

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 4/1/09 - 4/1/10	0.6714	0.2368	0.9082
(2) Credibility	0.2500	0.2500	0.2500
(3) Loss Ratio Underlying Current Rates	0.3944	0.1799	0.5743
(4) Credibility Weighted Trended Loss Ratio (1)*(2)+(3)*[1.0-(2)]	0.4637	0.1941	0.6578
(5) Ratio of Loss Adjustment Expense to Loss	0.1342	0.1342	0.1342
(6) Trended Policy Year Loss and Loss Adjustment Ratio (4)*[1.0+(5)]	0.5259	0.2201	0.7461
(7) Fixed Expense Ratio			0.0476
(8) Total Loss, LAE, and Fixed Expense Ratio (6) + (7)			0.7937
(9) Permissible Loss, Loss Adjustment and Fixed Expense Ratio			0.7233
(10) Indicated Change in Rates (8) / (9)			1.0973

**INDICATED CHANGE IN MANUAL LEVEL**

	<b>Total</b>
(11) Current Collectible Premium Ratio	1.0957
(12) Proposed Collectible Premium Ratio	1.0638
(13) Indicated Change in Manual Level [(10) * (12)] / (11)	1.0654