

PENNSYLVANIA COMPENSATION RATING BUREAU

Loss Based Assessments and Employer Assessment Factor

Effective October 1, 1999, the Administration Fund, Subsequent Injury Fund and Supersedeas Fund are no longer part of the loss costs but are a separate charge to the insured. The attached exhibit presents detail of loss payments, budgeted expenditures and the resulting assessment levels. The indicated Employer Assessment Factor is 1.91%, a decrease of 0.45% from the current value of 2.36%.

The Small Business Advocate assessment as well as charges for the Merit Rating Plan and Certified Safety Committee Program are still included as part of the published loss costs. A factor of 0.88% is proposed as a load to loss costs for those items. The current factor is 0.92%.

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

<b>(1)</b>	2003 PCRБ Member Paid Loss (From Schedule W) *	1,941,244,593
<b>(2)</b>	2003 Total Paid Loss (From PA Dept of Labor and Industry) *	2,564,214,257
<b>(3)</b>	2003 Ratio of PCRБ Member Paid Loss to Total Paid Loss (1)/(2)	0.7571
<b>(4)</b>	2004/2005 Fiscal Year Budget	
	a. Administration Fund	55,000,000
	b. Subsequent Injury Fund	294,637
	c. Supersedeas Injury Fund	18,914,986
	d. Total	74,209,623
<b>(5)</b>	2004/2005 Fiscal Year Membership Assessment Amount	
	a. Administration Fund (4)a * (3)	41,640,500
	b. Subsequent Injury Fund (4)b * (3)	223,070
	c. Supersedeas Injury Fund (4)c * (3)	14,320,536
	d. Total	56,184,106
<b>(6)</b>	2003 Employer Assessment Premium Base Schedule W Part A-1, Lines 5 + 8a + 8b	2,952,678,578
<b>(7)</b>	2004/2005 Fiscal Year Membership Assessment Rate	
	a. Administration Fund (5)a / (6)	0.0141
	b. Subsequent Injury Fund (5)b / (6)	0.0001
	c. Supersedeas Injury Fund (5)c / (6)	0.0049
	d. Employer Assessment Factor	0.0191
<b>(8)</b>	2004/2005 Fiscal Year Budget for the Office of Small Business Advocate	184,000
<b>(9)</b>	2004/2005 Fiscal Year Membership Assessment Amount for the Office of Small Business Advocate (8) * (3)	139,306
<b>(10)</b>	2004/2005 Fiscal Year Membership Assessment Rate for the Office of Small Business Advocate (9) / (1)	0.0001
<b>(11)</b>	Merit Rating Plan Increment Factor	0.0035
<b>(12)</b>	Certified Safety Committee Program Increment Factor	0.0052
<b>(13)</b>	Overall Adjustment for the Office of Small Business Advocate, Merit Rating Plan and Certified Safety Committee Program (10) + (11) + (12)	0.0088

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