



1 **2014 11 07 f:**

2 Transcript page 115, lines 1 to 8 Ms. Glynn “And if -- this is again just a slight change from last
 3 year’s filing, which we’d like you to explain. If we go to page 14, if we go down just a little bit
 4 further, yes, uninsured automobile. To me, when I look at this, I think that the uninsured automobiles
 5 rates are based off accident benefit rates. Would that be -” Lines 13 to 15, Ms. Glynn “Okay. And
 6 last year, again last year we think they were used off third party liability. We could bring you to
 7 Exhibit 4.” Page 116, lines 14 to 15, Ms. Glynn “Can we have an undertaking to get that rate
 8 indication change.” **Undertaking is to provide the UA indication if we were to use the BI trends
 9 rather than the AccBen(indivis) trends as the basis.**

10 **FA Response:**

11 The table below compares the UA and Total rate change proposed by FA management with the original
 12 filing indication (at 0 cost of capital and 1.14% RoI):

As Originally Filed	UA	Total
current average on-level premium (\$s)	14	3,045
rate chg proposed by FA	329.3%	54.1%
average premium	60	4,694
0 CoC rate indication	343.8%	77.6%
average premium	62	5,408
0 CoC rate indication, UA trend @ BI level	308.5%	77.5%
average premium	57	5,405

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 14 The table below compares the UA and Total rate change proposed by FA management with the
 15 indication (at 0 cost of capital and 1.14% RoI) after correcting the Exh C-2 error (see CA-FA-01):

Based on Corrected Exh C-2	UA	Total
current average on-level premium (\$s)	14	3,045
rate chg proposed by FA	329.3%	54.1%
average premium	60	4,694
0 CoC rate indication	321.0%	71.9%
average premium	59	5,234
0 CoC rate indication, UA trend @ BI level	286.3%	71.8%
average premium	54	5,231

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