

PENNSYLVANIA COMPENSATION RATING BUREAU

Review Of Experience Rating Plan Results – Capped Experience Modification Values

Attached is an exhibit routinely prepared in review of the results of the experience rating plan. The attachment is a summary report titled “Comparison of Actual Loss Ratios and Manual Loss Ratios”. This report displays comparative loss ratios computed on both Manual and Standard bases for selected risk sizes and experience modification values for all Industry Groups combined for the five year period 1999 through 2003.

Bureau Filing No. 208, approved effective April 1, 2004 revised various parameters within the Experience Rating Plan. The premiums and loss ratios contained in this report have been adjusted to reflect the experience as it would have been if the revisions of Filing No. 208 had been in place for the entire experience period shown. The experience modification factors used to generate this report are on a capped basis, consistent with the Experience Rating Plan effective April 1, 2004 and the changes made effective April 1, 2006 that further refined the capping process.

## COMPARISON OF ACTUAL LOSS RATIOS AND MANUAL LOSS RATIOS

FOR ALL MANUAL YEARS

EXP-MOD	UP TO - 2,499					\$2,500 - 4,999					\$5,000 - 7,499					\$7,500 - 9,999				
	RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR	
0- 60	234	90	6.53	3.00		94	160	1.15	.52		48	145	3.31	1.62		39	167	.94	.46	
61- 80	1,272	874	1.22	.92		691	1,972	.96	.73		669	3,200	.77	.59		853	5,773	.57	.44	
81- 85	8,555	9,799	1.01	.84		25,764	83,599	.68	.56		24,196	123,755	.63	.53		15,089	108,057	.57	.47	
86- 90	1,687	1,826	1.58	1.39		4,644	15,912	.90	.78		5,077	27,554	.63	.55		3,246	24,547	.78	.68	
91- 95	1,727	1,842	1.83	1.71		2,656	9,543	.99	.92		2,687	15,453	.99	.92		2,126	17,182	.78	.73	
96- 99	2,958	3,306	1.14	1.11		2,983	11,015	.79	.77		2,598	15,552	.94	.91		1,730	14,562	1.02	.99	
100-100	708,007	490,554	.71	.71		82,032	277,402	.62	.62		16,511	99,428	.78	.78		6,713	57,769	.86	.86	
CREDITS	724,440	508,291	.73	.73		118,864	399,602	.66	.63		51,786	285,087	.72	.65		29,796	228,057	.71	.63	
101-105	977	1,204	.80	.82		1,840	7,403	1.02	1.05		2,018	12,873	.97	1.00		1,433	12,776	.74	.76	
106-110	552	699	1.48	1.60		1,017	4,256	.66	.71		1,111	7,392	.85	.92		783	7,334	1.51	1.63	
111-115	430	582	4.09	4.61		699	3,086	1.19	1.35		701	4,932	.91	1.03		535	5,256	.78	.89	
116-120	379	509	7.97	9.41		530	2,442	1.42	1.68		567	4,141	.79	.93		427	4,393	.65	.76	
121-130	1,111	1,651	3.18	3.98		1,920	9,213	.91	1.14		1,804	14,045	.89	1.12		1,162	12,628	.96	1.21	
131-140	337	478	2.14	2.88		589	3,097	.60	.81		614	5,118	1.15	1.55		521	6,112	.97	1.30	
141- UP	921	1,919	6.18	10.39		1,648	10,703	.84	1.41		1,929	19,847	.70	1.16		1,520	21,814	.65	1.07	
CHARGES	4,707	7,043	3.77	4.76		8,243	40,200	.92	1.15		8,744	68,348	.86	1.09		6,381	70,312	.85	1.08	
TOTALS	729,147	515,334	.77	.77		127,107	439,803	.68	.66		60,530	353,435	.75	.71		36,177	298,369	.74	.71	
		\$10,000 -		14,999			\$15,000 -		24,999			\$25,000 -		49,999			\$50,000 -		99,999	
EXP-MOD	RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR	
0- 60	75	440	.53	.25		81	730	1.71	.80		141	2,536	1.46	.72		154	5,958	.98	.51	
61- 80	2,593	25,806	.74	.58		6,867	106,648	.63	.49		8,547	229,451	.62	.47		5,793	295,505	.58	.43	
81- 85	15,212	151,838	.58	.48		9,032	140,462	.64	.53		4,931	138,923	.72	.60		1,949	110,735	.72	.60	
86- 90	3,919	41,931	.82	.72		3,589	60,605	.76	.67		3,130	96,301	.74	.65		1,556	94,833	.69	.61	
91- 95	2,811	32,219	.77	.71		2,878	51,519	.76	.70		2,566	83,339	.76	.71		1,530	98,540	.78	.72	
96- 99	2,019	24,052	.73	.72		2,069	38,959	.70	.68		2,075	71,052	.81	.79		1,214	81,731	.70	.68	
100-100	5,581	67,387	.66	.66		3,975	75,556	.79	.79		2,493	85,976	.74	.74		1,131	78,380	.73	.73	
CREDITS	32,210	343,673	.66	.58		28,491	474,477	.70	.60		23,883	707,578	.71	.60		13,327	765,683	.67	.56	
101-105	1,940	24,474	.77	.79		1,915	38,178	.76	.78		1,861	67,456	.72	.74		1,203	85,582	.73	.75	
106-110	967	12,743	.90	.97		1,196	24,969	.83	.90		1,422	54,740	.74	.80		882	66,991	.77	.83	
111-115	754	10,509	1.12	1.26		946	20,796	.71	.80		1,258	50,635	.76	.85		823	64,772	.61	.69	
116-120	636	9,307	.72	.85		864	20,060	.72	.85		1,014	41,737	.72	.85		637	52,629	.74	.88	
121-130	1,684	26,027	.72	.90		1,974	48,254	.80	1.00		2,045	89,661	.88	1.10		1,213	105,130	.85	1.06	
131-140	728	12,229	.57	.76		946	24,603	.83	1.12		921	43,999	.66	.90		611	57,271	.72	.97	
141- UP	1,953	38,846	.79	1.28		1,899	59,561	.81	1.31		1,716	97,517	.78	1.27		1,096	127,395	.76	1.25	
CHARGES	8,662	134,136	.78	.99		9,740	236,422	.79	.98		10,237	445,746	.77	.95		6,465	559,769	.75	.93	
TOTALS	40,872	477,809	.70	.67		38,231	710,899	.73	.70		34,120	1153,324	.73	.71		19,792	1325,452	.71	.68	
		\$100,000 -		249,999			\$250,000 AND OVER					ALL RISKS								
EXP-MOD	RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR	
0- 60	396	36,120	.62	.33		687	345,775	.70	.34		1,949	392,121	.70	.35						
61- 80	3,793	420,953	.64	.46		1,987	1058,217	.60	.43		33,065	2148,399	.61	.45						
81- 85	1,161	146,639	.62	.52		609	385,202	.63	.52		106,498	1399,009	.64	.53						
86- 90	956	129,617	.67	.59		585	365,928	.58	.51		28,389	859,054	.66	.58						
91- 95	1,041	150,164	.74	.68		548	420,059	.59	.55		20,570	879,858	.69	.64						
96- 99	788	119,559	.66	.65		438	292,243	.59	.57		18,872	672,032	.67	.66						
100-100	668	103,671	.66	.66		372	278,009	.63	.63		827,483	1614,132	.69	.69						
CREDITS	8,803	1106,723	.66	.53		5,226	3145,434	.61	.47		36,826	7964,605	.66	.54						
101-105	739	118,091	.72	.74		440	246,303	.92	.95		14,366	614,340	.82	.84						
106-110	613	102,834	.68	.73		283	158,296	.73	.79		8,826	440,255	.75	.81						
111-115	559	99,136	.91	1.03		236	133,193	.95	1.08		6,941	392,898	.86	.97						
116-120	421	76,534	.63	.74		196	119,096	.68	.80		5,671	330,848	.70	.83						
121-130	771	147,677	.69	.87		309	175,641	1.01	1.26		13,993	629,927	.86	1.08						
131-140	388	79,522	.76	1.03		149	88,593	.88	1.19		5,804	321,021	.78	1.06						
141- UP	711	178,753	.74	1.21		260	203,088	.77	1.30		13,653	759,444	.78	1.28						
CHARGES	4,202	802,548	.73	.91		1,873	1124,209	.86	1.03		69,254	3488,733	.80	.98						
TOTALS	13,005	1909,271	.69	.65		7,099	4269,643	.68	.58		106,080	1453,337	.70	.64						