

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 0.0031, representing a slight decrease compared to the 0.0033 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	48,927	37,335,427	0	41,914,501	0.00%
2. Qualified for MRP Discount	130,498	171,339,325	-8,570,460	175,872,252	-5.00%
3. Qualified for MRP No Adjustment	4,350	14,834,642	0	14,956,735	0.00%
4. Qualified for MRP Surcharge	491	2,880,285	144,035	2,896,812	5.00%
5. Experience Rated Risks	56,030	2,648,871,471	0	2,508,139,589	0.00%
Total	240,296	2,875,261,150	-8,426,425	2,743,779,889	-0.29%
Ratio to Standard Premium					-0.31%
Increment to Manual Premium					0.0031

Data from policies effective 2003-2004 using 2004 Manual and Standard Premium .