

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>			
2004	2,880,909,316	2,737,393,866	1.0524
2005	3,036,573,986	2,939,348,401	1.0331
2006	2,970,879,843	2,909,483,500	1.0211
<b>TOTAL</b>	<b>8,888,363,145</b>	<b>8,586,225,767</b>	<b>1.0352</b>
<b>MANUFACTURING AND UTILITIES</b>			
2004	663,639,811	633,935,824	1.0469
2005	706,394,521	684,227,465	1.0324
2006	675,603,220	669,628,636	1.0089
<b>TOTAL</b>	<b>2,045,637,552</b>	<b>1,987,791,925</b>	<b>1.0291</b>
<b>CONTRACTING AND QUARRYING</b>			
2004	516,664,957	471,621,518	1.0955
2005	557,856,607	514,815,092	1.0836
2006	560,905,269	522,034,059	1.0745
<b>TOTAL</b>	<b>1,635,426,833</b>	<b>1,508,470,669</b>	<b>1.0842</b>
<b>OTHER INDUSTRIES</b>			
2004	1,700,604,548	1,631,836,524	1.0421
2005	1,772,322,858	1,740,305,844	1.0184
2006	1,734,371,354	1,717,820,805	1.0096
<b>TOTAL</b>	<b>5,207,298,760</b>	<b>5,089,963,173</b>	<b>1.0231</b>

\* Excludes classifications and coverages not subject to experience rating.

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

<b>Policy Year Beginning 4/1</b>	<b>Act 57 Adjust- ment</b>	<b>Adjust- ment Factor</b>	<b>Loss Ratio Development Factor</b>	<b>Collectible Premium Ratio</b>	<b>Trend Factor</b>	<b>Product (2) * (3) * (4) * (5) * (6)</b>	<b>Expected Loss Cost Factor 1.0 / (7)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>
<b><u>Manufacturing and Utilities</u></b>							
2006	1.0000	1.0000	1.2470	1.0291	0.9631	1.2359	0.8091
2007	1.0000	1.0000	1.4093	1.0291	0.9720	1.4097	0.7094
2008	1.0000	1.0000	1.8193	1.0291	0.9813	1.8372	0.5443
<b><u>Contracting and Quarrying</u></b>							
2006	1.0000	1.0000	1.3022	1.0842	0.9631	1.3597	0.7355
2007	1.0000	1.0000	1.4649	1.0842	0.9720	1.5438	0.6478
2008	1.0000	1.0000	1.8331	1.0842	0.9813	1.9503	0.5127
<b><u>Other Industries</u></b>							
2006	1.0000	1.0000	1.2493	1.0231	0.9631	1.2310	0.8123
2007	1.0000	1.0000	1.4189	1.0231	0.9720	1.4110	0.7087
2008	1.0000	1.0000	1.8153	1.0231	0.9813	1.8225	0.5487

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