

PENNSYLVANIA COMPENSATION RATING BUREAU

**Summary of Material for Modification of Experience
April 1, 2010 Loss Cost Revision**

As Filed

PENNSYLVANIA 2009 LOSS COST FILING

EFFECTIVE DATE - April 1, 2010

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* Incurred Losses exclude IBNR and Bulk Reserves.

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EXHIBIT I

INDICATED CHANGE IN LOSS COSTS

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1) Policy Year 2005 Ratio of Loss to Expected Loss	0.5293	0.5056	1.0349
(2) Policy Year 2006 Ratio of Loss to Expected Loss	0.5346	0.4855	1.0201
(3) Policy Year 2007 Ratio of Loss to Expected Loss	0.5694	0.5194	1.0888
(4) Average (Midpoint = 1/1/2007)	0.5444	0.5035	1.0479
(5) Policy Year 2005 Ratio Trended to 4/1/2011 +	0.4930	0.4920	0.9850
(6) Policy Year 2006 Ratio Trended to 4/1/2011 +	0.5047	0.4750	0.9797
(7) Policy Year 2007 Ratio Trended to 4/1/2011 +	0.5449	0.5107	1.0556
(8) Average at 4/1/2011	0.5142	0.4926	1.0068
(9) Indicated Change in Loss Costs	0.5142	0.4926	1.0068

CHANGES IN MANUAL LOSS COST LEVEL BY INDUSTRY GROUP

	<u>Mfg.</u>	<u>Cont.</u>	<u>Other</u>	<u>Total</u>
(10) Current Collectible Premium Ratio	1.0463	1.0951	1.0399	
(11) Anticipated Collectible Premium Ratio	1.0291	1.0842	1.0231	
(12) Final Indicated Change in Manual Loss Cost Level (9T) * (11) / (10)	0.9902	0.9968	0.9905	0.9917

+ Refer to pages 18 and 19.

EXHIBIT II

**CALCULATION OF EMPLOYER ASSESSMENT FACTOR AND
LOADING FOR LOSS BASED ASSESSMENTS**

(1)	2008 PCRB Member Paid Loss*	2,211,484,093
(2)	2009/2010 Fiscal Year Membership Assessment Amount	
	a. Administration Fund	56,758,594
	b. Subsequent Injury Fund	170,582
	c. Supersedeas Fund	11,344,691
	d. Uninsured Employers Guaranty Fund	2,234,684
	e. Total	<u>70,508,551</u>
(3)	2008 Employer Assessment Premium Base	3,408,934,874
(4)	2009/2010 Fiscal Year Membership Assessment Rate	
	a. Administration Fund (2a) / (3)	0.0166
	b. Subsequent Injury Fund (2b) / (3)	0.0001
	c. Supersedeas Fund (2c) / (3)	0.0033
	d. Uninsured Employers Guaranty Fund (2d) / (3)	0.0007
	e. Employer Assessment Factor	<u>0.0207</u>
(5)	2009/2010 Fiscal Year Budget for the Office of Small Business Advocate	190,000
(6)	2009/2010 Fiscal Year Membership Assessment Rate for the Office of Small Business Advocate (5) / (1)	0.0001
(7)	Merit Rating Plan Increment Factor	0.0029
(8)	Certified Safety Committee Program Increment Factor	0.0112
(9)	Overall Adjustment for the Office of Small Business Advocate, Merit Rating Plan and Certified Safety Committee Program (6) + (7) + (8)	0.0142

* Loss payments on deductible policies have been adjusted to a first dollar basis.

EXHIBIT III - 1

POLICY YEAR LOSS RATIO 2007

(1) Standard Earned Premium Reported (Table I)			1,890,514,612
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0113
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0012
(5) Factor to Remove Loss Based Assessments			0.9873
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,889,861,700
(7) Loss Cost Change to 4/1/09 Level			0.8782
(8) Expected Loss at Current Level (6) * (7)			1,659,676,545
Losses - Paid-to-20th Method			
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(9) Paid Losses Reported (Table I-D & I-E)	221,960,227	407,774,749	629,734,976
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	4.4518	2.1918	
(11) Ultimate Incurred Losses (9) * (10)	988,122,539	893,760,695	1,881,883,234
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	988,122,539	893,760,695	1,881,883,234
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5954	0.5385	1.1339
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	458,297,203	576,640,415	1,034,937,618
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.9678	1.4400	
(17) Ultimate Incurred Losses (15) * (16)	901,837,236	830,362,198	1,732,199,434
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	901,837,236	830,362,198	1,732,199,434
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5434	0.5003	1.0437
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	944,979,888	862,061,447	1,807,041,335
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5694	0.5194	1.0888
(23) Normalized Claim Frequency (Exhibit VI-2)	0.5074	0.5074	
(24) Severity Ratio * (22) / (23)	1.1222	1.0236	2.1458

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 2

POLICY YEAR LOSS RATIO 2006

(1) Standard Earned Premium Reported (Table I)			1,825,701,906
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			0.9996
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0019
(5) Factor to Remove Loss Based Assessments			0.9897
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,809,606,149
(7) Loss Cost Change to 4/1/09 Level			0.8709
(8) Expected Loss at Current Level (6) * (7)			1,575,985,995
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	384,220,663	464,142,542	848,363,205
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	2.3240	1.7302	
(11) Ultimate Incurred Losses (9) * (10)	892,928,821	803,059,426	1,695,988,247
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	892,928,821	803,059,426	1,695,988,247
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5666	0.5096	1.0762
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	591,136,129	556,442,418	1,147,578,547
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.3398	1.3070	
(17) Ultimate Incurred Losses (15) * (16)	792,004,186	727,270,240	1,519,274,426
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	792,004,186	727,270,240	1,519,274,426
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5025	0.4615	0.9640
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	842,466,504	765,164,833	1,607,631,337
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5346	0.4855	1.0201
(23) Normalized Claim Frequency (Exhibit VI-2)	0.5363	0.5363	
(24) Severity Ratio * (22) / (23)	0.9968	0.9053	1.9021

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 3

POLICY YEAR LOSS RATIO 2005

(1) Standard Earned Premium Reported (Table I)				1,847,771,384
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)				0.9988
(3) Expense Constant Removal Factor				1.0000
(4) PCCPAP On-Level Factor				1.0016
(5) Factor to Remove Loss Based Assessments				0.9912
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)				1,832,240,084
(7) Loss Cost Change to 4/1/09 Level				0.8121
(8) Expected Loss at Current Level (6) * (7)				1,487,962,172
Losses - Paid-to-20th Method				
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>	
(9) Paid Losses Reported (Table I-D & I-E)	495,243,944	491,547,019	986,790,963	
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.6793	1.5844		
(11) Ultimate Incurred Losses (9) * (10)	831,663,155	778,807,097	1,610,470,252	
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000		
(13) Adjusted Losses (11) * (12)	831,663,155	778,807,097	1,610,470,252	
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5589	0.5234	1.0823	
Losses - Incurred Method				
(15) Incurred Losses Reported (Table I-B & I-C)	644,192,556	576,630,872	1,220,823,428	
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1542	1.2586		
(17) Ultimate Incurred Losses (15) * (16)	743,527,048	725,747,615	1,469,274,663	
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000		
(19) Adjusted Losses (17) * (18)	743,527,048	725,747,615	1,469,274,663	
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.4997	0.4877	0.9874	
Losses - Average of Incurred and Paid to 20th Method				
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	787,595,102	752,277,356	1,539,872,458	
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5293	0.5056	1.0349	
(23) Normalized Claim Frequency (Exhibit VI-2)	0.5567	0.5567		
(24) Severity Ratio * (22) / (23)	0.9508	0.9082	1.8590	

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 4

POLICY YEAR LOSS RATIO 2004

(1) Standard Earned Premium Reported (Table I)			1,669,973,056
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			0.9986
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0000
(5) Factor to Remove Loss Based Assessments			0.9906
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,651,959,324
(7) Loss Cost Change to 4/1/09 Level			0.8037
(8) Expected Loss at Current Level (6) * (7)			1,327,679,709
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	545,195,124	499,094,970	1,044,290,094
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.4328	1.5113	
(11) Ultimate Incurred Losses (9) * (10)	781,155,574	754,282,228	1,535,437,802
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	781,155,574	754,282,228	1,535,437,802
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5884	0.5681	1.1565
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	659,687,609	561,695,860	1,221,383,469
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0794	1.2379	
(17) Ultimate Incurred Losses (15) * (16)	712,066,805	695,323,305	1,407,390,110
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	712,066,805	695,323,305	1,407,390,110
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5363	0.5237	1.0600
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	746,611,190	724,802,767	1,471,413,957
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5623	0.5459	1.1082
(23) Normalized Claim Frequency (Exhibit VI-2)	0.6020	0.6020	
(24) Severity Ratio * (22) / (23)	0.9341	0.9068	1.8409

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 5

POLICY YEAR LOSS RATIO 2003

(1) Standard Earned Premium Reported (Table I)			1,599,478,879
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			0.9995
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9992
(5) Factor to Remove Loss Based Assessments			0.9910
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,583,023,594
(7) Loss Cost Change to 4/1/09 Level			0.8162
(8) Expected Loss at Current Level (6) * (7)			1,292,063,857
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	565,951,764	469,343,993	1,035,295,757
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.3070	1.4644	
(11) Ultimate Incurred Losses (9) * (10)	739,698,956	687,307,343	1,427,006,299
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	739,698,956	687,307,343	1,427,006,299
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5725	0.5319	1.1044
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	638,004,775	524,051,079	1,162,055,854
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0416	1.2206	
(17) Ultimate Incurred Losses (15) * (16)	664,545,774	639,656,747	1,304,202,521
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	664,545,774	639,656,747	1,304,202,521
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5143	0.4951	1.0094
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	702,122,365	663,482,045	1,365,604,410
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5434	0.5135	1.0569
(23) Normalized Claim Frequency (Exhibit VI-2)	0.6353	0.6353	
(24) Severity Ratio * (22) / (23)	0.8553	0.8083	1.6636

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 6

POLICY YEAR LOSS RATIO 2002

(1) Standard Earned Premium Reported (Table I)			1,550,307,050
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			0.9991
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9988
(5) Factor to Remove Loss Based Assessments			0.9929
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,536,069,003
(7) Loss Cost Change to 4/1/09 Level			0.8076
(8) Expected Loss at Current Level (6) * (7)			1,240,529,327
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	602,764,827	465,600,016	1,068,364,843
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.2393	1.4245	
(11) Ultimate Incurred Losses (9) * (10)	747,006,450	663,247,223	1,410,253,673
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	747,006,450	663,247,223	1,410,253,673
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.6022	0.5346	1.1368
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	666,149,966	518,658,665	1,184,808,631
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0264	1.2126	
(17) Ultimate Incurred Losses (15) * (16)	683,736,325	628,925,497	1,312,661,822
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	683,736,325	628,925,497	1,312,661,822
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5512	0.5070	1.0582
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	715,371,388	646,086,360	1,361,457,748
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5767	0.5208	1.0975
(23) Normalized Claim Frequency (Exhibit VI-2)	0.6919	0.6919	
(24) Severity Ratio * (22) / (23)	0.8335	0.7527	1.5862

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 7

POLICY YEAR LOSS RATIO 2001

(1) Standard Earned Premium Reported (Table I)			1,530,087,095
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			0.9998
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9974
(5) Factor to Remove Loss Based Assessments			0.9923
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,514,054,959
(7) Loss Cost Change to 4/1/09 Level			0.8157
(8) Expected Loss at Current Level (6) * (7)			1,235,014,630
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	631,928,426	469,460,910	1,101,389,336
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.2054	1.3956	
(11) Ultimate Incurred Losses (9) * (10)	761,726,525	655,179,646	1,416,906,171
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	761,726,525	655,179,646	1,416,906,171
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.6168	0.5305	1.1473
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	668,639,335	507,897,114	1,176,536,449
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0215	1.1938	
(17) Ultimate Incurred Losses (15) * (16)	683,015,081	606,327,575	1,289,342,656
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	683,015,081	606,327,575	1,289,342,656
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5530	0.4909	1.0439
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	722,370,803	630,753,611	1,353,124,414
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5849	0.5107	1.0956
(23) Normalized Claim Frequency (Exhibit VI-2)	0.7211	0.7211	
(24) Severity Ratio * (22) / (23)	0.8111	0.7082	1.5193

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 8

POLICY YEAR LOSS RATIO 2000

(1) Standard Earned Premium Reported (Table I)			1,492,217,848
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			0.9996
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9966
(5) Factor to Remove Loss Based Assessments			0.9925
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,475,400,329
(7) Loss Cost Change to 4/1/09 Level			0.8171
(8) Expected Loss at Current Level (6) * (7)			1,205,549,609
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	663,650,982	489,557,344	1,153,208,326
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1786	1.3680	
(11) Ultimate Incurred Losses (9) * (10)	782,179,047	669,714,447	1,451,893,494
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	782,179,047	669,714,447	1,451,893,494
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.6488	0.5555	1.2043
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	700,624,746	552,164,138	1,252,788,884
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0226	1.1819	
(17) Ultimate Incurred Losses (15) * (16)	716,458,865	652,602,795	1,369,061,660
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	716,458,865	652,602,795	1,369,061,660
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5943	0.5413	1.1356
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	749,318,956	661,158,621	1,410,477,577
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.6216	0.5484	1.1700
(23) Normalized Claim Frequency (Exhibit VI-2)	0.7815	0.7815	
(24) Severity Ratio * (22) / (23)	0.7954	0.7017	1.4971

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 9

POLICY YEAR LOSS RATIO 1999

(1) Standard Earned Premium Reported (Table I)			1,476,074,035
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0000
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9919
(5) Factor to Remove Loss Based Assessments			0.9651
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,413,020,123
(7) Loss Cost Change to 4/1/09 Level			0.8292
(8) Expected Loss at Current Level (6) * (7)			1,171,676,286
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	635,274,045	474,618,062	1,109,892,107
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1568	1.3375	
(11) Ultimate Incurred Losses (9) * (10)	734,885,015	634,801,658	1,369,686,673
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	734,885,015	634,801,658	1,369,686,673
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.6272	0.5418	1.1690
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	664,140,210	534,469,929	1,198,610,139
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0167	1.1649	
(17) Ultimate Incurred Losses (15) * (16)	675,231,352	622,604,020	1,297,835,372
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	675,231,352	622,604,020	1,297,835,372
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5763	0.5314	1.1077
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	705,058,184	628,702,839	1,333,761,023
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.6018	0.5366	1.1384
(23) Normalized Claim Frequency (Exhibit VI-2)	0.8340	0.8340	
(24) Severity Ratio * (22) / (23)	0.7216	0.6434	1.3650

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 10

POLICY YEAR LOSS RATIO 1998

(1) Standard Earned Premium Reported (Table I)			1,448,592,615
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0000
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9919
(5) Factor to Remove Loss Based Assessments			0.9660
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,388,005,808
(7) Loss Cost Change to 4/1/09 Level			0.7814
(8) Expected Loss at Current Level (6) * (7)			1,084,587,738
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	558,963,919	434,733,210	993,697,129
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1375	1.3122	
(11) Ultimate Incurred Losses (9) * (10)	635,821,458	570,456,918	1,206,278,376
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	635,821,458	570,456,918	1,206,278,376
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5862	0.5260	1.1122
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	581,392,136	496,981,827	1,078,373,963
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0183	1.1563	
(17) Ultimate Incurred Losses (15) * (16)	592,031,612	574,660,087	1,166,691,699
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	592,031,612	574,660,087	1,166,691,699
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5459	0.5298	1.0757
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	613,926,535	572,558,503	1,186,485,038
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5660	0.5279	1.0939
(23) Normalized Claim Frequency (Exhibit VI-2)	0.8802	0.8802	
(24) Severity Ratio * (22) / (23)	0.6430	0.5998	1.2428

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT IV - 1

**POLICY YEARS 1998 - 2003
PREMIUM ON-LEVEL FACTORS**

<u>POLICY YEAR</u>	<u>(1) LOSS COST DATE</u>	<u>(2) LOSS COST CHANGE</u>	<u>(3) CUM. INDEX OF COL (2)</u>	<u>(4) PORTION OF YEAR ON-LEVEL</u>	<u>(5) PRODUCT (3) * (4)</u>	<u>FACTOR TO ADJUST TO 4/01/09 LC LEVEL</u>
1998	2/01/97	BASE	1.0000	0.2997	0.2997	0.7814
	4/01/98	0.9306	0.9306	0.7003	0.6517	
	4/01/99	0.7988	0.7434	-----	-----	
	to 4/01/09			1.0000	0.9514	
1999	4/01/98	BASE	1.0000	0.3019	0.3019	0.8292
	4/01/99	0.9474	0.9474	0.6981	0.6614	
	4/01/00	0.8432	0.7988	-----	-----	
	to 4/01/09			1.0000	0.9633	
2000	4/01/99	BASE	1.0000	0.2912	0.2912	0.8171
	4/01/00	1.0450	1.0450	0.7088	0.7407	
	4/01/01	0.8069	0.8432	-----	-----	
	to 4/01/09			1.0000	1.0319	
2001	4/01/00	BASE	1.0000	0.3007	0.3007	0.8157
	4/01/01	0.9845	0.9845	0.6993	0.6885	
	4/01/02	0.8196	0.8069	-----	-----	
	to 4/01/09			1.0000	0.9892	
2002	4/01/01	BASE	1.0000	0.3024	0.3024	0.8076
	4/01/02	1.0212	1.0212	0.6976	0.7124	
	4/01/03	0.8026	0.8196	-----	-----	
	to 4/01/09			1.0000	1.0148	
2003	4/01/02	BASE	1.0000	0.3073	0.3073	0.8162
	4/01/03	0.9759	0.9759	0.6927	0.6760	
	4/01/04	0.8224	0.8026	-----	-----	
	to 4/01/09			1.0000	0.9833	

EXHIBIT IV - 2

**POLICY YEARS 2004 - 2008
PREMIUM ON-LEVEL FACTORS**

<u>POLICY YEAR</u>	<u>(1) LOSS COST DATE</u>	<u>(2) LOSS COST CHANGE</u>	<u>(3) CUM. INDEX OF COL (2)</u>	<u>(4) PORTION OF YEAR ON-LEVEL</u>	<u>(5) PRODUCT (3) * (4)</u>	<u>FACTOR TO ADJUST TO 4/01/09 LC LEVEL</u>
2004	4/01/03	BASE	1.0000	0.3010	0.3010	
	4/01/04	1.0332	1.0332	0.6990	0.7222	
	4/01/05	0.7959	0.8223	-----	-----	
	to 4/01/09			1.0000	1.0232	0.8037
2005	4/01/04	BASE	1.0000	0.3077	0.3077	
	4/01/05	0.9711	0.9711	0.6923	0.6723	
	4/01/06	0.8196	0.7959	-----	-----	
	to 4/01/09			1.0000	0.9800	0.8121
2006	4/01/05	BASE	1.0000	0.3151	0.3151	
	4/01/06	0.9142	0.9142	0.6849	0.6261	
	4/01/07	0.8966	0.8197	-----	-----	
	to 4/01/09			1.0000	0.9412	0.8709
2007	4/01/06	BASE	1.0000	0.2902	0.2902	
	4/01/07	1.0295	1.0295	0.7098	0.7307	
	4/01/08	0.8709	0.8966	-----	-----	
	to 4/01/09			1.0000	1.0209	0.8782
2008	4/01/07	BASE	1.0000	0.3191	0.3191	
	4/01/08	0.8978	0.8978	0.6809	0.6113	
	4/01/09	0.9700	0.8709	-----	-----	
				1.0000	0.9304	0.9360

EXHIBIT V - 1**DEVELOPMENT FACTORS****PREMIUM**

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>2007-2008 Ratio</u>	<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Policy Year</u>	<u>2005-2006 Ratio</u>	<u>Policy Year</u>	<u>2004-2005 Ratio</u>	<u>Unweighted Average</u>	<u>Selected Average</u>	<u>Cumulative Average</u>
2nd to 1st	2007	1.0062	2006	1.0210	2005	1.0191	2004	1.0004	1.0117	1.0117	1.0113
3rd to 2nd	2006	0.9990	2005	1.0024	2004	0.9985	2003	1.0034	1.0008	1.0008	0.9996
4th to 3rd	2005	1.0003	2004	1.0023	2003	0.9993	2002	0.9988	1.0002	1.0002	0.9988
5th to 4th	2004	0.9981	2003	0.9995	2002	0.9990	2001	0.9998	0.9991	0.9991	0.9986
6th to 5th	2003	0.9994	2002	1.0006	2001	1.0007	2000	1.0007	1.0004	1.0004	0.9995
7th to 6th	2002	0.9982	2001	0.9999	2000	1.0003	1999	0.9989	0.9993	0.9993	0.9991
8th to 7th	2001	0.9999	2000	1.0015	1999	0.9997	1998	0.9995	1.0002	1.0002	0.9998
9th to 8th	2000	0.9982	1999	1.0005	1998	0.9996	1997	1.0001	0.9996	0.9996	0.9996
10th to 9th	1999	1.0000	1998	1.0002	1997	1.0000	1996	1.0001	1.0001	1.0000	1.0000
11th to 10th	1998	0.9999	1997	1.0000	1996	1.0006	1995	1.0004	1.0002	1.0000	1.0000
12th to 11th	1997	0.9999	1996	1.0002	1995	1.0000	1994	1.0006	1.0002	1.0000	1.0000
13th to 12th	1996	0.9999	1995	1.0000	1994	0.9994	1993	1.0002	0.9999	1.0000	1.0000
14th to 13th	1995	1.0000	1994	1.0000	1993	1.0000	1992	1.0000	1.0000	1.0000	1.0000
15th to 14th	1994	1.0003	1993	1.0001	1992	1.0000	1991	1.0001	1.0001	1.0000	1.0000
16th to 15th	1993	1.0002	1992	0.9993	1991	0.9977	1990	0.9999	0.9993	1.0000	1.0000
17th to 16th	1992	1.0002	1991	1.0003	1990	0.9960	1989	1.0000	0.9991	1.0000	1.0000
18th to 17th	1991	1.0000	1990	1.0002	1989	0.9947	1988	1.0000	0.9987	1.0000	1.0000
19th to 18th	1990	1.0009	1989	1.0004	1988	0.9994	1987	1.0001	1.0002	1.0000	1.0000
20th to 19th	1989	1.0002	1988	0.9999	1987	0.9994	1986	1.0001	0.9999	1.0000	1.0000
21st to 20th	1988	1.0001	1987	1.0000						1.0000	1.0000

INCURRED METHOD

<u>Policy Year</u>	<u>Present Valuation</u>	<u>Premium Development Factor</u>
1989	Twentieth	1.0000
1990	Nineteenth	1.0000
1991	Eighteenth	1.0000
1992	Seventeenth	1.0000
1993	Sixteenth	1.0000
1994	Fifteenth	1.0000
1995	Fourteenth	1.0000
1996	Thirteenth	1.0000
1997	Twelfth	1.0000
1998	Eleventh	1.0000
1999	Tenth	1.0000
2000	Ninth	1.0000
2001	Eighth	0.9996
2002	Seventh	0.9998
2003	Sixth	0.9991
2004	Fifth	0.9995
2005	Fourth	0.9986
2006	Third	0.9988
2007	Second	0.9996
2008	First	1.0113

EXHIBIT V - 2

DEVELOPMENT FACTORS

**INDEMNITY LOSSES
PAID METHOD**

<u>Reports in Ratio</u>		<u>Policy Year</u>	<u>2007-2008 Ratio</u>	<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	a	2007	1.9231	2006	1.9080	1.9156	4.4518	
3rd to 2nd	a	2006	1.3833	2005	1.3844	1.3839	2.3240	
4th to 3rd	a	2005	1.1744	2004	1.1695	1.1720	1.6793	
5th to 4th	a	2004	1.0940	2003	1.0986	1.0963	1.4328	
6th to 5th	a	2003	1.0545	2002	1.0546	1.0546	1.3070	
7th to 6th	a	2002	1.0269	2001	1.0293	1.0281	1.2393	
8th to 7th	a	2001	1.0224	2000	1.0232	1.0228	1.2054	
9th to 8th	a	2000	1.0138	1999	1.0237	1.0188	1.1786	
10th to 9th	a	1999	1.0148	1998	1.0191	1.0170	1.1568	
11th to 10th	a	1998	1.0077	1997	1.0128	1.0103	1.1375	
12th to 11th	a	1997	1.0119	1996	1.0115	1.0117	1.1259	
13th to 12th	a	1996	1.0101	1995	1.0102	1.0102	1.1129	
14th to 13th	a	1995	1.0074	1994	1.0086	1.0080	1.1016	
15th to 14th	a	1994	1.0084	1993	1.0131	1.0108	1.0929	
16th to 15th	a	1993	1.0074	1992	1.0081	1.0078	1.0812	
17th to 16th	a	1992	1.0086	1991	1.0070	1.0078	1.0728	
18th to 17th	a	1991	1.0057	1990	1.0053	1.0055	1.0645	
19th to 18th	a	1990	1.0060	1989	1.0054	1.0057	1.0587	
20th to 19th	a	1989	1.0043	1988	1.0051	1.0047	1.0527	
21st to 20th	b	1988	1.0379	1987	1.0489	1.0434	1.0478	
Beyond 21st		1987	1.0083	1986	0.9979	1.0031	1.0042	d

INCURRED METHOD

<u>Reports in Ratio</u>		<u>Policy Year</u>	<u>2007-2008 Ratio</u>	<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	c	2007	1.4773	2006	1.4602	1.4688	1.9678	
3rd to 2nd	c	2006	1.1684	2005	1.1531	1.1608	1.3398	
4th to 3rd	c	2005	1.0710	2004	1.0676	1.0693	1.1542	
5th to 4th	c	2004	1.0387	2003	1.0338	1.0363	1.0794	
6th to 5th	c	2003	1.0182	2002	1.0114	1.0148	1.0416	
7th to 6th	c	2002	1.0026	2001	1.0069	1.0048	1.0264	
8th to 7th	c	2001	1.0000	2000	0.9977	0.9989	1.0215	
9th to 8th	c	2000	1.0009	1999	1.0106	1.0058	1.0226	
10th to 9th	c	1999	0.9932	1998	1.0035	0.9984	1.0167	
11th to 10th	c	1998	1.0006	1997	1.0006	1.0006	1.0183	
12th to 11th	c	1997	1.0001	1996	0.9916	0.9959	1.0177	
13th to 12th	c	1996	1.0025	1995	1.0013	1.0019	1.0219	
14th to 13th	c	1995	1.0020	1994	1.0000	1.0010	1.0200	
15th to 14th	c	1994	1.0014	1993	1.0040	1.0027	1.0189	
16th to 15th	c	1993	1.0009	1992	1.0064	1.0037	1.0162	
17th to 16th	c	1992	1.0012	1991	1.0082	1.0047	1.0125	
18th to 17th	c	1991	0.9955	1990	1.0026	0.9991	1.0077	
19th to 18th	c	1990	1.0017	1989	1.0010	1.0014	1.0086	
20th to 19th	c	1989	1.0003	1988	1.0012	1.0008	1.0072	
21st to 20th	c	1988	1.0010	1987	1.0033	1.0022	1.0064	
Beyond 21st		1987	1.0083	1986	0.9979	1.0031	1.0042	d

a From Table I-D

b 20th (Paid - Table 1-D) to 21st (Incurred - Table I-B)

c From Table I-B

d Derived separately. See Exhibit # 7 of the April 1, 2010 Filing Package.

EXHIBIT V - 3**DEVELOPMENT FACTORS****MEDICAL LOSSES
PAID METHOD**

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>2007-2008 Ratio</u>	<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	a	2007	1.2701	2006	1.2634	1.2668	2.1918
3rd to 2nd	a	2006	1.0934	2005	1.0905	1.0920	1.7302
4th to 3rd	a	2005	1.0490	2004	1.0477	1.0484	1.5844
5th to 4th	a	2004	1.0279	2003	1.0360	1.0320	1.5113
6th to 5th	a	2003	1.0297	2002	1.0263	1.0280	1.4644
7th to 6th	a	2002	1.0188	2001	1.0226	1.0207	1.4245
8th to 7th	a	2001	1.0200	2000	1.0204	1.0202	1.3956
9th to 8th	a	2000	1.0187	1999	1.0268	1.0228	1.3680
10th to 9th	a	1999	1.0221	1998	1.0164	1.0193	1.3375
11th to 10th	a	1998	1.0178	1997	1.0129	1.0154	1.3122
12th to 11th	a	1997	1.0134	1996	1.0169	1.0152	1.2923
13th to 12th	a	1996	1.0129	1995	1.0159	1.0144	1.2729
14th to 13th	a	1995	1.0135	1994	1.0117	1.0126	1.2549
15th to 14th	a	1994	1.0114	1993	1.0126	1.0120	1.2393
16th to 15th	a	1993	1.0130	1992	1.0134	1.0132	1.2246
17th to 16th	a	1992	1.0122	1991	1.0110	1.0116	1.2086
18th to 17th	a	1991	1.0096	1990	1.0109	1.0103	1.1948
19th to 18th	a	1990	1.0106	1989	1.0101	1.0104	1.1826
20th to 19th	a	1989	1.0099	1988	1.0111	1.0105	1.1704
21st to 20th	b	1988	1.1078	1987	1.0948	1.1013	1.1582
Beyond 21st		1987	1.0458	1986	1.0484	1.0471	1.0517

d**INCURRED METHOD**

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>2007-2008 Ratio</u>	<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	c	2007	1.1119	2006	1.0915	1.1017	1.4400
3rd to 2nd	c	2006	1.0362	2005	1.0407	1.0385	1.3070
4th to 3rd	c	2005	1.0061	2004	1.0272	1.0167	1.2586
5th to 4th	c	2004	1.0076	2003	1.0207	1.0142	1.2379
6th to 5th	c	2003	1.0036	2002	1.0095	1.0066	1.2206
7th to 6th	c	2002	1.0105	2001	1.0208	1.0157	1.2126
8th to 7th	c	2001	1.0038	2000	1.0164	1.0101	1.1938
9th to 8th	c	2000	1.0072	1999	1.0220	1.0146	1.1819
10th to 9th	c	1999	1.0041	1998	1.0107	1.0074	1.1649
11th to 10th	c	1998	1.0089	1997	1.0079	1.0084	1.1563
12th to 11th	c	1997	1.0017	1996	1.0134	1.0076	1.1467
13th to 12th	c	1996	1.0077	1995	1.0105	1.0091	1.1381
14th to 13th	c	1995	1.0171	1994	1.0112	1.0142	1.1278
15th to 14th	c	1994	1.0025	1993	1.0127	1.0076	1.1120
16th to 15th	c	1993	1.0074	1992	1.0135	1.0105	1.1036
17th to 16th	c	1992	1.0078	1991	1.0098	1.0088	1.0921
18th to 17th	c	1991	1.0063	1990	1.0095	1.0079	1.0826
19th to 18th	c	1990	1.0085	1989	1.0078	1.0082	1.0741
20th to 19th	c	1989	1.0124	1988	1.0100	1.0112	1.0654
21st to 20th	c	1988	1.0030	1987	1.0005	1.0018	1.0536
Beyond 21st		1987	1.0458	1986	1.0484	1.0471	1.0517

d**a** From Table I-E**b** 20th (Paid - Table 1-E) to 21st (Incurred - Table I-C)**c** From Table I-C**d** Derived separately. See Exhibit # 7 of the April 1, 2010 Filing Package.

EXHIBIT VI - 1

DETERMINATION OF TREND

INDEMNITY

Policy Year	2001	2002	2003	2004	2005	2006	2007
Actual Loss Ratio	0.5849	0.5767	0.5434	0.5623	0.5293	0.5346	0.5694
Normalized Frequency	0.7211	0.6919	0.6353	0.6020	0.5567	0.5363	0.5074
Severity Loss Ratio	0.8111	0.8335	0.8553	0.9341	0.9508	0.9968	1.1222
x	1	2	3	4	5	6	7
y	0.8111	0.8335	0.8553	0.9341	0.9508	0.9968	1.1222

7 Point Exponential Regression: $y = 0.752339 * 1.05269 ^ x$
 6 of 7 (2001-2006) Point Exponential Regression: $y = 0.768745 * 1.04420 ^ x$
 Selected Average Severity Trend : $(0.05269 + 0.04420) / 2 = 0.0484$

Policy Year	Severity Trend Factor (1)	# of years to 4/1/11 (2)	Severity Trend to 4/1/11 (3) = (1) ^ (2)	Frequency Trend Factor (4) #
2005	1.0484	5.2500	1.2816	0.7267
2006	1.0484	4.2500	1.2225	0.7723
2007	1.0484	3.2500	1.1660	0.8207

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3) * (4)	Trended Loss Ratio (7) = (5) * (6)
2005	0.5293	0.9314	0.4930
2006	0.5346	0.9441	0.5047
2007	0.5694	0.9570	0.5449

MEDICAL

Policy Year	2001	2002	2003	2004	2005	2006	2007
Actual Loss Ratio	0.5107	0.5208	0.5135	0.5459	0.5056	0.4855	0.5194
Normalized Frequency	0.7211	0.6919	0.6353	0.6020	0.5567	0.5363	0.5074
Severity Loss Ratio	0.7082	0.7527	0.8083	0.9068	0.9082	0.9053	1.0236
x	1	2	3	4	5	6	7
y	0.7082	0.7527	0.8083	0.9068	0.9082	0.9053	1.0236

7 Point Exponential Regression: $y = 0.679671 * 1.05846 ^ x$
 6 of 7 (2001-2006) Point Exponential Regression: $y = 0.683952 * 1.05597 ^ x$
 Selected Average Severity Trend : $(0.05846 + 0.05597) / 2 = 0.0572$

Policy Year	Severity Trend Factor (1)	# of years to 4/1/11 (2)	Severity Trend to 4/1/11 (3) = (1) ^ (2)	Frequency Trend Factor (4) #
2005	1.0572	5.2500	1.3391	0.7267
2006	1.0572	4.2500	1.2667	0.7723
2007	1.0572	3.2500	1.1981	0.8207

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3) * (4)	Trended Loss Ratio (7) = (5) * (6)
2005	0.5056	0.9732	0.4920
2006	0.4855	0.9783	0.4750
2007	0.5194	0.9833	0.5107

See page 19 for column (4).

EXHIBIT VI - 2

DETERMINATION OF TREND

Claim Frequency

Policy Year Frequency per \$1 million of Expected Losses
{1 = PY 1996, 12 = PY 2007}

Policy Year	Claim Frequency	Normalized Frequency
1996	31.80	1.0000
1997	30.10	0.9465
1998	27.99	0.8802
1999	26.52	0.8340
2000	24.85	0.7815
2001	22.93	0.7211
2002	22.00	0.6919
2003	20.20	0.6353
2004	19.14	0.6020
2005	17.70	0.5567
2006	17.05	0.5363
2007	16.13	0.5074

Policy Year	2001	2002	2003	2004	2005	2006	2007
x	1	2	3	4	5	6	7
y	0.7211	0.6919	0.6353	0.6020	0.5567	0.5363	0.5074

7 Point Exponential Regression: $y = 0.768007 * 0.941227 ^ x$

SELECTED FREQUENCY TREND FACTOR

-5.9%

Policy Year	Frequency Trend Factor (1)	# of years to 4/1/11 (2)	Frequency Trend to 4/1/11 (3) = (1)^(2)
2005	0.9410	5.2500	0.7267
2006	0.9410	4.2500	0.7723
2007	0.9410	3.2500	0.8207

TABLE I - PA 2010

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

ACCUMULATED STANDARD EARNED PREMIUM

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	11,106,115,819	11,106,390,392	1.0000
1986	1,394,880,716	1,394,912,564	1.0000
1987	1,661,861,588	1,661,627,165	0.9999
1988	1,873,032,130	1,873,742,706	1.0004
1989	2,021,521,757	2,022,010,966	1.0002
1990	2,277,191,281	2,277,868,083	1.0003
1991	2,438,404,442	2,436,764,425	0.9993
1992	2,328,262,723	2,328,396,778	1.0001
1993	2,483,054,040	2,482,965,669	1.0000
1994	1,880,132,638	1,880,211,843	1.0000
1995	1,770,158,074	1,770,423,772	1.0002
1996	1,784,816,284	1,784,790,746	1.0000
1997	1,489,692,177	1,489,995,857	1.0002
1998	1,447,591,234	1,448,260,447	1.0005
1999	1,476,655,189	1,478,859,417	1.0015
2000	1,497,366,830	1,497,262,899	0.9999
2001	1,537,832,863	1,538,692,454	1.0006
2002	1,551,732,674	1,550,982,363	0.9995
2003	1,597,837,359	1,601,486,665	1.0023
2004	1,668,239,307	1,672,316,797	1.0024
2005	1,813,987,875	1,852,161,372	1.0210
2006	1,124,912,710	1,817,493,044	1.6157
2007		1,168,839,714	
Policy Year Valued	As of 12/31/07	As of 12/31/08	Ratio to Prior Year
Prior			
to 1986	11,098,437,555	11,099,294,798	1.0001
1986	1,393,460,906	1,393,954,590	1.0004
1987	1,659,556,625	1,659,735,860	1.0001
1988	1,870,588,061	1,870,898,332	1.0002
1989	2,018,359,865	2,020,134,733	1.0009
1990	2,273,450,639	2,273,459,812	1.0000
1991	2,430,893,890	2,431,307,703	1.0002
1992	2,327,683,976	2,328,077,389	1.0002
1993	2,482,915,150	2,483,775,835	1.0003
1994	1,879,741,217	1,879,785,832	1.0000
1995	1,767,656,704	1,767,495,210	0.9999
1996	1,782,731,213	1,782,606,273	0.9999
1997	1,489,809,524	1,489,622,036	0.9999
1998	1,448,587,969	1,448,592,615	1.0000
1999	1,478,809,371	1,476,074,035	0.9982
2000	1,492,386,012	1,492,217,848	0.9999
2001	1,532,877,274	1,530,087,095	0.9982
2002	1,551,192,130	1,550,307,050	0.9994
2003	1,602,494,550	1,599,478,879	0.9981
2004	1,669,441,196	1,669,973,056	1.0003
2005	1,849,625,912	1,847,771,384	0.9990
2006	1,814,462,046	1,825,701,906	1.0062
2007	1,167,133,829	1,890,514,612	1.6198
2008		1,127,807,727	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - A - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	5,879,758,674	5,892,936,164	1.0022
1986	994,597,206	997,021,906	1.0024
1987	1,241,353,316	1,246,371,716	1.0040
1988	1,443,088,259	1,447,830,733	1.0033
1989	1,704,310,197	1,712,893,566	1.0050
1990	1,763,831,680	1,779,268,719	1.0088
1991	1,602,935,925	1,617,395,924	1.0090
1992	1,423,355,396	1,433,749,967	1.0073
1993	1,230,831,856	1,236,013,831	1.0042
1994	1,132,432,389	1,137,884,547	1.0048
1995	1,025,772,067	1,026,089,334	1.0003
1996	930,368,046	933,912,891	1.0038
1997	985,897,704	992,479,457	1.0067
1998	1,063,545,977	1,080,317,906	1.0158
1999	1,187,204,288	1,194,202,663	1.0059
2000	1,234,697,254	1,250,696,265	1.0130
2001	1,157,258,651	1,169,503,910	1.0106
2002	1,139,157,265	1,171,041,920	1.0280
2003	1,081,636,104	1,134,274,176	1.0487
2004	1,072,841,346	1,176,657,166	1.0968
2005	888,795,699	1,109,546,080	1.2484
2006	342,523,554	901,475,836	2.6319
2007		396,077,674	
Policy Year Valued	As of 12/31/07	As of 12/31/08	Ratio to Prior Year
Prior			
to 1986	5,889,967,523	5,909,795,705	1.0034
1986	996,309,407	996,049,150	0.9997
1987	1,245,202,169	1,247,284,477	1.0017
1988	1,445,525,288	1,451,866,967	1.0044
1989	1,710,079,556	1,717,111,608	1.0041
1990	1,777,221,893	1,776,051,352	0.9993
1991	1,613,448,953	1,619,358,748	1.0037
1992	1,433,494,568	1,438,356,198	1.0034
1993	1,236,018,738	1,238,316,805	1.0019
1994	1,137,628,621	1,146,509,841	1.0078
1995	1,022,683,631	1,027,369,748	1.0046
1996	933,430,612	934,137,313	1.0008
1997	992,290,486	996,490,631	1.0042
1998	1,080,318,570	1,078,373,963	0.9982
1999	1,194,207,590	1,198,610,139	1.0037
2000	1,250,694,204	1,252,788,884	1.0017
2001	1,169,518,271	1,176,536,449	1.0060
2002	1,171,060,295	1,184,808,631	1.0117
2003	1,134,328,729	1,162,055,854	1.0244
2004	1,174,223,366	1,221,383,469	1.0402
2005	1,107,813,703	1,220,823,428	1.1020
2006	900,590,447	1,147,578,547	1.2743
2007	395,988,054	1,034,937,618	2.6136
2008		370,717,450	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - B - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	4,521,571,057	4,520,085,294	0.9997
1986	691,536,001	693,800,732	1.0033
1987	837,846,363	838,838,311	1.0012
1988	959,028,071	959,980,281	1.0010
1989	1,110,788,935	1,113,719,865	1.0026
1990	1,139,421,254	1,148,748,610	1.0082
1991	1,009,750,697	1,016,226,446	1.0064
1992	877,676,845	881,157,810	1.0040
1993	765,626,210	765,597,656	1.0000
1994	699,712,812	700,623,961	1.0013
1995	617,539,434	612,378,283	0.9916
1996	525,953,469	526,287,216	1.0006
1997	554,469,342	556,415,795	1.0035
1998	579,243,001	585,357,536	1.0106
1999	665,086,210	663,535,830	0.9977
2000	695,865,424	700,642,782	1.0069
2001	659,376,557	666,909,293	1.0114
2002	632,819,711	654,229,371	1.0338
2003	575,353,335	614,220,984	1.0676
2004	535,136,626	617,044,713	1.1531
2005	378,190,265	552,223,744	1.4602
2006	120,448,206	400,301,692	3.3234
2007		136,763,184	

Policy Year Valued	As of 12/31/07	As of 12/31/08	Ratio to Prior Year
Prior			
to 1986	4,517,816,330	4,524,590,910	1.0015
1986	693,338,906	692,292,670	0.9985
1987	838,231,054	839,087,134	1.0010
1988	958,689,532	958,977,229	1.0003
1989	1,111,705,833	1,113,633,692	1.0017
1990	1,147,438,100	1,142,303,050	0.9955
1991	1,013,613,656	1,014,869,377	1.0012
1992	880,993,500	881,792,053	1.0009
1993	765,595,135	766,693,875	1.0014
1994	700,461,910	701,867,510	1.0020
1995	610,248,639	611,768,245	1.0025
1996	526,049,200	526,079,251	1.0001
1997	556,297,407	556,608,711	1.0006
1998	585,357,536	581,392,136	0.9932
1999	663,537,933	664,140,210	1.0009
2000	700,645,471	700,624,746	1.0000
2001	666,916,157	668,639,335	1.0026
2002	654,249,464	666,149,966	1.0182
2003	614,236,226	638,004,775	1.0387
2004	615,928,605	659,687,609	1.0710
2005	551,350,689	644,192,556	1.1684
2006	400,155,445	591,136,129	1.4773
2007	136,584,009	458,297,203	3.3554
2008		129,675,041	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - C - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	1,358,187,617	1,372,850,870	1.0108
1986	303,061,205	303,221,174	1.0005
1987	403,506,953	407,533,405	1.0100
1988	484,060,188	487,850,452	1.0078
1989	593,521,262	599,173,701	1.0095
1990	624,410,426	630,520,109	1.0098
1991	593,185,228	601,169,478	1.0135
1992	545,678,551	552,592,157	1.0127
1993	465,205,646	470,416,175	1.0112
1994	432,719,577	437,260,586	1.0105
1995	408,232,633	413,711,051	1.0134
1996	404,414,577	407,625,675	1.0079
1997	431,428,362	436,063,662	1.0107
1998	484,302,976	494,960,370	1.0220
1999	522,118,078	530,666,833	1.0164
2000	538,831,830	550,053,483	1.0208
2001	497,882,094	502,594,617	1.0095
2002	506,337,554	516,812,549	1.0207
2003	506,282,769	520,053,192	1.0272
2004	537,704,720	559,612,453	1.0407
2005	510,605,434	557,322,336	1.0915
2006	222,075,348	501,174,144	2.2568
2007		259,314,490	

Policy Year Valued	As of 12/31/07	As of 12/31/08	Ratio to Prior Year
Prior			
to 1986	1,372,151,193	1,385,204,795	1.0095
1986	302,970,501	303,756,480	1.0026
1987	406,971,115	408,197,343	1.0030
1988	486,835,756	492,889,738	1.0124
1989	598,373,723	603,477,916	1.0085
1990	629,783,793	633,748,302	1.0063
1991	599,835,297	604,489,371	1.0078
1992	552,501,068	556,564,145	1.0074
1993	470,423,603	471,622,930	1.0025
1994	437,166,711	444,642,331	1.0171
1995	412,434,992	415,601,503	1.0077
1996	407,381,412	408,058,062	1.0017
1997	435,993,079	439,881,920	1.0089
1998	494,961,034	496,981,827	1.0041
1999	530,669,657	534,469,929	1.0072
2000	550,048,733	552,164,138	1.0038
2001	502,602,114	507,897,114	1.0105
2002	516,810,831	518,658,665	1.0036
2003	520,092,503	524,051,079	1.0076
2004	558,294,761	561,695,860	1.0061
2005	556,463,014	576,630,872	1.0362
2006	500,435,002	556,442,418	1.1119
2007	259,404,045	576,640,415	2.2229
2008		241,042,409	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - D - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY PAID LOSSES

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	4,369,333,012	4,389,995,860	1.0047
1986	661,444,091	665,565,625	1.0062
1987	804,940,663	809,026,775	1.0051
1988	915,477,438	920,407,255	1.0054
1989	1,061,483,539	1,067,150,467	1.0053
1990	1,079,609,459	1,087,152,610	1.0070
1991	945,197,881	952,862,470	1.0081
1992	808,686,914	819,262,749	1.0131
1993	704,980,827	711,046,060	1.0086
1994	643,743,329	650,291,934	1.0102
1995	566,421,687	572,914,177	1.0115
1996	486,019,161	492,236,607	1.0128
1997	520,258,906	530,178,259	1.0191
1998	538,031,988	550,790,790	1.0237
1999	612,427,081	626,613,985	1.0232
2000	630,607,657	649,084,054	1.0293
2001	583,551,241	615,386,579	1.0546
2002	520,328,342	571,642,179	1.0986
2003	442,354,169	517,329,055	1.1695
2004	336,118,424	465,324,802	1.3844
2005	187,900,496	358,519,306	1.9080
2006	42,845,880	199,949,762	4.6667
2007		46,563,359	
Policy Year Valued	As of 12/31/07	As of 12/31/08	Ratio to Prior Year
Prior			
to 1986	4,387,726,896	4,406,350,984	1.0042
1986	665,103,316	667,781,518	1.0040
1987	808,418,749	811,930,814	1.0043
1988	919,225,470	923,185,007	1.0043
1989	1,065,136,435	1,071,515,719	1.0060
1990	1,085,839,775	1,092,056,365	1.0057
1991	950,246,220	958,423,900	1.0086
1992	819,094,370	825,135,543	1.0074
1993	711,042,154	717,027,040	1.0084
1994	650,128,239	654,934,973	1.0074
1995	571,069,120	576,854,451	1.0101
1996	491,995,476	497,855,371	1.0119
1997	530,059,108	534,139,466	1.0077
1998	550,790,790	558,963,919	1.0148
1999	626,613,985	635,274,045	1.0138
2000	649,080,068	663,650,982	1.0224
2001	615,386,047	631,928,426	1.0269
2002	571,635,017	602,764,827	1.0545
2003	517,315,222	565,951,764	1.0940
2004	464,229,480	545,195,124	1.1744
2005	358,003,835	495,243,944	1.3833
2006	199,791,676	384,220,663	1.9231
2007	46,455,231	221,960,227	4.7779
2008		47,409,981	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - E - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL PAID LOSSES

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	1,204,291,529	1,221,729,179	1.0145
1986	276,962,802	280,076,981	1.0112
1987	365,012,214	369,054,359	1.0111
1988	451,766,355	456,320,383	1.0101
1989	545,179,338	551,109,208	1.0109
1990	585,236,287	591,675,403	1.0110
1991	544,188,161	551,482,770	1.0134
1992	495,746,570	502,015,141	1.0126
1993	429,216,587	434,222,303	1.0117
1994	394,429,650	400,683,972	1.0159
1995	367,395,110	373,590,254	1.0169
1996	358,786,496	363,424,383	1.0129
1997	386,205,356	392,521,294	1.0164
1998	414,243,316	425,344,725	1.0268
1999	456,613,803	465,920,201	1.0204
2000	469,376,644	479,978,608	1.0226
2001	448,997,425	460,789,754	1.0263
2002	436,501,621	452,193,903	1.0360
2003	435,835,091	456,619,149	1.0477
2004	437,539,892	477,148,775	1.0905
2005	356,492,885	450,391,110	1.2634
2006	106,187,253	366,182,915	3.4485
2007		120,405,689	
Policy Year Valued	As of 12/31/07	As of 12/31/08	Ratio to Prior Year
Prior			
to 1986	1,221,029,502	1,239,963,376	1.0155
1986	279,826,283	283,082,380	1.0116
1987	368,492,069	372,257,063	1.0102
1988	455,552,095	460,043,594	1.0099
1989	550,308,979	556,119,340	1.0106
1990	590,938,642	596,625,091	1.0096
1991	550,140,397	556,825,404	1.0122
1992	501,923,725	508,469,493	1.0130
1993	434,229,474	439,186,412	1.0114
1994	400,589,874	406,004,511	1.0135
1995	372,613,667	377,421,641	1.0129
1996	363,179,520	368,042,413	1.0134
1997	392,450,139	399,429,312	1.0178
1998	425,344,725	434,733,210	1.0221
1999	465,919,835	474,618,062	1.0187
2000	479,960,445	489,557,344	1.0200
2001	460,786,964	469,460,910	1.0188
2002	452,170,334	465,600,016	1.0297
2003	456,607,437	469,343,993	1.0279
2004	475,771,807	499,094,970	1.0490
2005	449,573,204	491,547,019	1.0934
2006	365,424,131	464,142,542	1.2701
2007	120,292,440	407,774,749	3.3899
2008		114,304,734	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

EXHIBIT VII

LOSS COST FORMULAE

The experience used for classification relativities for the April 1, 2010 revision will include all available risks. It is proposed that catastrophes be limited in accordance with the procedure previously employed in other Bureau filings. The experience period will be five (5) years for all classifications regardless of whether a classification might meet the full credibility requirements with less than five years of data. Credibility will be based on reported payrolls for classifications using payroll as the exposure base. For non-payroll classifications, expected losses will be used as the basis for credibility. Thus, two credibility tables will be prepared for use in the April 1, 2010 filing. The values for these respective tables will be established such that the credibilities assigned to a payroll-based classification having the same portion of total statewide expected losses and payrolls attributable to its experience using each table would be equal. All occupational disease losses will be included in the exhibit of classification experience, with the total amount of such losses by type of injury being shown on a separate line on the classification loss cost worksheets.

Most classifications are subject to standard procedures as described below. However, circumstances will sometimes require that some classifications' rating procedure be modified to recognize situations where the normal rating process would not be appropriate. Such classifications, and the manner in which their loss costs have been derived, are separately identified within the filing material.

The calculation of classification loss costs will be made using the following procedure:

- (1) Determine the present pure premiums by category (serious, non-serious, medical only and total) for each classification.
- (2) Adjust the present pure premiums by category (serious, non-serious, medical-only and total) to the April 1, 2010 loss cost level.
- (3) Determine Expected Losses (serious, non-serious, medical-only and total) for each classification by multiplying the exposures from the experience period by the present pure premiums.
- (4) Determine the indicated pure premiums (serious, non-serious, medical-only and total) from the exposures and losses from the experience period.
- (5) Test the indicated total pure premiums by multiplying the exposures of the latest two years for each classification and obtaining the total Actual Losses for all classifications combined.
- (6) Calculate Expected Losses by multiplying the present pure premiums by the exposures from the last two years for each classification and by the overall average loss cost change.
- (7) Obtain correction factors by dividing the Expected Losses derived in (6) by the Actual Losses derived in (5).

Loss Cost Formulae (Continued)

- (8) Multiply the indicated (pre-test) pure premiums from (4) times the correction factors derived in (7) to obtain indicated (post-test) pure premiums.
- (9) Determine “formula” pure premiums from (2) and (8) above for each type of loss (serious, non-serious and medical-only), with credibility for each category of loss corresponding to either the amount of reported payroll (for all classifications in which payroll is the exposure base) or to the amount of Expected Losses (for all “non-payroll” classifications). Credibility weights will be taken from exhibits appearing in the Class Book. The complement of credibility is in each case to be assigned to the present loss costs on April 1, 2010 level for each category of loss.
- (10) Select proposed total pure premiums for each classification, using the middle value from the total pure premiums derived in (2), (8) and (9) above. If the proposed pure premium selected on this basis is different from the formula pure premium derived in (9) above, partial pure premiums are to be allocated between categories (serious, non-serious and medical-only) in the same proportion as the partial pure premiums comprising the formula pure premium.
- (11) Test the proposed total pure premiums selected in (10) by multiplying by the exposures of the two latest years for each classification and obtaining the total Expected Losses for all classifications combined.
- (12) Obtain a correction factor by dividing the Expected Losses derived in (6) above by the Expected Losses derived in (11) above.
- (13) Calculate the “composite pure premium multiplier” as the product of the following items:
 - (a) The pure premium correction factor determined in (12) above.
 - (b) The proposed experience rating plan off-balance factor.
- (14) Apply the composite pure premium multiplier obtained in (13) above to the proposed total pure premiums to obtain classification loss costs.
- (15) Test to assure that the maximum departure of the classification loss costs derived in (14) above from current loss costs is in accordance with the following parameters:

Maximum Change in Loss Cost:
Upward: The overall average change plus 25% rounded to the nearest 1%.
Downward: The overall average change minus 25% rounded to the nearest 1%.
- (16) Loss costs are to be rounded to the nearest \$.01.
- (17) Test the limited loss costs derived in (16) above to determine if balance has been achieved within 0.0005 of the indicated change in loss cost level. If such balance has not been achieved, calculate the necessary correction factor to adjust the composite pure premium multipliers derived in (13) above to achieve the necessary balance. Perform steps (14) through (17) iteratively until the desired balance is achieved.

EXHIBIT VIII**COLLECTIBLE PREMIUM RATIOS ***

Manual Year	Premium at Manual Rates	Collected Premium (Excluding Constants)	Collectible Premium Ratio (2)/(3)
(1)	(2)	(3)	(4)
ALL INDUSTRIES			
2004	2,880,909,316	2,737,393,866	1.0524
2005	3,036,573,986	2,939,348,401	1.0331
2006	2,970,879,843	2,909,483,500	1.0211
TOTAL	8,888,363,145	8,586,225,767	1.0352
MANUFACTURING AND UTILITIES			
2004	663,639,811	633,935,824	1.0469
2005	706,394,521	684,227,465	1.0324
2006	675,603,220	669,628,636	1.0089
TOTAL	2,045,637,552	1,987,791,925	1.0291
CONTRACTING AND QUARRYING			
2004	516,664,957	471,621,518	1.0955
2005	557,856,607	514,815,092	1.0836
2006	560,905,269	522,034,059	1.0745
TOTAL	1,635,426,833	1,508,470,669	1.0842
OTHER INDUSTRIES			
2004	1,700,604,548	1,631,836,524	1.0421
2005	1,772,322,858	1,740,305,844	1.0184
2006	1,734,371,354	1,717,820,805	1.0096
TOTAL	5,207,298,760	5,089,963,173	1.0231

* Excludes classifications and coverages not subject to experience rating.

EXHIBIT IX

CALCULATION OF EXPECTED LOSS COST FACTORS (a)

Policy Year Beginning 4/1 (1)	Act 57 Adjust- ment (2)	Adjust- ment Factor (3)	Loss Ratio Development Factor (4)	Collectible Premium Ratio (5)	Trend Factor (6)	Product (2) * (3) * (4) * (5) * (6) (7)	Expected Loss Cost Factor 1.0 / (7) (8)
<u>Manufacturing and Utilities</u>							
2006	1.0000	1.0000	1.2470	1.0291	0.9631	1.2359	0.8091
2007	1.0000	1.0000	1.4093	1.0291	0.9720	1.4097	0.7094
2008	1.0000	1.0000	1.8193	1.0291	0.9813	1.8372	0.5443
<u>Contracting and Quarrying</u>							
2006	1.0000	1.0000	1.3022	1.0842	0.9631	1.3597	0.7355
2007	1.0000	1.0000	1.4649	1.0842	0.9720	1.5438	0.6478
2008	1.0000	1.0000	1.8331	1.0842	0.9813	1.9503	0.5127
<u>Other Industries</u>							
2006	1.0000	1.0000	1.2493	1.0231	0.9631	1.2310	0.8123
2007	1.0000	1.0000	1.4189	1.0231	0.9720	1.4110	0.7087
2008	1.0000	1.0000	1.8153	1.0231	0.9813	1.8225	0.5487

a Apply to pure Loss Costs (pre-LBA, Merit Rating Plan, PCCPAP and Certified Safety Committee adjustments).

EXHIBIT X

RETROSPECTIVE DEVELOPMENT FACTORS *

Retrospective development factors for first, second and third adjustments are calculated below. They are intended for application to retrospective plans with no loss limitation.

First Adjustment	RDF =	0.4566
Second Adjustment	RDF =	0.2984
Third Adjustment	RDF =	0.2046

For those companies using retrospective development factors with loss limitations, the following formula may be used:

$$\text{RDF(LIM)} = (1.0 - \text{ELF}) \times \text{RDF}$$

RDF(LIM) = Retrospective Development Factors at limited basis
ELF = Excess Loss Factors for given Hazard Group and Loss Limitation
RDF = Retrospective Development Factors without Loss Limitation

For Example:

$$\text{The \$25,000 limit Hazard Group C ELF} = 0.677$$

$$\begin{aligned} \text{Then First Adjustment RDF} &= (1 - .677) \times 0.4566 \\ &= 0.1475 \end{aligned}$$

* The use of retrospective development factors is optional.