

PENNSYLVANIA COMPENSATION RATING BUREAU

Merit Rating Plan Off-Balance Indications

This exhibit shows data relevant to the calculation of the Merit Rating Plan Off-Balance Factor applicable to Manual Premium. The factor, as a ratio to standard premium, is 0.0036, representing a slight increase compared to the 0.0035 factor included in current loss costs.

Pennsylvania Compensation Rating Bureau

Analysis of Merit Rating Plan Off-Balance Indications

Risk Type	# of Risks	Manual Premium Before MRP	MRP Adjustment	Standard Premium Before Adjustment	Average Debit / Credit
1. Not Qualified for MRP	48,101	31,450,692	0	33,739,121	0.00%
2. Qualified for MRP Discount	137,118	168,930,972	-8,450,198	172,841,289	-5.00%
3. Qualified for MRP No Adjustment	5,853	19,166,034	0	19,261,541	0.00%
4. Qualified for MRP Surcharge	876	5,514,868	275,758	5,526,322	5.00%
5. Experience Rated Risks	49,156	2,303,952,343	0	2,040,874,384	0.00%
Total	241,104	2,529,014,909	-8,174,440	2,272,242,657	-0.32%
Ratio to Standard Premium					-0.36%
Increment to Manual Premium					0.0036

Data from policies effective 1999-2000 using 2000 Manual and Standard Premium .