



Pennsylvania Compensation Rating Bureau

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May 30, 2013

VIA FEDERAL EXPRESS

The Honorable Michael F. Consedine
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Attention: Property & Casualty Bureau

RE: PCRB Filing No. 253 - Manual Revisions to Sections 1 and 2

Proposed Effective April 1, 2014

- 1) Merger of Code 602, Road Or Street Construction: Subsurface Work, into Code 609, Excavation

Dear Commissioner Consedine:

On behalf of the members of the Pennsylvania Compensation Rating Bureau (PCRB) I am filing herewith proposed revisions to Section 2 of the Manual, which are proposed to be **effective as of 12:01 a.m., April 1, 2014** with respect to new and renewal business only.

This proposed effective date is intended to make the implementation of these changes concurrent with the PCRB's normal annual loss cost filing revision, which will be filed separately at a later date. This coordination will consolidate necessary changes that our members and other constituents must make to policies, forms and systems so that they occur once annually. However, the PCRB's normal annual loss cost proposal must anticipate and reflect approved classification definitions and designations in the course of its preparation and submission.

Accordingly, if the adjudication of this filing cannot be accomplished by October 1, 2013, the PCRB may be required to withdraw or amend this filing or to present alternative schedules of proposed loss costs and related rating values consistent with the approval or disapproval of this filing in the normal annual loss cost filing.

The PCRB performed a review of Code 602, Road Or Street Construction: Subsurface Work to consider the possibility of merging Code 602 into Code 609, Excavation. Based on the study findings the PCRB recommends that, since there is no significant statistical difference between the historical experience of Code 602 and 609 and the rating values of Code 602 and 609 are almost identical, Code 602 should be merged into Code 609. This would assign all excavation operations to the same classification, thus eliminating the need for two separate excavation classifications and the potential misallocation of payroll between alternative classifications.

Staff memoranda dated May 2, 2013 and related exhibits are attached. The proposed Manual revisions are shown below.

SECTION 2 CLASSIFICATIONS

CHANGES

028 OIL OR GAS PRODUCTION, Operation of Wells – including gasoline mfg. from casing-head gas.

Applicable to the operation..... intervention to fix.

OPERATIONS NOT INCLUDED:

As provided for in this Manual..... not necessarily limited to:

1. No change
2. Assign the applicable construction classification(s) to site preparation, including but not necessarily limited to: building of the dirt or stone-covered access road (Code ~~602~~609), clearing of land (Code 609), digging water ponds (Code 609), laying or taking up of flow lines (Code 609), installing piping to brine tanks (Code 675) and installing pumping units (Code 675).
3. No change
4. No change
5. Assign Code 012 to separate staff or an independent contractor principally engaged in performing the installation of well pad containment liners and fences (barriers).
6. No change

601 ROAD or Street **CONSTRUCTION**: Paving or Repaving

Applies to the laying shall be assigned to Code 601.

[As provided for in this Manual..... and stone crushing.]

CHANGES (continued)

OPERATIONS ALSO INCLUDED:

1. Concrete drilling or sawing on highways or roads.
2. Flagmen provided by specialist contractors.
3. Painting lines on highways or roads.
4. Safety grooving of road surfaces by specialist contractor.

OPERATIONS NOT INCLUDED:

1. CLEARING OF LAND projects shall be classified as delineated in the General Auditing & Classification Information section.
2. Separately rate subsurface work which involves all work necessary to bring the road up to grade: earth or rock excavation, filling or grading to Code 609.
3. Separately rate tunneling projects to Code 615.
4. Separately rate bridge and culvert building where clearance is more than 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet to Code 654.
5. Assign the applicable quarrying classification to quarrying and stone crushing by the quarry operator.

609 EXCAVATION

Applicable to payroll developed in general excavation, grading, trench digging, filling or backfilling. Also applicable to road construction subsurface work which involves all work necessary to bring the road up to grade, including earth or rock excavation, filling or grading. Such work is performed with power shovels, trench diggers, bulldozers or graders. The business may be a specialist excavation contractor principally engaged in one or more of the listed tasks. The business may be a general contractor employing a separate staff performing one or more of the listed tasks or the business has kept separate payroll records for personnel who interchange between one or more of the tasks listed above and other construction tasks assigned to another construction classification.

OPERATIONS ALSO INCLUDED:

1. All methods of clearing or removing brush and/or tree stumps that is not incident to tree removal [except for road construction].
2. through 5. remain unchanged.

OPERATIONS NOT INCLUDED:

- [1. Assign Code 602..... filling or grading.]
- [2]1. Assign the applicable "all work to completion..... job or project.
2. Separately rate tunneling projects to Code 615.

CHANGES (continued)

3. Separately rate bridge and culvert building where clearance is more than 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet to Code 654.
4. Assign the applicable quarrying classification to quarrying and stone crushing by quarry operator.

UNDERWRITING GUIDE

Rock Excavation, Not Quarry[,Not By Road Contractor]

To 609 (from 602):

Airport Runway Or Warming Apron Construction - Sub-surface Work
Culvert Construction, Not Exceeding 10 Feet Span
Excavation - Street Or Road - Including Rock Excavation
Street Or Road Rock Excavation
Sub-Surface Work - Road Or Street Construction

DELETIONS

[602 ROAD or Street CONSTRUCTION: and stone crushing.]

UNDERWRITING GUIDE

[Rock Excavation, Not Quarry, By Road Contractor]

GENERAL AUDITING AND CLASSIFICATION INFORMATION

CHANGES

CLEARING OF LAND

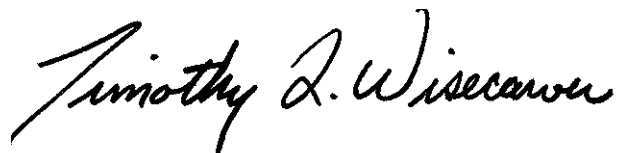
Below find the class..... in Sections 1 or 2 of this Manual.

1. and 2. remain unchanged.
3. Assign Code 609 for all methods of clearing or removing brush and/or stump removal not incident to tree removal [except for]including road construction. [Such work for a road job or project is subject to Code 602.]
4. and 5. remain unchanged.

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Particularly in light of the intended coordination of this filing with the PCRB's next normal annual loss cost filing noted at the beginning of this letter, the PCRB respectfully requests a prompt review and approval of this filing toward the objective of its implementation, as proposed, on a new and renewal basis **effective April 1, 2014**. Toward that objective, the PCRB will be pleased to answer any questions you or Insurance Department staff may have.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. Wisecarver". The signature is written in a cursive, flowing style.

Timothy L. Wisecarver
President

TLW/kg
Enclosures



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TO: Pennsylvania Classification & Rating Committee

FROM: Kenneth R. Ferry, Senior Classification Analyst
David T. Rawson, Technical Director - Classification and Field Operations

DATE: May 2, 2013

RE: **Executive Summary:** Merger of Code 602, Road Or Street Construction:
Subsurface Work, into Code 609, Excavation

The Pennsylvania Compensation Rating Bureau, Inc. (PCRB) has performed a review of Code 602, Road Or Street Construction: Subsurface Work. The objective of this review was to consider the possibility of merging Code 602 into Code 609, Excavation.

Based on the PCRB's findings, this report recommends that, since there is no significant statistical difference between the historical experience of Code 602 and Code 609 and the rating values of Code 602 and Code 609 are almost identical, Code 602 be merged into Code 609. This would assign all excavation operations to the same classification, thus eliminating the need for two separate excavation classifications and the potential misallocation of payroll between alternative classifications.

The PCRB proposes the above classification revision to become effective upon new and renewal policies having normal anniversary rating dates of April 1, 2014 or later.



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TO: Pennsylvania Classification & Rating Committee

FROM: Kenneth R. Ferry, Senior Classification Analyst
David T. Rawson, Technical Director - Classification and Field Operations

DATE: May 2, 2013

RE: Merger of Code 602, Road Or Street Construction: Subsurface Work, into Code 609, Excavation

INTRODUCTION

The Pennsylvania Compensation Rating Bureau, Inc. (PCRB) has performed a review of Code 602, Road Or Street Construction: Subsurface Work. The objective of this review was to consider the possibility of merging Code 602 into Code 609, Excavation. Code 609 contemplates all general excavation, grading, trench digging, filling and backfilling operations, except when performed in conjunction with road or street construction operations. Those operations are specifically contemplated by Code 602 and include all operations of bringing a roadbed to grade, including clearing of right-of-way, earth or rock excavation, filling and grading. As indicated in Exhibit A, the manual rates (developed by the PCRB prior to December 1, 1993) and loss costs for Code 602 have historically been lower than those for both Code 601, Road Or Street Construction: Paving Or Repaving, and Code 609. These differences may contribute to the misallocation of payroll properly assigned to Codes 601 or 609 to Code 602. Merging Code 602 into Code 609 would allow all excavation operations to be assigned to the same classification, thus eliminating the need for two separate excavation classifications and the potential misallocation of payroll between alternative classifications.

BACKGROUND

Code 601, Road Or Street Construction, has been in effect since the creation of the separate Pennsylvania uniform classification plan for new and renewal policies of December 31, 1922 and later. The class' scope has been expanded upon from time-to-time over the years. Effective for new and renewal policies of July 1, 1956 and later, Code 601 was revised to encompass the building of airport runways and warming aprons. Effective for new and renewal policies of July 1, 1992 and later, Code 601 was also revised to specifically contemplate specialist contractors providing flagging services. Snow plowing and/or removal for unrelated concerns became a specific Code 601 assignment by means of a Ruling and Interpretation entry effective for new and renewal policies of December 1, 1995 and later. However, effective for new and renewal policies of December 1, 2009 and later, "Snow Plowing And/Or Removal" was reassigned from Code 601 to each subject employer's governing classification.

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Since its creation, Code 601's scope has also been revised to make the class more focused. The principal "focusing" revisions became effective for new and renewal policies of October 1, 1985 and later. The goal of those revisions was to align the class scope more closely with that of its principal equivalent classification in effect in other states, with particular reference to states using the National Council on Compensation Insurance Inc.'s (NCCI) uniform classification plan, which utilized separate classifications for various aspects of road and street construction. This was accomplished by creating two new, separate classifications. The first new class, Code 602, was created to include all subsurface road or street work (all operations of bringing the roadbed to grade, including clearing of right-of-way, earth or rock excavation, filling and grading) that was previously assigned to Code 601. The second new class, Code 617, Gas, Steam Or Water Main Construction, separated such operations from Code 601, along with conduit construction for cable or wires. Code 601 was subsequently re-titled "Road Or Street Construction: Paving Or Repaving".

Code 609, Excavation, has also been in effect since the creation of the separate Pennsylvania uniform classification plan for new and renewal policies of December 31, 1922 and later. The class' scope has been revised from time-to-time over the years. Effective for new and renewal policies of July 1, 1956 and later, Code 608, Flat Cement Work, was reestablished to include the paving of floors, driveways, yards, sidewalks and curbs, work that was previously assigned to Code 609. Effective for new and renewal policies of October 1, 1986 and later, Code 609 was revised to encompass surface mine reclamation (grading, recontouring) by contractors. Building underpinning became a specific Code 609 assignment effective for new and renewal policies of December 1, 1996 and later due to the deletion of Code 672, Building Moving, Raising Or Underpinning.

The historical record shows that there was a classification appeal heard and decided by the PCRB Classification & Rating Committee (C&R) that touched upon the scope of both Codes 601 and 609. That appeal, made by a business whose operations involved street construction including curb construction in new housing developments, was heard on April 29, 1952. The employer sought assignment of Code 609, Excavation, which at that time was used for the construction of private roads and driveways within property lines. The employer argued that street construction in housing developments was in the nature of such "private work." The C&R's decision held that the streets in housing developments eventually become public streets, and thus the building of streets in housing developments was properly assigned to Code 601.

OTHER STATES' CLASSIFICATION PROCEDURES

The PCRB's review of the classification procedure in the states that use the NCCI's classification plan reveals that Code 5506, Street Or Road Construction: Paving Or Repaving & Drivers, is the principal classification equivalent to Pennsylvania Code 601. Code 5506 is a close match with Pennsylvania Code 601, which, as discussed above, was the intended result of the October 1, 1985 revisions to Code 601. Both classifications contemplate the paving, repaving, surfacing, resurfacing or scraping (milling) of streets or

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roads. Both classifications also contemplate the building of airport runways or warming aprons and the regravelling or oiling of dirt or gravel roads. Another operation contemplated by both classifications is the painting of lines or stripes separating traffic lanes by either the road contractor or a specialist line or stripe painting contractor. Portable or temporarily located asphalt plants are further contemplated by both classifications.

Pennsylvania and the NCCI differ with respect to the classifications each applies to specialty flagging contractors. Pennsylvania assigns businesses so engaged to Code 601, while NCCI assigns their Code 7720, Police Officers & Drivers. NCCI Code 7720 is equivalent in part to four Pennsylvania classifications: Code 985, Police Or Firefighters, Salaried; Code 954, Security Agency; Code 808, Parcel Delivery (for armored car service companies) and Code 601 (for specialty flagging contractors). The scope of NCCI Code 7720 also provides that, when employees of the construction contractor perform these flagging services, the applicable construction classification is assigned. There are at least two exceptions to the NCCI procedure for classifying specialty flagging contractors by NCCI states. Missouri will assign Code 5506, and Alaska has a state special classification, "Code 5516, Street Or Road Maintenance, Construction Or Reconstruction By Other Than State, County Or Municipality & Drivers," that contemplates the tasks assigned by NCCI Code 5506 and specialty flagging service contractors.

Code 5507, Street Or Road Construction: Subsurface Work & Drivers, and Code 5508, Street Or Road Construction: Rock Excavation & Drivers, are the two NCCI classifications which are equivalent to portions of Pennsylvania Code 602. Code 5507 contemplates the clearing of right-of-way, earth excavating, filling and grading work performed by contractors engaged in the construction of streets and roads, while Code 5508 specifically contemplates rock excavation work performed by contractors engaged in the construction of streets and streets. One exception to the NCCI procedure is Missouri, which has a single state special classification, "Code 5515, Street Or Road Construction & Drivers," that contemplates the tasks assigned to NCCI Codes 5507 and 5508. PCRB staff also reviewed the classification procedure utilized in California (an independent bureau state). The equivalent Workers' Compensation Insurance Rating Bureau of California (WCIRB) classification to Code 602 is Code 5507, Street Or Road Construction-Grading.

There are three states which utilize a single state special classification to contemplate the street and road construction tasks assigned by NCCI to Codes 5506, 5507 and 5508. Alaska and Utah assign street and road construction or reconstruction including subsurface work to Code 5516. However, in Utah the title of Code 5516 is "Street Or Road Construction Or Reconstruction By Other Than State, County Or Municipality & Drivers." New Jersey assigns these operations to Code 6042, Street Or Road Construction & Drivers, for jobs which involve both the preparation of the right-of-way (clearing, earth moving, placing of overload or grading) and the construction of the actual road.

EXHIBITS

This report will reference several historical experience and statistical exhibits whose results pertain to the PCRB's recommendation to the Committee. The historical experience exhibits are based on the PCRB's April 1, 2013 loss costs, as filed with and approved by the Pennsylvania Insurance Commissioner. The indicated loss cost values found at the bottom

of any of the historical experience exhibits have not been adjusted for the Small Business Advocate assessment, the off-balance factors related to the revenue-neutral plans (e.g., the Merit Rating Plan and the Certified Safety Committee Credit Program), or the Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) that are part of the PCR B’s April 1, 2013 loss cost values. The PCR B loss cost value may be calculated by first multiplying the indicated loss cost by a factor of 1.015, which adjusts for the Small Business Advocate assessment, Merit Rating Plan and Certified Safety Committee Credit Program, and then multiplying that product by the PCCPAP surcharge for each classification. As indicated in Exhibit 4, the April 1, 2013 PCCPAP surcharges are 1.0341 for Code 602 and 1.0118 for Code 609.

The report will comment below upon the following historical experience exhibits:

Exhibit No.	Exhibit Title
1	Code 602 April 1, 2013 Class Book Page
2	Code 609 April 1, 2013 Class Book Page
3	Combined Code 602 and Code 609 April 1, 2013 Class Book Page
4	Code 602 and Code 609 April 1, 2013 PCCPAP Surcharges
5	Combined Code 602 and Code 609 April 1, 2013 PCCPAP Surcharge

The PCR B compared the historical experience of Code 602 (Exhibit 1) to the experience of Code 609 (Exhibit 2). This comparison shows nominally lower (more favorable) values for Exhibit 2 than for Exhibit 1. The differences between the two exhibits are \$0.220 (\$4.534-\$4.314) for the indicated (pre-test) loss cost and \$0.208 (\$4.267-\$4.059) for the indicated (post-test) loss cost, respectively.

The experience results are summarized below:

Exhibit No.	Reported Pure Premium	Indicated (Pre-Test)	Indicated (Post-Test)
1	\$3.788	\$4.534	\$4.267
2	\$3.394	\$4.314	\$4.059

In addition to the review of historical experience exhibits, the PCR B’s classification plan analysis includes the application of paired t-test analyses to determine when there is a natural correspondence or “pairing” of specific observations between study groups. The t-test reduces the two samples to one by examining the differences between the observations in the two groups. The advantage to this approach is that the variation within the groups does not mask

the difference between their means as much as if the two groups were not paired. For this study, t-tests were run for reported pure premium, claim frequency (per million dollars of payroll), and claim severity (excluding medical only). For these tests, values of 0.1000 or less are considered as indicating significant statistical differences.

The t-test results referenced in this portion of the report are presented in Exhibit B as described and then shown below:

Exhibit No.	Exhibit Title
B	T-Test #1 Comparing Code 602 to Code 609 (Exhibits 1 and 2)

The results of Exhibit B are summarized below:

Exhibit	T-Test Value Reported Pure Premium	T-Test Value Claim Frequency (per million)	T-Test Value Claim Severity Excl. Med. Only
B	0.5068	0.1780	0.9086

Exhibit B shows that there are no significant statistical differences between Exhibit 1 and Exhibit 2 for reported pure premium, claim frequency, or claim severity. Based on these results, the PCRB does not consider the historical experience between the two groups to be significantly statistically different.

As a result, the PCRB proposes that Code 602 be merged into Code 609, Excavation, effective upon new and renewal policies on or after April 1, 2014. Based on the April 1, 2013 rate filing, the merger of Code 602 into Code 609 would revise the loss cost for employers subject to Code 609 from \$4.57 (Exhibit 2) to \$4.54 (Exhibit 3). As indicated in Exhibit 5, the PCCPAP surcharge utilized in the calculation of the new loss cost for Code 609 is 1.0158. The revised loss cost for Code 609 is also lower than the April 1, 2013 loss cost of \$4.58 for Code 602 (Exhibit 1). Please note that the actual April 1, 2014 loss cost for Code 609 will be calculated concurrent with the PCRB's April 1, 2014 comprehensive loss cost filing.

CONCLUSIONS AND RECOMMENDATIONS

The PCRB proposes that, since there is no significant statistical difference between the historical experience of Codes 602 and 609 and the rating values of Codes 602 and 609 are almost identical, Code 602 be merged into Code 609. This proposal would assign all excavation operations to the same classification, thus eliminating the need for two separate excavation classifications and the potential misallocation of payroll between alternative classifications. This classification revision is proposed to become effective with new and renewal policies of April 1, 2014 and later.

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The proposed enabling Section 2 Manual language amendments for the classification proposals are attached for the Committee's review. As is customary, the PCRB would notify all employers currently assigned to Code 602 of the classification filing contemporaneously with the submission of that filing. Assuming the Insurance Commissioner's subsequent approval of the classification filing, the carrier-of-record for each employer would then be notified of their policyholder's classification reassignment with a copy of such notice being provided to every employer.

c: Timothy Wisecarver
Bruce Decker
Vincent Dean
Joseph Lombo
Christina Yost

I:/DOC/Committee_2013/Ferry_PA_602&609_report_5213.doc

Exhibit A

Source: Carrier_Rate_Maint_PA_4-1-2013_Live.xls
 Class Codes 601, 602, 609

State	Class	Eff Date	Loss Cost or Rate	Minimum Premium	Table A									
3	70000	06010	20130401	630 0	0	335	425	469	1	N	0	2	14	7
3	70000	06010	20120401	663 0	0	356	452	500	1	N	0	2	14	7
3	70000	06010	20110401	723 0	0	370	465	513	1	N	0	2	14	7
3	70000	06010	20100401	720 0	0	357	452	513	1	N	0	2	14	7
3	70000	06010	20090401	718 0	0	349	446	505	1	N	0	2	14	7
3	70000	06010	20080401	745 0	0	334	428	490	1	N	0	2	14	3
3	70000	06010	20070401	829 0	0	360	479	530	1	N	0	2	14	3
3	70000	06010	20060401	794 0	0	345	431	473	1	N	0	2	14	3
3	70000	06010	20050401	869 0	0	366	457	486	1	N	0	2	14	3
3	70000	06010	20040401	892 0	0	407	477	499	1	N	0	2	14	3
3	70000	06010	20030401	854 0	0	411	493	534	1	N	0	2	14	3
3	70000	06010	20020401	923 0	0	434	526	580	1	N	0	2	14	3
3	70000	06010	20010401	960 0	0	451	556	625	1	N	0	2	14	3
3	70000	06010	20000401	956 0	0	481	591	681	1	N	0	2	14	3
3	70000	06010	19991001	974 0	0	488	619	689	1	N	0	2	14	3
3	70000	06010	19990401	1012 0	0	488	619	689	1	N	0	2	14	3
3	70000	06010	19980401	1112 0	0	530	678	795	1	N	0	2	14	3
3	70000	06010	19970201	1223 0	0	615	793	917	1	N	0	2	14	3
3	70000	06010	19951201	1928 0	0	902	1097	1232	1	N	0	2	14	3
3	70000	06010	19931201	2129 0	0	1053	1253	1378	1	N	0	2	14	3
3	70000	06010	19921201	2751 0	1850	908	1042	1112	1	N	0	2	14	3
3	70000	06010	19910101	2007 0	1750	802	907	978	1	N	0	2	14	3
3	70000	06010	19900801	1697 0	1560	703	815	861	1	N	0	2	14	3
3	70000	06010	19900101	1574 0	1460	677	784	828	1	N	0	2	14	3
3	70000	06010	19881001	1637 0	1510	715	835	911	1	N	0	2	14	3
3	70000	06010	19871001	1438 0	1200	633	728	786	1	N	0	2	14	3
3	70000	06010	19861001	1297 0	930	579	645	687	1	N	0	2	14	3
3	70000	06010	19851001	1262 0	905	588	644	701	1	N	0	2	14	3
3	70000	06010	19841001	974 0	620	407	455	486	1	N	0	2	14	3
3	70000	06010	19831001	1084 0	670	526	526	526	1	N	0	2	14	3
3	70000	06010	19821001	1124 0	680	518	518	518	1	N	0	2	14	3
3	70000	06010	19811001	1224 0	735	556	556	556	1	N	0	2	14	3
3	70000	06010	19810101	1043 0	635	377	377	377	1	N	0	2	14	3
3	70000	06010	19791001	1188 0	690	384	384	384	1	N	0	2	14	3
3	70000	06020	20130401	458 0	0	240	304	336	1	N	0	2	14	6
3	70000	06020	20120401	451 0	0	242	307	339	1	N	0	2	14	6
3	70000	06020	20110401	487 0	0	248	311	344	1	N	0	2	14	6
3	70000	06020	20100401	479 0	0	235	297	338	1	N	0	2	14	6
3	70000	06020	20090401	469 0	0	226	289	327	1	N	0	2	14	6
3	70000	06020	20080401	499 0	0	222	284	326	1	N	0	2	14	4
3	70000	06020	20070401	558 0	0	242	321	356	1	N	0	2	14	4
3	70000	06020	20060401	536 0	0	233	291	319	1	N	0	2	14	4
3	70000	06020	20050401	568 0	0	239	299	318	1	N	0	2	14	3

3	70000	06020	20040401	543	0	0	247	290	303	1	N	0	2	14	3
3	70000	06020	20030401	470	0	0	224	269	292	1	N	0	2	14	3
3	70000	06020	20020401	472	0	0	221	268	295	1	N	0	2	14	3
3	70000	06020	20010401	420	0	0	197	243	273	1	N	0	2	14	3
3	70000	06020	20000401	415	0	0	208	255	294	1	N	0	2	14	3
3	70000	06020	19991001	362	0	0	180	229	255	1	N	0	2	14	3
3	70000	06020	19990401	376	0	0	180	229	255	1	N	0	2	14	3
3	70000	06020	19980401	375	0	0	175	224	263	1	N	0	2	14	3
3	70000	06020	19970201	426	0	0	210	271	313	1	N	0	2	14	3
3	70000	06020	19951201	667	0	0	305	371	417	1	N	0	2	14	3
3	70000	06020	19931201	721	0	0	357	425	467	1	N	0	2	14	3
3	70000	06020	19921201	932	0	1065	308	353	377	1	N	0	2	14	3
3	70000	06020	19910101	951	0	1035	380	430	463	1	N	0	2	14	3
3	70000	06020	19900801	929	0	910	385	446	471	1	N	0	2	14	3
3	70000	06020	19900101	975	0	950	419	486	513	1	N	0	2	14	3
3	70000	06020	19881001	1161	0	1105	507	592	646	1	N	0	2	14	3
3	70000	06020	19871001	1223	0	1035	538	619	668	1	N	0	2	14	3
3	70000	06020	19861001	1327	0	950	592	660	703	1	N	0	2	14	3
3	70000	06020	19851001	1304	0	935	608	666	724	1	N	0	2	14	3
3	70000	06020	19841001	974	0	620	407	455	486	1	N	0	2	14	3
3	70000	06020	19831001	1084	0	670	526	526	526	1	N	0	2	14	3
3	70000	06020	19821001	1124	0	680	518	518	518	1	N	0	2	14	3
3	70000	06020	19811001	1224	0	735	556	556	556	1	N	0	2	14	3
3	70000	06020	19810101	1043	0	635	377	377	377	1	N	0	2	14	3
3	70000	06020	19791001	1188	0	690	384	384	384	1	N	0	2	14	3
3	70000	06090	20130401	457	0	0	245	310	342	1	N	0	2	14	6
3	70000	06090	20120401	479	0	0	258	328	362	1	N	0	2	14	6
3	70000	06090	20110401	502	0	0	258	324	358	1	N	0	2	14	6
3	70000	06090	20100401	510	0	0	254	321	364	1	N	0	2	14	6
3	70000	06090	20090401	510	0	0	248	317	358	1	N	0	2	14	6
3	70000	06090	20080401	517	0	0	232	297	340	1	N	0	2	14	4
3	70000	06090	20070401	573	0	0	248	330	365	1	N	0	2	14	4
3	70000	06090	20060401	551	0	0	240	299	328	1	N	0	2	14	4
3	70000	06090	20050401	583	0	0	247	308	328	1	N	0	2	14	3
3	70000	06090	20040401	590	0	0	269	316	330	1	N	0	2	14	3
3	70000	06090	20030401	553	0	0	267	320	347	1	N	0	2	14	3
3	70000	06090	20020401	570	0	0	270	327	361	1	N	0	2	14	3
3	70000	06090	20010401	546	0	0	257	317	356	1	N	0	2	14	3
3	70000	06090	20000401	566	0	0	286	351	404	1	N	0	2	14	3
3	70000	06090	19991001	508	0	0	255	324	361	1	N	0	2	14	3
3	70000	06090	19990401	529	0	0	255	324	361	1	N	0	2	14	3
3	70000	06090	19980401	551	0	0	264	337	395	1	N	0	2	14	3
3	70000	06090	19970201	597	0	0	300	387	448	1	N	0	2	14	3
3	70000	06090	19951201	864	0	0	408	496	557	1	N	0	2	14	3
3	70000	06090	19931201	986	0	0	488	581	638	1	N	0	2	14	3
3	70000	06090	19921201	1274	0	1400	421	483	515	1	N	0	2	14	3
3	70000	06090	19910101	1142	0	1215	456	516	556	1	N	0	2	14	3
3	70000	06090	19900801	1037	0	1000	430	498	526	1	N	0	2	14	3
3	70000	06090	19900101	957	0	935	411	477	503	1	N	0	2	14	3

3	70000	06090	19881001	956	0	935	417	488	532	1	N	0	2	14	3
3	70000	06090	19871001	993	0	865	437	503	543	1	N	0	2	14	3
3	70000	06090	19861001	1041	0	760	464	518	552	1	N	0	2	14	3
3	70000	06090	19851001	1030	0	755	480	526	572	1	N	0	2	14	3
3	70000	06090	19841001	795	0	530	332	371	397	1	N	0	2	14	3
3	70000	06090	19831001	921	0	580	447	447	447	1	N	0	2	14	3
3	70000	06090	19821001	824	0	525	380	380	380	1	N	0	2	14	3
3	70000	06090	19811001	887	0	560	403	403	403	1	N	0	2	14	3
3	70000	06090	19810101	875	0	550	316	316	316	1	N	0	2	14	3
3	70000	06090	19791001	1058	0	615	342	342	342	1	N	0	2	14	3

Exhibit B

STATISTICAL STUDY

609:EXCAVATION

602:ROAD CONSTRUCTION SUBSURFACE WORK

Manual Year	Pure Premium Reported	T - test values	
2005	3.764	5.520	
2006	3.780	5.740	
2007	3.739	3.251	2005 - 2009 0.5068
2008	3.032	2.553	
2009	2.606	1.990	

Manual Year	Claim Frequency per million	T - test values	
2005	0.655	0.710	
2006	0.598	0.575	
2007	0.549	0.580	2005 - 2009 0.1780
2008	0.490	0.505	
2009	0.434	0.565	

Manual Year	Claim Severity Excl Med Only	T - test values	
2005	54,809	74,227	
2006	60,776	95,704	
2007	63,635	52,636	2005 - 2009 0.9086
2008	57,860	46,160	
2009	55,095	30,232	

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES					
				DEATH	P. T.	MAJOR	MINOR	TEMP	ALL
2005	129,622	7,154,729	5,519	2	16	8	66	92	
2006	151,292	8,684,429	5,740	1	9	17	60	87	
2007	151,620	4,929,837	3,251		7	7	74	88	
2008	148,505	3,791,708	2,553		4	5	66	75	
2009	141,728	2,819,827	1,989		1	1	78	80	
TOTAL	722,767	27,380,530	3,788	3	37	38	344	422	
O.D.		54,153	.007				3	3	

REPORTED LOSSES

MANUAL YEAR	DEATH	P. T.	INDEMNITY			DEATH	P. T.	MEDICAL			
			MAJOR	MINOR	TEMP			MAJOR	MINOR	TEMP	
2005	748,766		3,252,567	227,404	471,350	66,488		1,439,362	145,506	477,402	325,884
2006	786,124		2,428,619	809,106	453,685			2,564,086	849,556	435,080	358,173
2007			1,788,490	368,053	595,023			563,118	99,349	1,217,932	297,872
2008			701,833	133,445	642,742			135,162	1,044,684	804,159	329,683
2009			210,844	20,900	755,262			22,809	7,693	1,401,085	401,234
TOTAL	1,534,890		8,382,353	1,558,908	2,918,062	66,488		4,724,537	2,146,788	4,335,658	1,712,846
O.D.					9,574					21,212	23,367

TRANSLATED LOSSES

MANUAL YEAR	DEATH	P. T.	INDEMNITY			DEATH	P. T.	MEDICAL			
			MAJOR	MINOR	TEMP			MAJOR	MINOR	TEMP	
2005	1,078,972		4,495,667	315,636	729,654	108,442		2,881,056	215,349	774,822	359,776
2006	992,014		2,840,955	1,106,683	679,452	707		2,487,861	1,252,436	658,132	390,409
2007	500		2,562,766	521,950	798,639	91		1,213,609	252,856	1,644,176	310,383
2008	235		1,267,386	252,991	711,441	2,444		897,421	670,739	935,292	344,348
2009	636		1,169,502	366,386	664,857	1,125		850,664	400,731	1,127,525	424,104
TOTAL	2,072,357		12,336,176	2,563,646	3,584,043	112,809		8,430,611	2,792,111	5,139,947	1,829,520
O.D.					14,820					34,427	25,146

TOTAL TRANS. LOSSES PG B		SERIOUS		NON-SERIOUS		MED. ONLY		TOTAL	
INDICATED (PRE-TEST)	1,078,972	2,539	1,737	23,181,950	14,128,994	1,854,666			
INDICATED (POST-TEST)	992,014	2,389	2,43						
PRES. ON RATE LEVEL	500	2,600	1,110	-4,830,106	-1,572,636	8,422			
DERIVED BY FORMULA	235	2,564	1,294	18,351,844	12,556,358	1,863,088			
UNDERLYING PRES. RATE	636	2,697	1,152	19,493,025	8,326,276	1,387,713			
PROPOSED		2,564	1,294	.17	.35	.56			
INDICATED (PRE-TEST)		2,539	1,737						4,534
INDICATED (POST-TEST)		2,389	2,43						4,267
PRES. ON RATE LEVEL		2,600	1,110						3,895
DERIVED BY FORMULA		2,564	1,294						4,075
UNDERLYING PRES. RATE		2,697	1,152						4,041
PROPOSED		2,564	1,294						4,075
YEAR	4-1-10	4-1-11	4-1-12	4-1-13	IND. RATE				4.367
IND. RATES				4.37	MINIMUM PREMIUM				
MAN. RATES	4.59	4.70	4.38	+ 4.37	PRESENT				

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES					
				DEATH	P. T.	MAJOR	MINOR	TEMP	ALL
2005	621,094	23,375,728	3,763	1	1	46	49	310	407
2006	643,981	24,343,933	3,780	3	1	49	39	293	385
2007	662,590	24,772,078	3,738	1	1	53	37	272	364
2008	636,673	19,306,562	3,032	3	3	35	39	238	312
2009	603,071	15,718,538	2,606	2	1	11	33	215	262
TOTAL	3,167,409	107,516,839	3,394	7	4	194	197	1328	1730
O.D.	181,352		.005	1	1	1	1	2	4

REPORTED LOSSES

MANUAL YEAR	DEATH	P. T.	INDEMNITY			DEATH	P. T.	MEDICAL			MED. ONLY
			MAJOR	MINOR	TEMP			MAJOR	MINOR	TEMP	
2005	233,585	497,709	8,101,434	1,778,388	1,676,252	8,397	744,464	3,362,465	3,400,869	2,503,520	1,068,645
2006	1,394,398	817,108	8,983,932	1,025,954	2,066,243	364,915	90,500	5,241,772	933,556	2,480,521	945,034
2007	3,000	386,332	9,988,189	1,501,198	1,995,159		325,000	5,569,017	916,190	2,478,938	1,609,055
2008			6,989,492	1,335,053	1,970,893			4,375,421	1,130,600	2,250,808	1,254,295
2009	429,239	336,715	2,016,933	1,653,405	3,192,719	3,500	280,000	1,535,946	993,378	3,993,055	1,283,648
TOTAL	2,060,222	2,037,864	36,079,980	7,293,998	10,901,266	376,812	1,439,964	20,084,621	7,374,593	13,706,842	6,160,677
O.D.	3,000			87,049	11,488				27,810	34,929	17,076

TRANSLATED LOSSES

MANUAL YEAR	DEATH	P. T.	INDEMNITY			DEATH	P. T.	MEDICAL			MED. ONLY
			MAJOR	MINOR	TEMP			MAJOR	MINOR	TEMP	
2005	336,596	395,011	11,481,079	2,430,241	2,594,840	13,696	608,002	7,281,612	4,038,390	4,063,213	1,179,784
2006	1,725,467	910,050	12,303,781	1,499,886	3,061,789	685,005	198,943	10,128,809	1,520,282	3,669,683	1,030,087
2007	5,877	777,570	13,815,079	2,165,664	2,725,955	710	483,410	10,242,814	1,653,494	3,424,831	1,676,635
2008	2,033	278,697	10,678,716	1,959,207	2,314,931	5,298	302,888	8,860,510	1,883,734	2,656,302	1,311,993
2009	617,548	656,015	8,785,697	2,779,664	2,963,617	13,575	685,748	5,297,786	1,929,763	3,344,861	1,356,816
TOTAL	2,687,521	3,017,343	57,064,352	10,834,662	13,661,132	718,284	2,278,991	41,811,531	11,025,663	17,158,890	6,555,315
O.D.	4,403	111	10,313	115,911	18,812	23	33	3,723	39,696	57,225	18,031

TOTAL TRANS. LOSSES PG B	SERIOUS	NON-SERIOUS	MED ONLY	TOTAL
107,596,628	107,596,628	52,911,991	6,573,346	
IBNR + FREQUENCY ADJUST.	-23,507,444	-6,996,819	33,323	
TOTAL LOSSES	84,089,184	45,915,172	6,606,669	
EXPECTED LOSSES	94,135,396	36,773,618	5,574,639	
CREDIBILITY	.46	.93	1.00	
PURE PREMIUMS				
INDICATED (PRE-TEST)	2,655	1,450	.209	4,314
INDICATED (POST-TEST)	2,498	1,364	.197	4,059
PRES. ON RATE LEVEL	2,865	1,119	.169	4,153
DERIVED BY FORMULA	2,696	1,347	.197	4,240
UNDERLYING PRES. RATE	2,972	1,161	.176	4,309
PROPOSED	2,641	1,319	.193	4,153
IND. RATES	4-1-10	4-1-11	4-1-12	4-1-13
IND. RATES	4.95	4.89	4.67	4.45
MAN. RATES				PRESENT

+PROPOSED

Exhibit 3

Exhibit 3=602+609

CLASSIFICATION STUDY - PENNSYLVANIA
INDUSTRY GROUP:

2

CLASS:

Manual Year	Payroll in Thous.	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Death	Number of Cases			All	
								P.T.	Major	Minor		Temp
2005	750,716	30,530,457	4,067	45,481,738	58,389	0.6647	3	1	62	57	376	499
2006	795,273	33,028,382	4,153	47,183,630	67,214	0.5935	4	1	58	56	353	472
2007	814,210	29,701,915	3,648	44,337,468	61,493	0.5551	1	1	60	44	346	452
2008	785,178	23,098,270	2,942	35,400,266	55,592	0.4929	0	0	39	44	304	387
2009	744,799	18,538,365	2,489	33,501,799	49,279	0.4592	2	1	12	34	293	342
TOTAL	3,890,176	134,897,369	3,468	205,904,901	59,026	0.5532	10	4	231	235	1672	2152
O.D.		235,505	0.006				1	0	0	1	5	7

REPORTED LOSSES

Manual Year	Indemnity				Medical			
	Death	P.T.	Minor	Temp	Death	P.T.	Minor	Temp
2005	982,351	497,709	2,005,792	2,147,602	74,885	744,464	3,546,375	2,980,922
2006	2,180,522	817,108	1,835,060	2,519,928	364,915	90,500	1,783,112	2,915,601
2007	3,000	386,332	1,869,251	2,590,182	0	325,000	1,015,539	3,696,870
2008	0	0	1,468,498	2,613,635	0	0	2,175,284	3,054,967
2009	428,239	336,715	1,674,305	3,947,981	3,500	280,000	1,001,071	5,394,140
TOTAL	3,595,112	2,037,864	8,852,906	13,819,328	443,300	1,439,964	9,521,381	18,042,500
O.D.	3,000	0	87,049	21,062	0	0	27,810	56,141

TRANSLATED LOSSES

Manual Year	Indemnity				Medical			
	Death	P.T.	Minor	Temp	Death	P.T.	Minor	Temp
2005	1,415,568	395,011	2,745,877	3,324,494	122,138	608,002	4,253,739	4,838,035
2006	2,717,481	931,681	2,606,569	3,741,241	685,712	218,511	2,772,718	4,327,815
2007	6,377	821,002	2,687,614	3,524,594	801	500,437	1,906,350	5,069,007
2008	2,268	312,504	2,212,198	3,026,372	7,742	332,241	2,554,473	3,591,594
2009	618,184	690,560	3,146,050	3,628,474	14,700	716,382	2,330,494	4,472,386
TOTAL	4,759,878	3,150,758	13,398,308	17,245,175	831,093	2,375,573	13,817,774	22,298,837
O.D.	4,403	111	115,911	33,632	23	33	39,696	91,652

SERIOUS NON-SER MED ONLY TOTAL

TOTAL TRANSLATED LOSSES	130,778,578	67,040,985	8,428,012	4,354
IBNR + FREQ. ADJUSTMENT	(28,339,393)	(8,566,956)	41,702	4,097
TOTAL LOSSES	102,439,185	58,474,029	8,469,714	4,106
EXPECTED LOSSES	113,632,041	45,087,140	6,963,415	4,259
CREDIBILITY	0.52	1.00	1.00	4.259
PURE PREMIUMS				4.106
INDICATED (PRE-TEST)	2.633	1.503	0.218	4.106
PRES. ON LOSS COST LEVEL	2.478	1.414	0.205	4.259
DERIVED BY FORMULA	2.816	1.117	0.173	4.259
UNDERLYING PRES. LOSS COST	2.640	1.414	0.205	4.259
PROPOSED	2.921	1.159	0.179	4.106
	2.545	1.363	0.198	4.106
YEAR	4-1-12	4-1-13	IND. LOSS COST =	4.400
IND. LOSS COST	4.40	4.40		4.40
MAN. LOSS COST	4.44	4.40	ADJ. LOSS CO	4.40

Exhibit 4

260 Policies / 260 # of Policies / 260

100% Credibility = Partial Credibility =

PCCPAP Surcharges For Policy Effective Dates 01/01/10 Through 12/31/10

Class	# of Policies (Total) (2)	# of Policies (PCCPAP) (3)	Payroll (Total) (4)	Payroll (PCCPAP) (5)	Pre-PCCPAP Premium (6)	Post-PCCPAP Premium (7)	Pre-PCCPAP Premium (8)	Post-PCCPAP Premium (9)	Indicated Surcharge (10)	Average PCCPAP Credit (11)	Class "Z" (12)	Formula Surcharge (13)	TCF (14)	Final Surcharge (15)
601	384	71	233,067,879	46,502,675	2,836,941	2,582,673	10,734,683	10,734,683	1.0191	0.0896	1.00	1.0191	0.9988	1.0179
602	209	44	163,093,112	34,326,275	1,558,973	1,313,220	5,179,321	5,179,321	1.0379	0.1576	0.80	1.0353	0.9988	1.0341
603	298	69	96,833,093	40,185,695	1,868,361	1,634,539	2,422,131	2,422,131	1.0576	0.1251	1.00	1.0576	0.9988	1.0563
605	49	0	19,177,857	0	0	0	1,230,277	1,230,277	1.0000	0.0000	0.19	1.0203	0.9988	1.0191
606	48	1	212,128,920	259,268	23,464	19,944	19,293,806	19,293,806	1.0002	0.1500	0.18	1.0205	0.9988	1.0193
607	478	14	490,819,308	10,176,942	634,324	556,674	32,394,169	32,394,169	1.0024	0.1224	1.00	1.0024	0.9988	1.0012
608	2,616	330	376,438,211	4,917,977	4,298,373	4,298,373	15,660,325	15,660,325	1.0310	0.1260	1.00	1.0310	0.9988	1.0298
609	2,699	220	763,433,640	87,241,901	4,160,059	3,721,597	30,074,907	30,074,907	1.0130	0.1054	1.00	1.0130	0.9988	1.0118
611	25	10	3,494,407	1,409,981	104,887	86,944	151,566	151,566	1.0752	0.1711	0.10	1.0300	0.9988	1.0288
615	6	0	1,505,000	0	0	0	141,847	141,847	1.0000	0.0000	0.02	1.0245	0.9988	1.0233
617	337	65	243,908,002	49,056,273	2,202,127	1,985,366	7,870,538	7,870,538	1.0220	0.0984	1.00	1.0220	0.9988	1.0208
645	766	149	168,722,110	54,964,421	2,818,365	2,488,177	6,183,382	6,183,382	1.0381	0.1172	1.00	1.0381	0.9988	1.0369
646	420	35	76,042,419	15,233,232	670,066	544,804	3,035,795	3,035,795	1.0350	0.1869	1.00	1.0350	0.9988	1.0338
647	239	8	47,074,285	1,271,645	75,547	70,519	2,832,049	2,832,049	1.0017	0.0666	0.92	1.0036	0.9988	1.0024
648	1,194	72	96,499,940	19,630,910	998,829	834,478	4,165,712	4,165,712	1.0329	0.1645	1.00	1.0329	0.9988	1.0317
649	261	87	72,084,347	35,907,428	856,533	752,290	898,252	898,252	1.0632	0.1217	1.00	1.0632	0.9988	1.0619
651	2,505	346	486,940,698	121,541,276	6,880,571	6,029,813	21,004,034	21,004,034	1.0315	0.1256	1.00	1.0315	0.9988	1.0303
652	6,786	58	414,311,832	10,502,401	775,943	687,225	31,402,606	31,402,606	1.0028	0.1143	1.00	1.0028	0.9988	1.0016
653	1,992	206	252,366,731	65,143,868	4,104,089	3,592,387	11,940,447	11,940,447	1.0329	0.1247	1.00	1.0329	0.9988	1.0317
654	629	156	200,835,650	52,513,157	3,433,307	3,433,307	10,124,689	10,124,689	1.0383	0.1313	1.00	1.0383	0.9988	1.0371
655	339	89	78,322,611	16,730,564	1,829,372	1,564,477	6,700,257	6,700,257	1.0321	0.1448	1.00	1.0321	0.9988	1.0309
656	119	10	104,476,754	4,459,774	250,763	194,383	5,506,774	5,506,774	1.0099	0.2248	0.46	1.0181	0.9988	1.0169
657	57	1	7,571,976	6,855	586	568	549,228	549,228	1.0000	0.0307	0.22	1.0195	0.9988	1.0183
658	503	76	61,617,095	14,085,089	1,011,367	837,775	3,579,928	3,579,928	1.0393	0.1716	1.00	1.0393	0.9988	1.0381
659	886	73	118,055,804	17,182,656	2,546,645	2,251,104	14,066,689	14,066,689	1.0181	0.1161	1.00	1.0181	0.9988	1.0169
660	1,035	131	297,165,530	51,337,955	1,105,403	912,327	5,146,018	5,146,018	1.0319	0.1747	1.00	1.0319	0.9988	1.0307
661	3,025	426	843,174,649	330,160,364	9,630,272	7,976,591	15,242,641	15,242,641	1.0712	0.1717	1.00	1.0712	0.9988	1.0699
662	290	3	54,987,773	231,953	9,418	7,442	2,418,650	2,418,650	1.0008	0.2098	1.00	1.0008	0.9988	1.0000
663	3,550	376	808,555,423	190,024,673	6,886,301	5,824,595	23,425,943	23,425,943	1.0363	0.1542	1.00	1.0363	0.9988	1.0351
664	2,415	286	678,433,997	212,555,135	7,539,610	6,410,302	17,552,398	17,552,398	1.0471	0.1498	1.00	1.0471	0.9988	1.0458
665	1,512	86	136,282,940	23,192,375	1,382,248	1,189,400	7,365,719	7,365,719	1.0225	0.1395	1.00	1.0225	0.9988	1.0213
666	306	63	47,836,437	15,755,534	872,948	759,945	1,729,951	1,729,951	1.0454	0.1294	1.00	1.0454	0.9988	1.0441
667	230	26	18,498,017	4,623,329	85,969	74,747	243,921	243,921	1.0352	0.1305	0.88	1.0340	0.9988	1.0328
668	480	52	47,936,794	10,358,501	475,765	404,335	1,707,871	1,707,871	1.0338	0.1501	1.00	1.0338	0.9988	1.0326
669	156	23	9,443,719	2,291,051	137,750	119,378	424,104	424,104	1.0338	0.1334	0.60	1.0303	0.9988	1.0291
670	630	46	44,200,535	11,446,824	440,384	347,642	1,450,510	1,450,510	1.0516	0.2106	1.00	1.0516	0.9988	1.0503
673	213	6	33,556,938	1,979,207	110,975	102,080	1,518,420	1,518,420	1.0055	0.0802	0.82	1.0090	0.9988	1.0078
674	222	3	19,261,005	1,244,309	46,983	41,976	747,393	747,393	1.0063	0.1066	0.85	1.0091	0.9988	1.0079
675	1,568	103	726,822,948	58,715,782	2,213,339	1,898,013	25,007,015	25,007,015	1.0117	0.1117	1.00	1.0117	0.9988	1.0105
676	342	37	49,263,237	10,792,994	408,446	349,856	1,554,368	1,554,368	1.0308	0.1434	1.00	1.0308	0.9988	1.0296
677	76	15	85,758,359	10,841,537	353,561	288,740	2,346,578	2,346,578	1.0246	0.1833	0.29	1.0249	0.9988	1.0237
679	33	1	8,875,700	371,344	22,536	17,353	679,051	679,051	1.0074	0.2300	0.13	1.0227	0.9988	1.0215
681	82	0	6,102,981	0	0	0	286,683	286,683	1.0000	0.0000	0.32	1.0170	0.9988	1.0158
681	23	0	13,059,003	0	0	0	670,749	670,749	1.0000	0.0000	0.09	1.0216	0.9988	1.0208
693	31	0	636,785	0	0	0	59,377	59,377	1.0000	0.0000	0.12	1.0220	0.9988	1.0208
695	55	0	7,482,356	0	0	0	328,662	328,662	1.0000	0.0000	0.21	1.0198	0.9988	1.0186
Total	40,119	3,873	8,726,157,807	1,725,464,874	76,800,055	66,205,359	357,049,434	357,049,434	1.0250	0.1380		1.0262	0.9988	1.0250

Note:
 For each Class:
 Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)
 Basis of Credibility = 1 / ((# PCCPAP Policies) / (# Total Policies)) * 25 = 260 Policies for Full Credibility
 Formula Surcharge = (Indicated Surcharge) * (Credibility for that Class) + (1 - Credibility) * (Average Indicated Surcharge)
 Test Correction Factor = (Total Indicated Surcharge) / ((Total Weighted Formula Surcharge) / (Total Premium Post-PCCPAP))

Exhibit 5

FILE: P13D11.xls
 PCCPAP Surcharges
 For Policy Effective Dates 01/01/10 Through 12/31/10

Class (1)	# of Policies (Total) (2)	# of Policies (PCCPAP) (3)	Payroll (Total) (4)	Payroll (PCCPAP) (5)	***PCCPAP Policies*** Premium Pre-PCCPAP (6)	***PCCPAP Policies*** Premium Post-PCCPAP (7)	**Non-PCCPAP Policies** Premium Pre-PCCPAP (8)	**Non-PCCPAP Policies** Premium Post-PCCPAP (9)	Indicated Surcharge (10)	Average PCCPAP Credit (11)	Class "Z" (12)	Formula Surcharge (13)	TCF (14)	Final Surcharge (15)
602 + 609	2908	264	926526752	125568176	5719032	5034817	35254228	35254228	1.0170	0.1196	1.00	1.0170	0.9988	1.0158

100% Credibility =
 Partial Credibility =

260 Policies
 # of Policies / 260