Exhibit 14
As Filed

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

The PCCPAP is used in Pennsylvania 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.

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.

The PCRB has assembled 2015 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 2015 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: The Standard Premium attributable to policies that did not qualify for PCCPAP credit in 2015. 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 2015. For example, an average credit of 0.0804 indicates that the average qualifying risk in Code 601 received an 8.04 percent reduction in standard premium by operation of the PCCPAP plan's tabular credit and experience rating plan adjustment. This is computed as (1.00 - (Column (7) / Column (6))).

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 325 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 2.70 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 01/01/15 Through 12/31/15

100% Credibility = 325 Policies
Partial Credibility = # of Policies / 325

	# of Policies	# of Policies	Payroll	Payroll	***PCCPAP Policies*** Premium	Premium	**Non-PCCPAP Policies** Premium	Premium	Indicated	Average PCCPAP	Class	Formula		Final
Class	(Total)	(PCCPAP)	(Total)	(PCCPAP)	Pre-PCCPAP	Post-PCCPAP	Pre-PCCPAP	Post-PCCPAP	Surcharge	Credit	"Z"	Surcharge	TCF	Surcharge
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
601	369	62	400,708,148	51,442,535	2,505,576	2,304,023	16,721,428	16,721,428	1.0106	0.0804	1.00	1.0106	0.9992	1.0098
603	260	54	106,649,418	40,203,948	1,777,498	1,537,053	2,757,756	2,757,756	1.0560	0.1353	0.80	1.0502	0.9992	1.0494
605	42	2	20,859,958	1,236,344	62,936	53,694	1,032,955	1,032,955	1.0085	0.1468	0.13	1.0246	0.9992	1.0238
606	40	0	116,345,522	0	0	0	6,252,963	6,252,963	1.0000	0.0000	0.12	1.0238	0.9992	1.0230
607	433	21	548,271,716	21,893,360	811,706	622,733	19,028,708	19,028,708	1.0096	0.2328	1.00	1.0096	0.9992	1.0088
608	2,396	229	495,401,588	114,876,297	5,387,709	4,694,724	17,939,190	17,939,190	1.0306	0.1286	1.00	1.0306	0.9992	1.0298
609	2,496	189	1,021,405,060	116,699,405	4,350,022	3,793,995	30,647,281	30,647,281	1.0161	0.1278	1.00	1.0161	0.9992	1.0153
611	26	10	7,128,496	1,634,984	120,590	96,096	353,682	353,682	1.0545	0.2031	0.08	1.0292	0.9992	1.0284
615	3	1	1,023,153	759,474	47,574	42,817	20,462	20,462	1.0752	0.1000	0.01	1.0275	0.9992	1.0267
617	298	56	309,043,153	41,979,494	1,116,812	993,251	6,920,837	6,920,837	1.0156	0.1106	0.92	1.0165	0.9992	1.0157
645	725	129	249,755,039	97,395,454	4,849,315	4,152,156	7,910,153	7,910,153	1.0578	0.1438	1.00	1.0578	0.9992	1.0570
646	402	49	88,615,979	19,626,990	866,192	721,155	2,957,182	2,957,182	1.0394	0.1674	1.00	1.0394	0.9992	1.0386
647	239	13	49,051,452	1,866,361	102,974	86,132	2,764,223	2,764,223	1.0059	0.1636	0.74	1.0114	0.9992	1.0106
648	1,112	51	126,623,833	17,560,139	913,399	793,159	5,390,105	5,390,105	1.0194	0.1316	1.00	1.0194	0.9992	1.0186
649	264	84	82,922,539	49,136,195	1,083,240	946,285	865,157	865,157	1.0756	0.1264	0.81	1.0664	0.9992	1.0656
651	2,377	235	659,496,770	128,684,173	6,565,015	5,558,087	27,795,137	27,795,137	1.0302	0.1534	1.00	1.0302	0.9992	1.0294
652	6,200	38	475,640,041	10,866,477	803,775	711,609	33,576,030	33,576,030	1.0027	0.1147	1.00	1.0027	0.9992	1.0019
653	1,772	122	276,277,238	69,497,558	3,952,743	3,465,950	11,821,671	11,821,671	1.0318	0.1232	1.00	1.0318	0.9992	1.0310
654	531	119	258,759,204	78,034,338	4,812,564	4,110,438	10,726,056	10,726,056	1.0473	0.1459	1.00	1.0473	0.9992	1.0465
655	324	46	168,177,537	20,922,762	2,079,644	1,654,794	12,009,470	12,009,470	1.0311	0.2043	1.00	1.0311	0.9992	1.0303
656	120	4	152,458,460	3,466,602	148,285	130,471	6,522,456	6,522,456	1.0027	0.1201	0.37	1.0180	0.9992	1.0172
657	51	1	15,510,010	186,677	10,069	9,465	852,901	852,901	1.0007	0.0600	0.16	1.0228	0.9992	1.0220
658	457	76	78,250,336	18,910,230	1,193,044	976,387	4,101,692	4,101,692	1.0427	0.1816	1.00	1.0427	0.9992	1.0419
659	851	48	152,362,600	20,428,809	2,546,189	2,296,926	15,792,815	15,792,815	1.0138	0.0979	1.00	1.0138	0.9992	1.0130
660	1,058	112	394,121,738	68,371,030	1,417,578	1,138,945	7,022,977	7,022,977	1.0341	0.1966	1.00	1.0341	0.9992	1.0333
661	2,946	302	1,056,728,190	396,603,515	9,612,649	7,858,325	16,629,619	16,629,619	1.0716	0.1825	1.00	1.0716	0.9992	1.0708
662	290	1	64,274,283	300,000	10,099	7,170	2,473,458	2,473,458	1.0012	0.2900	0.89	1.0040	0.9992	1.0032
663	3,276	289	1,018,425,030	193,555,197	5,679,430	4,755,424	25,207,655	25,207,655	1.0308	0.1627	1.00	1.0308	0.9992	1.0300
664	2,415	211	866,459,805	238,305,040	6,703,547	5,618,585	18,851,704	18,851,704	1.0443	0.1618	1.00	1.0443	0.9992	1.0435
665	1,529	59	162,595,727	28,686,530	1,629,093	1,403,089	8,242,286	8,242,286	1.0234	0.1387	1.00	1.0234	0.9992	1.0226
666	290	45	67,120,872	24,173,876	1,245,537	1,065,486	2,188,088	2,188,088	1.0553	0.1446	0.89	1.0522	0.9992	1.0514
667	204	16	23,285,031	5,262,029	84,162	71,910	259,912	259,912	1.0369	0.1456	0.63	1.0332	0.9992	1.0324
668	449	32	64,214,328	16,890,819	722,296	622,781	2,252,530	2,252,530	1.0346	0.1378	1.00	1.0346	0.9992	1.0338
669	140	20	10,002,246	3,810,421	205,483	169,193	321,943	321,943	1.0739	0.1766	0.43	1.0472	0.9992	1.0464
670	645	52	60,763,313	19,412,071	778,250	632,056	1,664,363	1,664,363	1.0637	0.1878	1.00	1.0637	0.9992	1.0629
673	221	8	48,613,954	2,400,070	113,667	103,573	1,963,585	1,963,585	1.0049	0.0888	0.68	1.0120	0.9992	1.0112
674	205	3	23,757,726	2,603,731	83,991	77,529	793,952	793,952	1.0074	0.0769	0.63	1.0147	0.9992	1.0139
675	1,745	93	929,310,886	70,577,989	2,048,268	1,719,310	24,174,872	24,174,872	1.0127	0.1606	1.00	1.0127	0.9992	1.0119
676	312	25	52,900,650	15,558,613	559,163	474,039	1,156,167	1,156,167	1.0522	0.1522	0.96	1.0512	0.9992	1.0504
677	76	10	86,538,218	5,603,378	139,108	115,182	2,065,457	2,065,457	1.0110	0.1720	0.23	1.0233	0.9992	1.0225
679	23	0	8,306,585	0	0	0	468,152	468,152	1.0000	0.0000	0.07	1.0251	0.9992	1.0243
681	87	1	7,090,316	900	38	33	291,496	291,496	1.0000	0.1316	0.27	1.0197	0.9992	1.0189
691	31	0	3,316,251	0	0	0	170,501	170,501	1.0000	0.0000	0.10	1.0243	0.9992	1.0235
693	42	0	9,954,977	0	0	0	737,042	737,042	1.0000	0.0000	0.13	1.0235	0.9992	1.0227
695	65	0	25,519,736	0	0	0	865,538	865,538	1.0000	0.0000	0.20	1.0216	0.9992	1.0208
Total	37,837	2,918	10,844,037,112	2,019,423,815	77,139,230	65,584,030	362,561,607	362,561,607	1.0270	0.1498		1.0278	0.9992	1.0270

Note:
For each Class:
 Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)
 Basis of Credibility: 1 / ((# PCCPAP Policies) / (# Total Policies)) * 25 = 325 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))

Comparison of PCCPAP Surcharges by Class

Class (1)	Current PCCPAP Surcharge (2)	Proposed PCCPAP Surcharge (3)	Percentage Change (4)=(3)/(2)-1.0
601	1.0081	1.0098	0.2%
603	1.0382	1.0494	1.1%
605	1.0203	1.0238	0.3%
606	1.0188	1.0230	0.4%
607	1.0063	1.0088	0.2%
608	1.0241	1.0298	0.6%
609	1.0136	1.0153	0.2%
611	1.0254	1.0284	0.3%
615	1.0216	1.0267	0.5%
617	1.0126	1.0157	0.3%
645	1.0379	1.0570	1.8%
646	1.0387	1.0386	0.0%
647	1.0099	1.0106	0.1%
648	1.0198	1.0186	-0.1%
649	1.0789	1.0656	-1.2%
651	1.0223	1.0294	0.7%
652	1.0009	1.0019	0.1%
653	1.0291	1.0310	0.2%
654	1.0370	1.0465	0.9%
655	1.0243	1.0303	0.6%
656	1.0132	1.0172	0.4%
657	1.0186	1.0220	0.3%
658	1.0522	1.0419	-1.0%
659	1.0131	1.0130	0.0%
660	1.0333	1.0333	0.0%
661	1.0677	1.0708	0.3%
662	1.0011	1.0032	0.2%
663	1.0299	1.0300	0.0%
664	1.0446	1.0435	-0.1%
665	1.0227	1.0226	0.0%
666	1.0489	1.0514	0.2%
667	1.0309	1.0324	0.1%
668	1.0275	1.0338	0.6%
669	1.0312	1.0464	1.5%
670	1.0543	1.0629	0.8%
673	1.0106	1.0112	0.1%
674	1.0128	1.0139	0.1%
675	1.0089	1.0119	0.3%
676	1.0561	1.0504	-0.5%
677	1.0215	1.0225	0.1%
679	1.0202	1.0243	0.4%
681	1.0156	1.0189	0.3%
691	1.0199	1.0235	0.4%
693	1.0188	1.0227	0.4%
695	1.0169	1.0208	0.4%
Total	1.0230	1.0270	0.4%