Exhibit 14
As Filed

PENNSYLVANIA COMPENSATION RATING BUREAU
PENNSYLVANIA CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM ("PCCPAP")

The PCCPAP program has been used in Pennsylvania since 1991 as a means of addressing construction employers' concerns regarding the effects of wage differentials on workers' compensation premium. The program establishes a set of tabular premium credits given to employers engaged in the construction trades and who have paid wages in excess of minimum qualifying levels. Until January 1, 2002, when an experience-rated employer received a PCCPAP credit, the expected losses used in determining that employer's modification were reduced in proportion to the PCCPAP credit, thereby avoiding redundant credits based on prevailing wage levels.

Beginning January 1, 2002, the practice of adjusting PCCPAP participating employers' experience modifications was discontinued. Instead, an equivalent adjustment is now made to reduce the insured's policy credit factor.

The PCCPAP is intended to be a means of redistributing a portion of workers' compensation insurance premiums between lower-wage and higher-wage employers. On balance the program is intended to be revenue neutral. Prior to 1995, classifications in which employers were eligible for credits had been subject to a flat loading of 1 percent, intended to offset the credits being provided to relatively high-wage employers. Starting with the 1995 loss cost filing, the current procedure, as described herein, has been used.

The PCRB has assembled 2007 policy year experience data that provides historical measures of the extent to which employers in each eligible classification have qualified for PCCPAP credits, and the magnitude of credits granted under this program. The attached exhibit presents the staff analysis of this experience, and derives a proposed revised set of PCCPAP loadings to maintain the intended balance within the affected classifications. A brief description of page 14.1 follows:

Column (1) - Class: The numeric designation of each classification eligible for PCCPAP credit.

Column (2) - # of Policies (Total): The number of policies reported in each class, whether or not those policies applied for or received PCCPAP credit.

Column (3) - # of Policies (PCCPAP): The number of policies qualified for PCCPAP credit for the 2007 policy term.

Column (4) - Payroll (Total): The payroll attributable to the policies reported in column (2).

Column (5) - Payroll (PCCPAP): the payroll attributable to policies reported in column (3).

Column (6) - PCCPAP Policy Premium, Pre-PCCPAP: The Standard Premium which would have applied to qualifying PCCPAP policies ABSENT both the tabular PCCPAP credit and the adjustment to that tabular credit to offset any redundancy resulting from the calculation of experience modifications. The current PCCPAP load on Manual Rates is omitted from this calculation.

Column (7) - PCCPAP Policy Premium, Post-PCCPAP: The Standard Premium attributable to qualifying PCCPAP policies, reflecting BOTH the tabular PCCPAP credits and the adjustment to that tabular credit to offset any redundancy resulting from the calculation of experience modifications. The current PCCPAP load on Manual Rates is omitted from this calculation.

Columns (8) and (9) - Non-PCCPAP Policy Premium, Pre PCCPAP: The Standard Premium attributable to policies that did not qualify for PCCPAP credit in 2007. The current PCCPAP load on Manual Rates is omitted from this calculation

Column (10) - Indicated Surcharge: The ratio of Pre-PCCPAP premiums for both qualifying and non-qualifying policies to Post-PCCPAP premiums for those same policies. Computed as (Column (6) + Column (8)) / (Column (7) + Column (9)).

Column (11) - Average PCCPAP Credit: For qualifying policies, the average credit given in 2007. For example, an average credit of 0.0970 indicates that the average qualifying risk in Code 601 received a 9.70 percent reduction in standard premium by operation of the PCCPAP plan's tabular credit and experience rating plan adjustment.

Column (12) - Class "Z": This is the credibility assigned each classification's indicated PCCPAP surcharge. The credibility formula is a linear function of total classification policies, with 230 policies or more receiving full credibility. This formula is an adaptation of procedures used in NCCI jurisdictions where credibility is a linear function of the number of policies qualifying for Premium Adjustment Plan credits. Staff perceives the use of total policies to be more appropriate where large portions of a class have not historically qualified for PCCPAP credit.

Column (13) - Formula Surcharge: The credibility-weighted classification loadings for PCCPAP credits. The calculation uses the following values:

   Column (10) x Column (12) + (1.00 - (Column (12)) x Average Column (10)

Column (14) - TCF: The test correction factor necessary to balance credibility-weighted surcharges across all classifications to the overall indicated surcharge of 3.56 percent.

Column (15) - Final Surcharge: The product of the TCF (Column (14)) and the formula surcharges (Column (13)) by classification.

Page 14.2 shows a comparison of current and proposed PCCPAP surcharges by class and overall.

PCCPAP Surcharges
For Policy Effective Dates 01/01/07 Through 12/31/07

100% Credibility = 230 Policies
Partial Credibility = # of Policies / 230

Class (1)	# of Policies (Total) (2)	# of Policies (PCCPAP) (3)	Payroll (Total) (4)	Payroll (PCCPAP) (5)	***PCCPAP Policies*** Premium Pre-PCCPAP (6)	Premium Post-PCCPAP (7)	**Non-PCCPAP Policies** Premium Pre-PCCPAP (8)	Premium Post-PCCPAP (9)	Indicated Surcharge (10)	Average PCCPAP Credit (11)	Class "Z" (12)	Formula Surcharge (13)	TCF (14)	Final Surcharge (15)
601	817	103	198,408,522	42,056,608	2,477,528	2,237,300	9,483,157	9,483,157	1.0205	0.0970	1.00	1.0205	0.999	1.0195
602	216	54	140,553,778	40,566,843	1,660,054	1,494,996	4,184,304	4,184,304	1.0291	0.0994	0.94	1.0295	0.999	1.0285
603	309	88	87,671,451	34,895,038	1,531,860	1,348,147	2,231,049	2,231,049	1.0513	0.1199	1.00	1.0513	0.999	1.0502
605	44	1	15,089,320	696,699	34,556	32,828	858,563	858,563	1.0019	0.0500	0.19	1.0292	0.999	1.0282
606	40	0	67,813,890	0	0	0	8,573,824	8,573,824	1.0000	0.0000	0.17	1.0295	0.999	1.0285
607	321	14	120,790,737	11,158,990	600,881	488,862	7,350,433	7,350,433	1.0143	0.1864	1.00	1.0143	0.999	1.0133
608	2,801	386	467,037,058	123,624,581	6,902,200	6,093,801	19,212,112	19,212,112	1.0319	0.1171	1.00	1.0319	0.999	1.0309
609	2,816	216	659,168,835	102,485,759	4,552,182	4,051,040	25,314,397	25,314,397	1.0171	0.1101	1.00	1.0171	0.999	1.0161
611	25	15	4,845,443	915,402	68,707	58,552	305,774	305,774	1.0279	0.1478	0.11	1.0348	0.999	1.0338
615	3	0	3,047,849	0	0	0	313,474	313,474	1.0000	0.0000	0.01	1.0352	0.999	1.0342
617	368	90	124,049,902	32,113,424	1,429,604	1,271,900	4,499,615	4,499,615	1.0273	0.1103	1.00	1.0273	0.999	1.0263
645	904	231	274,759,715	155,090,200	7,767,898	6,735,294	6,288,433	6,288,433	1.0793	0.1329	1.00	1.0793	0.999	1.0782
646	442	62	80,857,024	21,606,050	898,046	731,726	2,766,630	2,766,630	1.0475	0.1852	1.00	1.0475	0.999	1.0465
647	180	9	39,575,598	1,176,678	57,335	45,441	2,625,272	2,625,272	1.0045	0.2074	0.78	1.0113	0.999	1.0103
648	1,298	89	129,425,957	27,163,596	1,449,661	1,235,117	5,184,414	5,184,414	1.0334	0.1480	1.00	1.0334	0.999	1.0324
649	284	139	87,915,518	54,850,751	1,356,899	1,157,281	877,511	877,511	1.0981	0.1471	1.00	1.0981	0.999	1.0970
651	2,641	402	634,989,427	198,805,511	10,941,048	9,391,699	25,418,145	25,418,145	1.0445	0.1416	1.00	1.0445	0.999	1.0435
652	7,828	92	590,647,717	21,827,016	1,658,194	1,451,618	44,063,933	44,063,933	1.0045	0.1246	1.00	1.0045	0.999	1.0035
653	2,327	257	366,505,562	115,378,564	7,453,287	6,427,668	16,014,026	16,014,026	1.0457	0.1376	1.00	1.0457	0.999	1.0447
654	700	177	204,027,134	53,288,701	4,045,785	3,506,349	10,599,122	10,599,122	1.0382	0.1333	1.00	1.0382	0.999	1.0372
655	384	106	88,657,193	23,271,353	2,322,677	1,994,131	6,476,090	6,476,090	1.0388	0.1415	1.00	1.0388	0.999	1.0378
656	96	6	46,869,338	4,357,307	246,983	200,272	2,999,960	2,999,960	1.0146	0.1891	0.42	1.0268	0.999	1.0258
657	61	5	9,391,471	3,426,669	348,251	254,866	402,166	402,166	1.1421	0.2682	0.27	1.0644	0.999	1.0633
658	492	110	73,430,571	19,756,677	1,430,500	1,153,504	4,088,778	4,088,778	1.0528	0.1936	1.00	1.0528	0.999	1.0517
659	937	92	136,210,562	26,569,050	3,715,293	3,273,127	15,015,344	15,015,344	1.0242	0.1190	1.00	1.0242	0.999	1.0232
660	942	106	263,699,256	41,511,786	810,067	673,372	4,501,603	4,501,603	1.0264	0.1687	1.00	1.0264	0.999	1.0254
661	3,189	463	1,019,275,779	452,238,330	12,824,608	10,471,933	17,170,584	17,170,584	1.0851	0.1835	1.00	1.0851	0.999	1.0840
662	258	5	70,213,898	619,586	35,512	33,524	3,233,787	3,233,787	1.0006	0.0560	1.00	1.0006	0.999	1.0000
663	3,706	487	899,959,906	245,615,345	8,971,590	7,388,575	25,346,750	25,346,750	1.0484	0.1764	1.00	1.0484	0.999	1.0474
664	2,595	362	758,487,001	253,860,943	9,470,619	7,946,774	19,455,436	19,455,436	1.0556	0.1609	1.00	1.0556	0.999	1.0545
665	1,636	91	160,479,344	32,845,921	1,992,892	1,710,147	8,683,390	8,683,390	1.0272	0.1419	1.00	1.0272	0.999	1.0262
666	299	57	58,435,803	16,367,162	996,099	842,705	2,257,039	2,257,039	1.0495	0.1540	1.00	1.0495	0.999	1.0485
667	299	21	27,671,799	5,985,646	110,771	95,396	382,827	382,827	1.0322	0.1388	1.00	1.0322	0.999	1.0312
668	503	80	68,115,429	21,537,831	962,995	825,756	2,040,971	2,040,971	1.0479	0.1425	1.00	1.0479	0.999	1.0469
669	212	53	15,098,879	5,567,586	310,498	266,145	599,404	599,404	1.0512	0.1428	0.92	1.0500	0.999	1.0490
670	582	53	57,609,038	18,554,377	834,196	649,035	1,730,317	1,730,317	1.0778	0.2220	1.00	1.0778	0.999	1.0767
673	224	6	42,945,495	2,146,704	82,591	70,970	1,955,861	1,955,861	1.0057	0.1407	0.97	1.0066	0.999	1.0056
674	242	3	25,034,876	501,744	20,294	18,264	1,110,975	1,110,975	1.0018	0.1000	1.00	1.0018	0.999	1.0008
675	1,562	112	570,601,570	63,906,293	2,570,669	2,189,309	19,175,181	19,175,181	1.0179	0.1484	1.00	1.0179	0.999	1.0169
676	390	79	62,884,571	24,149,396	920,586	780,829	1,566,283	1,566,283	1.0595	0.1518	1.00	1.0595	0.999	1.0584
677	68	7	104,944,933	2,042,173	74,397	64,445	3,138,018	3,138,018	1.0031	0.1338	0.30	1.0259	0.999	1.0249
679	21	0	9,212,809	0	0	0	625,107	625,107	1.0000	0.0000	0.09	1.0324	0.999	1.0314
681	81	0	5,432,830	0	0	0	247,548	247,548	1.0000	0.0000	0.35	1.0231	0.999	1.0221
682	81	0	14,907,783	0	0	0	1,763,024	1,763,024	1.0000	0.0000	0.35	1.0231	0.999	1.0221
691	23	0	1,164,600	0	0	0	70,436	70,436	1.0000	0.0000	0.10	1.0320	0.999	1.0310
693	44	0	2,146,638	0	0	0	197,927	197,927	1.0000	0.0000	0.19	1.0288	0.999	1.0278
695	42	0	5,185,137	0	0	0	232,724	232,724	1.0000	0.0000	0.18	1.0292	0.999	1.0282
Total	43,333	4,729	8,895,246,946	2,302,332,290	103,937,813	88,662,698	340,631,718	340,631,718	1.0356	0.1470		1.0366	0.9990	1.0356

Note:
For each Class:
 Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)
 Basis of Credibility: 1 / ((# PCCPAP Policies)/(# Total Policies)) * 25 = 230 Policies for Full Credibility
 Formula Surcharge = (Indicated Surcharge) * (Credibility for that Class) + (1- Credibility) * (Average Indicated Surcharge
 Test Correction Factor = (Total Indicated Surcharge) / ((Total Weighted Formula Surcharge) / (Total Premium Post-PCCPAP))

14.1

Comparison of PCCPAP Surcharges by Class

Class (1)	Current PCCPAP Surcharge (2)	Proposed PCCPAP Surcharge (3)	Percentage Change (4)=(3)/(2)-1.0
601	1.0228	1.0195	-0.3%
602	1.0279	1.0285	0.1%
603	1.0609	1.0502	-1.0%
605	1.0274	1.0282	0.1%
606	1.0281	1.0285	0.0%
607	1.0185	1.0133	-0.5%
608	1.0300	1.0309	0.1%
609	1.0204	1.0161	-0.4%
611	1.0399	1.0338	-0.6%
615	1.0332	1.0342	0.1%
617	1.0213	1.0263	0.5%
645	1.0714	1.0782	0.6%
646	1.0454	1.0465	0.1%
647	1.0077	1.0103	0.3%
648	1.0334	1.0324	-0.1%
649	1.0989	1.0970	-0.2%
651	1.0363	1.0435	0.7%
652	1.0035	1.0035	0.0%
653	1.0406	1.0447	0.4%
654	1.0484	1.0372	-1.1%
655	1.0477	1.0378	-0.9%
656	1.0231	1.0258	0.3%
657	1.0278	1.0633	3.5%
658	1.0410	1.0517	1.0%
659	1.0300	1.0232	-0.7%
660	1.0264	1.0254	-0.1%
661	1.0803	1.0840	0.3%
662	1.0010	1.0000	-0.1%
663	1.0434	1.0474	0.4%
664	1.0512	1.0545	0.3%
665	1.0205	1.0262	0.6%
666	1.0493	1.0485	-0.1%
667	1.0396	1.0312	-0.8%
668	1.0383	1.0469	0.8%
669	1.0428	1.0490	0.6%
670	1.0689	1.0767	0.7%
673	1.0041	1.0056	0.1%
674	1.0022	1.0008	-0.1%
675	1.0170	1.0169	0.0%
676	1.0484	1.0584	1.0%
677	1.0262	1.0249	-0.1%
679	1.0308	1.0314	0.1%
681	1.0216	1.0221	0.0%
682	1.0226	1.0221	0.0%
691	1.0294	1.0310	0.2%
693	1.0277	1.0278	0.0%
695	1.0274	1.0282	0.1%
Total	1.0342	1.0356	0.1%