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 2016 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 2016 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 2016. 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 2016. For example, an average credit of 0.095 indicates that the average qualifying risk in Code 601 received a 9.5 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 330 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 2.78 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 01/01/16 Through 12/31/16

100% Credibility = 330 Policies
Partial Credibility = # of Policies / 330

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	377	58	421,871,195	55,331,594	2,642,107	2,391,093	17,137,473	17,137,473	1.0129	0.0950	1.00	1.0129	0.9994	1.0123
603	265	53	100,417,139	24,793,499	1,257,619	1,064,486	3,154,329	3,154,329	1.0458	0.1536	0.80	1.0422	0.9994	1.0416
605	45	4	20,043,420	625,739	29,757	27,116	1,061,443	1,061,443	1.0024	0.0888	0.14	1.0242	0.9994	1.0236
606	33	0	66,984,918	0	0	0	3,084,875	3,084,875	1.0000	0.0000	0.10	1.0250	0.9994	1.0244
607	421	24	395,619,037	28,245,053	863,046	698,429	11,717,109	11,717,109	1.0133	0.1907	1.00	1.0133	0.9994	1.0127
608	2,424	229	504,415,157	100,540,090	4,814,445	4,220,675	19,510,353	19,510,353	1.0250	0.1233	1.00	1.0250	0.9994	1.0244
609	2,510	196	1,003,260,579	148,821,461	5,120,460	4,388,744	28,050,864	28,050,864	1.0226	0.1429	1.00	1.0226	0.9994	1.0220
611	26	11	8,429,163	876,798	65,766	56,762	450,560	450,560	1.0177	0.1369	0.08	1.0270	0.9994	1.0264
615	3	1	1,741,089	1,301,540	79,588	70,833	32,193	32,193	1.0850	0.1100	0.01	1.0284	0.9994	1.0278
617	313	60	293,103,929	34,262,790	817,460	723,832	6,211,407	6,211,407	1.0135	0.1145	0.95	1.0142	0.9994	1.0136
645	732	127	262,786,616	105,251,218	5,167,372	4,351,452	8,280,934	8,280,934	1.0646	0.1579	1.00	1.0646	0.9994	1.0640
646	383	52	83,996,441	20,507,967	843,415	692,144	2,745,193	2,745,193	1.0440	0.1794	1.00	1.0440	0.9994	1.0434
647	257	10	46,083,925	1,747,411	86,672	66,540	2,654,318	2,654,318	1.0074	0.2323	0.78	1.0119	0.9994	1.0113
648	1,171	52	131,964,122	21,082,479	939,197	793,454	5,660,776	5,660,776	1.0226	0.1552	1.00	1.0226	0.9994	1.0220
649	268	89	79,482,143	42,399,974	951,478	810,575	1,006,013	1,006,013	1.0776	0.1481	0.81	1.0681	0.9994	1.0675
651	2,480	244	690,511,240	131,519,261	6,622,025	5,638,195	28,845,128	28,845,128	1.0285	0.1486	1.00	1.0285	0.9994	1.0279
652	6,188	29	488,237,009	8,390,526	628,488	551,235	35,145,877	35,145,877	1.0022	0.1229	1.00	1.0022	0.9994	1.0016
653	1,794	119	291,191,893	64,709,334	3,579,745	3,130,843	13,049,418	13,049,418	1.0277	0.1254	1.00	1.0277	0.9994	1.0271
654	543	105	260,572,704	64,530,392	4,028,929	3,472,322	11,155,012	11,155,012	1.0381	0.1382	1.00	1.0381	0.9994	1.0375
655	376	59	184,168,147	23,608,596	2,392,654	1,888,201	13,435,130	13,435,130	1.0329	0.2108	1.00	1.0329	0.9994	1.0323
656	121	4	165,593,575	8,086,651	354,519	269,200	6,819,393	6,819,393	1.0120	0.2407	0.37	1.0220	0.9994	1.0214
657	51	1	24,148,379	195,117	11,235	11,010	1,447,281	1,447,281	1.0002	0.0200	0.15	1.0237	0.9994	1.0231
658	463	74	80,257,915	20,774,358	1,287,785	1,041,230	4,125,457	4,125,457	1.0477	0.1915	1.00	1.0477	0.9994	1.0471
659	862	43	151,736,606	17,414,418	2,115,321	1,882,182	16,177,057	16,177,057	1.0129	0.1102	1.00	1.0129	0.9994	1.0123
660	1,105	119	394,615,903	74,710,094	1,528,428	1,237,009	6,603,176	6,603,176	1.0372	0.1907	1.00	1.0372	0.9994	1.0366
661	2,921	307	1,130,483,016	425,372,738	10,031,493	8,209,085	17,652,089	17,652,089	1.0705	0.1817	1.00	1.0705	0.9994	1.0699
662	290	1	65,432,420	170,606	7,543	6,864	2,667,204	2,667,204	1.0003	0.0900	0.88	1.0036	0.9994	1.0030
663	3,361	287	1,062,828,219	188,228,418	5,683,444	4,733,592	26,244,747	26,244,747	1.0307	0.1671	1.00	1.0307	0.9994	1.0301
664	2,479	224	922,535,937	276,678,923	7,548,616	6,309,751	19,173,304	19,173,304	1.0486	0.1641	1.00	1.0486	0.9994	1.0480
665	1,562	57	172,274,926	29,926,506	1,706,267	1,481,767	8,853,905	8,853,905	1.0217	0.1316	1.00	1.0217	0.9994	1.0211
666	292	49	70,724,958	29,032,320	1,553,549	1,323,921	2,196,826	2,196,826	1.0652	0.1478	0.88	1.0607	0.9994	1.0601
667	202	15	23,486,284	6,062,730	99,929	82,800	256,064	256,064	1.0505	0.1714	0.61	1.0416	0.9994	1.0410
668	475	32	75,130,354	16,817,368	764,401	682,437	2,962,116	2,962,116	1.0225	0.1072	1.00	1.0225	0.9994	1.0219
669	131	19	11,007,638	5,155,605	260,671	218,579	310,876	310,876	1.0795	0.1615	0.40	1.0485	0.9994	1.0479
670	643	40	68,413,916	18,050,826	743,898	607,293	2,098,743	2,098,743	1.0505	0.1836	1.00	1.0505	0.9994	1.0499
673	211	9	44,057,970	2,460,407	124,110	113,223	1,780,062	1,780,062	1.0058	0.0877	0.64	1.0137	0.9994	1.0131
674	203	3	25,248,102	1,407,371	52,407	44,969	903,033	903,033	1.0078	0.1419	0.62	1.0154	0.9994	1.0148
675	1,812	97	1,018,600,338	72,342,799	2,054,022	1,718,688	26,064,367	26,064,367	1.0121	0.1633	1.00	1.0121	0.9994	1.0115
676	311	17	51,589,635	10,578,411	379,479	321,412	1,308,504	1,308,504	1.0356	0.1530	0.94	1.0351	0.9994	1.0345
677	84	12	115,306,598	7,244,105	172,407	140,419	2,513,524	2,513,524	1.0121	0.1855	0.25	1.0239	0.9994	1.0233
679	23	0	9,099,893	0	0	0	502,677	502,677	1.0000	0.0000	0.07	1.0259	0.9994	1.0253
681	89	1	7,354,316	900	40	34	314,309	314,309	1.0000	0.1500	0.27	1.0203	0.9994	1.0197
691	21	0	2,581,155	0	0	0	142,367	142,367	1.0000	0.0000	0.06	1.0261	0.9994	1.0255
693	41	0	5,014,627	0	0	0	420,097	420,097	1.0000	0.0000	0.12	1.0245	0.9994	1.0239
695	61	0	17,048,724	0	0	0	693,591	693,591	1.0000	0.0000	0.18	1.0228	0.9994	1.0222
Total	38,423	2,933	11,049,451,270	2,089,256,393	77,409,787	65,472,396	364,619,174	364,619,174	1.0278	0.1542		1.0284	0.9994	1.0278

Note:
For each Class:
 Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)
 Basis of Credibility: 1 / ((# PCCPAP Policies) / (# Total Policies)) * 25 = 330 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	1.0100	1.0123	0.2%
603	1.0491	1.0416	-0.7%
605	1.0238	1.0236	0.0%
606	1.0230	1.0244	0.1%
607	1.0087	1.0127	0.4%
608	1.0298	1.0244	-0.5%
609	1.0159	1.0220	0.6%
611	1.0275	1.0264	-0.1%
615	1.0264	1.0278	0.1%
617	1.0159	1.0136	-0.2%
645	1.0569	1.0640	0.7%
646	1.0383	1.0434	0.5%
647	1.0106	1.0113	0.1%
648	1.0187	1.0220	0.3%
649	1.0655	1.0675	0.2%
651	1.0294	1.0279	-0.1%
652	1.0019	1.0016	0.0%
653	1.0309	1.0271	-0.4%
654	1.0464	1.0375	-0.9%
655	1.0294	1.0323	0.3%
656	1.0170	1.0214	0.4%
657	1.0220	1.0231	0.1%
658	1.0423	1.0471	0.5%
659	1.0130	1.0123	-0.1%
660	1.0331	1.0366	0.3%
661	1.0703	1.0699	0.0%
662	1.0030	1.0030	0.0%
663	1.0298	1.0301	0.0%
664	1.0449	1.0480	0.3%
665	1.0226	1.0211	-0.1%
666	1.0508	1.0601	0.9%
667	1.0324	1.0410	0.8%
668	1.0337	1.0219	-1.1%
669	1.0514	1.0479	-0.3%
670	1.0626	1.0499	-1.2%
673	1.0112	1.0131	0.2%
674	1.0139	1.0148	0.1%
675	1.0118	1.0115	0.0%
676	1.0314	1.0345	0.3%
677	1.0219	1.0233	0.1%
679	1.0240	1.0253	0.1%
681	1.0192	1.0197	0.0%
691	1.0238	1.0255	0.2%
693	1.0227	1.0239	0.1%
695	1.0208	1.0222	0.1%
Total	1.0270	1.0278	0.1%

14.2