



Pennsylvania Compensation Rating Bureau

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December 23, 2003

VIA FACSIMILE & FIRST CLASS MAIL

The Honorable M. Diane Koken
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Attention: Chester J. Szczepanski

RE: **Amendments** to Proposal C-346 - April 1, 2004 Loss Cost Filing

Dear Commissioner Koken:

Further to the above referenced filing, Proposal C-346, originally submitted November 25, 2003, I enclose revised rating values which supercede and replace those contained in the original proposal.

Proposal C-346, as originally filed, included updates to certain parameters of the existing Experience Rating Plan. On December 18, 2003 the Pennsylvania Insurance Department approved Bureau Filing No. 208 effective April 1, 2004, which makes significant changes to the Experience Rating Plan.

Amending Proposal C-346 is necessary to put the proposed rating values on a basis consistent with the recently-approved Experience Rating Plan revisions.

The overall indicated change in collectible loss costs is not affected by this amended filing and remains at +3.32 percent. The changes to the Experience Rating Plan will produce slightly smaller off-balances than that of the existing plan, and, thus, the indicated change in manual loss costs will be +3.65 percent, rather than the +4.63 percent originally filed.

All other analysis pertaining to and contained in Proposal C-346 are unaffected by this amendment.

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Copies of the following revised supporting exhibits pertinent to these amendments are enclosed:

- Brown Book (only Pages 1, 31 and 32 have changed)
- Exhibit 12 – Indicated Change in Loss Costs
- Exhibit 18 – Review of Experience Rating Plan Results
- Exhibit 19 – Review of Experience Rating Plan Parameters
- Exhibit 27 – Table B
- Exhibit 28 – Loss Costs and Expected Loss Factors
- Exhibit 29 – Tests of Indicated and Selected Loss Costs
- Exhibit 30 – Distribution of Loss Cost Percentage Changes
- Exhibit 31 – Hepatitis C Surcharge

The PCRB stands ready to answer any questions you may have on this amendment and looks forward to an expeditious resolution to this filing.

Sincerely,

Timothy L. Wisecarver
President

TLW/kg
Enclosures