

PENNSYLVANIA COMPENSATION RATING BUREAU

Review of Experience Rating Plan Parameters

Page 19.1 contains Collectible Premium Ratios.

Page 19.2 contains Expected Loss Cost Factors. They are applied to loss costs by classification to produce Table A values (Expected Loss Factors) which are the basis for the calculation of Expected Losses.

**COLLECTIBLE PREMIUM RATIOS \***

Manual Year	Premium at Manual Rates	Collected Premium (Excluding Constants)	Collectible Premium Ratio (2)/(3)
(1)	(2)	(3)	(4)
<b>ALL INDUSTRIES</b>			
2003	2,716,535,198	2,534,217,186	1.0719
2004	2,878,063,280	2,737,320,106	1.0514
2005	3,045,203,583	2,949,492,455	1.0325
<b>TOTAL</b>	<b>8,639,802,061</b>	<b>8,221,029,747</b>	<b>1.0509</b>
<b>MANUFACTURING AND UTILITIES</b>			
2003	632,943,864	593,482,482	1.0665
2004	660,038,549	632,047,004	1.0443
2005	702,481,599	681,634,067	1.0306
<b>TOTAL</b>	<b>1,995,464,012</b>	<b>1,907,163,553</b>	<b>1.0463</b>
<b>CONTRACTING AND QUARRYING</b>			
2003	481,602,838	433,897,804	1.1099
2004	516,304,845	471,895,476	1.0941
2005	558,393,483	515,355,021	1.0835
<b>TOTAL</b>	<b>1,556,301,166</b>	<b>1,421,148,301</b>	<b>1.0951</b>
<b>OTHER INDUSTRIES</b>			
2003	1,601,988,496	1,507,440,425	1.0627
2004	1,701,719,886	1,633,916,683	1.0415
2005	1,784,328,501	1,751,360,785	1.0188
<b>TOTAL</b>	<b>5,088,036,883</b>	<b>4,892,717,893</b>	<b>1.0399</b>

\* Excludes classifications and coverages not subject to experience rating

**CALCULATION OF EXPECTED LOSS COST FACTORS (a)**

<b>Policy Year Beginning 4/1 (1)</b>	<b>Act 57 Adjust- ment (2)</b>	<b>Adjust- ment Factor (3)</b>	<b>Loss Ratio Development Factor (4)</b>	<b>Collectible Premium Ratio (5)</b>	<b>Trend Factor (6)</b>	<b>Product (2) * (3) * (4) * (5) * (6) (7)</b>	<b>Expected Loss Cost Factor 1.0 / (7) (8)</b>
<b><u>Manufacturing and Utilities</u></b>							
2005	1.0000	1.0000	1.2691	1.0463	0.9807	1.3022	0.7679
2006	1.0000	1.0000	1.4333	1.0463	0.9888	1.4829	0.6744
2007	1.0000	1.0000	1.8438	1.0463	0.9949	1.9193	0.5210
<b><u>Contracting and Quarrying</u></b>							
2005	1.0000	1.0000	1.3269	1.0951	0.9807	1.4250	0.7018
2006	1.0000	1.0000	1.4885	1.0951	0.9888	1.6118	0.6204
2007	1.0000	1.0000	1.8917	1.0951	0.9949	2.0610	0.4852
<b><u>Other Industries</u></b>							
2005	1.0000	1.0000	1.2711	1.0399	0.9807	1.2963	0.7714
2006	1.0000	1.0000	1.4409	1.0399	0.9888	1.4816	0.6749
2007	1.0000	1.0000	1.8632	1.0399	0.9949	1.9277	0.5188

a Apply to pure Loss Costs (pre-LBA, Merit Rating Plan, PCCPAP and Certified Safety Committee adjustments).