



1 **2014 11 07 g:**

2 Transcript page 124, lines 21 to 25 Ms. Glynn “*The credibility standard for comprehensive and*
3 *specified perils also changed from last year’s filing. They were 3246 last year and they changed to*
4 *1082 this year. So, can you -- the same, it was --*” Page 125, lines 10 to 112, Ms. Glynn “*Okay. And*
5 *do you know the changes that those -- the impact that those changes had on the rate level*
6 *indication?”* Line 16, Ms. Glynn “*And can you undertake to --*” **Undertaking is to provide the**
7 **CM and SP indications if we were to use full credibility counts of 3,246 rather than 1,082.**

8 **FA Response:**

9 The table below compares the CM, SP and Total rate change proposed by FA management with the
10 original filing indication (at 0 cost of capital and 1.14% RoI):

As Originally Filed	CM	SP	Total
current average on-level premium (\$s)	262	113	3,045
rate chg proposed by FA	0.0%	0.0%	54.1%
average premium	262	113	4,694
0 CoC rate indication	-1.2%	9.6%	77.6%
average premium	259	124	5,408
0 CoC rate indication, CM & SP full cred 3,246	-2.2%	9.8%	77.6%
average premium	256	124	5,408

11
12 The table below compares the CM, SP and Total rate change proposed by FA management with the
13 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	CM	SP	Total
current average on-level premium (\$s)	262	113	3,045
rate chg proposed by FA	0.0%	0.0%	54.1%
average premium	262	113	4,694
0 CoC rate indication	-1.2%	9.6%	71.9%
average premium	259	124	5,234
0 CoC rate indication, CM & SP full cred 3,246	-2.2%	9.8%	71.9%
average premium	256	124	5,234

14