

PENNSYLVANIA COMPENSATION RATING BUREAU
F CLASS FILING

Indicated Change in Rate Level

This exhibit shows the indicated change in rate level for Pennsylvania Federal Classes. It includes a section to reflect the adjustment of the indicated change in overall rate level to the indicated change in manual rate level.

INDICATED CHANGE IN RATE LEVEL

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1) Trended Loss Ratio for Policy Period 2/1/05 - 2/1/06	0.3117	0.1035	0.4152
(2) Credibility	0.2500	0.2500	0.2500
(3) Loss Ratio Underlying Current Rates	0.3697	0.1923	0.5620
(4) Credibility Weighted Trended Loss Ratio $(1) \cdot (2) + (3) \cdot [1.0 - (2)]$	0.3552	0.1701	0.5253
(5) Ratio of Loss Adjustment Expense to Loss	0.1337	0.1337	0.1337
(6) Trended Policy Year Loss and Loss Adjustment Ratio $(4) \cdot [1.0 + (5)]$	0.4027	0.1928	0.5955
(7) Fixed Expense Ratio			0.0665
(8) Total Loss, LAE, and Fixed Expense Ratio $(6) + (7)$			0.6620
(9) Permissible Loss, Loss Adjustment and Fixed Expense Ratio			0.7265
(10) Indicated Change in Rates $(8) / (9)$			0.9112

INDICATED CHANGE IN MANUAL LEVEL

	Total
(11) Current Collectible Premium Ratio	1.0672
(12) Proposed Collectible Premium Ratio	1.0656
(13) Indicated Change in Manual Level $[(10) \cdot (12)] / (11)$	0.9098