

PENNSYLVANIA COMPENSATION RATING BUREAU  
F CLASS FILING

Calculation of Expected Loss Rate Factors

The attached exhibit contains Expected Loss Rate Factors. They are applied to loss costs by classification to produce Table A (Expected Loss Factors) which are the basis for the calculation of Expected Losses.

**PENNSYLVANIA F-CLASS RATE REVISION**

**CALCULATION OF EXPECTED LOSS RATE FACTORS**

<b>Policy Year Beginning 1-Feb</b>	<b>Average Law Multiplier</b>	<b>Adjust- ment Factor</b>	<b>Loss Ratio Development Factor</b>	<b>Expense Allowance 1.0 / (PLR/CPR)</b>	<b>Trend Factor</b>	<b>Product (2) * (3) * (4) * (5) * (6)</b>	<b>Expected Loss Rate Factor 1.0 / (7)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>
1999	1.0000	1.0000	1.3228	1.8989	1.0000	2.5119	0.3981
2000	1.0000	1.0000	1.3963	1.8989	1.0000	2.6514	0.3772
2001	1.0000	1.0000	1.7849	1.8989	1.0000	3.3893	0.2950