

PENNSYLVANIA COMPENSATION RATING BUREAU

Review Of Experience Rating Plan Results – Capped Experience Modification Values

Attached is an exhibit routinely prepared in review of the results of the experience rating plan. The attachment is a summary report titled “Comparison of Actual Loss Ratios and Manual Loss Ratios”. This report displays comparative loss ratios computed on both Manual and Standard bases for selected risk sizes and experience modification values for all Industry Groups combined for the five year period 2001 through 2005.

Bureau Filing No. 208, approved effective April 1, 2004 revised various parameters within the Experience Rating Plan. The premiums and loss ratios contained in this report have been adjusted to reflect the experience as it would have been if the revisions of Filing No. 208 had been in place for the entire experience period shown. The experience modification factors used to generate this report are on a capped basis, consistent with the Experience Rating Plan effective April 1, 2004 and the changes made effective April 1, 2006 that further refined the capping process.

COMPARISON OF ACTUAL LOSS RATIOS AND MANUAL LOSS RATIOS
FOR ALL MANUAL YEARS

EXP-MOD	UP TO - 2,499					\$2,500 - 4,999					\$5,000 - 7,499					\$7,500 - 9,999				
	RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR	
0- 60	272	111	5.59	2.57		103	176	.85	.39		55	161	1.29	.62		48	205	1.26	.62	
61- 80	1,571	1,073	2.01	1.51		768	2,171	1.09	.83		666	3,201	1.12	.86		839	5,670	.46	.35	
81- 85	9,797	11,133	1.22	1.02		27,765	90,006	.65	.55		25,369	129,990	.60	.50		16,113	115,805	.55	.46	
86- 90	2,068	2,299	1.18	1.04		5,573	19,073	.99	.86		5,888	31,941	.74	.65		3,961	30,024	.68	.60	
91- 95	1,761	1,911	1.84	1.71		2,706	9,738	1.12	1.04		2,870	16,530	.73	.68		2,232	17,995	.63	.59	
96- 99	2,424	2,670	1.20	1.17		2,504	9,241	.71	.69		2,306	13,871	.65	.64		1,678	14,177	.84	.82	
100-100	692,918	489,197	.67	.67		84,181	284,953	.62	.62		17,327	104,371	.74	.74		7,091	61,013	.79	.79	
CREDITS	710,811	508,392	.69	.69		123,600	415,359	.66	.63		54,481	300,065	.68	.61		31,962	244,890	.65	.57	
101-105	953	1,152	.76	.78		1,864	7,504	.90	.93		2,102	13,437	.89	.92		1,562	13,931	.66	.68	
106-110	568	723	1.42	1.53		1,027	4,292	1.24	1.33		1,104	7,376	.97	1.05		816	7,647	1.27	1.37	
111-115	460	632	4.11	4.65		652	2,873	1.29	1.46		683	4,789	.75	.85		578	5,669	.84	.95	
116-120	431	580	1.13	1.33		535	2,465	1.38	1.62		595	4,334	.74	.88		453	4,631	.77	.90	
121-130	1,158	1,731	2.64	3.30		2,123	10,193	1.07	1.34		2,021	15,706	.91	1.14		1,314	14,337	.87	1.09	
131-140	351	500	3.24	4.38		590	3,068	.76	1.03		633	5,280	.87	1.18		559	6,532	.78	1.05	
141- UP	994	2,027	4.96	8.36		1,750	11,427	1.01	1.71		1,993	20,604	.73	1.22		1,509	21,670	.83	1.37	
CHARGES	4,915	7,344	2.91	3.69		8,541	41,821	1.05	1.33		9,131	71,525	.84	1.06		6,791	74,417	.84	1.06	
TOTALS	715,726	515,736	.72	.72		132,141	457,180	.70	.68		63,612	371,590	.71	.67		38,753	319,308	.69	.66	
		\$10,000 -	14,999				\$15,000 -	24,999				\$25,000 -	49,999				\$50,000 -	99,999		
EXP-MOD	RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR	
0- 60	83	490	1.68	.79		98	914	.73	.35		155	2,834	1.65	.81		148	5,635	2.25	1.16	
61- 80	2,397	23,826	.74	.58		6,479	101,084	.59	.46		8,796	237,382	.62	.48		5,907	302,523	.55	.41	
81- 85	16,687	167,577	.53	.44		10,698	166,865	.59	.49		5,648	158,880	.70	.58		2,131	121,198	.70	.58	
86- 90	4,445	47,575	.77	.68		4,012	67,746	.66	.58		3,261	99,962	.73	.64		1,670	102,418	.68	.60	
91- 95	2,978	34,128	.77	.71		3,032	54,219	.78	.73		2,773	89,433	.62	.58		1,628	105,253	.69	.64	
96- 99	2,060	24,721	.72	.70		2,239	42,296	.71	.69		2,219	75,787	.89	.87		1,275	86,766	.65	.64	
100-100	6,138	74,197	.70	.70		4,186	79,403	.79	.79		2,654	91,463	.74	.74		1,152	78,822	.79	.79	
CREDITS	34,788	372,515	.64	.56		30,744	512,526	.66	.57		25,506	755,740	.70	.59		13,911	802,616	.66	.54	
101-105	1,983	25,013	.82	.84		2,016	39,963	.87	.89		2,017	73,556	.66	.68		1,385	98,709	.67	.69	
106-110	1,027	13,549	.63	.68		1,260	26,458	.78	.84		1,585	61,470	.75	.81		993	76,071	.70	.75	
111-115	780	10,848	1.30	1.47		976	21,564	.73	.82		1,351	54,516	.76	.85		892	70,335	.70	.79	
116-120	638	9,332	.62	.73		940	21,881	.68	.80		1,150	47,732	.72	.85		716	58,937	.78	.92	
121-130	1,957	30,297	.80	1.00		2,212	54,219	.78	.98		2,277	100,620	.75	.94		1,338	116,780	.85	1.07	
131-140	806	13,526	.61	.82		1,017	26,565	.79	1.06		1,067	51,389	.66	.89		660	62,114	.72	.97	
141- UP	2,063	41,387	.88	1.43		2,073	64,408	.73	1.17		1,903	108,786	.77	1.24		1,208	139,781	.82	1.34	
CHARGES	9,254	143,953	.82	1.03		10,494	255,059	.77	.96		11,350	498,069	.73	.90		7,192	622,727	.76	.94	
TOTALS	44,042	516,467	.69	.66		41,238	767,584	.70	.67		36,856	1253,809	.71	.69		21,103	1425,343	.70	.68	
		\$100,000 -	249,999				\$250,000 AND OVER					ALL RISKS								
EXP-MOD	RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR		RISKS	STD PREM	ACT LR	MAN LR	
0- 60	348	31,260	.67	.36		565	242,391	.63	.31		1,875	284,176	.68	.34						
61- 80	3,842	426,466	.60	.43		2,052	1157,663	.53	.38		33,317	2261,059	.56	.41						
81- 85	1,248	158,215	.55	.46		649	428,584	.58	.48		116,105	1548,254	.60	.50						
86- 90	1,046	141,089	.68	.60		636	405,406	.54	.47		32,560	947,532	.64	.56						
91- 95	1,060	152,182	.70	.65		640	524,355	.58	.54		21,680	1005,744	.64	.60						
96- 99	815	123,622	.59	.57		518	432,696	.59	.58		18,038	825,847	.64	.63						
100-100	632	97,712	.68	.68		321	213,951	.64	.64		816,600	1575,081	.68	.68						
CREDITS	8,991	1130,546	.62	.51		5,381	3405,044	.57	.45		40,175	8447,693	.62	.52						
101-105	798	128,241	.67	.69		505	289,858	.87	.90		15,185	691,365	.78	.80						
106-110	735	123,303	.70	.75		361	201,528	.85	.91		9,476	522,416	.78	.84						
111-115	622	110,591	.76	.86		271	165,975	.96	1.08		7,265	447,792	.85	.95						
116-120	477	86,058	.64	.75		240	160,062	.73	.86		6,175	396,013	.72	.85						
121-130	930	179,273	.67	.83		394	242,395	.77	.96		15,724	765,550	.77	.96						
131-140	415	86,688	.74	1.00		170	105,906	.83	1.12		6,268	361,567	.76	1.02						
141- UP	800	197,075	.71	1.16		349	281,384	.67	1.14		14,642	888,548	.75	1.24						
CHARGES	4,777	911,229	.70	.86		2,290	1447,107	.80	.98		74,735	4073,251	.77	.95						
TOTALS	13,768	2041,775	.66	.63		7,671	4852,152	.64	.56		114,910	12520,944	.67	.63						