

PENNSYLVANIA COMPENSATION RATING BUREAU

**Summary of Material for Modification of Experience
April 1, 2002 Loss Cost Revision**

As Filed

PENNSYLVANIA 2002 LOSS COST FILING

EFFECTIVE DATE - April 1, 2002

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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 1997 Ratio of Loss to Expected Loss	0.5193	0.4446	0.9639
(2) Policy Year 1998 Ratio of Loss to Expected Loss	0.4886	0.4401	0.9287
(3) Policy Year 1999 Ratio of Loss to Expected Loss	0.5018	0.4292	0.9310
(4) Average (Midpoint = 1/1/1999)	0.5032	0.4380	0.9412
(5) Policy Year 1997 Ratio Trended to 4/1/2003 +	0.4989	0.5516	1.0505
(6) Policy Year 1998 Ratio Trended to 4/1/2003 +	0.4802	0.5330	1.0132
(7) Policy Year 1999 Ratio Trended to 4/1/2003 +	0.5030	0.5053	1.0083
(8) Average at 4/1/2003	0.4940	0.5300	1.0240
(9) Savings at 9/1/1993	0.9943	1.0000	
(10) Act 57 Savings	1.0000	1.0000	
(11) Combined Impact: Act 44 & Act 57 (9) * (10)	0.9943	1.0000	0.9973
(12) Indicated Change in Loss Costs (8) * (11)	0.4912	0.5300	1.0212

CHANGES IN MANUAL LOSS COST LEVEL BY INDUSTRY GROUP

	<u>Mfg.</u>	<u>Cont.</u>	<u>Other</u>	<u>Total</u>
(13) Current Collectible Premium Ratio	1.1057	1.0809	1.0579	1.0753
(14) Anticipated Collectible Premium Ratio	1.0888	1.0698	1.0554	1.0672
(15) Final Indicated Change in Manual Loss Cost Level (12T) * (14) / (13)	1.0056	1.0107	1.0188	1.0135

+ Refer to pages 20 and 21

EXHIBIT II

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

(1)	2000 PCRB Member Paid Loss (From Schedule W) *	1,776,766,790
(2)	2000 Total Paid Loss (From PA Dept of Labor and Industry) *	2,378,590,991
(3)	2000 Ratio of PCRB Member Paid Loss to Total Paid Loss (1)/(2)	0.7470
(4)	2001/2002 Fiscal Year Budget	
	a. Administration Fund	55,435,000
	b. Subsequent Injury Fund	237,441
	c. Supersedeas Injury Fund	35,434,073
	d. Total	91,106,514
(5)	2001/2002 Fiscal Year Membership Assessment Amount	
	a. Administration Fund (4)a * (3)	41,409,945
	b. Subsequent Injury Fund (4)b * (3)	177,368
	c. Supersedeas Injury Fund (4)c * (3)	26,469,253
	d. Total	68,056,566
(6)	2000 Employer Assessment Premium Base Schedule W Part A-1, Lines 5 + 8a + 8b	2,019,300,971
(7)	2001/2002 Fiscal Year Membership Assessment Rate	
	a. Administration Fund (5)a / (6)	0.0205
	b. Subsequent Injury Fund (5)b / (6)	0.0001
	c. Supersedeas Injury Fund (5)c / (6)	0.0131
	d. Employer Assessment Factor	0.0337
(8)	1999/2000 Fiscal Year Budget for the Office of Small Business Advocate	179,000
(9)	1999/2000 Fiscal Year Membership Assessment Amount for the Office of Small Business Advocate (8) * (3)	133,713
(10)	1999/2000 Fiscal Year Membership Assessment Rate for the Office of Small Business Advocate (9) / (1)	0.0001
(11)	Merit Rating Plan Increment Factor	0.0034
(12)	Certified Safety Committee Program Increment Factor	0.0034
(13)	Overall Adjustment for Loss Based Assessments, Merit Rating Plan and Safety Committee Program (10) + (11) + (12)	0.0069

* Loss payments on deductible policies have been adjusted to a 1st dollar basis.

EXHIBIT III - 1

POLICY YEAR LOSS RATIO 1999

(1) Standard Earned Premium Reported (Table I)			1,552,133,699
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0140
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9917
(5) Factor to Remove Loss Based Assessments			0.9653
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,506,640,726
(7) Loss Cost Change 12/1/95 to 4/1/01			1.0103
(8) Expected Loss at Current Level (6)*(7)			1,522,159,125
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	180,259,624	289,136,732	469,396,356
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	4.8582	2.4071	
(11) Ultimate Incurred Losses	875,737,305	695,981,028	1,571,718,333
(12) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(13) Adjusted Losses (11) * (12)	880,729,008	695,981,028	1,576,710,036
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5786	0.4572	1.0358
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	374,512,633	415,794,438	790,307,071
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.7173	1.4683	
(17) Ultimate Incurred Losses	643,150,545	610,510,973	1,253,661,518
(18) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(19) Adjusted Losses (17) * (18)	646,816,503	610,510,973	1,257,327,476
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.4249	0.4011	0.8260
Losses - Average			
(21) Selected Loss Ratio ((14) + (20)) / 2	0.5018	0.4292	
(22) Normalized Claim Frequency (Exhibit VI-3)	0.4458	0.4458	
(23) Severity Ratio * (21) / (22)	1.1256	0.9628	

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

EXHIBIT III - 2**POLICY YEAR LOSS RATIO 1998**

(1) Standard Earned Premium Reported (Table I)			1,520,403,970
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0030
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9919
(5) Factor to Remove Loss Based Assessments			0.9661
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,461,335,384
(7) Loss Cost Change 12/1/95 to 4/1/01			0.9521
(8) Expected Loss at Current Level (6) *(7)			1,391,337,420
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	280,865,476	342,343,712	623,209,188
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	2.7304	1.8741	
(11) Ultimate Incurred Losses	766,875,096	641,586,351	1,408,461,447
(12) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(13) Adjusted Losses (11) * (12)	771,246,284	641,586,351	1,412,832,635
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5543	0.4611	1.0154
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	465,256,942	439,427,215	904,684,157
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.2576	1.3267	
(17) Ultimate Incurred Losses	585,107,130	582,988,086	1,168,095,216
(18) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(19) Adjusted Losses (17) * (18)	588,442,241	582,988,086	1,171,430,327
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.4229	0.4190	0.8419
Losses - Average			
(21) Selected Loss Ratio ((14) + (20)) / 2	0.4886	0.4401	
(22) Normalized Claim Frequency (Exhibit VI-3)	0.4681	0.4681	
(23) Severity Ratio * (21) / (22)	1.0438	0.9402	

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

EXHIBIT III - 3

POLICY YEAR LOSS RATIO 1997

(1) Standard Earned Premium Reported (Table I)			1,610,607,893
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0019
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9937
(5) Factor to Remove Loss Based Assessments			0.9726
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,559,565,986
(7) Loss Cost Change 12/1/95 to 4/1/01			0.8355
(8) Expected Loss at Current Level (6) *(7)			1,303,017,381
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	380,000,658	358,436,030	738,436,688
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	2.0087	1.7191	
(11) Ultimate Incurred Losses	763,307,322	616,187,379	1,379,494,701
(12) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(13) Adjusted Losses (11) * (12)	767,658,174	616,187,379	1,383,845,553
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5891	0.4729	1.0620
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	528,949,456	424,438,110	953,387,566
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1007	1.2780	
(17) Ultimate Incurred Losses	582,214,666	542,431,905	1,124,646,571
(18) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(19) Adjusted Losses (17) * (18)	585,533,290	542,431,905	1,127,965,195
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.4494	0.4163	0.8657
Losses - Average			
(21) Selected Loss Ratio ((14) + (20)) / 2	0.5193	0.4446	
(22) Normalized Claim Frequency (Exhibit VI-3)	0.4934	0.4934	
(23) Severity Ratio * (21) / (22)	1.0525	0.9011	

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

EXHIBIT III - 4**POLICY YEAR LOSS RATIO 1996**

(1) Standard Earned Premium Reported (Table I)			1,917,423,102
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0006
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9963
(5) Factor to Remove Loss Based Assessments			0.9789
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,871,142,715
(7) Loss Cost Change 12/1/95 to 4/1/01			0.6803
(8) Expected Loss at Current Level (6) *(7)			1,272,938,389
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	406,838,563	340,852,102	747,690,665
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.7111	1.6349	
(11) Ultimate Incurred Losses	696,141,465	557,259,102	1,253,400,567
(12) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(13) Adjusted Losses (11) * (12)	700,109,471	557,259,102	1,257,368,573
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5500	0.4378	0.9878
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	525,507,029	392,122,168	917,629,197
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0296	1.2588	
(17) Ultimate Incurred Losses	541,062,037	493,603,385	1,034,665,422
(18) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(19) Adjusted Losses (17) * (18)	544,146,091	493,603,385	1,037,749,476
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.4275	0.3878	0.8153
Losses - Average			
(21) Selected Loss Ratio ((14) + (20)) / 2	0.4888	0.4128	
(22) Normalized Claim Frequency (Exhibit VI-3)	0.5336	0.5336	
(23) Severity Ratio * (21) / (22)	0.9160	0.7736	

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

EXHIBIT III - 5

POLICY YEAR LOSS RATIO 1995

(1) Standard Earned Premium Reported (Table I)			1,898,919,581
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			0.9998
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0038
(5) Factor to Remove Loss Based Assessments			0.9864
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,879,892,172
(7) Loss Cost Change 12/1/95 to 4/1/01			0.6197
(8) Expected Loss at Current Level (6) *(7)			1,164,969,179
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	494,925,881	350,106,644	845,032,525
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.5399	1.5827	
(11) Ultimate Incurred Losses	762,136,364	554,113,785	1,316,250,149
(12) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(13) Adjusted Losses (11) * (12)	766,480,541	554,113,785	1,320,594,326
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.6579	0.4756	1.1335
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	626,040,477	390,152,723	1,016,193,200
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	0.9965	1.2456	
(17) Ultimate Incurred Losses	623,849,335	485,974,232	1,109,823,567
(18) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(19) Adjusted Losses (17) * (18)	627,405,276	485,974,232	1,113,379,508
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5386	0.4172	0.9558
Losses - Average			
(21) Selected Loss Ratio ((14) + (20)) / 2	0.5983	0.4464	
(22) Normalized Claim Frequency (Exhibit VI-3)	0.5980	0.5980	
(23) Severity Ratio * (21) / (22)	1.0005	0.7465	

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

EXHIBIT III - 6**POLICY YEAR LOSS RATIO 1994**

(1) Standard Earned Premium Reported (Table I)			2,014,183,041
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0001
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0050
(5) Factor to Remove Loss Based Assessments			0.9869
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,997,936,003
(7) Loss Cost Change 12/1/95 to 4/1/01			0.6161
(8) Expected Loss at Current Level (6) *(7)			1,230,928,371
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	595,026,628	379,902,264	974,928,892
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.4360	1.5406	
(11) Ultimate Incurred Losses	854,458,238	585,277,428	1,439,735,666
(12) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(13) Adjusted Losses (11) * (12)	859,328,650	585,277,428	1,444,606,078
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.6981	0.4755	1.1736
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	741,667,184	416,847,952	1,158,515,136
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	0.9933	1.2361	
(17) Ultimate Incurred Losses	736,698,014	515,265,753	1,251,963,767
(18) Adjustment to Post-Act 44 Loss Levels	1.0057	1.0000	
(19) Adjusted Losses (17) * (18)	740,897,193	515,265,753	1,256,162,946
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.6019	0.4186	1.0205
Losses - Average			
(21) Selected Loss Ratio ((14) + (20)) / 2	0.6500	0.4471	
(22) Normalized Claim Frequency (Exhibit VI-3)	0.6675	0.6675	
(23) Severity Ratio * (21) / (22)	0.9738	0.6698	

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

EXHIBIT III - 7

POLICY YEAR LOSS RATIO 1993

(1) Standard Earned Premium Reported at Bureau DSR (Table I)	2,702,556,597
(2) Portion of PY 1993 at Bureau 12/1/92 Rate Level	0.9528
(3) Standard Earned Premium at Bureau 12/1/92 Rate Level (1)*(2)	2,574,995,926
(4) Factor to 12/1/92 Rate Level	1.0000
(5) Premium Development Factor to Ultimate Level (Exhibit V-1)	1.0006
(6) Expense Constant Removal Factor	0.9933
(7) PCCPAP On-Level Factor	1.0048
(8) Standard Earned Premium on Level (3)*(4)*(5)*(6)*(7)	2,571,562,634
(9) Permissible Loss Ratio Underlying 12/1/92 Rates	0.7815
(10) Expected Losses as of 12/1/92 (8)*(9)	2,009,676,198
(11) Loss Cost Changes	0.6038
(12) Expected Loss at Current Level (10) *(11)	1,213,442,488
(13) Portion of PY 1993 at Bureau 12/1/93 Loss Cost Level	0.0472
(14) Standard Earned Premium at Bureau 12/1/93 Loss Cost Level (1)*(13)	127,560,671
(15) Premium Development Factor to Ultimate Level (Exhibit V-1)	1.0006
(16) Expense Constant Removal Factor	1.0000
(17) PCCPAP On-Level Factor	1.0048
(18) Standard Earned Premium on Level (14)*(15)*(16)*(17)	128,249,866
(19) Permissible loss Ratio at 12/1/93	0.9869
(20) Expected Losses at 12/1/93	126,569,793
(21) Loss Cost Change 12/1/93 to 4/1/99	0.6161
(22) Expected Losses At Current Level (20) * (21)	77,979,649
(23) Total Expected Losses (12) + (22)	1,291,422,137

EXHIBIT III - 7 Continued**POLICY YEAR LOSS RATIO 1993**

Losses - Paid-to-20th Method	Indemnity	Medical	Total
(24) Paid Losses Reported (Table I-D & I-E)	667,977,152	420,452,388	1,088,429,540
(25) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.3647	1.5071	
(26) Ultimate Incurred Losses	911,588,419	633,663,794	1,545,252,213
(27) Adjustment to Post-Act 44 Loss Levels	1.0044	1.0000	
(28) Adjusted Losses (26) * (27)	915,599,408	633,663,794	1,549,263,202
(29) Policy Year Ratio of Losses to Expected Losses (28) / (8)	0.7090	0.4907	1.1997
Losses - Incurred Method			
(30) Incurred Losses Reported (Table I-B & I-C)	806,014,731	456,367,997	1,262,382,728
(31) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0009	1.2365	
(32) Ultimate Incurred Losses	806,740,144	564,299,028	1,371,039,172
(33) Adjustment to Post-Act 44 Loss Levels	1.0044	1.0000	
(34) Adjusted Losses (32) * (33)	810,289,801	564,299,028	1,374,588,829
(35) Policy Year Ratio of Losses to Expected Losses (34) / (8)	0.6275	0.4370	1.0645
Losses - Average			
(36) Selected Loss Ratio ((29) + (35)) / 2	0.6683	0.4639	
(37) Normalized Claim Frequency (Exhibit VI-3)	0.7461	0.7461	
(38) Severity Ratio * (36) / (37)	0.8957	0.6218	

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

EXHIBIT III - 8

POLICY YEAR LOSS RATIO 1992

(1) Standard Earned Premium Reported (Table I)				2,532,909,814
(2) Factor to 12/1/92 Rate Level (Exhibit IV)				1.2271
(3) Premium Development Factor to Ultimate Level (Exhibit V-1)				0.9998
(4) Expense Constant Removal Factor				0.9916
(5) PCCPAP On-Level Factor				1.0048
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)				3,096,199,668
(7) Permissible Loss Ratio Underlying 12/1/92 Rates				0.7815
(8) Expected Losses as of 12/1/92 (6)*(7)				2,419,680,041
(9) Loss Cost Change 12/1/95 to 4/1/01				0.6038
(10) Expected Loss at Current Level (8) *(9)				1,461,002,809
Losses - Paid-to-20th Method				
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>	
(11) Paid Losses Reported (Table I-D & I-E)	789,026,014	491,661,169		1,280,687,183
(12) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.3145	1.4795		
(13) Ultimate Incurred Losses	1,037,174,695	727,412,700		1,764,587,395
(14) Adjustment to Post-Act 44 Loss Levels	1.0003	1.0000		
(15) Adjusted Losses (13) * (14)	1,037,485,847	727,412,700		1,764,898,547
(16) Policy Year Ratio of Losses to Expected Losses (15) / (8)	0.7101	0.4979		1.2080
Losses - Incurred Method				
(17) Incurred Losses Reported (Table I-B & I-C)	938,046,221	537,326,072		1,475,372,293
(18) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0038	1.2216		
(19) Ultimate Incurred Losses	941,610,797	656,397,530		1,598,008,327
(20) Adjustment to Post-Act 44 Loss Levels	1.0003	1.0000		
(21) Adjusted Losses (19) * (20)	941,893,280	656,397,530		1,598,290,810
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.6447	0.4493		1.0940
Losses - Average				
(23) Selected Loss Ratio ((16) + (22)) / 2	0.6774	0.4736		
(24) Normalized Claim Frequency (Exhibit VI-3)	0.8079	0.8079		
(25) Severity Ratio * (23) / (24)	0.8385	0.5862		

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

EXHIBIT III - 9

POLICY YEAR LOSS RATIO 1991

(1) Standard Earned Premium Reported (Table I)			2,754,323,415
(2) Factor to 12/1/92 Rate Level (Exhibit IV)			1.2445
(3) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0000
(4) Expense Constant Removal Factor			0.9913
(5) PCCPAP On-Level Factor			1.0051
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			3,415,263,481
(7) Permissible Loss Ratio Underlying 12/1/92 Rates			0.7815
(8) Expected Losses as of 12/1/92 (6)*(7)			2,669,028,410
(9) Loss Cost Change 12/1/95 to 4/1/01			0.6038
(10) Expected Loss at Current Level (8) *(9)			1,611,559,354
Losses - Paid-to-20th Method			
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(11) Paid Losses Reported (Table I-D & I-E)	987,485,045	570,078,737	1,557,563,782
(12) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.2798	1.4542	
(13) Ultimate Incurred Losses	1,263,783,361	829,008,499	2,092,791,860
(14) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(15) Adjusted Losses (13) * (14)	1,263,783,361	829,008,499	2,092,791,860
(16) Policy Year Ratio of Losses to Expected Losses (15) / (8)	0.7842	0.5144	1.2986
Losses - Incurred Method			
(17) Incurred Losses Reported (Table I-B & I-C)	1,128,980,629	620,130,187	1,749,110,816
(18) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0046	1.2116	
(19) Ultimate Incurred Losses	1,134,173,940	751,349,735	1,885,523,675
(20) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(21) Adjusted Losses (19) * (20)	1,134,173,940	751,349,735	1,885,523,675
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.7038	0.4662	1.1700
Losses - Average			
(23) Selected Loss Ratio ((16) + (22)) /2	0.7440	0.4903	
(24) Normalized Claim Frequency (Exhibit VI-3)	0.8691	0.8691	
(25) Severity Ratio * (23) / (24)	0.8561	0.5641	

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

EXHIBIT III - 10

POLICY YEAR LOSS RATIO 1990

(1) Standard Earned Premium Reported (Table I)	2,570,945,607
(2) Factor to 12/1/92 Rate Level (Exhibit IV)	1.4862
(3) Premium Development Factor to Ultimate Level (Exhibit V-1)	1.0000
(4) Expense Constant Removal Factor	0.9913
(5) PCCPAP On-Level Factor	1.0000
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)	3,787,697,189
(7) Permissible Loss Ratio Underlying 12/1/92 Rates	0.7815
(8) Expected Losses as of 12/1/92 (6)*(7)	2,960,085,353
(9) Loss Cost Change 12/1/95 to 4/1/01	0.6038
(10) Expected Loss at Current Level (8) *(9)	1,787,299,536

Losses - Paid-to-20th Method

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(11) Paid Losses Reported (Table I-D & I-E)	1,140,876,092	613,635,985	1,754,512,077
(12) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.2499	1.4290	
(13) Ultimate Incurred Losses	1,425,981,027	876,885,823	2,302,866,850
(14) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(15) Adjusted Losses (13) * (14)	1,425,981,027	876,885,823	2,302,866,850
(16) Policy Year Ratio of Losses to Expected Losses (15) / (8)	0.7978	0.4906	1.2884

Losses - Incurred Method

(17) Incurred Losses Reported (Table I-B & I-C)	1,277,795,972	663,540,676	1,941,336,648
(18) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0060	1.2016	
(19) Ultimate Incurred Losses	1,285,462,748	797,310,476	2,082,773,224
(20) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(21) Adjusted Losses (19) * (20)	1,285,462,748	797,310,476	2,082,773,224
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.7192	0.4461	1.1653

Losses - Average

(23) Selected Loss Ratio ((16) + (22)) / 2	0.7585	0.4684	
(24) Normalized Claim Frequency (Exhibit VI-3)	0.9390	0.9390	
(25) Severity Ratio * (23) / (24)	0.8078	0.4988	

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

EXHIBIT IV - 1

**POLICY YEARS 1980 - 1988
PREMIUM ON-LEVEL FACTORS**

<u>POLICY YEAR</u>	<u>(1) RATE CHANGE DATE</u>	<u>(2) RATE 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 12/01/92 RATE LEVEL</u>
1980	10/01/79 1/01/81 to 12/01/92	BASE 1.9426	1.0000 1.9426	1.0000 ----- 1.0000	1.0000 ----- 1.0000	1.9426
1981	1/01/81 10/01/81 10/01/82 to 12/01/92	BASE 0.9782 2.0418	1.0000 0.9782 1.9973	0.8342 0.1658 ----- 1.0000	0.8342 0.1622 ----- 0.9964	2.0045
1982	10/01/81 10/01/82 10/01/83 to 12/01/92	BASE 0.8975 2.2750	1.0000 0.8975 2.0418	0.8119 0.1881 ----- 1.0000	0.8119 0.1688 ----- 0.9807	2.0820
1983	10/01/82 10/01/83 10/01/84 to 12/01/92	BASE 0.9983 2.2789	1.0000 0.9983 2.2750	0.8135 0.1865 ----- 1.0000	0.8135 0.1862 ----- 0.9997	2.2757
1984	10/01/83 10/01/84 10/01/85 to 12/01/92	BASE 1.0579 2.1542	1.0000 1.0579 2.2789	0.8163 0.1837 ----- 1.0000	0.8163 0.1943 ----- 1.0106	2.2550
1985	10/01/84 10/01/85 10/01/86 to 12/01/92	BASE 1.1245 1.9157	1.0000 1.1245 2.1542	0.8152 0.1848 ----- 1.0000	0.8152 0.2078 ----- 1.0230	2.1058
1986	10/01/85 10/01/86 10/01/87 to 12/01/92	BASE 1.0739 1.7838	1.0000 1.0739 1.9157	0.8044 0.1956 ----- 1.0000	0.8044 0.2101 ----- 1.0145	1.8883
1987	10/01/86 10/01/87 10/01/88 to 12/01/92	BASE 1.0006 1.7828	1.0000 1.0006 1.7838	0.7958 0.2042 ----- 1.0000	0.7958 0.2043 ----- 1.0001	1.7836
1988	10/01/87 10/01/88 1/01/90 to 12/01/92	BASE 1.0867 1.6405	1.0000 1.0867 1.7828	0.8032 0.1968 ----- 1.0000	0.8032 0.2139 ----- 1.0171	1.7528

EXHIBIT IV - 2

**POLICY YEARS 1989 - 1993
PREMIUM ON-LEVEL FACTORS**

<u>POLICY YEAR</u>	<u>(1) RATE CHANGE DATE</u>	<u>(2) RATE 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 12/01/92 RATE LEVEL</u>
1989	10/01/88	BASE	1.0000	0.8304	0.8304	
	1/01/90	1.0749	1.0749	0.1696	0.1823	
	8/01/90	1.5262	1.6405	-----	-----	
	to 12/01/92			1.0000	1.0127	1.6199
1990	1/01/90	BASE	1.0000	0.6833	0.6833	
	8/01/90	1.0850	1.0850	0.3167	0.3436	
	1/01/91	1.4067	1.5262	-----	-----	
	to 12/01/92			1.0000	1.0269	1.4862
1991	1/01/91	BASE	1.0000	1.0000	1.0000	
	12/01/92	1.2445	1.2445	-----	-----	
				1.0000	1.0000	1.2445
1992	1/01/91	BASE	1.0000	0.9421	0.9421	
	12/01/92	1.2445	1.2445	0.0579	0.0721	
				-----	-----	
				1.0000	1.0142	1.2271
1993 (JAN - NOV)	12/01/92	BASE	1.0000	1.0000	1.0000	
				-----	-----	
				1.0000	1.0000	1.0000

EXHIBIT IV - 3

**POLICY YEARS 1993 - 2000
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 4/01/01 LC LEVEL</u>
PRIOR TO DEC 1993	12/01/92	BASE	1.0000	1.0000	1.0000	
	12/01/93 to 4/01/01	0.6038	0.6038	----- 1.0000	----- 1.0000	0.6038
1993 (DEC)	12/01/93	BASE	1.0000	1.0000	1.0000	
	12/01/95 to 4/01/01	0.6161	0.6161	----- 1.0000	----- 1.0000	0.6161
1994	12/01/93	BASE	1.0000	1.0000	1.0000	
	12/01/95 to 4/01/01	0.6161	0.6161	----- 1.0000	----- 1.0000	0.6161
1995	12/01/93	BASE	1.0000	0.9381	0.9381	
	12/01/95 2/01/97 to 4/01/01	0.9057 0.6803	0.9057 0.6161	0.0619 ----- 1.0000	0.0561 ----- 0.9942	0.6197
1996	12/01/95	BASE	1.0000	1.0000	1.0000	
	2/01/97 to 4/01/01	0.6803	0.6803	----- 1.0000	----- 1.0000	0.6803
1997	12/01/95	BASE	1.0000	0.2569	0.2569	
	2/01/97 4/01/98 to 4/01/01	0.7500 0.9070	0.7500 0.6803	0.7431 ----- 1.0000	0.5573 ----- 0.8142	0.8355
1998	2/01/97	BASE	1.0000	0.3180	0.3180	
	4/01/98 4/01/99 to 4/01/01	0.9306 0.9747	0.9306 0.9071	0.6820 ----- 1.0000	0.6347 ----- 0.9527	0.9521
1999	4/01/98	BASE	1.0000	0.3299	0.3299	
	4/01/99 4/01/00 to 4/01/01	0.9474 1.0288	0.9474 0.9747	0.6701 ----- 1.0000	0.6349 ----- 0.9648	1.0103
2000	4/01/99	BASE	1.0000	0.3084	0.3084	
	4/01/00 4/01/01	1.0450 0.9845	1.0450 1.0288	0.6916 ----- 1.0000	0.7227 ----- 1.0311	0.9978

EXHIBIT V - 1

DEVELOPMENT FACTORS

PREMIUM

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>1999-2000 Ratio</u>	<u>Policy Year</u>	<u>1998-1999 Ratio</u>	<u>Policy Year</u>	<u>1997-1998 Ratio</u>	<u>Policy Year</u>	<u>1996-1997 Ratio</u>	<u>Unweighted Average</u>	<u>Selected Average</u>	<u>Cumulative Average</u>	
2nd to 1st	1998	1.0039	1997	1.0123	1996	1.0148	1995	1.0128	1.0110	1.0110	1.0140	
3rd to 2nd	1997	1.0020	1996	0.9991	1995	0.9991	1994	1.0041	1.0011	1.0011	1.0030	
4th to 3rd	1996	1.0052	1995	1.0003	1994	0.9999	1993	1.0014	1.0017	*	1.0013	1.0019
5th to 4th	1995	1.0013	1994	1.0006	1993	1.0002	1992	1.0008	1.0007	+	1.0008	1.0006
6th to 5th	1994	0.9977	1993	0.9999	1992	1.0003	1991	1.0001	0.9995	#	0.9997	0.9998
7th to 6th	1993	1.0021	1992	0.9986	1991	0.9988	1990	1.0007	1.0001	@	0.9995	1.0001
8th to 7th	1992	1.0006	1991	0.9994	1990	1.0024	1989	1.0008	1.0008		1.0008	1.0006
9th to 8th	1991	1.0019	1990	0.9990	1989	0.9989	1988	0.9995	0.9998		0.9998	0.9998
10th to 9th	1990	0.9988	1989	1.0002	1988	0.9998	1987	1.0016	1.0001		1.0000	1.0000
11th to 10th	1989	1.0012	1988	0.9999	1987	1.0001	1986	1.0015	1.0007		1.0000	1.0000
12th to 11th	1988	1.0027	1987	0.9997	1986	0.9997	1985	1.0009	1.0008		1.0000	1.0000
13th to 12th	1987	1.0012	1986	1.0000	1985	0.9999	1984	1.0004	1.0004		1.0000	1.0000
14th to 13th	1986	1.0024	1985	1.0002	1984	0.9995	1983	1.0000	1.0005		1.0000	1.0000
15th to 14th	1985	1.0004	1984	1.0000	1983	1.0003	1982	1.0002	1.0002		1.0000	1.0000
16th to 15th	1984	1.0002	1983	1.0000	1982	1.0000	1981	1.0000	1.0001		1.0000	1.0000
17th to 16th	1983	1.0000	1982	1.0005	1981	1.0002	1980	0.9977	0.9996		1.0000	1.0000

INCURRED METHOD

<u>Policy Year</u>	<u>Present Valuation</u>	<u>Premium Development Factor</u>
1983	Seventeenth	1.0000
1984	Sixteenth	1.0000
1985	Fifteenth	1.0000
1986	Fourteenth	1.0000
1987	Thirteenth	1.0000
1988	Twelfth	1.0000
1989	Eleventh	1.0000
1990	Tenth	1.0000
1991	Ninth	1.0000
1992	Eighth	0.9998
1993	Seventh	1.0006
1994	Sixth	1.0001
1995	Fifth	0.9998
1996	Fourth	1.0006
1997	Third	1.0019
1998	Second	1.0030
1999	First	1.0140

* Due to the impact of Act 44, the 1995-1996 ratio was excluded and the 1994-1995 ratio(0.9999) was included in the selected average.

+ Due to the impact of Act 44, the 1996-1997 ratio was excluded and the 1994-1995 ratio(1.0006) was included in the selected average.

Due to the impact of Act 44, the 1997-1998 ratio was excluded and the 1994-1995 ratio(1.0008) was included in the selected average.

@ Due to the impact of Act 44, the 1998-1999 ratio was excluded and the 1994-1995 ratio(0.9999) was included in the selected average.

EXHIBIT V - 2

DEVELOPMENT FACTORS

**INDEMNITY LOSSES
PAID METHOD**

Reports in Ratio	Policy Year	1999-2000 Ratio	Policy Year	1998-1999 Ratio	Unweighted Average	Cumulative Average	
2nd to 1st	a	1998	1.7841	1997	1.7745	1.7793	4.8582
3rd to 2nd	a	1997	1.3446	1996	1.3740	1.3593	2.7304
4th to 3rd	a	1996	1.1639	1995	1.1838	1.1739	2.0087
5th to 4th	a	1995	1.0952	1994	1.1271	1.1112	1.7111
6th to 5th	a	1994	1.0610	1993	1.0835	1.0723	1.5399
7th to 6th	a	1993	1.0423	1992	1.0623	1.0523	1.4360
8th to 7th	a	1992	1.0368	1991	1.0395	1.0382	1.3647
9th to 8th	a	1991	1.0242	1990	1.0300	1.0271	1.3145
10th to 9th	a	1990	1.0201	1989	1.0277	1.0239	1.2798
11th to 10th	a	1989	1.0173	1988	1.0198	1.0186	1.2499
12th to 11th	a	1988	1.0146	1987	1.0171	1.0159	1.2271
13th to 12th	a	1987	1.0130	1986	1.0170	1.0150	1.2079
14th to 13th	a	1986	1.0139	1985	1.0165	1.0152	1.1900
15th to 14th	a	1985	1.0116	1984	1.0167	1.0142	1.1722
16th to 15th	a	1984	1.0119	1983	1.0138	1.0129	1.1558
17th to 16th	a	1983	1.0111	1982	1.0142	1.0127	1.1411
18th to 17th	a	1982	1.0069	1981	1.0117	1.0093	1.1268
19th to 18th	a	1981	1.0087	1980	1.0114	1.0101	1.1164
20th to 19th	b	1980	1.0966	1979	1.0976	1.0971	1.1052
Beyond 19th	d	1979	1.0171	1978	1.0047	1.0074	1.0074

INCURRED METHOD

Reports in Ratio	Policy Year	1999-2000 Ratio	Policy Year	1998-1999 Ratio	Unweighted Average	Cumulative Average	
2nd to 1st	c	1998	1.3444	1997	1.3865	1.3655	1.7173
3rd to 2nd	c	1997	1.1276	1996	1.1575	1.1426	1.2576
4th to 3rd	c	1996	1.0661	1995	1.0719	1.0690	1.1007
5th to 4th	c	1995	1.0269	1994	1.0394	1.0332	1.0296
6th to 5th	c	1994	1.0051	1993	1.0012	1.0032	0.9965
7th to 6th	c	1993	0.9939	1992	0.9911	0.9925	0.9933
8th to 7th	c	1992	0.9967	1991	0.9974	0.9971	1.0009
9th to 8th	c	1991	0.9998	1990	0.9986	0.9992	1.0038
10th to 9th	c	1990	0.9975	1989	0.9997	0.9986	1.0046
11th to 10th	c	1989	1.0003	1988	0.9984	0.9994	1.0060
12th to 11th	c	1988	1.0018	1987	1.0001	1.0010	1.0066
13th to 12th	c	1987	0.9979	1986	0.9997	0.9988	1.0056
14th to 13th	c	1986	0.9968	1985	0.9967	0.9968	1.0068
15th to 14th	c	1985	0.9955	1984	0.9990	0.9973	1.0100
16th to 15th	c	1984	1.0008	1983	1.0014	1.0011	1.0127
17th to 16th	c	1983	1.0011	1982	0.9997	1.0004	1.0116
18th to 17th	c	1982	0.9978	1981	1.0043	1.0011	1.0112
19th to 18th	c	1981	0.9982	1980	1.0022	1.0002	1.0101
20th to 19th	c	1980	1.0022	1979	1.0027	1.0025	1.0099
Beyond 19th	d	1979	1.0171	1978	1.0047	1.0074	1.0074

a From Table I-D

b 19th to 20th

20th Report Paid to Incurred - Tables I-B & I-D

c From Table I-B

d Derived separately, see Exhibit # 7 of the April 1, 2002 Filing Package.

EXHIBIT V - 3

DEVELOPMENT FACTORS

**MEDICAL LOSSES
PAID METHOD**

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>1999-2000 Ratio</u>	<u>Policy Year</u>	<u>1998-1999 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	a	1998	1997	1.2997	1.2691	1.2844	2.4071
3rd to 2nd	a	1997	1996	1.0905	1.0898	1.0902	1.8741
4th to 3rd	a	1996	1995	1.0459	1.0570	1.0515	1.7191
5th to 4th	a	1995	1994	1.0325	1.0334	1.0330	1.6349
6th to 5th	a	1994	1993	1.0260	1.0285	1.0273	1.5827
7th to 6th	a	1993	1992	1.0194	1.0249	1.0222	1.5406
8th to 7th	a	1992	1991	1.0190	1.0184	1.0187	1.5071
9th to 8th	a	1991	1990	1.0147	1.0200	1.0174	1.4795
10th to 9th	a	1990	1989	1.0179	1.0172	1.0176	1.4542
11th to 10th	a	1989	1988	1.0163	1.0155	1.0159	1.4290
12th to 11th	a	1988	1987	1.0144	1.0155	1.0150	1.4066
13th to 12th	a	1987	1986	1.0135	1.0143	1.0139	1.3859
14th to 13th	a	1986	1985	1.0123	1.0181	1.0152	1.3669
15th to 14th	a	1985	1984	1.0154	1.0175	1.0165	1.3464
16th to 15th	a	1984	1983	1.0132	1.0145	1.0139	1.3245
17th to 16th	a	1983	1982	1.0144	1.0187	1.0166	1.3064
18th to 17th	a	1982	1981	1.0112	1.0159	1.0136	1.2851
19th to 18th	a	1981	1980	1.0173	1.0166	1.0170	1.2678
20th to 19th	b	1980	1979	1.1411	1.1874	1.1643	1.2466
Beyond 19th	c	1979	1978	1.0821	1.0473	1.0707	1.0707

INCURRED METHOD

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>1999-2000 Ratio</u>	<u>Policy Year</u>	<u>1998-1999 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	c	1998	1997	1.1000	1.1133	1.1067	1.4683
3rd to 2nd	c	1997	1996	1.0473	1.0289	1.0381	1.3267
4th to 3rd	c	1996	1995	1.0199	1.0106	1.0153	1.2780
5th to 4th	c	1995	1994	1.0132	1.0079	1.0106	1.2588
6th to 5th	c	1994	1993	1.0112	1.0041	1.0077	1.2456
7th to 6th	c	1993	1992	0.9993	0.9998	0.9996	1.2361
8th to 7th	c	1992	1991	1.0141	1.0103	1.0122	1.2365
9th to 8th	c	1991	1990	1.0125	1.0041	1.0083	1.2216
10th to 9th	c	1990	1989	1.0056	1.0109	1.0083	1.2116
11th to 10th	c	1989	1988	1.0138	1.0054	1.0096	1.2016
12th to 11th	c	1988	1987	1.0074	1.0017	1.0046	1.1902
13th to 12th	c	1987	1986	1.0087	1.0221	1.0154	1.1847
14th to 13th	c	1986	1985	0.9996	1.0114	1.0055	1.1668
15th to 14th	c	1985	1984	1.0056	1.0002	1.0029	1.1604
16th to 15th	c	1984	1983	1.0175	1.0078	1.0127	1.1570
17th to 16th	c	1983	1982	1.0152	1.0356	1.0254	1.1425
18th to 17th	c	1982	1981	1.0149	1.0045	1.0097	1.1142
19th to 18th	c	1981	1980	0.9999	1.0123	1.0061	1.1035
20th to 19th	c	1980	1979	1.0331	1.0157	1.0244	1.0968
Beyond 19th	c	1979	1978	1.0821	1.0473	1.0707	1.0707

a From Table I-E

b 19th to 20th

20th Report Paid to Incurred - Tables I-C & I-E

c From Table I-C

d Derived separately, see Exhibit # 7 of the April 1, 2002 Filing Package.

**EXHIBIT VI-1
DETERMINATION OF TREND**

INDEMNITY

Policy Year	1993	1994	1995	1996	1997	1998	1999
Actual Loss Ratio	0.6683	0.6500	0.5983	0.4888	0.5193	0.4886	0.5018
Normalized Frequency	0.7461	0.6675	0.5980	0.5336	0.4934	0.4681	0.4458
Severity Loss Ratio	0.8957	0.9738	1.0005	0.9160	1.0524	1.0438	1.1255

x	1	2	3	4	5	6	7
y	0.8957	0.9738	1.0005	0.9160	1.0524	1.0438	1.1255

7 Point Linear Regression: $y = 0.8752 + 0.031489 * x$

Policy Year	Fitted Value @ Midpoint of PY (1)	Fitted Value @ 4/1/03 (2)	Severity Trend Factor (3) = (2) / (1)	Frequency Trend Factor (4) #
1997	1.0326	1.1980	1.1602	0.8282
1998	1.0641	1.1980	1.1258	0.8731
1999	1.0956	1.1980	1.0935	0.9167

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5) * (6)
1997	0.5193	0.9609	0.4989
1998	0.4886	0.9829	0.4802
1999	0.5018	1.0024	0.5030

**EXHIBIT VI-2
DETERMINATION OF TREND**

MEDICAL

Policy Year	1992	1993	1994	1995	1996	1997	1998	1999
Actual Loss Ratio	0.4736	0.4639	0.4471	0.4464	0.4128	0.4446	0.4401	0.4292
Normalized Frequency	0.8079	0.7461	0.6675	0.5980	0.5336	0.4934	0.4681	0.4458
Severity Loss Ratio	0.5862	0.6217	0.6698	0.7465	0.7735	0.9011	0.9401	0.9627
x	1	2	3	4	5	6	7	8
y	0.5862	0.6217	0.6698	0.7465	0.7735	0.9011	0.9401	0.9627

8 Point Exponential Regression: $y = 0.5397 * 1.080019^x$

Policy Year	Fitted Value @ Midpoint of PY (1)	Fitted Value @ 4/1/03 (2)	Severity Trend Factor (3) = (2) / (1)	Frequency Trend Factor (4) #
1997	0.8565	1.2831	1.4981	0.8282
1998	0.9251	1.2831	1.3870	0.8731
1999	0.9991	1.2831	1.2843	0.9167

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5) * (6)
1997	0.4446	1.2407	0.5516
1998	0.4401	1.2110	0.5330
1999	0.4292	1.1773	0.5053

See page 12.3 for column (4).

DETERMINATION OF TREND

Claim Frequency

Policy Year Frequency per \$1 million of Expected Losses

{1 = PY 1988, 12 = PY 1999}

TREND FACTOR TO 1/1/90

Policy Year	Claim Frequency	Normalized Frequency	Trend Factor to 1/1/00
1988	47.06	1.0000	0.4458
1989	46.74	0.9932	0.4489
1990	44.19	0.9390	0.4748
1991	40.90	0.8691	0.5129
1992	38.02	0.8079	0.5518
1993	35.11	0.7461	0.5975
1994	31.41	0.6674	0.6680
1995	28.14	0.5980	0.7455
1996	25.11	0.5336	0.8355
1997	23.22	0.4934	0.9035
1998	22.03	0.4681	0.9524
1999	20.98	0.4458	1.0000

TREND FACTOR FROM 1/1/00 TO 4/1/03

(1)	Selected Annual Trend Factor from 1/1/00 to 12/31/00	0.9570
(2)	Selected Annual Trend Factor from 1/1/01 to 12/31/01	0.9700
(3)	Selected Annual Trend Factor from 1/1/02 to 4/1/03	0.9900
(4)	Selected Trend Factor from 1/1/00 to 4/1/03	0.9167

TOTAL FREQUENCY TREND FACTOR TO 4/1/03

Policy Year	Trend to 1/1/00	Trend from 1/1/00 - 4/1/03	Total to 4/1/03
1996	0.9035	0.9167	0.8282
1997	0.9524	0.9167	0.8731
1998	1.0000	0.9167	0.9167

TABLE I

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

ACCUMULATED STANDARD EARNED PREMIUM

Policy Year Valued	As of 12/31/98	As of 12/31/99	Ratio to Prior Year
Prior			
to 1979	4,399,044,619	4,399,627,436	1.0001
1979	1,122,515,432	1,122,559,489	1.0000
1980	1,175,892,404	1,175,913,402	1.0000
1981	1,159,065,573	1,159,086,582	1.0000
1982	1,024,598,589	1,024,603,186	1.0000
1983	1,033,108,708	1,033,095,334	1.0000
1984	1,155,147,799	1,155,147,510	1.0000
1985	1,308,493,948	1,308,709,690	1.0002
1986	1,552,213,482	1,552,196,038	1.0000
1987	1,854,078,658	1,853,581,073	0.9997
1988	2,124,184,937	2,123,970,902	0.9999
1989	2,307,935,600	2,308,356,705	1.0002
1990	2,627,475,262	2,624,919,864	0.9990
1991	2,805,535,463	2,803,967,997	0.9994
1992	2,573,638,513	2,570,008,624	0.9986
1993	2,759,898,689	2,759,706,131	0.9999
1994	2,042,789,942	2,044,072,231	1.0006
1995	1,921,361,588	1,921,999,095	1.0003
1996	1,910,265,217	1,908,519,837	0.9991
1997	1,608,712,131	1,628,488,182	1.0123
1998	874,450,951	1,566,465,123	1.7914
1999		920,780,858	
Policy Year Valued	As of 12/31/99	As of 12/31/00	Ratio to Prior Year
Prior			
to 1980	5,476,324,384	5,476,232,335	1.0000
1980	1,168,041,183	1,168,095,123	1.0000
1981	1,151,069,159	1,151,069,162	1.0000
1982	1,015,313,053	1,015,312,623	1.0000
1983	1,024,848,657	1,024,918,653	1.0001
1984	1,147,247,812	1,147,465,472	1.0002
1985	1,304,149,095	1,304,615,298	1.0004
1986	1,548,642,510	1,552,350,269	1.0024
1987	1,848,226,925	1,850,509,820	1.0012
1988	2,101,055,010	2,106,715,402	1.0027
1989	2,286,234,371	2,289,066,778	1.0012
1990	2,574,017,092	2,570,945,607	0.9988
1991	2,749,165,646	2,754,323,415	1.0019
1992	2,531,348,098	2,532,909,814	1.0006
1993	2,696,818,583	2,702,556,597	1.0021
1994	2,018,785,949	2,014,183,041	0.9977
1995	1,896,412,186	1,898,919,581	1.0013
1996	1,907,482,671	1,917,423,102	1.0052
1997	1,607,338,954	1,610,607,893	1.0020
1998	1,514,503,141	1,520,403,970	1.0039
1999	886,387,392	1,552,133,699	1.7511
2000		889,140,475	

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 12/31/98	As of 12/31/99	Ratio to Prior Year
Prior to 1979	2,549,334,036	2,555,610,659	1.0025
1979	462,021,043	464,528,477	1.0054
1980	467,144,989	469,194,140	1.0044
1981	514,114,987	516,325,429	1.0043
1982	522,193,386	526,777,343	1.0088
1983	623,392,351	625,295,389	1.0031
1984	799,977,561	799,452,192	0.9993
1985	946,475,312	947,353,448	1.0009
1986	1,089,407,908	1,095,996,366	1.0060
1987	1,356,873,211	1,357,651,883	1.0006
1988	1,603,881,895	1,604,939,946	1.0007
1989	1,887,196,430	1,893,573,753	1.0034
1990	1,968,883,667	1,969,784,871	1.0005
1991	1,777,815,005	1,781,151,850	1.0019
1992	1,500,168,306	1,491,534,436	0.9942
1993	1,284,131,748	1,286,990,027	1.0022
1994	1,133,559,338	1,165,139,854	1.0279
1995	959,500,573	1,004,848,874	1.0473
1996	799,758,403	877,679,730	1.0974
1997	716,808,327	892,416,529	1.2450
1998	297,704,105	768,463,668	2.5813
1999		304,070,133	

Policy Year Valued	As of 12/31/99	As of 12/31/00	Ratio to Prior Year
Prior to 1980	3,001,152,746	3,015,689,545	1.0048
1980	465,377,813	469,525,849	1.0089
1981	511,755,950	511,033,482	0.9986
1982	520,566,623	521,721,387	1.0022
1983	619,503,467	622,505,165	1.0048
1984	794,486,654	798,675,210	1.0053
1985	944,614,760	943,149,719	0.9984
1986	1,093,781,830	1,091,169,823	0.9976
1987	1,354,041,524	1,355,680,853	1.0012
1988	1,579,200,433	1,584,860,558	1.0036
1989	1,871,193,794	1,880,096,225	1.0048
1990	1,940,821,853	1,941,336,648	1.0003
1991	1,741,616,094	1,749,110,816	1.0043
1992	1,470,997,101	1,475,372,293	1.0030
1993	1,267,664,010	1,262,382,728	0.9958
1994	1,150,154,659	1,158,515,136	1.0073
1995	994,724,198	1,016,193,200	1.0216
1996	877,384,247	917,629,197	1.0459
1997	874,357,906	953,387,566	1.0904
1998	745,540,704	904,684,157	1.2135
1999	296,182,830	790,307,071	2.6683
2000		312,413,013	

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 12/31/98	As of 12/31/99	Ratio to Prior Year
Prior			
to 1979	2,204,497,181	2,206,233,130	1.0008
1979	366,028,692	367,025,325	1.0027
1980	366,545,946	367,362,446	1.0022
1981	391,486,290	393,150,907	1.0043
1982	390,142,550	390,025,792	0.9997
1983	460,558,828	461,198,968	1.0014
1984	585,914,305	585,356,746	0.9990
1985	672,397,186	670,156,439	0.9967
1986	779,835,925	779,574,014	0.9997
1987	941,008,637	941,061,692	1.0001
1988	1,094,826,287	1,093,128,727	0.9984
1989	1,268,026,147	1,267,671,479	0.9997
1990	1,300,983,273	1,299,131,017	0.9986
1991	1,157,302,930	1,154,239,130	0.9974
1992	961,400,129	952,883,987	0.9911
1993	820,890,534	821,850,746	1.0012
1994	718,505,921	746,807,693	1.0394
1995	573,957,815	615,202,647	1.0719
1996	426,009,990	493,117,505	1.1575
1997	345,512,399	479,041,914	1.3865
1998	115,393,000	357,036,512	3.0941
1999		126,958,404	

Policy Year Valued	As of 12/31/99	As of 12/31/00	Ratio to Prior Year
Prior			
to 1980	2,556,871,830	2,563,112,144	1.0024
1980	364,324,642	365,132,589	1.0022
1981	389,675,783	388,969,952	0.9982
1982	385,585,874	384,726,772	0.9978
1983	456,844,817	457,368,306	1.0011
1984	581,536,717	581,998,371	1.0008
1985	668,156,678	665,137,947	0.9955
1986	777,870,053	775,372,550	0.9968
1987	938,671,394	936,703,323	0.9979
1988	1,075,138,892	1,077,081,902	1.0018
1989	1,252,873,558	1,253,224,317	1.0003
1990	1,280,995,441	1,277,795,972	0.9975
1991	1,129,165,150	1,128,980,629	0.9998
1992	941,125,206	938,046,221	0.9967
1993	810,975,175	806,014,731	0.9939
1994	737,909,705	741,667,184	1.0051
1995	609,651,916	626,040,477	1.0269
1996	492,925,979	525,507,029	1.0661
1997	469,104,247	528,949,456	1.1276
1998	346,060,925	465,256,942	1.3444
1999	123,886,720	374,512,633	3.0230
2000		121,265,448	

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 12/31/98	As of 12/31/99	Ratio to Prior Year
Prior			
to 1979	344,836,855	349,377,529	1.0132
1979	95,992,351	97,503,152	1.0157
1980	100,599,043	101,831,694	1.0123
1981	122,628,697	123,174,522	1.0045
1982	132,050,836	136,751,551	1.0356
1983	162,833,523	164,096,421	1.0078
1984	214,063,256	214,095,446	1.0002
1985	274,078,126	277,197,009	1.0114
1986	309,571,983	316,422,352	1.0221
1987	415,864,574	416,590,191	1.0017
1988	509,055,608	511,811,219	1.0054
1989	619,170,283	625,902,274	1.0109
1990	667,900,394	670,653,854	1.0041
1991	620,512,075	626,912,720	1.0103
1992	538,768,177	538,650,449	0.9998
1993	463,241,214	465,139,281	1.0041
1994	415,053,417	418,332,161	1.0079
1995	385,542,758	389,646,227	1.0106
1996	373,748,413	384,562,225	1.0289
1997	371,295,928	413,374,615	1.1133
1998	182,311,105	411,427,156	2.2567
1999		177,111,729	

Policy Year Valued	As of 12/31/99	As of 12/31/00	Ratio to Prior Year
Prior			
to 1980	444,280,916	452,577,401	1.0187
1980	101,053,171	104,393,260	1.0331
1981	122,080,167	122,063,530	0.9999
1982	134,980,749	136,994,615	1.0149
1983	162,658,650	165,136,859	1.0152
1984	212,949,937	216,676,839	1.0175
1985	276,458,082	278,011,772	1.0056
1986	315,911,777	315,797,273	0.9996
1987	415,370,130	418,977,530	1.0087
1988	504,061,541	507,778,656	1.0074
1989	618,320,236	626,871,908	1.0138
1990	659,826,412	663,540,676	1.0056
1991	612,450,944	620,130,187	1.0125
1992	529,871,895	537,326,072	1.0141
1993	456,688,835	456,367,997	0.9993
1994	412,244,954	416,847,952	1.0112
1995	385,072,282	390,152,723	1.0132
1996	384,458,268	392,122,168	1.0199
1997	405,253,659	424,438,110	1.0473
1998	399,479,779	439,427,215	1.1000
1999	172,296,110	415,794,438	2.4133
2000		191,147,565	

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 12/31/98	As of 12/31/99	Ratio to Prior Year
Prior to 1979	2,056,022,648	2,076,788,107	1.0101
1979	334,394,848	338,634,356	1.0127
1980	332,102,487	335,884,950	1.0114
1981	359,210,842	363,396,207	1.0117
1982	352,140,331	357,127,974	1.0142
1983	420,026,693	425,833,043	1.0138
1984	526,113,858	534,874,691	1.0167
1985	596,234,410	606,067,904	1.0165
1986	685,049,944	696,687,237	1.0170
1987	837,325,532	851,632,985	1.0171
1988	960,896,509	979,903,531	1.0198
1989	1,100,383,277	1,130,866,596	1.0277
1990	1,102,493,271	1,135,518,560	1.0300
1991	950,095,204	987,662,654	1.0395
1992	726,092,769	771,342,832	1.0623
1993	600,357,995	650,495,696	1.0835
1994	503,397,393	567,390,892	1.1271
1995	385,599,567	456,485,448	1.1838
1996	254,533,821	349,723,877	1.3740
1997	162,508,846	288,374,343	1.7745
1998	38,290,987	162,905,398	4.2544
1999		42,873,841	

Policy Year Valued	As of 12/31/99	As of 12/31/00	Ratio to Prior Year
Prior to 1980	2,399,203,933	2,420,493,920	1.0089
1980	332,958,747	336,731,404	1.0113
1981	360,080,344	363,218,306	1.0087
1982	353,386,617	355,833,333	1.0069
1983	421,539,523	426,214,824	1.0111
1984	531,214,834	537,519,227	1.0119
1985	604,092,696	611,118,403	1.0116
1986	695,081,599	704,755,111	1.0139
1987	849,577,987	860,629,514	1.0130
1988	963,851,053	977,917,240	1.0146
1989	1,116,548,700	1,135,819,124	1.0173
1990	1,118,353,139	1,140,876,092	1.0201
1991	964,163,592	987,485,045	1.0242
1992	761,035,503	789,026,014	1.0368
1993	640,872,268	667,977,152	1.0423
1994	560,836,893	595,026,628	1.0610
1995	451,912,500	494,925,881	1.0952
1996	349,536,047	406,838,563	1.1639
1997	282,611,903	380,000,658	1.3446
1998	157,425,277	280,865,476	1.7841
1999	41,653,523	180,259,624	4.3276
2000		43,767,828	

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 12/31/98	As of 12/31/99	Ratio to Prior Year
Prior to 1979	310,275,305	314,709,379	1.0143
1979	82,112,192	83,681,827	1.0191
1980	90,821,044	92,328,063	1.0166
1981	107,944,974	109,657,370	1.0159
1982	119,863,711	122,104,210	1.0187
1983	148,364,534	150,521,474	1.0145
1984	192,487,564	195,850,274	1.0175
1985	234,228,579	238,459,387	1.0181
1986	283,431,708	287,475,665	1.0143
1987	371,693,540	377,468,221	1.0155
1988	465,532,813	472,758,687	1.0155
1989	563,965,033	573,653,691	1.0172
1990	601,073,834	613,119,288	1.0200
1991	565,146,071	575,526,223	1.0184
1992	478,374,305	490,282,309	1.0249
1993	408,239,619	419,889,560	1.0285
1994	363,673,492	375,809,042	1.0334
1995	324,799,568	343,318,341	1.0570
1996	299,127,034	325,988,928	1.0898
1997	264,258,135	335,383,034	1.2691
1998	71,674,201	271,016,037	3.7812
1999		73,818,635	

Policy Year Valued	As of 12/31/99	As of 12/31/00	Ratio to Prior Year
Prior to 1980	395,788,594	403,150,799	1.0186
1980	91,484,348	93,382,120	1.0207
1981	108,655,033	110,533,121	1.0173
1982	120,852,140	122,208,661	1.0112
1983	149,130,242	151,276,656	1.0144
1984	194,744,138	197,309,347	1.0132
1985	237,765,254	241,421,464	1.0154
1986	286,966,428	290,493,726	1.0123
1987	376,259,293	381,339,839	1.0135
1988	466,143,347	472,871,008	1.0144
1989	566,242,114	575,464,660	1.0163
1990	602,822,391	613,635,985	1.0179
1991	561,818,114	570,078,737	1.0147
1992	482,507,805	491,661,169	1.0190
1993	412,440,394	420,452,388	1.0194
1994	370,290,709	379,902,264	1.0260
1995	339,077,781	350,106,644	1.0325
1996	325,884,971	340,852,102	1.0459
1997	328,680,780	358,436,030	1.0905
1998	263,399,013	342,343,712	1.2997
1999	72,026,362	289,136,732	4.0143
2000		78,377,842	

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, 2002 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, 2002 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, 2002 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).

EXHIBIT VII (Continued)

Loss Cost Formulae

- (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, 2002 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 Years 1996, 1997 and 1998 Unit Data

Manual Year	Premium at Manual Rates	Collected Premium (Excluding Constants)	Collectible Premium Ratio (2)/(3)
(1)	(2)	(3)	(4)
ALL INDUSTRIES			
1996	3,051,117,250	2,817,960,241	1.0827
1997	2,417,732,516	2,283,412,494	1.0588
1998	2,311,278,452	2,188,993,530	1.0559
TOTAL	7,780,128,218	7,290,366,265	1.0672
MANUFACTURING AND UTILITIES			
1996	911,733,922	820,414,114	1.1113
1997	702,145,376	652,751,601	1.0757
1998	630,616,988	588,197,312	1.0721
TOTAL	2,244,496,286	2,061,363,027	1.0888
CONTRACTING AND QUARRYING			
1996	493,987,330	453,651,207	1.0889
1997	390,490,250	368,039,142	1.0610
1998	383,833,587	363,906,258	1.0548
TOTAL	1,268,311,167	1,185,596,607	1.0698
OTHER INDUSTRIES			
1996	1,645,395,998	1,543,894,920	1.0657
1997	1,325,096,890	1,262,621,751	1.0495
1998	1,296,827,877	1,236,889,960	1.0485
TOTAL	4,267,320,765	4,043,406,631	1.0554

* Excludes classifications and coverages not subject to experience rating

EXHIBIT IX

CALCULATION OF EXPECTED LOSS COST FACTORS (a)

Policy Year Beginning 4/1	Act 57 Adjust- ment	Adjust- ment Factor	Loss Ratio Development Factor	Collectible Premium Ratio	Trend Factor	Product (2) * (3) * (4) *(5) * (6)	Expected Loss Cost Factor 1.0 / (7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Manufacture and Utilities</u>							
1998	1.0000	1.0000	1.2077	1.0888	1.1477	1.5092	0.6626
1999	1.0000	1.0000	1.3758	1.0888	1.1082	1.6601	0.6024
2000	1.0000	1.0000	1.7454	1.0888	1.0705	2.0344	0.4915
<u>Contracting and Quarrying</u>							
1998	1.0000	1.0000	1.2510	1.0698	1.1477	1.5360	0.6510
1999	1.0000	1.0000	1.4278	1.0698	1.1082	1.6927	0.5908
2000	1.0000	1.0000	1.7937	1.0698	1.0705	2.0542	0.4868
<u>Other Industries</u>							
1998	1.0000	1.0000	1.2169	1.0554	1.1477	1.4740	0.6784
1999	1.0000	1.0000	1.3893	1.0554	1.1082	1.6249	0.6154
2000	1.0000	1.0000	1.7586	1.0554	1.0705	1.9869	0.5033

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 =	0.4041
Second Adjustment	RDF =	0.2677
Third Adjustment	RDF =	0.1749

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 = Expected Loss Factors for given Hazard Group and Loss Limitation

RDF = Retrospective Development Factors without Loss Limitation

For Example:

Suppose the \$25,000 limit Hazard Group II ELF = 0.600

$$\begin{aligned} \text{Then First Adjustment RDF} &= (1 - 0.600) * 0.4041 \\ &= 0.1616 \end{aligned}$$

* The use of retrospective development factors is optional.