

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 0.0029, which is the same factor included in current loss costs.

**Pennsylvania Compensation Rating Bureau**

**Analysis of Merit Rating Plan Off-Balance Indications**

<b>Risk Type</b>	<b># of Risks</b>	<b>Manual Premium Before MRP</b>	<b>MRP Adjustment</b>	<b>Standard Premium Before Adjustment</b>	<b>Average Debit / Credit</b>
1. Not Qualified for MRP	53,083	35,461,353	0	39,314,144	0.00%
2. Qualified for MRP Discount	136,680	177,553,613	-8,881,151	182,010,141	-5.00%
3. Qualified for MRP No Adjustment	3,988	14,459,949	0	14,560,035	0.00%
4. Qualified for MRP Surcharge	435	3,327,529	166,391	3,333,831	5.00%
5. Experience Rated Risks	58,459	2,904,678,981	0	2,808,031,350	0.00%
<b>Total</b>	<b>252,645</b>	<b>3,135,481,425</b>	<b>-8,714,760</b>	<b>3,047,249,501</b>	<b>-0.28%</b>
<b>Ratio to Standard Premium</b>					<b>-0.29%</b>
<b>Increment to Manual Premium</b>					<b>0.0029</b>

Data from policies effective 2006-2007 using 2007 Manual and Standard Premium .