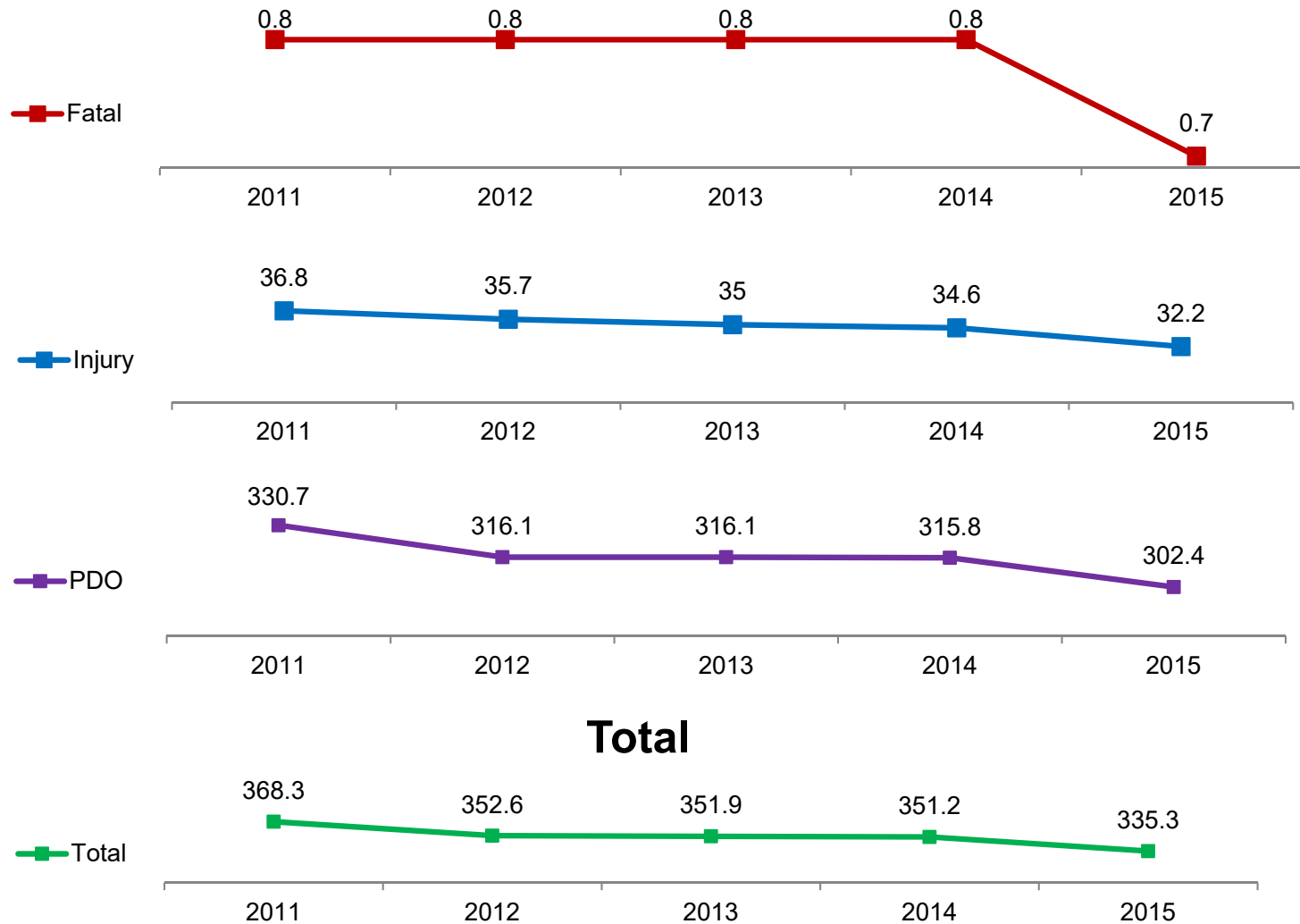


Historical Investment Rates

Government of Canada Benchmark Bond Yields -- 3 Year



Collision Rates per 10,000 Population



Source: Alberta Government - Transportation

Industry Benchmarks

- ULAE Provision
- Catastrophe Loading
- Investment Rate
- Health Cost Recovery
- Operating Expenses
- Profit
- Loss Development Factors
- Loss Trend Rates

Industry Benchmarks – ULAE Provision

- In determining their rate level needs, insurers should include provisions in their claim costs for ALAE (such as the legal expenses associated with claim settlement) and for ULAE (the claim and settlement related expense that cannot be associated directly with individual claims) that are based on their experience.
- For the analysis we perform of loss development factors and trends, ALAE is included with the reported Industry loss data. For the analysis we perform of trends, we also provide for ULAE through the application of factors that are published and applied by GISA in the AIX reports to the accident year experience.

Industry Benchmarks – ULAE Provision

- Oliver Wyman Preliminary Recommended Benchmarks:

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
ULAE	8.7%	8.9%	8.4%	10.5%	10.2%	9.5%	9.1%	9.9%	9.3%	10.3%	8.5%

- Industry Comments: None

Industry Benchmarks – Catastrophe Provision

- Due to the unpredictable nature of catastrophes (severe weather related events), in determining their rate level needs insurers should remove actual Comprehensive coverage claim costs attributed to catastrophes and replace them with a provision that represents an average level of catastrophic claim costs.
- The current Benchmark provision, which is based on Industry experience through 2015, is 55% (i.e., a factor of 1.55 is applied to the non-catastrophic Comprehensive coverage claim costs). However, the AIRB recognizes that an insurer's exposure to catastrophic losses greatly depends on where an insurer's business is concentrated. Hence the AIRB considers an insurer's own catastrophic loss experience.
- The 55% provision reflects an average of (a) the Industry catastrophe experience over the past ten years, and (b) the Industry catastrophe experience over the past five years – adjusted to reflect the increase in theft claims that has been experienced.

Industry Benchmarks – Catastrophe Provision

- GISA released the 2016 Catastrophe Report after the release of the OW Preliminary Industry Review Report. As shown on Slide #14, the 2016 Catastrophe Report shows that:
 - \$231 million in catastrophe related losses under the Comprehensive coverage were reported in 2016.
 - The \$231 million represents the highest amount of catastrophe losses incurred in a single year (next highest years are 2010 and 2014 at \$187 million each).
 - In 2016 the total amount of catastrophe losses equaled 73% of the non-catastrophe losses. This is the fourth highest ratio over the past 15 years – despite a 15% increase in theft losses in 2016 and despite the Fort McMurray claims being considered non-catastrophe losses.
 - Over the years 2002-2009 catastrophe losses averaged \$29 million per year (22% of non-catastrophe losses). Over the period 2010-2016 catastrophe losses averaged \$157 million per year (72% of non-catastrophe losses).

Industry Benchmarks – Catastrophe Provision

Alberta						
Comprehensive Coverage - Private Passenger Automobiles						
YEAR	NUMBER OF TOTAL CLAIMS	NUMBER OF CAT. CLAIMS	Catastrophe Claim %	AMOUNT OF NON-CAT. LOSSES	AMOUNT OF CAT. LOSSES	Catastrophe Factor
2002	46,052	1,900	4.1%	89,148,262	4,312,981	1.048
2003	43,059	3,154	7.3%	96,352,461	11,697,960	1.121
2004	46,327	6,137	13.2%	99,595,276	25,614,074	1.257
2005	57,486	14,713	25.6%	110,839,889	42,833,271	1.386
2006	54,272	5,537	10.2%	138,575,376	18,597,791	1.134
2007	64,922	12,339	19.0%	173,498,963	60,639,395	1.350
2008	55,208	5,478	9.9%	187,912,471	24,386,347	1.130
2009	55,107	8,003	14.5%	182,406,364	44,782,888	1.246
2010	81,708	38,140	46.7%	182,982,962	186,501,207	2.019
2011	50,829	9,216	18.1%	168,786,016	43,905,889	1.260
2012	76,293	34,173	44.8%	181,892,424	167,658,558	1.922
2013	65,148	19,500	29.9%	212,130,951	130,661,725	1.616
2014	68,885	25,524	37.1%	211,078,041	186,982,264	1.886
2015	68,646	21,928	31.9%	254,259,123	155,171,997	1.610
2016	92,754	38,156	41.1%	314,805,796	230,754,443	1.733
All Years	926,696	243,898	26.3%	2,604,264,375	1,334,500,790	1.512
Last 10 Years	679,500	212,457	31.3%	2,069,753,111	1,231,444,713	1.595
Last 5 Years	371,726	139,281	37.5%	1,174,166,335	871,228,987	1.742
Avg. of Last 10 and 5						1.668
Recommendation						1.650

Industry Benchmarks – Catastrophe Provision

EXCLUDING THEFT						
Alberta						
Comprehensive Coverage - Private Passenger Automobiles						
YEAR	NUMBER OF TOTAL CLAIMS	NUMBER OF CAT. CLAIMS	Catastrophe Claim %	AMOUNT OF NON-CAT. LOSSES	AMOUNT OF CAT. LOSSES	Catastrophe Factor
2002	36,326	1,900	5.2%	56,193,546	4,312,981	1.077
2003	33,693	3,154	9.4%	58,583,473	11,697,960	1.200
2004	37,011	6,137	16.6%	64,813,675	25,614,074	1.395
2005	48,416	14,713	30.4%	73,472,182	42,833,271	1.583
2006	43,934	5,537	12.6%	91,276,291	18,597,791	1.204
2007	55,116	12,339	22.4%	117,838,782	60,639,395	1.515
2008	46,570	5,478	11.8%	127,574,299	24,386,347	1.191
2009	47,478	8,003	16.9%	129,587,693	44,782,888	1.346
2010	75,595	38,140	50.5%	137,563,165	186,501,207	2.356
2011	45,688	9,216	20.2%	128,743,440	43,905,889	1.341
2012	71,722	34,173	47.6%	142,382,607	167,658,558	2.178
2013	60,039	19,500	32.5%	166,024,623	130,661,725	1.787
2014	63,692	25,524	40.1%	157,748,210	186,982,264	2.185
2015	61,530	21,928	35.6%	174,161,699	155,171,997	1.891
2016	84,445	38,156	45.2%	220,947,621	230,754,443	2.044
All Years	811,254	243,898	30.1%	1,846,911,306	1,334,500,790	1.723
Last 10 Years	611,874	212,457	34.7%	1,502,572,139	1,231,444,713	1.820
Last 5 Years	341,428	139,281	40.8%	861,264,760	871,228,987	2.012
Avg. of Last 10 and 5						1.916

Industry Benchmarks – Catastrophe Provision

- Oliver Wyman Preliminary Recommended Benchmark:
 - A Benchmark catastrophe provision (factor) of 1.65.
 - The recommended Benchmark of 1.65 reflects a change in methodology. The 1.65 factor is based on the five year average (1.742, as shown on Slide #14), adjusted for the rise in theft claims. This is in contrast to the prior methodology in which the recommended catastrophe factor was based on the average of the five and ten year averages (which is now 1.668 as shown on Slide #14), adjusted for the rise in theft claims. The methodology for adjusting for the rise in theft claims is unchanged.
 - The indicated Benchmark based on the prior methodology would be 1.57.

Industry Benchmarks – Catastrophe Provision

- Industry Comments:
 - The Industry comments were submitted before the release of the 2016 Catastrophe Report.
 - IBC and other insurers (TD, Desjardins, Intact, Aviva) continue to find the current 55% Benchmark provision to be too low as the frequency and severity of catastrophic events has been increasing in recent years. IBC (and others) recommend that when the 2016 Catastrophe Report is published that the provision be based on the Industry results over the last five years only.
 - Intact suggests a provision of 70% is more appropriate.
- Some insurers are treating some of the losses arising from catastrophic events (as defined by GISA) as non-catastrophe losses.

Industry Benchmarks – Investment Income Rate

- The current Benchmark is 0.90% based on the Government of Alberta's latest (at the time) forecast of short and long term bond yields.
- Based on the Government of Alberta's latest forecast at the time the OW Preliminary Report was released, the OW recommended Benchmark was 1.75%.
- In July the Government updated its forecasts.

Industry Benchmarks – Investment Income Rate

Alberta Government June 2017 Forecast

Year	3 Month T Bill Rates	3 Year Bond Rates
2018	1.18%	1.79%
2019	1.88%	2.30%

Alberta Government July 2017 Forecast

Year	3 Month T Bill Rates	3 Year Bond Rates
2018	1.44%	2.00%
2019	1.98%	2.55%

Industry Benchmarks – Investment Income Rate

- Oliver Wyman Preliminary Recommended Benchmark: 1.95%
 - The 1.95% is based on a weighting of the updated forecasted investment yields to match the timing and duration of the average claim incurred under rate filings subject to the Benchmark. The weighting methodology is the same as the prior methodology.
- Industry Comments:
 - The Industry comments are based on the recommended Benchmark of 1.75% and were submitted prior to the Government's July updated forecast.
 - IBC and others (Aviva, Co-operators) stated that they find the 1.75% rate to be reasonable.

Industry Benchmarks – Health Cost Recovery

- The AIRB's position has been to accept the Government's most recent health cost recovery assessment as its Benchmark.
- The current Benchmark is based on the Government's 2017 assessment: 5.67%

Industry Benchmarks – Health Cost Recovery

- Oliver Wyman Preliminary Recommended Benchmark: 5.67%, until the new assessment is announced.
- Industry Comments:
 - IBC (and others agree) continues to recommend that given the Government's history of increasing the aggregate assessment every year, and since many of the policies that will be written under the rate filings submitted between October 1, 2017 and March 31, 2018 will be in effect in 2018 and 2019, that it would be more appropriate for the Benchmark to reflect an increase in the assessment in 2018 and 2019.

Industry Benchmarks – Operating Expenses

- The AIRB's position has been to accept the latest Industry average operating expense ratio as published by GISA as the Benchmark for assessing the reasonableness of an insurer's expense provision.
- The current Benchmark, 26.7%, is based on GISA's 2015 expense report.
- GISA has not yet released its 2016 expense report.

Industry Benchmarks – Operating Expenses

- Oliver Wyman Preliminary Recommended Benchmark: 26.7%, until the new Expense Report is released (expected release date is October 31, 2017).
- Industry Comments:
 - IBC again recommends that it would be more appropriate to calculate the weighted average based on direct earned premium, rather than direct written premium – as doing so would recognize premium dollars for those insurers that report expenses but do not have direct written premium. Under this approach, the average expense ratio increases from 26.7% to 27.6%.
 - Desjardins stated that it agrees with IBC.

Industry Benchmarks – Operating Expenses

	2015 GISA Industry Expense Report Based on Written Premium
Direct Commissions	10.8%
Contingent Commissions	1.6%
Total Commissions	12.4%
Premium and Fire Taxes	4.0%
Other Acquisition Expenses	3.3%
General Expenses	7.0%
Total Expenses	26.7%

Industry Benchmarks – Profit Provision

- The Board's current position is to allow a profit provision of 7% of premium.
- OW Preliminary Recommended Benchmark: 7% of premium
- Industry Comments: None

Industry Benchmarks

Loss Development

Definition – Ultimate Claim Amount

- “**Ultimate Claim Amount**” is comprised of:

Claim Payments (the claim amounts paid by insurers)

+

Case Reserves (the reserves carried by insurers on individual claims)

+

“Actuarial” Reserves (to account for unreported claims and deficiencies that may exist in the case reserves)

Industry Benchmarks – Loss Development Factors

- Loss development factors are multiplicative factors that are applied to the reported Industry claim counts and claim amounts to arrive at an estimate of what the Industry's number of claims and amount of claim payments will be when all claims that are incurred as of December 31, 2016 have been reported and are eventually settled.
- The reported Industry claim counts and claim amounts include each insurer's actual claim payments and estimated individual claim case reserves, but do not include insurers' estimates of their "actuarial reserve."
- Hence, the application of the loss development factors provide for the Industry "actuarial reserve."

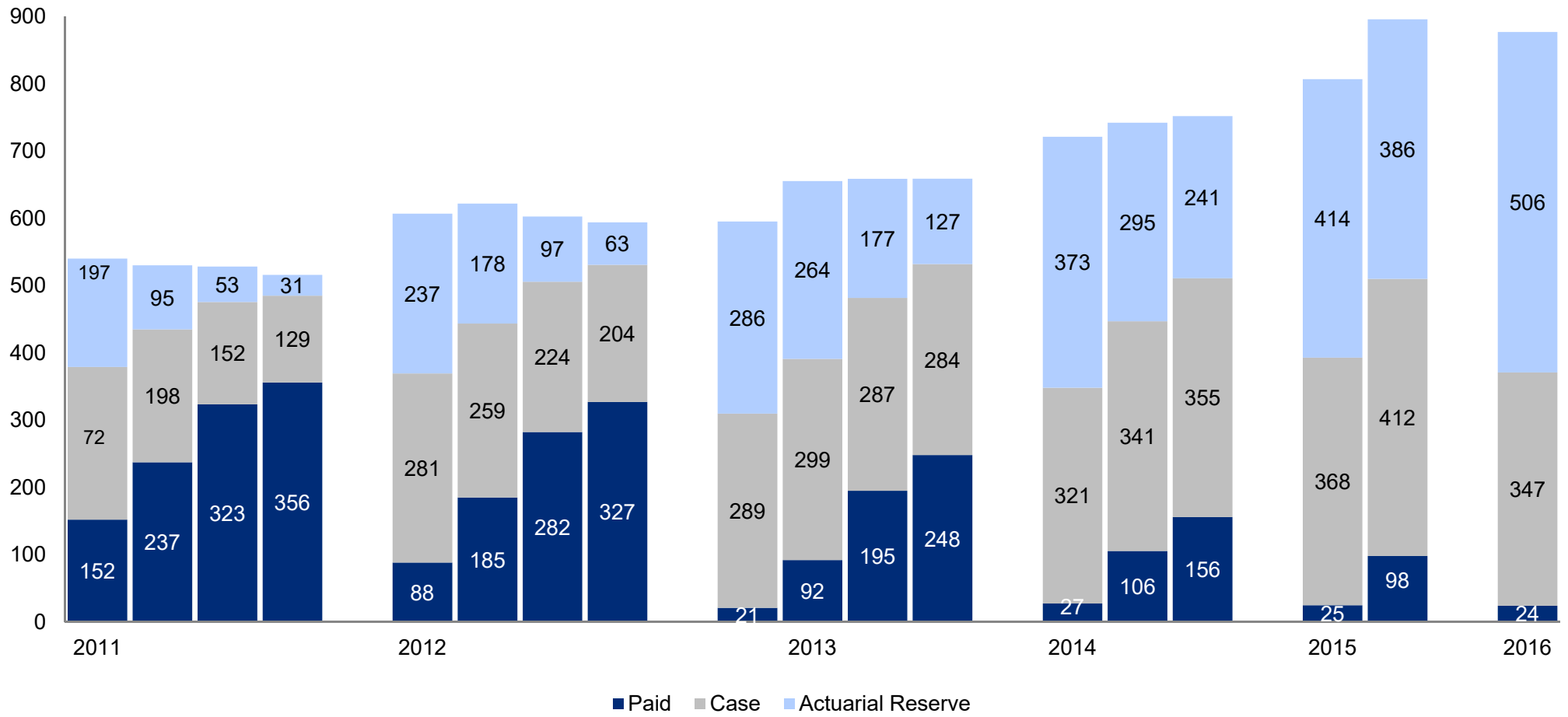
Industry Benchmarks – Loss Development Factors

- The Benchmark loss development factors recommended by OW are, generally, higher than the current Benchmark loss development factors.
- The Industry's reported losses (i.e., payments made and changes in individual claim reserves) between June 30, 2016 and December 31, 2016 for the first half of Accident Year 2016 as well as Accident Years 2011 - 2015 are generally higher than what had been expected. This is particularly the case (first half of Accident Year 2016) for Bodily Injury (+6%).

Industry Benchmarks – Loss Development Factors

- Industry Comments:
 - Peace Hills, Aviva, Economical, and Co-operators (to a lesser extent) report experiencing adverse development. Economical cites economic conditions, increasing health care costs, erosion of the MIR, distracted driving, and increased legal representation as possible causes
 - IBC (and FA to some extent) has also observed adverse development in the Industry claim experience and offers that it may be attributed to changes in reserving practices, or, particularly in the case of Medical and Disability Income, to random fluctuations.

Change in Bodily Injury Estimated Ultimate Claim Amount By Accident Year 2014 AR vs 2015 AR vs 2016 AR vs 2017 AR (\$ millions)



Industry Benchmarks – Loss Development Factors

Calendar Year	% Prior Year-End Case Reserves Paid During Calendar Year
2012	34.9%
2013	35.1%
2014	36.6%
2015	37.3%
2016	35.5%

Industry Benchmarks

Trends

Industry Benchmarks - Trends

- The OW recommended loss trends are based on its analysis of the Industry data as of December 31, 2016.
- IBC has performed its own analysis of the same data.

Industry Benchmarks – Trend

	2017 SAR Benchmark	2017 AR OW Rec.	2017 AR IBC Rec.
Bodily Injury	+7.5% (A)	+7.75%	+6.7% (B)
Property Damage	+3.5%	+1.5%	+2.8%
Medical	+4.5%	+3.5% (C)	+4.3% (D)
Disability Income	+3.0%	+4.5%	+4.0%
Death Benefits	-4.0%	-4.0%	NA
Funeral	-5.5%	-5.0%	NA
Uninsured Motorists	+0.0%	+0.0%	NA

- (A) Level change of +11.0% at 2011-2
- (B) Level change of +10.5% at 2011-2
- (C) Level change of +16.0% at 2015-1
- (D) Level change of +11.4% at 2015-1

Industry Benchmarks

- Trends – OW Recommended Trends**

	2017 SAR Benchmark	2017 AR OW Rec.	2017 AR IBC Rec.
Collision	+3.5%	+2.0%	+3.3% (A)
Comprehensive	+5.0% (B)	+5.5% (C)	+6.6% (D) (E)
All Perils	+5.0%	+3.0%	NA
Specified Perils	+5.0%	+5.5%	NA
Underinsured Motorist	+8.0%	+3.0%	NA

- (A) Intact recommends a trend rate of at least +3%.
- (B) Level change of +10.0% at 2015-1.
- (C) Level change of +7.5% at 2015-1.
- (D) Level change of +32.1% in theft costs at 2015-1.
- (E) Intact recommends a trend rate of at least +7% to reflect the rise in theft claims.

Issue: Weather

	Calgary & Edmonton Snowfall (cm)	Industry BI Freq.	Industry PD Claim Freq.	Industry Collision Claim Freq.
2007-1	218.9	6.7	30.6	60.3
2008-1	197.4	6.1	31.2	52.3
2009-1	182.2	5.7	31.8	46.7
2010-1	129.5	5.6	29.7	41.7
2011-1	255.2	6.2	35.5	51.2
2012-1	156.8	5.6	29.5	40.4
2013-1	161.6	5.5	30.4	42.2
2014-1	163.8	5.6	31.1	44.3
2015-1	138.8	5.6	30.8	42.4
2016-1	50.2	5.0	27.3	38.2

Issue: Economy

	Alberta Unemployment Rate	Industry Bodily Injury Frequency	Industry PD Claim Frequency	Industry Collision Claim Frequency
2007	3.5	6.7	31.0	58.0
2008	3.6	6.2	31.7	49.6
2009	6.5	6.0	32.7	48.3
2010	6.6	6.0	32.0	44.5
2011	5.5	6.0	32.6	45.8
2012	4.6	5.9	31.4	43.3
2013	4.6	5.9	31.8	44.8
2014	4.7	5.9	31.5	44.5
2015	6.0	5.7	30.4	41.7
2016	8.2	5.2	27.8	41.2

Issue: Impact of Weather and Economy on Claim Costs

- Industry Comments

- IBC does not believe the recent declines in frequency are indicative of new trends; states that it is difficult to incorporate weather and economic conditions into a trend model as, among other reasons, this requires a near-term projection of these variables.
- FA, Aviva, Peace Hills, and TD agree. Although this information provides insights into particular data points, better data and more research is necessary for these variables to improve trend measurement.
- Peace Hills suggests considering GDP rather than unemployment as unemployment rates vary significantly throughout the province and GDP is perhaps more precisely measured.

BODILY INJURY

Issue: Bodily Injury Claim Cost Increases and Trend

- Industry Comments

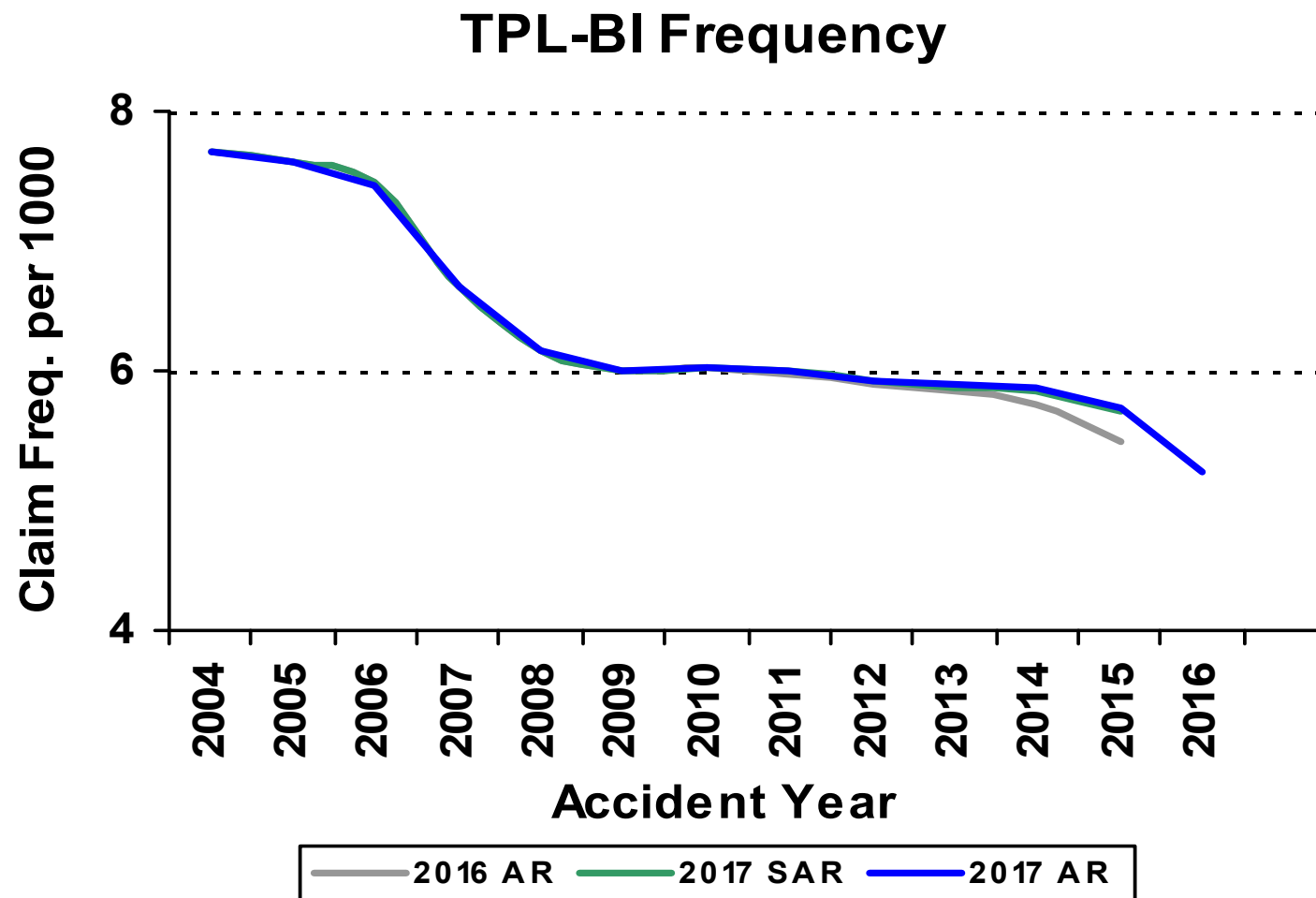
- IBC and other insurers commented on the continuing increase in Bodily claim costs (which is reflected in the recommended trend).

- Recognizing that the AIRB can not change the Minor Injury Regulations, IBC states, “*Without reforming Minor Injury Regulation, the cost of TPL-BI claims will continue increasing at a high rate.*”

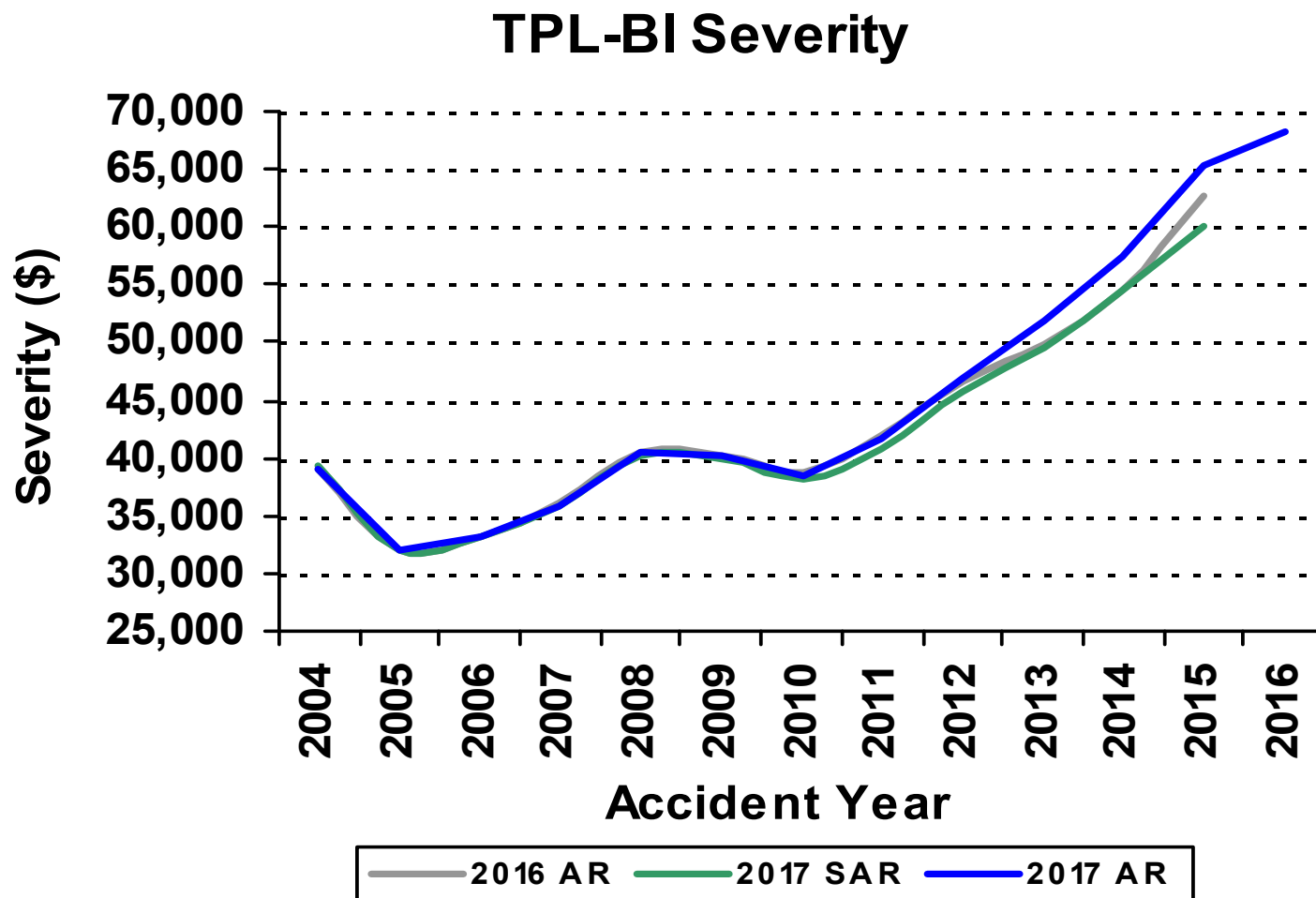
Issue: Bodily Injury Claim Cost Increases

- Others (Intact in particular) echoed IBC's comments. Reasons given for the claim cost increases include:
 - erosion of the minor injury cap...fewer claims being resolved within the MIR cap (Sparrowhawk v Zapoltinsky and McLean v Parmar rulings cited)
 - increased legal representation and use of strategies to avoid cap limitations (increase number of claims involving psychological impairment, head injuries, chronic pain, and TMD)
 - inefficiency/uncertainty of current Certified Examiner process
 - high (4% interest rate) pre-judgment interest awards; in 2015 Ontario lowered its rate to the bank rate which is currently 0.8%

Alberta: Bodily Injury Frequency

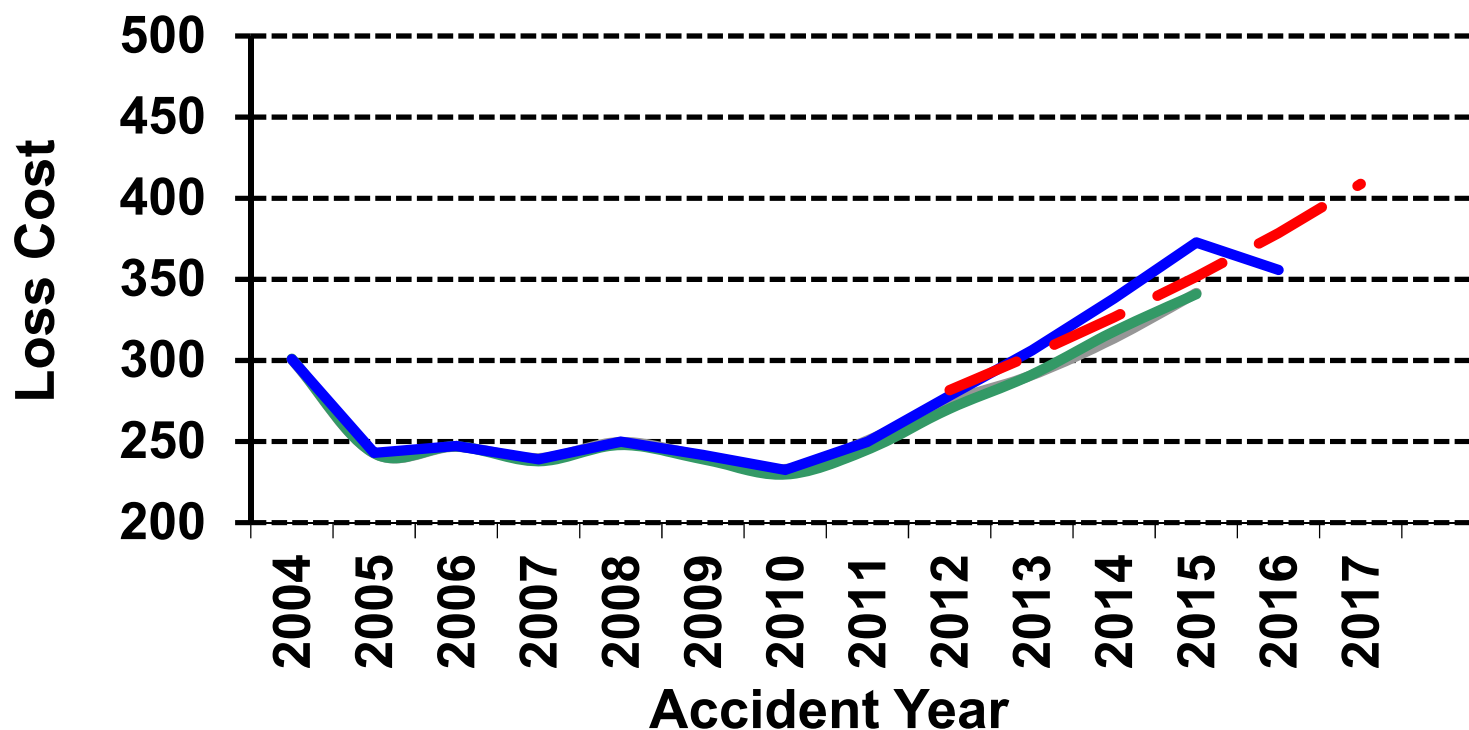


Alberta: Bodily Injury Severity



Alberta: Bodily Injury Loss Cost

TPL-BI Loss Cost



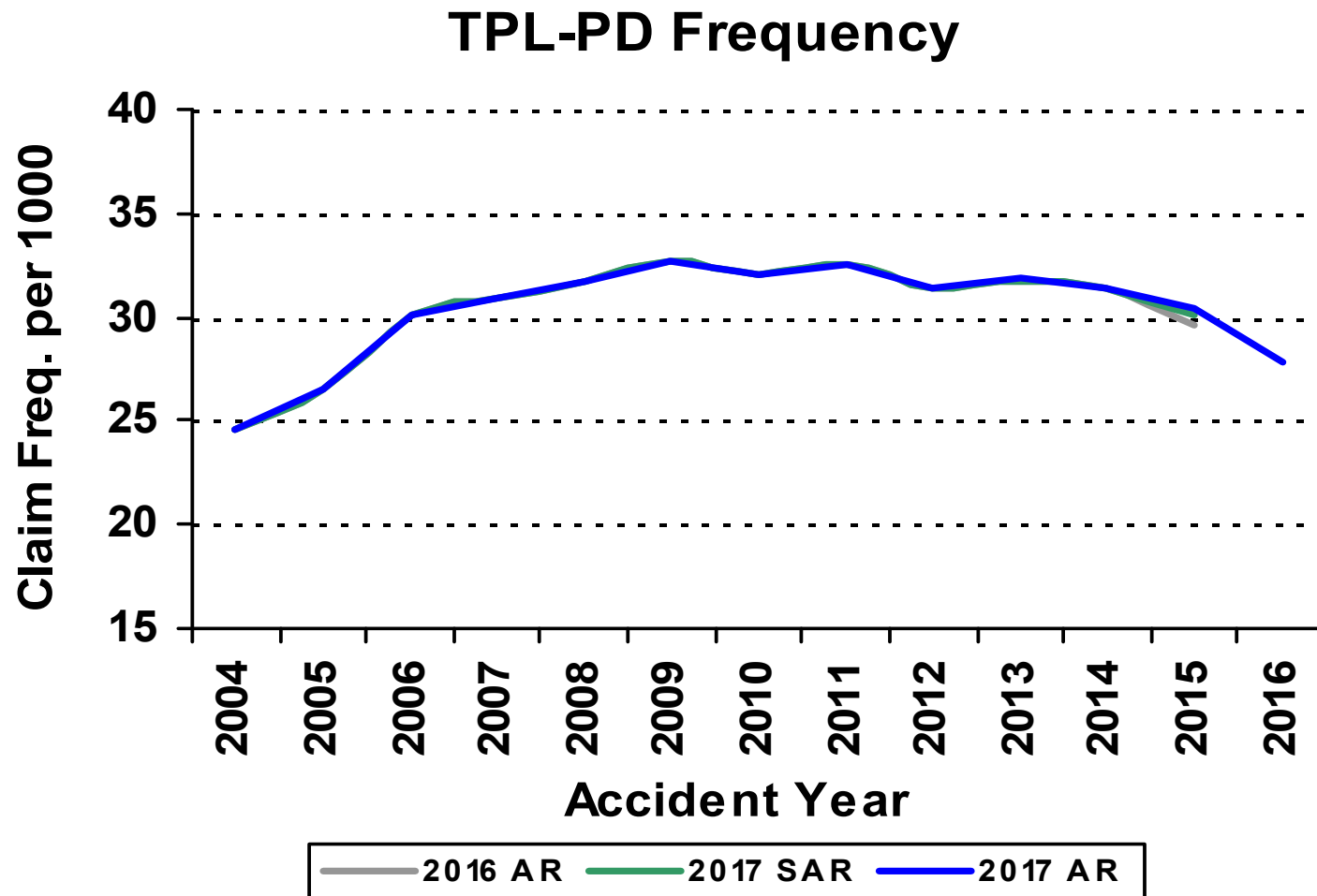
- 2017 SAR Benchmark Trend: +7.5% 2017 OW Preliminary Trend: **+7.75%**

Issue: Bodily Injury Trends

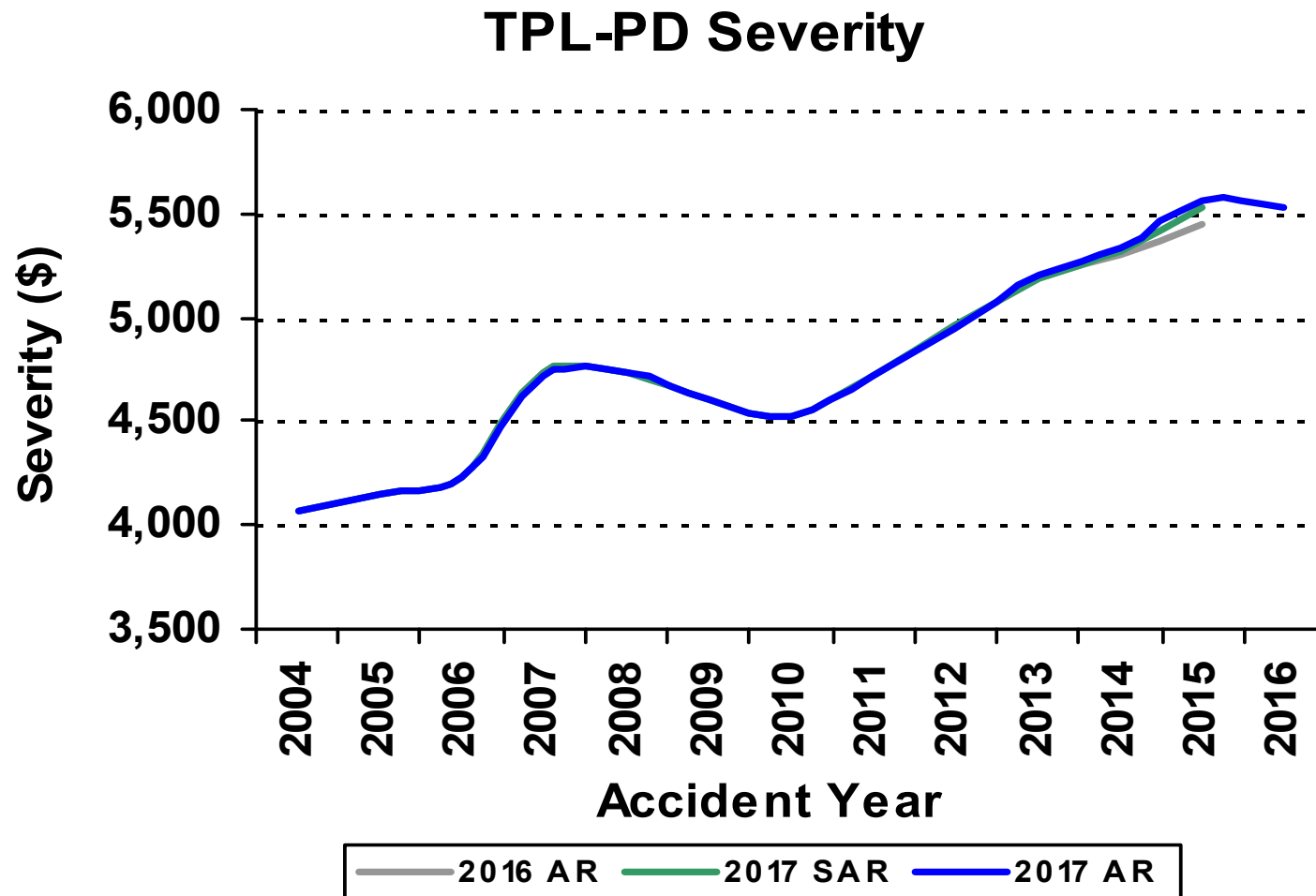
	Trend
Alberta	+7.75%
British Columbia	+6% - +8%
Ontario	+0.0%
Nova Scotia	+3.0%
Newfoundland	+1.0%

PROPERTY DAMAGE

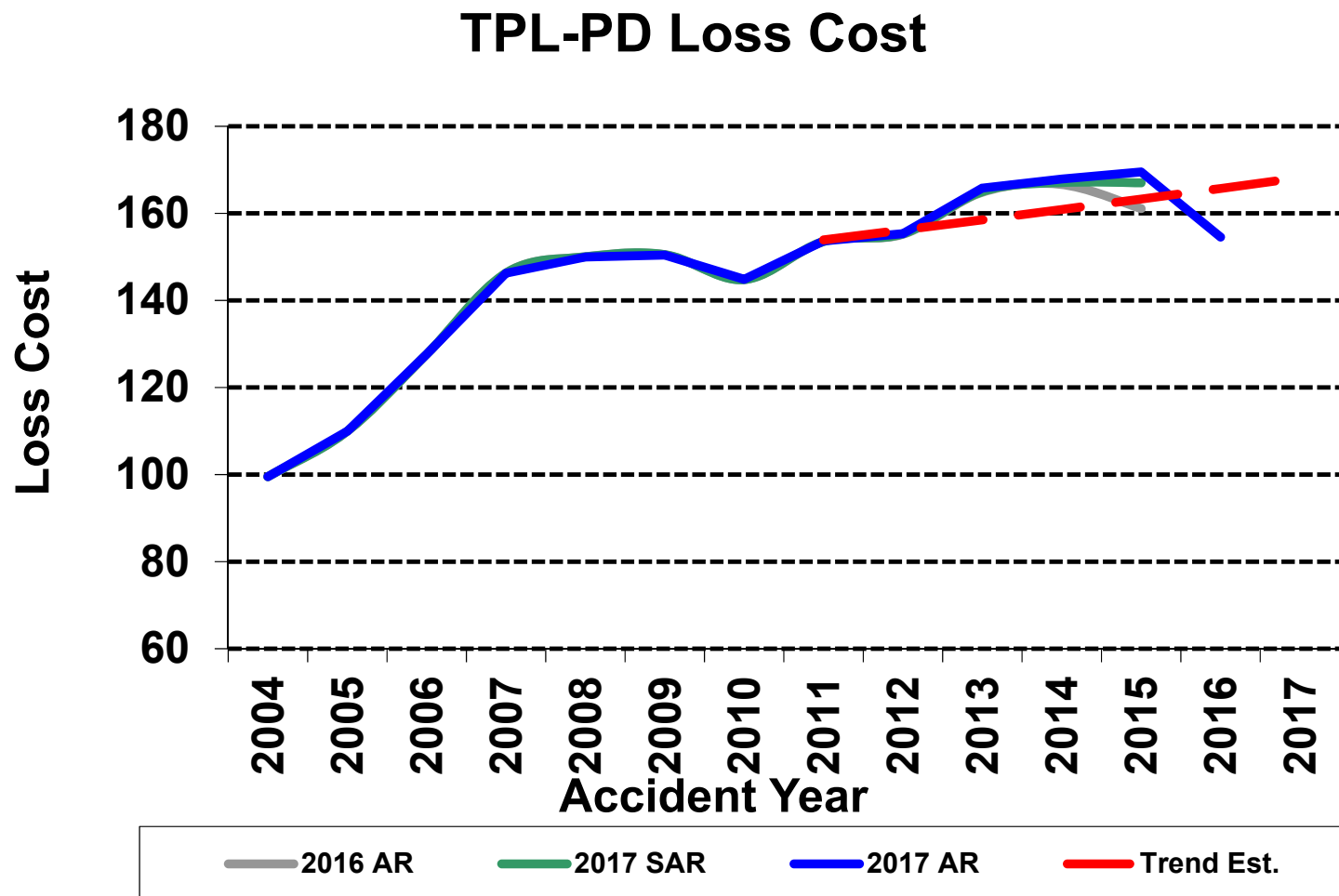
Alberta: Property Damage Frequency



Alberta: Property Damage Severity



Alberta: Property Damage Loss Cost



- 2017 SAR Benchmark Trend: +3.5% 2017 OW Preliminary Trend: **+1.5%**

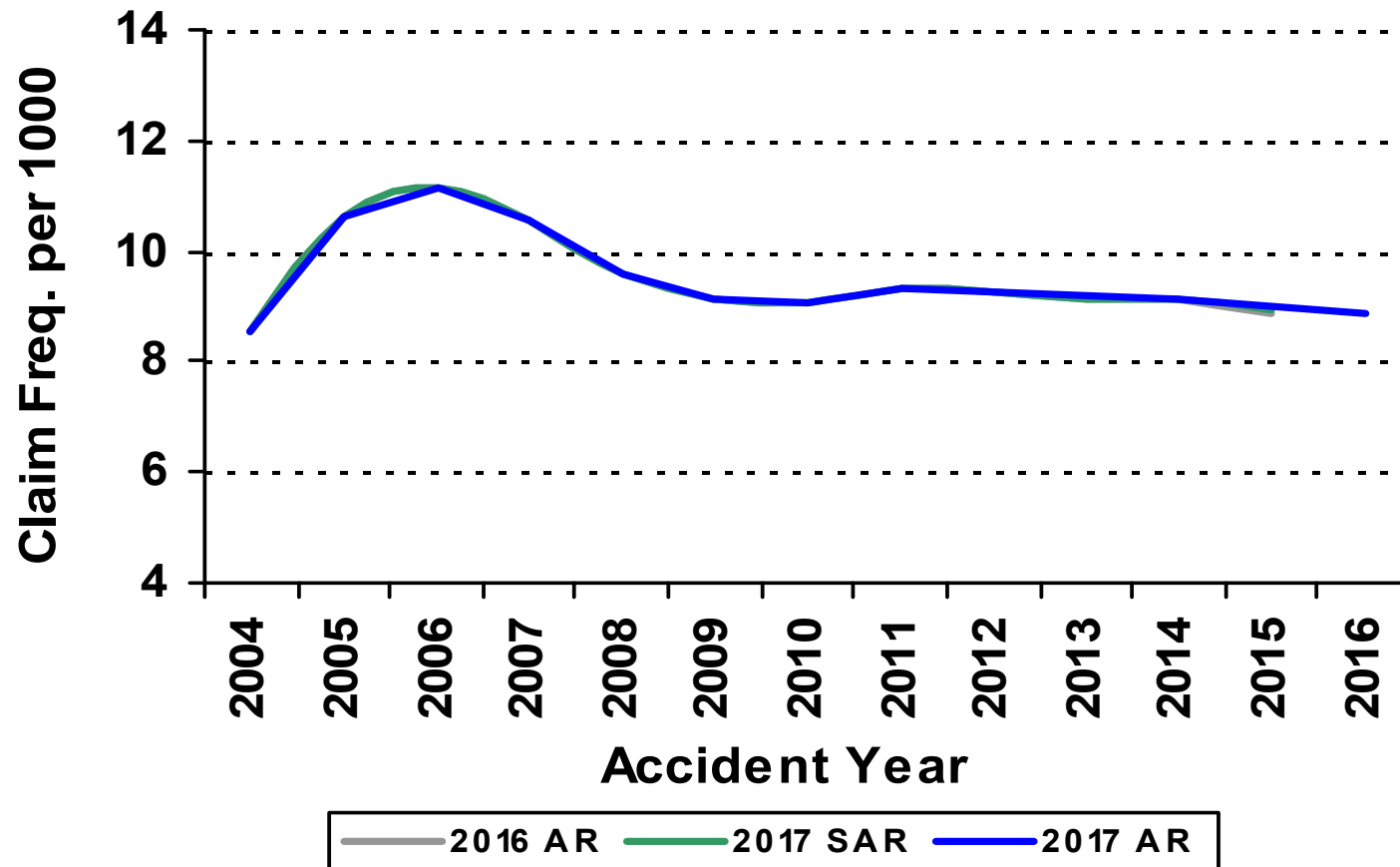
AB – MEDICAL EXPENSE

Issue: Medical Benefits - Sharp Claim Cost Increase in 2015

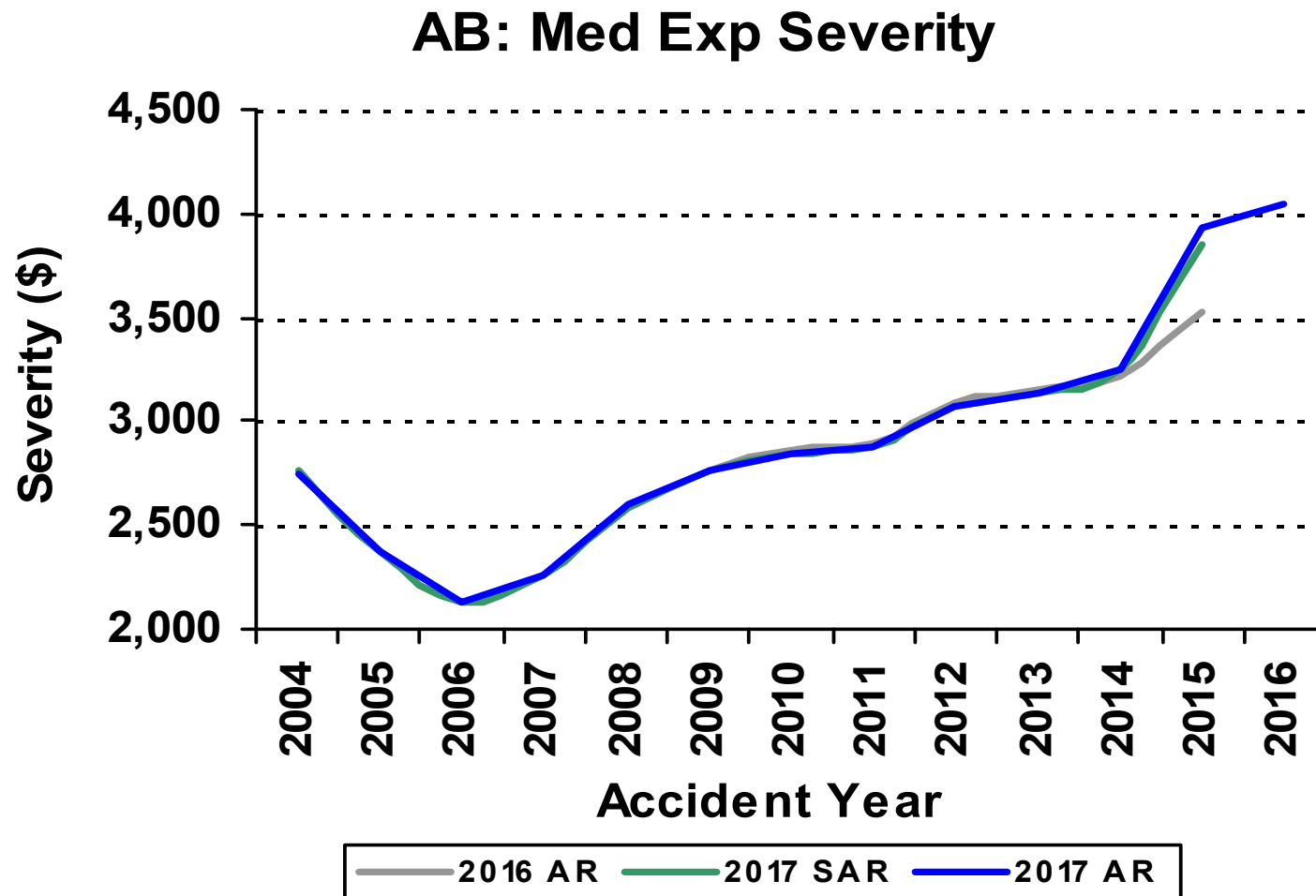
- Industry Comments:
 - IBC attributes the 2015 increase to the prevailing economic conditions and/or greater legal representation.
 - Co-op hasn't experienced the noted increase.
 - Aviva experienced a sharp increase in total AB claim costs in 2015 and a decline in 2016, which, given its limited data, it attributes to data volatility
 - Intact offered as a possible cause: the pursuit of higher general damage BI awards “...as injured motorists are encouraged to seek treatment to evidence their injuries.”
 - Economical offered possible causes, including: increased use of rehabilitation, increased treatments outside of established protocols, increased legal representation.

Alberta: Medical Expenses Frequency

AB: Med Exp Frequency

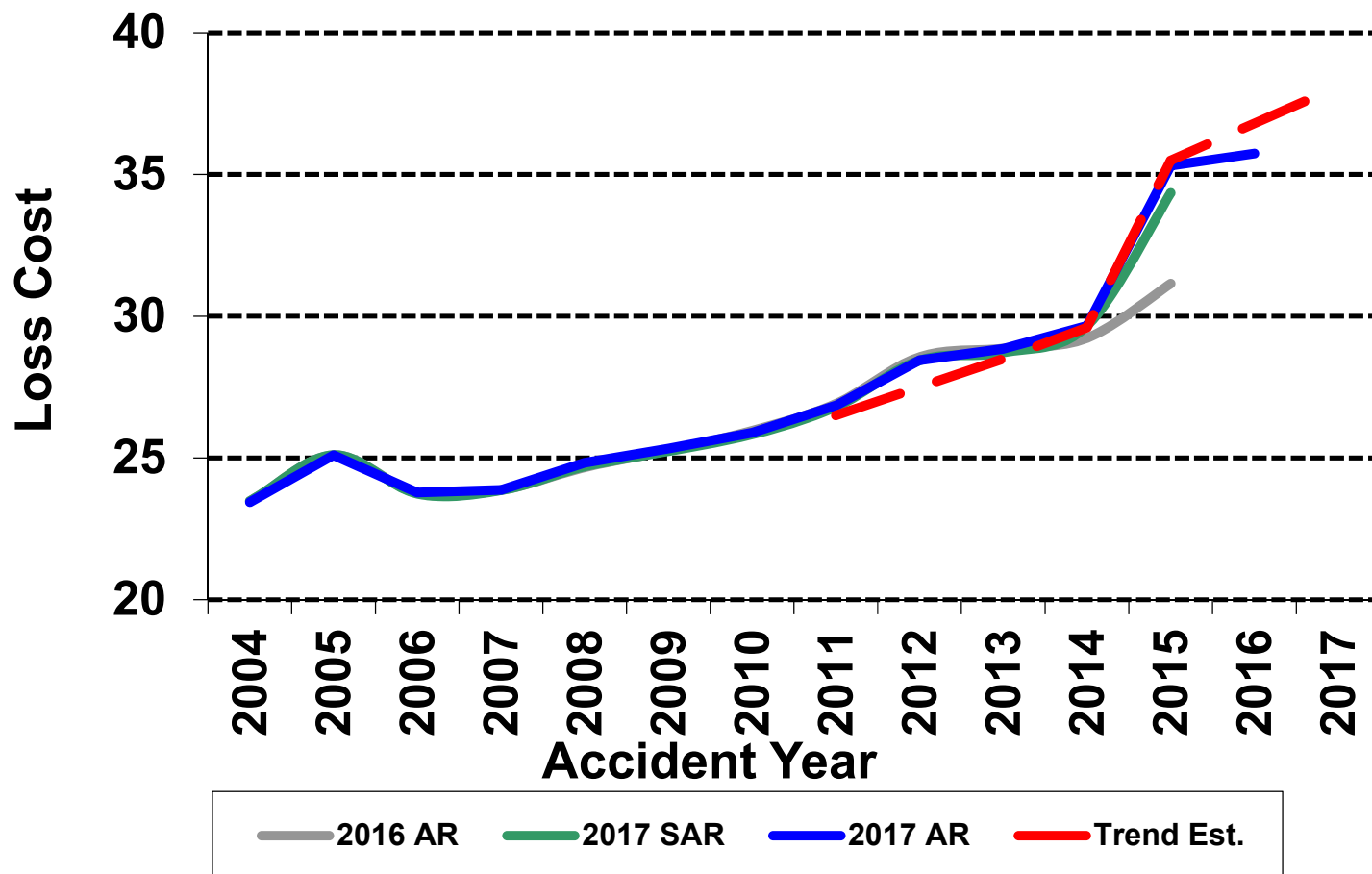


Alberta: Medical Expenses Severity



Alberta: Medical Expenses Loss Cost

AB: Med Exp Loss Cost



- 2017 SAR Benchmark Trend: +4.5% 2017 OW Preliminary Trend: **+3.5%**
With Level Change at 2015-1 of +16%

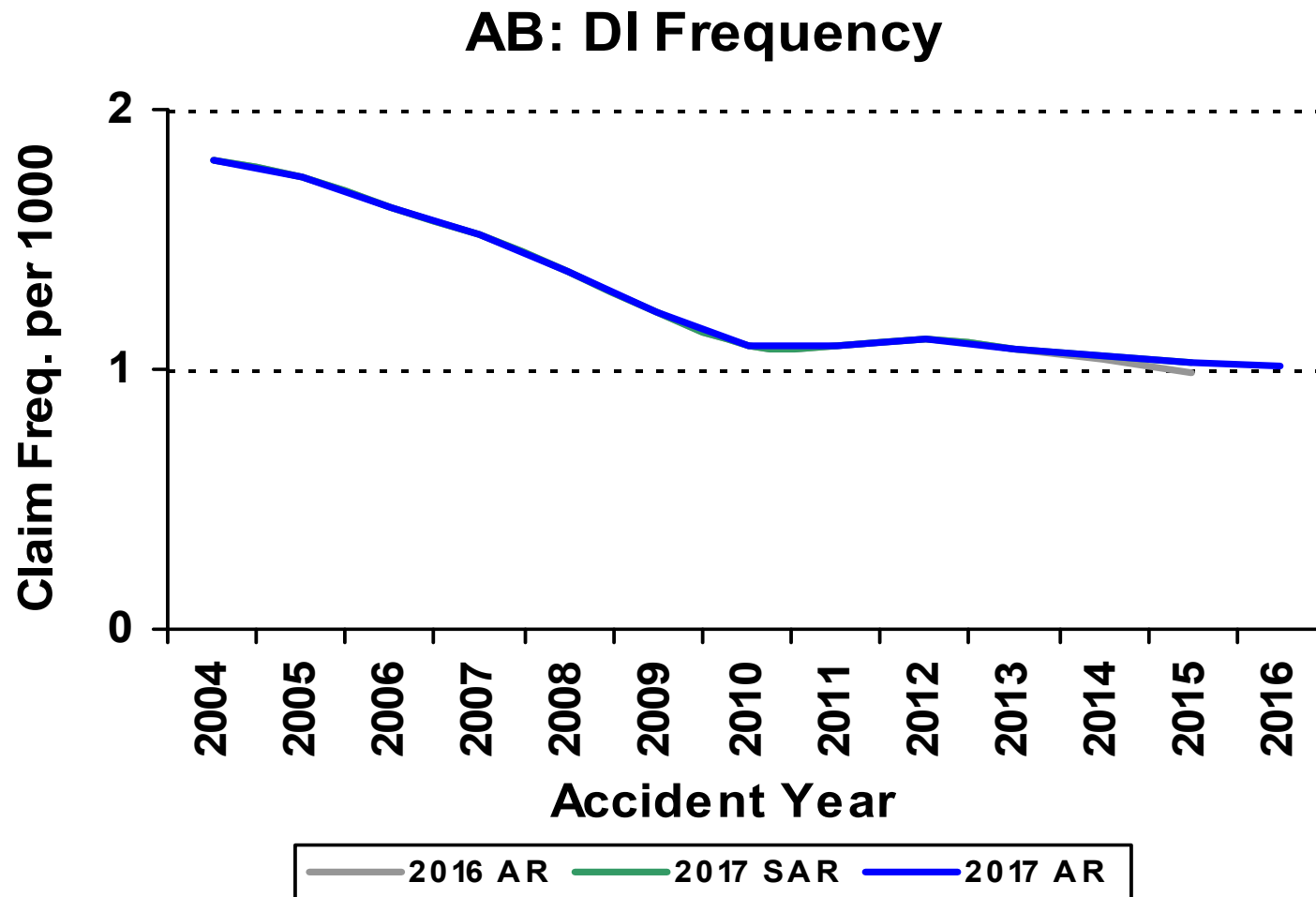
AB – DISABILITY INCOME

Issue: Disability Income - Claim Cost Spike in 2015

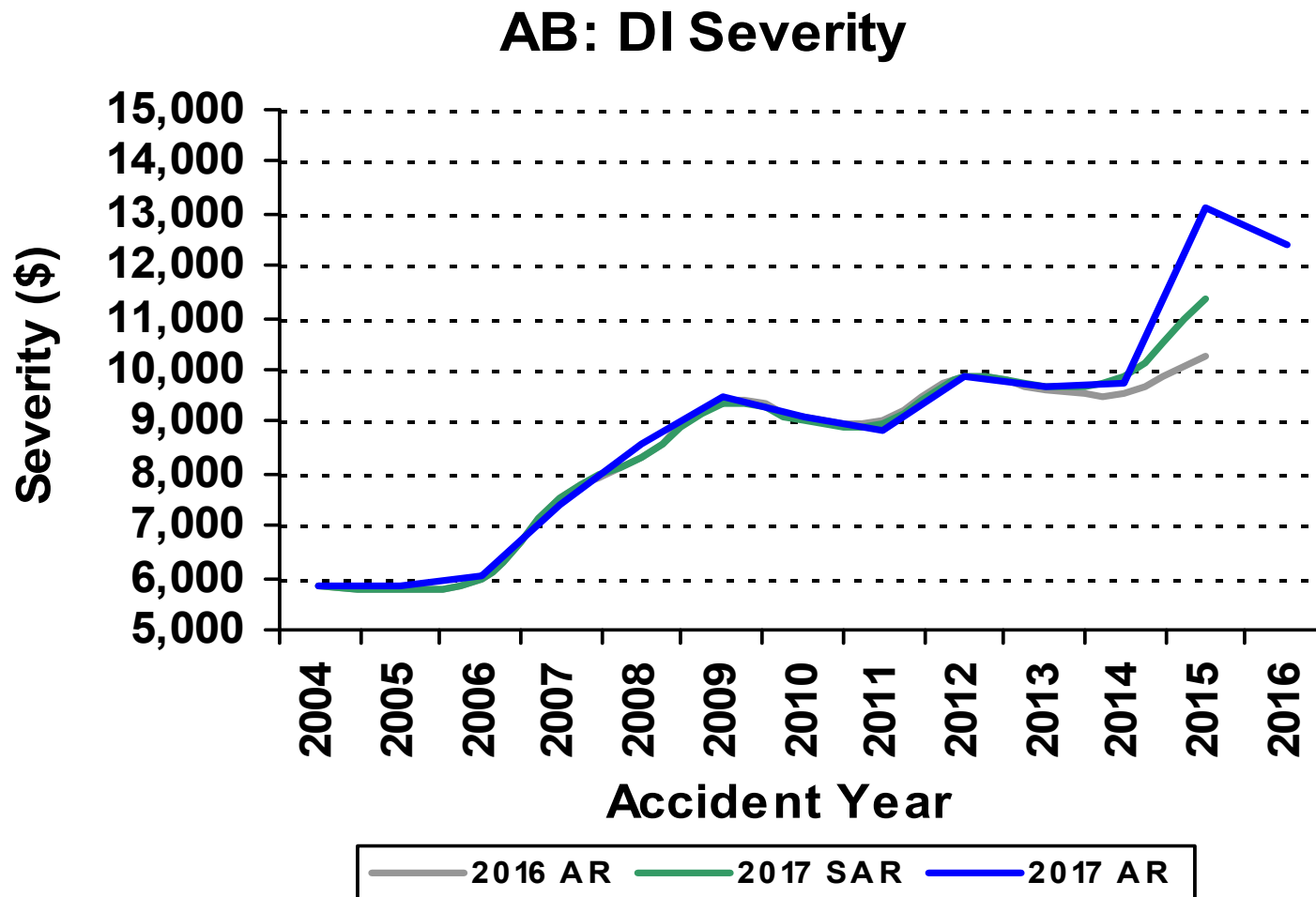
- Industry Comments

- IBC attributes increases in DI claim costs to the economic conditions, but the noted sharp increase in 2015-2 is likely due to random fluctuation.
- Co-op hasn't experienced the increases noted by OW.
- Aviva experienced a sharp increase in total AB claim costs in 2015 and a decline in 2016, which, given its limited data, it attributes to data volatility.
- Economical offered possible causes, including: increased legal representation, including challenges of the definition of total disability

Alberta: Disability Income Frequency

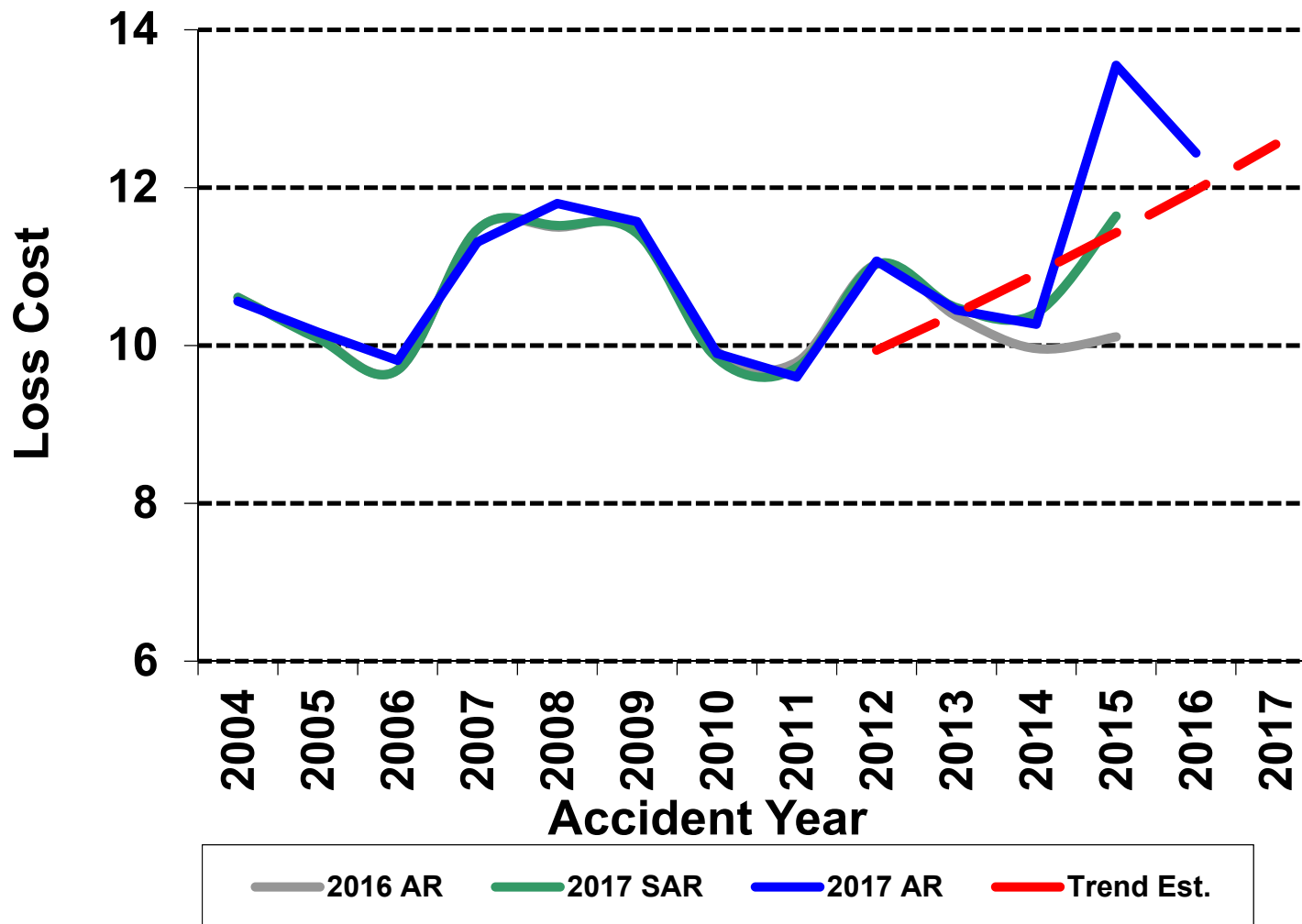


Alberta: Disability Income Severity



Alberta: Disability Income Loss Cost

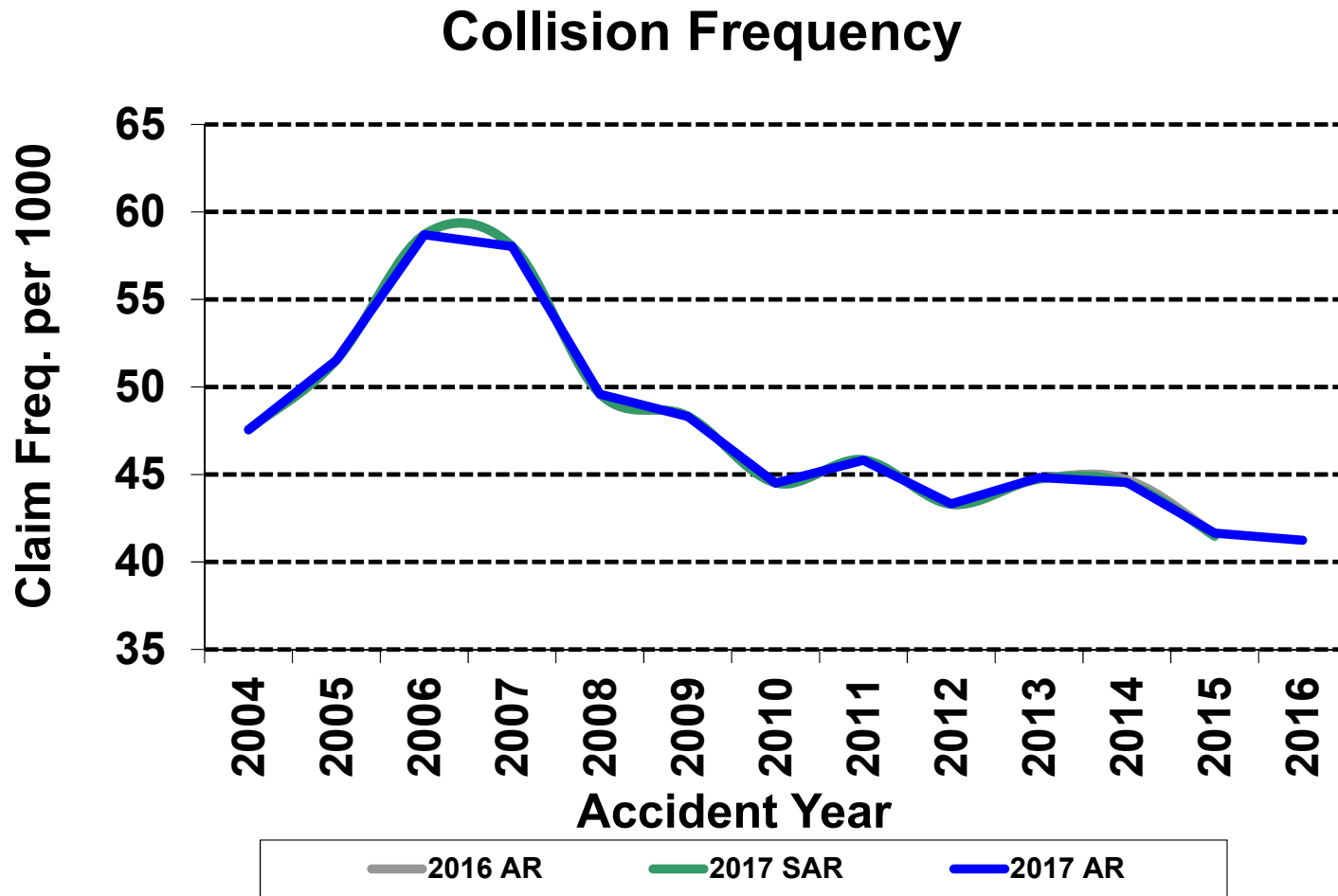
AB: DI Loss Cost



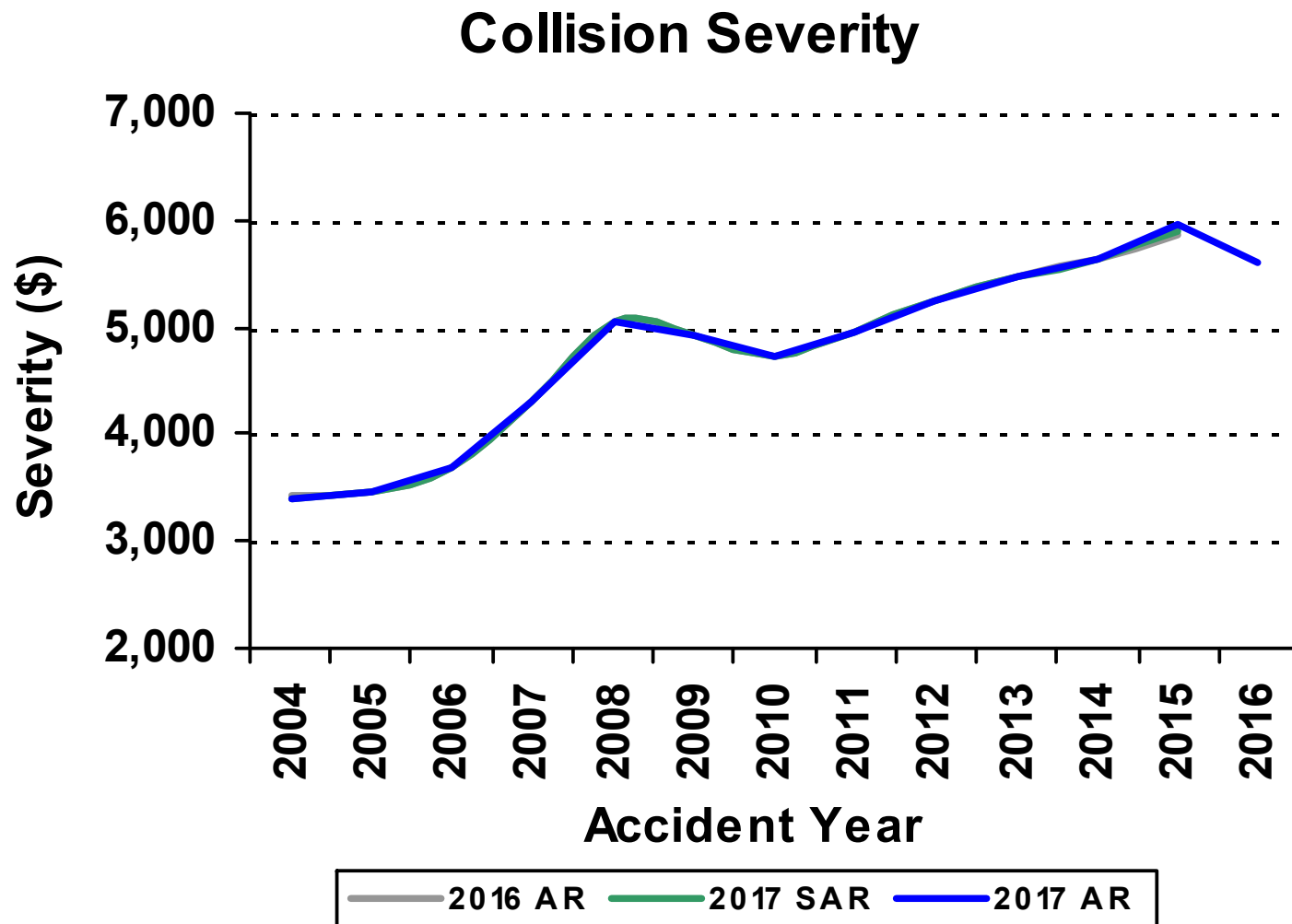
- 2017 SAR Benchmark Trend: +3.0% 2017 OW Preliminary Trend: **+4.5%**

COLLISION

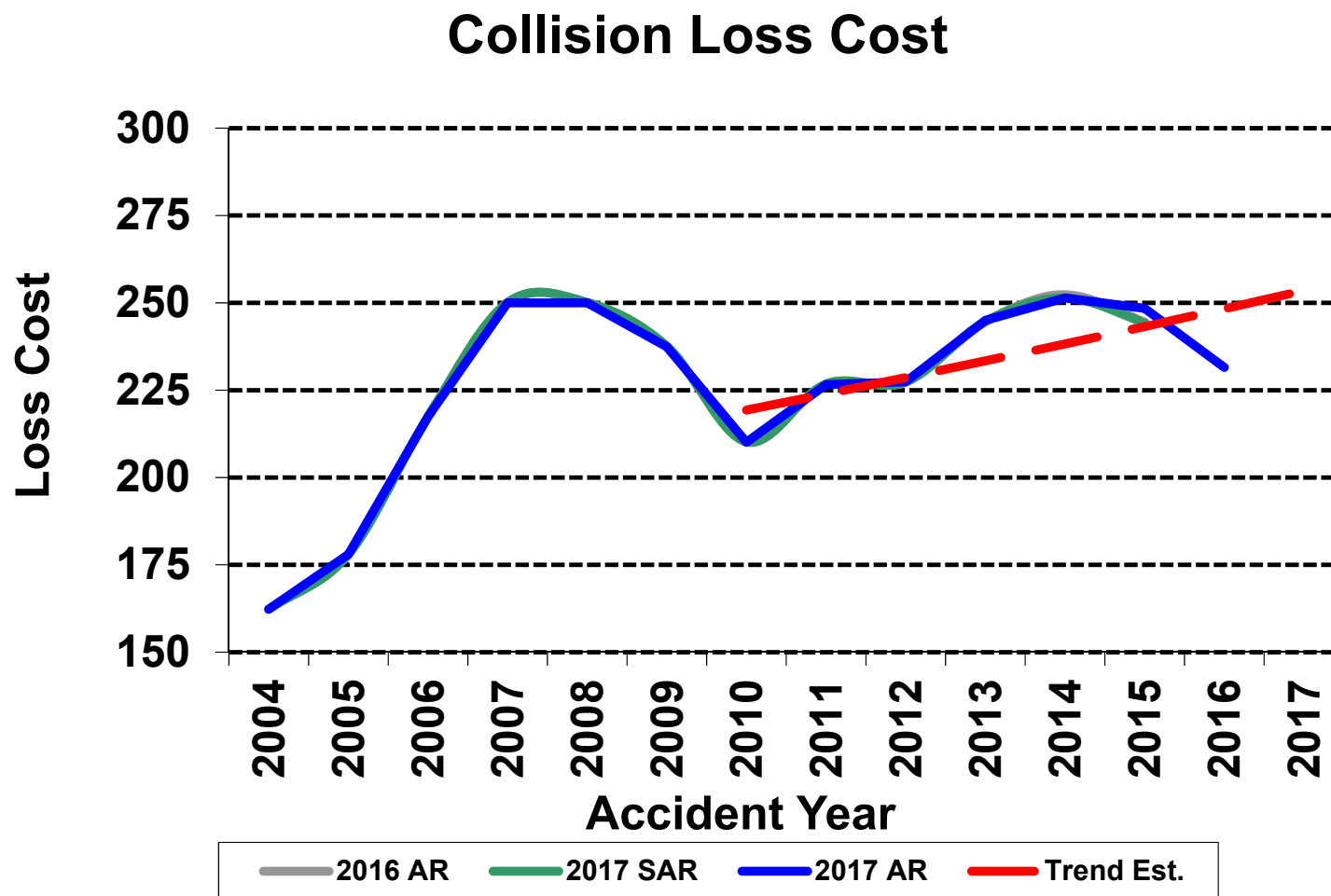
Alberta: Collision Frequency



Alberta: Collision Severity



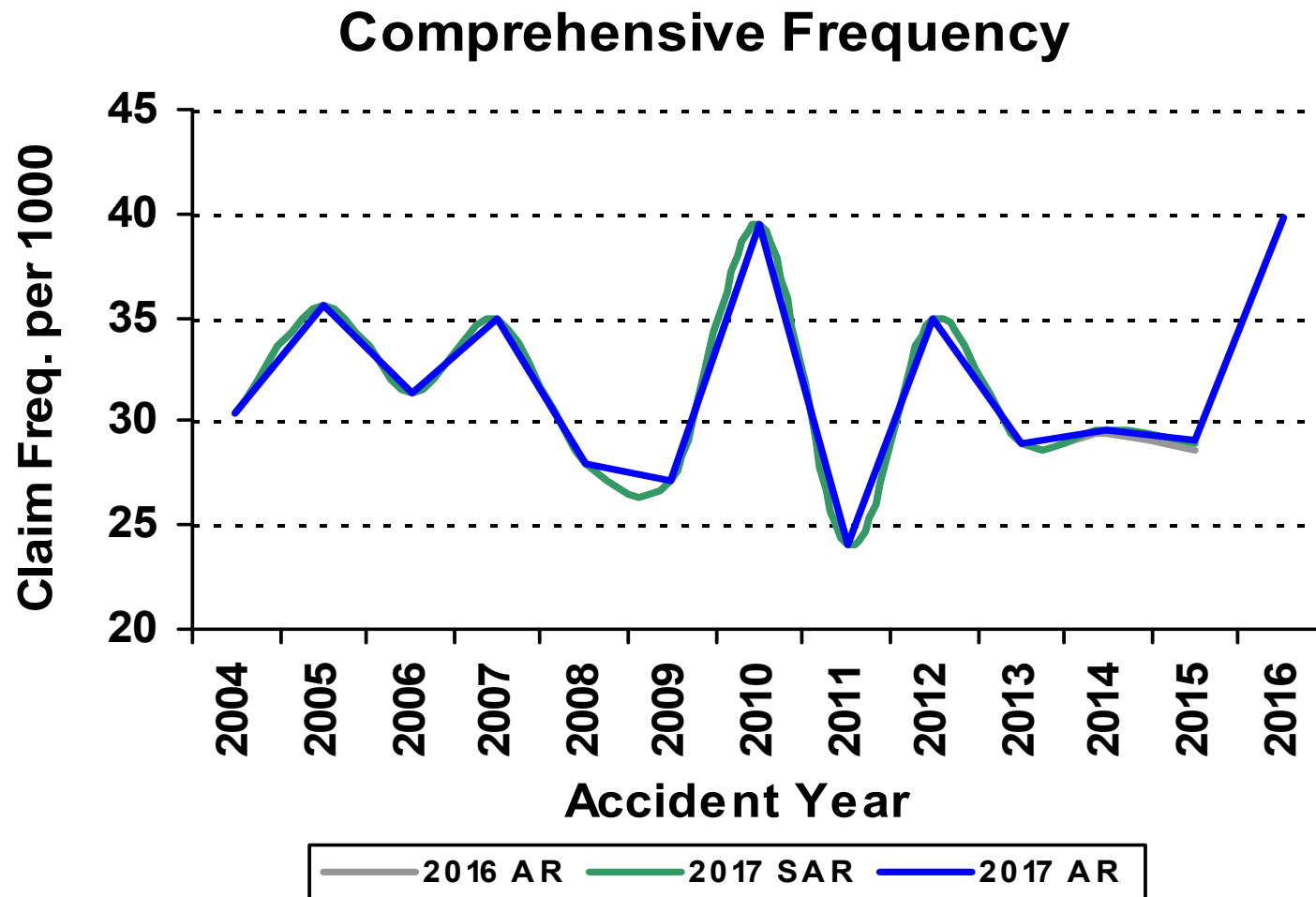
Alberta: Collision Loss Cost



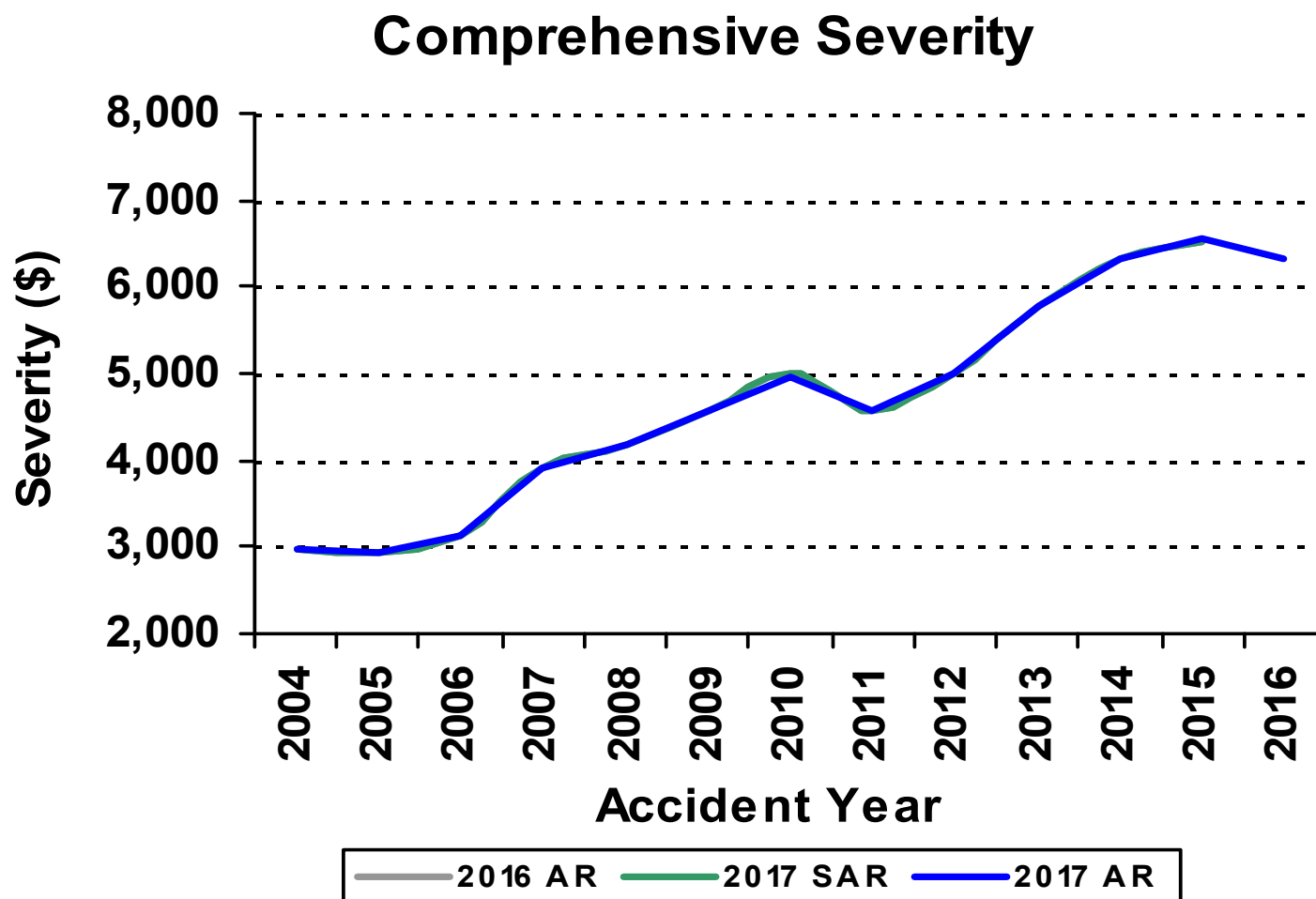
- 2017 SAR Benchmark Trend: +3.5% 2017 AR OW Preliminary Trend: **+2.0%**

COMPREHENSIVE

Alberta: Comprehensive – Total Frequency

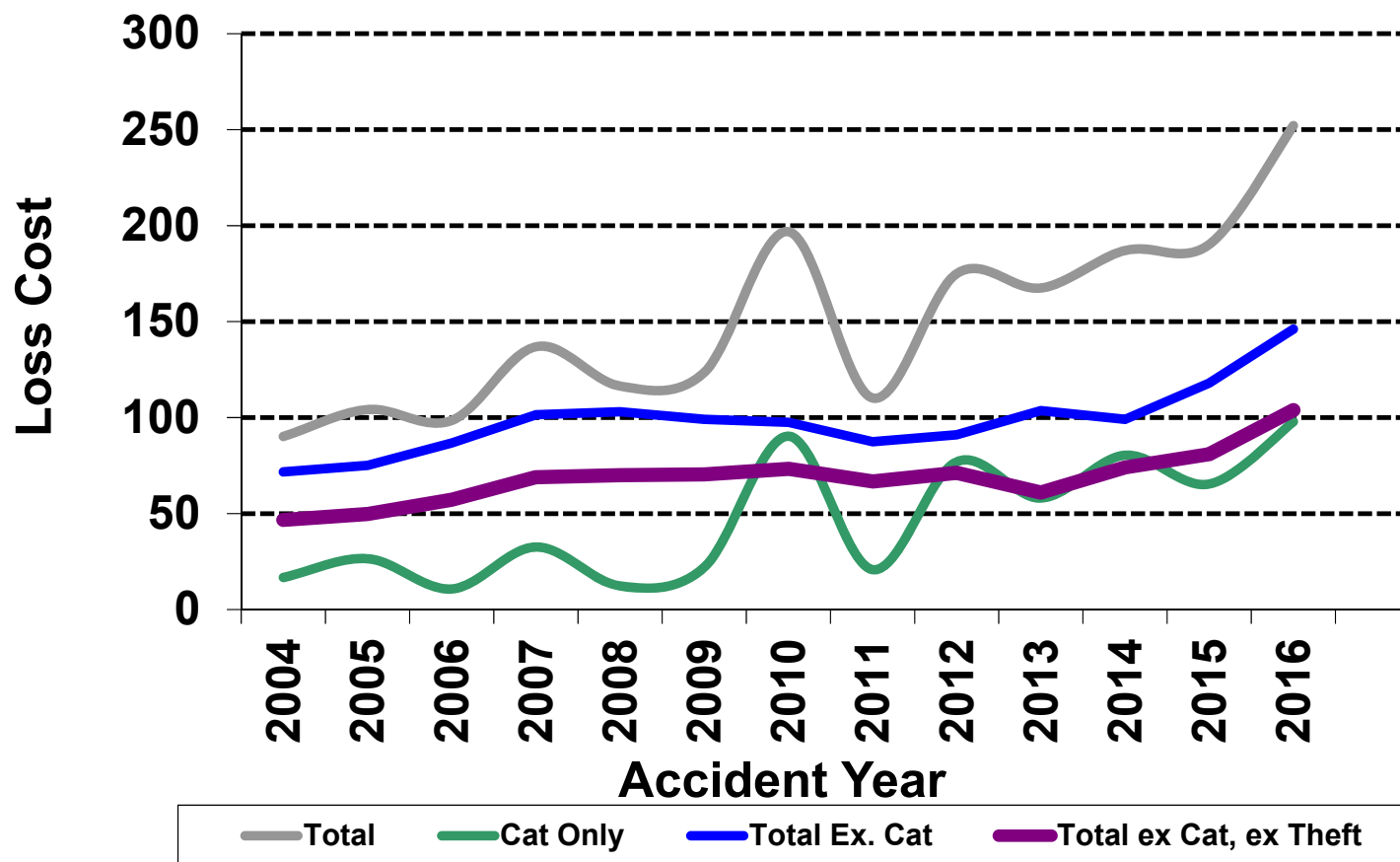


Alberta: Comprehensive - Total Severity



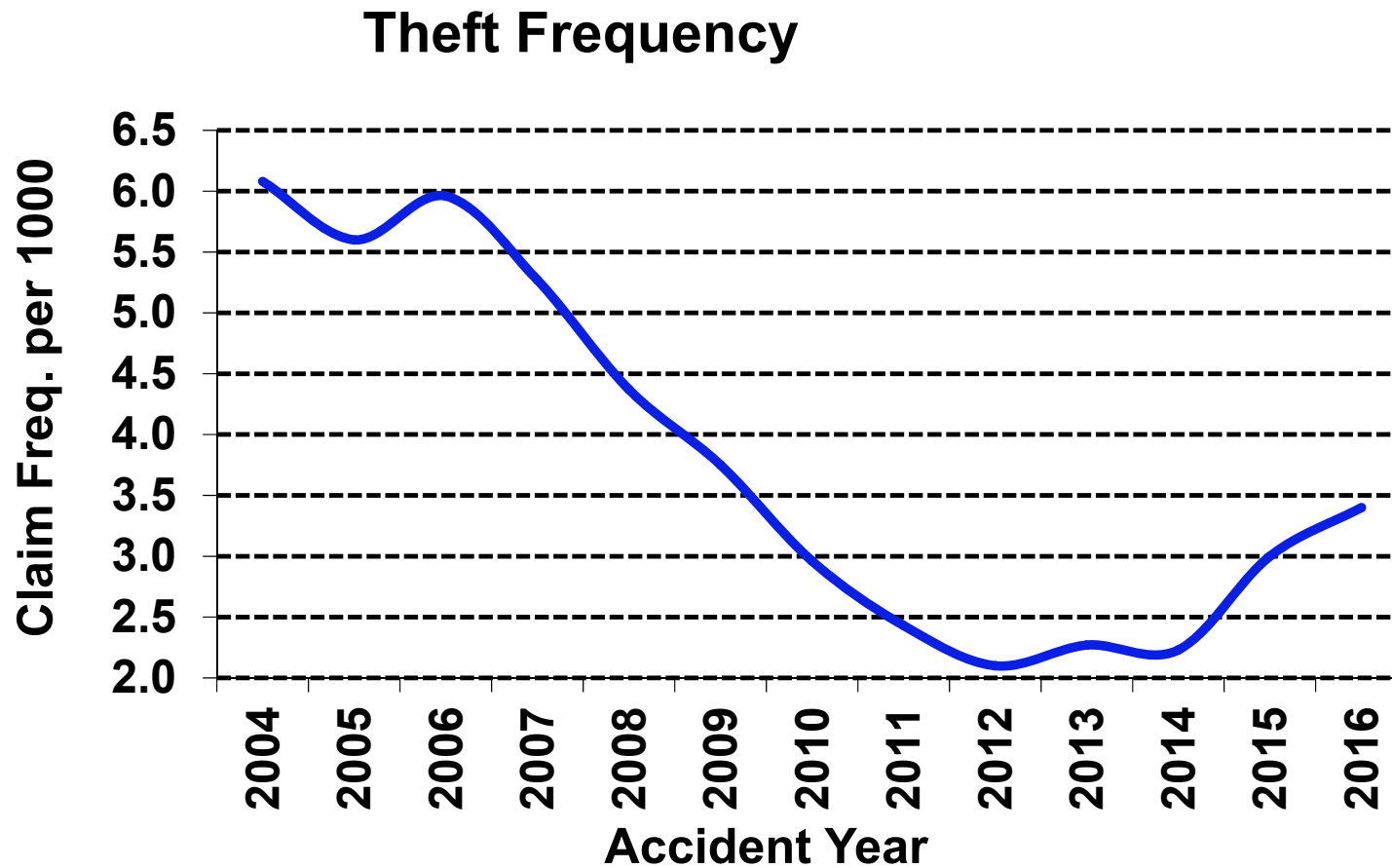
Alberta: Comprehensive – Total Loss Cost

Comprehensive Loss Cost

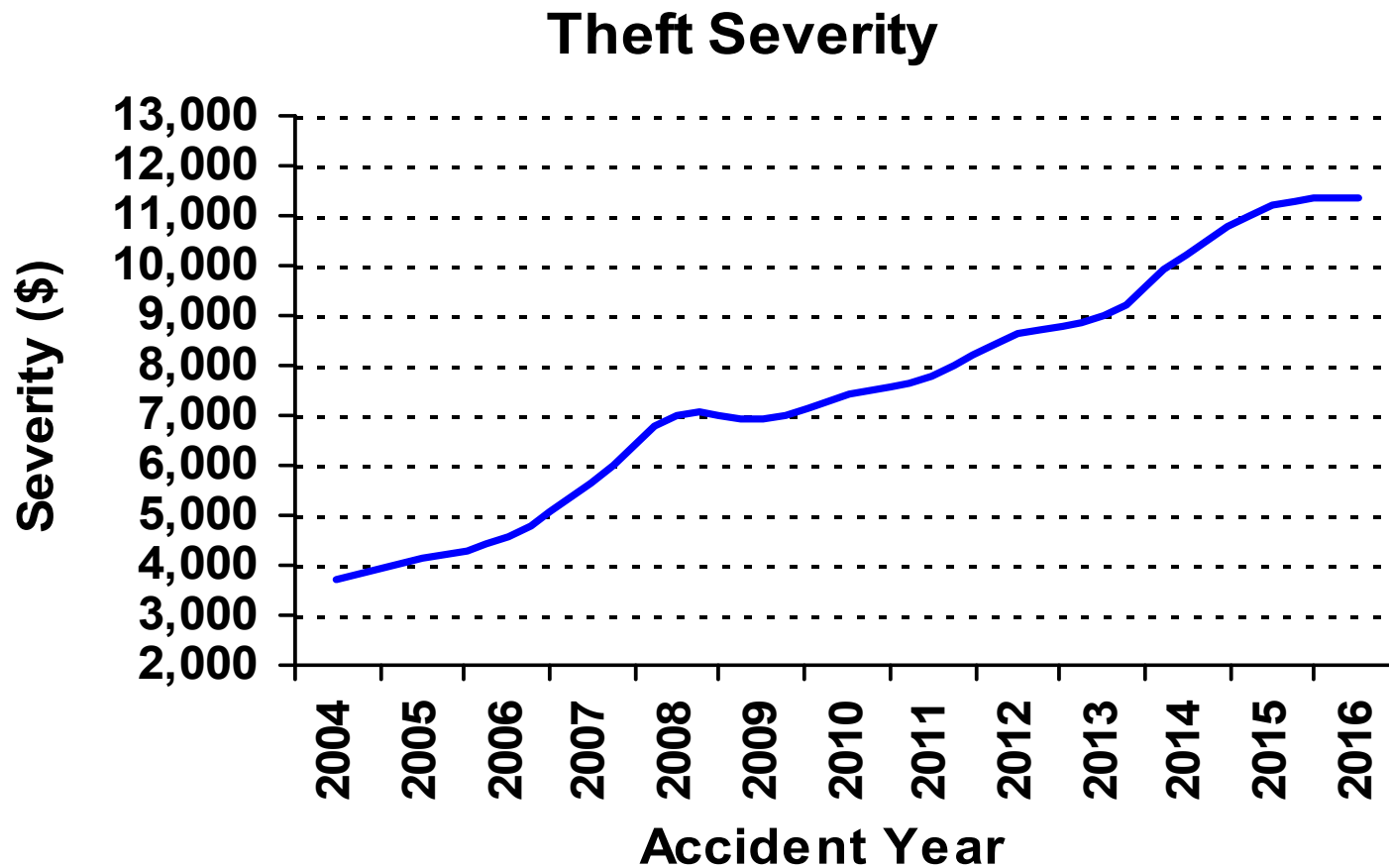


- 2017 SAR Benchmark Trend: +5.0% 2017 OW Preliminary Trend: **+5.5%**
With Level Change of +7.5% at 2015-1

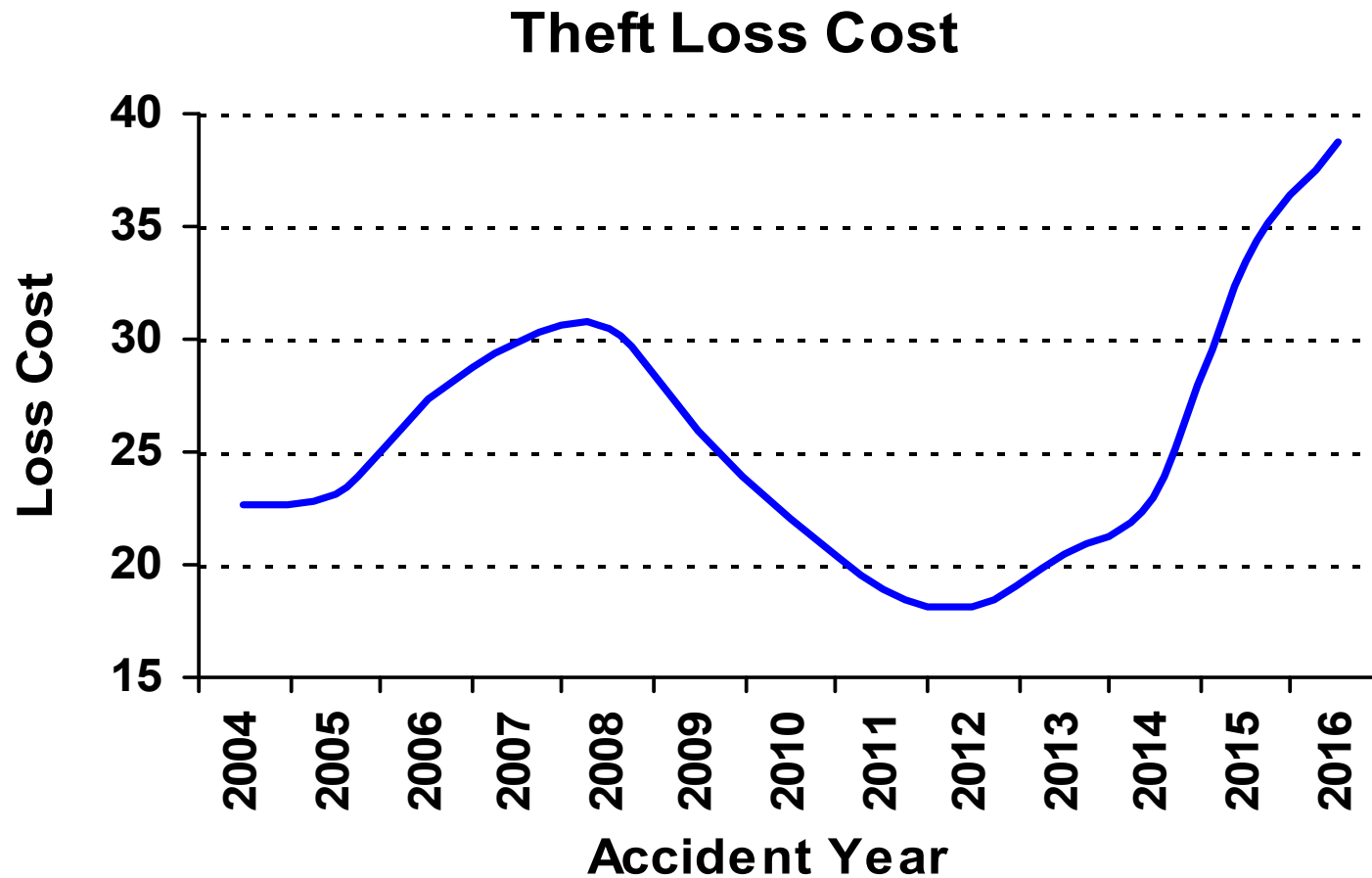
Alberta: Comprehensive - Theft Frequency



Alberta: Comprehensive – Theft Severity



Alberta: Comprehensive – Theft Loss Cost



Issue: Rise in Theft Claims

- IBC and other insurers also acknowledge the recent sharp increases in theft claim frequency.

Issue: Theft Claims

Comparison of Theft Frequency Rates per 100 Vehicles

Accident Year	Alberta	Ontario	Atlantic Canada
2012	0.22	0.13	0.08
2013	0.24	0.11	0.08
2014	0.24	0.10	0.07
2015	0.32	0.11	0.07
2016	0.36	0.11	0.07
5-Year % Change	+58%	-18%	-16%

* Source: IBC submission; reported claim counts are at the six month development level

Industry Benchmarks – Trend

	2017 SAR Benchmark	2017 AR OW Rec.	2017 AR IBC Rec.
Bodily Injury	+7.5% (A)	+7.75%	+6.7% (B)
Property Damage	+3.5%	+1.5%	+2.8%
Medical	+4.5%	+3.5% (C)	+4.3% (D)
Disability Income	+3.0%	+4.5%	+4.0%
Death Benefits	-4.0%	-4.0%	NA
Funeral	-5.5%	-5.0%	NA
Uninsured Motorists	+0.0%	+0.0%	NA

- (A) Level change of +11.0% at 2011-2
- (B) Level change of +10.5% at 2011-2
- (C) Level change of +16.0% at 2015-1
- (D) Level change of +11.4% at 2015-1

Industry Benchmarks

- Trends – OW Recommended Trends**

	2017 SAR Benchmark	2017 AR OW Rec.	2017 AR IBC Rec.
Collision	+3.5%	+2.0%	+3.3% (A)
Comprehensive	+5.0% (B)	+5.5% (C)	+6.6% (D) (E)
All Perils	+5.0%	+3.0%	NA
Specified Perils	+5.0%	+5.5%	NA
Underinsured Motorist	+8.0%	+3.0%	NA

- (A) Intact recommends a trend rate of at least +3%.
- (B) Level change of +10.0% at 2015-1.
- (C) Level change of +7.5% at 2015-1.
- (D) Level change of +32.1% in theft costs at 2015-1.
- (E) Intact recommends a trend rate of at least +7% to reflect the rise in theft claims.

