

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 0.0030, which is the 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	54,727	28,693,544	0	31,872,850	0.00%
2. Qualified for MRP Discount	142,853	158,111,506	-7,908,290	162,661,914	-5.00%
3. Qualified for MRP No Adjustment	3,730	12,109,173	0	12,185,832	0.00%
4. Qualified for MRP Surcharge	380	2,533,827	126,706	2,544,428	5.00%
5. Experience Rated Risks	55,907	2,485,402,963	0	2,426,369,690	0.00%
<b>Total</b>	<b>257,597</b>	<b>2,686,851,013</b>	<b>-7,781,584</b>	<b>2,635,634,714</b>	<b>-0.29%</b>
<b>Ratio to Standard Premium</b>					<b>-0.30%</b>
<b>Increment to Manual Premium</b>					<b>0.0030</b>

Data from policies effective 2009-2010 using 2010 Manual and Standard Premium .