

PENNSYLVANIA COMPENSATION RATING BUREAU

Merit Rating Plan Off-Balance Indications

This exhibit shows data relevant to the calculation of the Merit Rating Plan Off-Balance Factor applicable to Manual Premium. The factor, as a ratio to standard premium, is 0.0035, representing a slight decrease compared to the 0.0036 factor included in current loss costs.

Pennsylvania Compensation Rating Bureau

Analysis of Merit Rating Plan Off-Balance Indications

Risk Type	# of Risks	Manual Premium Before MRP	MRP Adjustment	Standard Premium Before Adjustment	Average Debit / Credit
1. Not Qualified for MRP	47,976	30,618,237	0	32,909,159	0.00%
2. Qualified for MRP Discount	136,220	170,963,110	-8,551,264	175,071,245	-5.00%
3. Qualified for MRP No Adjustment	5,597	17,855,871	0	17,964,995	0.00%
4. Qualified for MRP Surcharge	846	5,484,999	274,251	5,502,089	5.00%
5. Experience Rated Risks	50,411	2,354,020,192	0	2,100,444,306	0.00%
Total	241,050	2,578,942,409	-8,277,013	2,331,891,794	-0.32%
Ratio to Standard Premium					-0.35%
Increment to Manual Premium					0.0035

Data from policies effective 2000-2001 using 2001 Manual and Standard Premium .