

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	1.0757	1.8303	1.0000	1.9689	0.5079
2000	1.0000	1.0000	1.2688	1.8303	1.0000	2.3223	0.4306
2001	1.0000	1.0000	1.4135	1.8303	1.0000	2.5871	0.3865