

PENNSYLVANIA COMPENSATION RATING BUREAU

APRIL 1, 2014 F CLASS RATE FILING

INDEX TO F CLASSIFICATION EXHIBITS

- 1 Composite Pure Premium Multipliers
- 2 Per Claim and Catastrophe Limitations
- 3 Credibility - 100% Expected Loss Standard
- 4 Expected Loss Credibility Table
- 5 Payroll Conversion Factors
- 6 Payroll Credibility Table
- 7 Table V - Total
- 8 Class Book

Pennsylvania F Class Rate Revision
Proposed Effective April 1, 2014

Calculation of Composite Pure Premium Multiplier

Item	Total
(1) Pure Premium Test Correction Factor	1.0049
(2) Off-Balance Factor (Collectible Prem Ratio)	1.0352
(3) Expense Provision (1 / 0.6967)	1.4353
(4) Rate Test Correction Factor	0.9902
(5) Composite Pure Premium Multiplier (1)*(2)*(3)*(4)	1.4785

CALCULATION OF PER CLAIM AND CATASTROPHE LIMITATIONS

All Death, Permanent Total and Major Disability claims in the Pennsylvania experience for Manual Years 2006 through 2010 were translated using composite multipliers, yielding an average claim value of \$4,454. A value of \$450,186 was selected based on a review of Pennsylvania State Act coverage experience as reported in the approved 4/1/13 Loss Cost Filing. Using twice the value as unity and using the indicated Hazard Group Relativities produced the following results:

Hazard Group (1)	Hazard Group Relativities @ (2)	Per Claim Limit [2 * 450,186] * (2) (3)	Per Accident Limit (3) * 2 (4)
A	0.828	745,508	1,491,016
B	0.879	791,427	1,582,854
C	0.932	839,147	1,678,294
D	0.989	890,468	1,780,936
E	1.050	945,391	1,890,782
F	1.114	1,003,014	2,006,028
G	1.183	1,065,140	2,130,280

@ From Pennsylvania 4/1/13 Loss Cost Filing - Excess Loss Factor Study

CREDIBILITY

The classification relativity criteria for 100 percent credibility for the various categories of loss are as follows:

Serious: 175 * Average Cost of Serious Case (including Medical)
 Non-Serious: 500 * Average Cost of Non-Serious Case (including Medical)
 Medical: 10 Percent of the Non-Serious

The following calculations are based on the figures in Table V, Section B.

	No. Cases	INDEMNITY AMOUNT (in hundreds)	MEDICAL AMOUNT (in hundreds)	TOTAL AMOUNT (in hundreds)	AVERAGE COST (4) / (1)
	(1)	(2)	(3)	(4)	(5)
Death	2	4,165	0	4,165	2,083
Permanent Total	0	2,388	78	2,466	#DIV/0!
Major	23	71,138	33,575	104,713	4,553
Total Serious	25	77,691	33,653	111,344	4,454
Minor	16	13,130	1,694	14,824	927
Temporary	119	19,216	5,172	24,388	205
Total Non-Serious	135	32,346	6,866	39,212	290

Accordingly, the criteria for 100 percent credibility will be:

Selected @

Serious: 175 *	4,454 =	779,450	78,782,550
Non-Serious: 500 *	290 =	145,000	15,906,000
Medical: .10 *	145,000 =	14,500	1,590,600

@ From PA State Act Coverage Loss Cost filing approval of 4/1/13.

EXPECTED LOSS CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credi- bility (1)	Serious (2)	Non-Serious (3)	Medical (4)
1.00	78,192,450	15,786,861	1,578,686
0.99	77,016,694	15,549,479	1,554,948
0.98	75,846,891	15,313,298	1,531,330
0.97	74,683,071	15,078,326	1,507,833
0.96	73,525,264	14,844,568	1,484,457
0.95	72,373,503	14,612,030	1,461,203
0.94	71,227,818	14,380,719	1,438,072
0.93	70,088,243	14,150,642	1,415,064
0.92	68,954,811	13,921,804	1,392,180
0.91	67,827,554	13,694,214	1,369,421
0.90	66,706,507	13,467,878	1,346,788
0.89	65,591,705	13,242,802	1,324,280
0.88	64,483,183	13,018,994	1,301,899
0.87	63,380,976	12,796,461	1,279,646
0.86	62,285,121	12,575,211	1,257,521
0.85	61,195,655	12,355,250	1,235,525
0.84	60,112,615	12,136,587	1,213,659
0.83	59,036,041	11,919,230	1,191,923
0.82	57,965,971	11,703,185	1,170,319
0.81	56,902,444	11,488,462	1,148,846
0.80	55,845,502	11,275,068	1,127,507
0.79	54,795,186	11,063,012	1,106,301
0.78	53,751,538	10,852,302	1,085,230
0.77	52,714,600	10,642,946	1,064,295
0.76	51,684,417	10,434,955	1,043,496
0.75	50,661,032	10,228,336	1,022,834
0.74	49,644,492	10,023,099	1,002,310
0.73	48,634,843	9,819,254	981,925
0.72	47,632,133	9,616,809	961,681
0.71	46,636,409	9,415,775	941,578
0.70	45,647,721	9,216,161	921,616
0.69	44,666,119	9,017,978	901,798
0.68	43,691,655	8,821,236	882,124
0.67	42,724,382	8,625,946	862,595
0.66	41,764,354	8,432,119	843,212
0.65	40,811,626	8,239,766	823,977
0.64	39,866,253	8,048,897	804,890
0.63	38,928,294	7,859,526	785,953
0.62	37,997,808	7,671,663	767,166
0.61	37,074,856	7,485,321	748,532
0.60	36,159,499	7,300,513	730,051
0.59	35,251,800	7,117,251	711,725
0.58	34,351,826	6,935,548	693,555
0.57	33,459,643	6,755,419	675,542
0.56	32,575,320	6,576,876	657,688
0.55	31,698,927	6,399,935	639,994
0.54	30,830,537	6,224,609	622,461
0.53	29,970,224	6,050,914	605,091
0.52	29,118,064	5,878,865	587,887
0.51	28,274,137	5,708,478	570,848
0.50	27,438,524	5,539,770	553,977
0.49	26,611,308	5,372,757	537,276
0.48	25,792,575	5,207,457	520,746
0.47	24,982,415	5,043,887	504,389
0.46	24,180,918	4,882,067	488,207
0.45	23,388,180	4,722,016	472,202

EXPECTED LOSS CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credi- bility (1)	Serious (2)	Non-Serious (3)	Medical (4)
0.44	22,604,299	4,563,752	456,375
0.43	21,829,375	4,407,297	440,730
0.42	21,063,514	4,252,671	425,267
0.41	20,306,825	4,099,898	409,990
0.40	19,559,419	3,948,998	394,900
0.39	18,821,413	3,799,997	380,000
0.38	18,092,930	3,652,918	365,292
0.37	17,374,094	3,507,787	350,779
0.36	16,665,038	3,364,630	336,463
0.35	15,965,898	3,223,475	322,348
0.34	15,276,817	3,084,352	308,435
0.33	14,597,944	2,947,289	294,729
0.32	13,929,435	2,812,319	281,232
0.31	13,271,453	2,679,474	267,947
0.30	12,624,170	2,548,789	254,879
0.29	11,987,765	2,420,300	242,030
0.28	11,362,428	2,294,046	229,405
0.27	10,748,358	2,170,067	217,007
0.26	10,145,766	2,048,405	204,841
0.25	9,554,875	1,929,106	192,911
0.24	8,975,921	1,812,216	181,222
0.23	8,409,156	1,697,788	169,779
0.22	7,854,849	1,585,875	158,588
0.21	7,313,285	1,476,534	147,653
0.20	6,784,772	1,369,829	136,983
0.19	6,269,640	1,265,825	126,583
0.18	5,768,248	1,164,595	116,460
0.17	5,280,982	1,066,217	106,622
0.16	4,808,264	970,777	97,078
0.15	4,350,558	878,367	87,837
0.14	3,908,373	789,091	78,909
0.13	3,482,273	703,063	70,306
0.12	3,072,892	620,410	62,041
0.11	2,680,942	541,276	54,128
0.10	2,307,237	465,826	46,583
0.09	1,952,715	394,249	39,425
0.08	1,618,477	326,767	32,677
0.07	1,305,838	263,646	26,365
0.06	1,016,410	205,211	20,521
0.05	752,229	151,874	15,187
0.04	515,991	104,178	10,418
0.03	311,502	62,892	6,289
0.02	144,779	29,231	2,923
0.01	27,865	5,626	563
0.00	0	0	0

Classification Credibility Table

Payroll Conversion Factors

Convert the Expected Loss Credibility Table to a Payroll Basis

A)	<hr/> Five Year Payroll (00's) <hr/>		
	8,409,418,360		
B)	<hr/> Five Year Expected Losses * <hr/>		
	Serious	Non-Serious	Medical Only
	6,441,607,212	3,817,305,491	773,461,334
C) =A/B	<hr/> Ratio Payroll to Expected Loss <hr/>		
	Serious	Non-Serious	Medical Only
	1.3055	2.2030	10.8724

* Expected losses associated with payroll based classifications only

PAYROLL CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credi- bility (1)	Serious (2)	Non-Serious (3)	Medical (4)
1.00	102,080,243	34,778,455	17,164,106
0.99	100,545,294	34,255,502	16,906,017
0.98	99,018,116	33,735,195	16,649,232
0.97	97,498,749	33,217,552	16,393,764
0.96	95,987,232	32,702,583	16,139,610
0.95	94,483,608	32,190,302	15,886,783
0.94	92,987,916	31,680,724	15,635,294
0.93	91,500,201	31,173,864	15,385,142
0.92	90,020,506	30,669,734	15,136,338
0.91	88,548,872	30,168,353	14,888,893
0.90	87,085,345	29,669,735	14,642,818
0.89	85,629,971	29,173,893	14,398,102
0.88	84,182,795	28,680,844	14,154,767
0.87	82,743,864	28,190,604	13,912,823
0.86	81,313,225	27,703,190	13,672,271
0.85	79,890,928	27,218,616	13,433,122
0.84	78,477,019	26,736,901	13,195,386
0.83	77,071,552	26,258,064	12,959,064
0.82	75,674,575	25,782,117	12,724,176
0.81	74,286,141	25,309,082	12,490,713
0.80	72,906,303	24,838,975	12,258,707
0.79	71,535,115	24,371,815	12,028,147
0.78	70,172,633	23,907,621	11,799,055
0.77	68,818,910	23,446,410	11,571,441
0.76	67,474,006	22,988,206	11,345,306
0.75	66,137,977	22,533,024	11,120,660
0.74	64,810,884	22,080,887	10,897,515
0.73	63,492,788	21,631,817	10,675,881
0.72	62,183,750	21,185,830	10,455,781
0.71	60,883,832	20,742,952	10,237,213
0.70	59,593,100	20,303,203	10,020,178
0.69	58,311,618	19,866,606	9,804,709
0.68	57,039,456	19,433,183	9,590,805
0.67	55,776,681	19,002,959	9,378,478
0.66	54,523,364	18,575,958	9,167,738
0.65	53,279,578	18,152,204	8,958,608
0.64	52,045,393	17,731,720	8,751,086
0.63	50,820,888	17,314,536	8,545,195
0.62	49,606,138	16,900,674	8,340,936
0.61	48,401,225	16,490,162	8,138,339
0.60	47,206,226	16,083,030	7,937,406
0.59	46,021,225	15,679,304	7,738,159
0.58	44,846,309	15,279,012	7,540,607
0.57	43,681,564	14,882,188	7,344,763
0.56	42,527,080	14,488,858	7,150,647
0.55	41,382,949	14,099,057	6,958,271
0.54	40,249,266	13,712,814	6,767,645
0.53	39,126,127	13,330,164	6,578,791
0.52	38,013,633	12,951,140	6,391,743
0.51	36,911,886	12,575,777	6,206,488
0.50	35,820,993	12,204,113	6,023,060
0.49	34,741,063	11,836,184	5,841,480
0.48	33,672,207	11,472,028	5,661,759
0.47	32,614,543	11,111,683	5,483,919
0.46	31,568,188	10,755,194	5,307,982
0.45	30,533,269	10,402,601	5,133,969
0.44	29,509,912	10,053,946	4,961,892
0.43	28,498,249	9,709,275	4,791,793

PAYROLL CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credi- bility (1)	Serious (2)	Non-Serious (3)	Medical (4)
1.00	102,080,243	34,778,455	17,164,106
0.99	100,545,294	34,255,502	16,906,017
0.42	27,498,418	9,368,634	4,623,673
0.41	26,510,560	9,032,075	4,457,575
0.40	25,534,822	8,699,643	4,293,511
0.39	24,571,355	8,371,393	4,131,512
0.38	23,620,320	8,047,378	3,971,601
0.37	22,681,880	7,727,655	3,813,810
0.36	21,756,207	7,412,280	3,658,160
0.35	20,843,480	7,101,315	3,504,696
0.34	19,943,885	6,794,827	3,353,429
0.33	19,057,616	6,492,878	3,204,412
0.32	18,184,877	6,195,539	3,057,667
0.31	17,325,882	5,902,881	2,913,227
0.30	16,480,854	5,614,982	2,771,146
0.29	15,650,027	5,331,921	2,631,447
0.28	14,833,650	5,053,783	2,494,183
0.27	14,031,981	4,780,658	2,359,387
0.26	13,245,298	4,512,636	2,227,113
0.25	12,473,889	4,249,821	2,097,406
0.24	11,718,065	3,992,312	1,970,318
0.23	10,978,153	3,740,227	1,845,905
0.22	10,254,505	3,493,683	1,724,232
0.21	9,547,494	3,252,804	1,605,342
0.20	8,857,520	3,017,733	1,489,334
0.19	8,185,015	2,788,612	1,376,261
0.18	7,530,448	2,565,603	1,266,200
0.17	6,894,322	2,348,876	1,159,237
0.16	6,277,189	2,138,622	1,055,471
0.15	5,679,653	1,935,043	954,999
0.14	5,102,381	1,738,367	857,930
0.13	4,546,107	1,548,848	764,395
0.12	4,011,661	1,366,763	674,535
0.11	3,499,970	1,192,431	588,501
0.10	3,012,098	1,026,215	506,469
0.09	2,549,269	868,531	428,644
0.08	2,112,922	719,868	355,277
0.07	1,704,772	580,812	286,651
0.06	1,326,923	452,080	223,113
0.05	982,035	334,578	165,119
0.04	673,626	229,504	113,269
0.03	406,666	138,551	68,377
0.02	189,009	64,396	31,780
0.01	36,378	12,394	6,121
0.00	0	0	0

TABLE V

TOTAL EXPERIENCE ALL INDUSTRIES - MANUAL YEARS 2006 - 2010

MAN YEAR	PAYROLL IN THOUS	ALL LOSSES	DEATH NO.	COMP. IN HUNDREDS	PERM. NO.	TOTAL COMP. IN HUNDREDS	MAJOR NO.	PERM. COMP. IN HUNDREDS	MINOR NO.	PERM. COMP. IN HUNDREDS	TEMPORARY NO.	COMP. IN HUNDREDS	MEDICAL IN HUNDREDS	PURE PREM.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A. EXPERIENCE AS REPORTED														
06	22,730	6,568,152	2	2,892		0	11	30,301	9	2,842	34	7,898	21,749	28.896
07	22,103	2,158,881		0		0	5	9,013	2	1,079	28	3,496	8,001	9.767
08	18,398	1,741,147		0		0	4	8,935	2	1,061	26	2,989	4,427	9.464
09	16,427	666,596		0		0		0	1	1,022	18	3,623	2,021	4.058
10	15,828	556,038		0		0		0	2	805	16	1,970	2,785	3.513
ALL	95,486	11,690,814	2	2,892		0	20	48,249	16	6,809	122	19,976	38,983	12.243
B. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (EXCLUDING IBNR AND FREQUENCY TREND)														
06	22,730	6,979,456	2	4,165		0	11	34,028	9	7,385	34	5,489	18,728	30.706
07	22,103	3,057,661		0		0	5	15,461	2	1,641	28	4,522	8,952	13.834
08	18,398	2,688,693		0		1,281	4	12,371	2	1,641	26	4,200	7,395	14.614
09	16,427	944,673		0		314	1	3,093	1	821	17	2,746	2,473	5.751
10	15,828	1,481,092		0		793	2	6,185	2	1,642	14	2,259	3,932	9.357
ALL	95,486	15,151,575	2	4,165		2,388	23	71,138	16	13,130	119	19,216	41,480	15.868
PURE PREMIUM		15.868		.436		.250		7.450		1.375		2.012	4.344	
C. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (INCLUDING IBNR AND FREQUENCY TREND)														
06	22,730	3,916,176	1	2,082		0	6	18,544	3	2,461	33	5,331	10,743	17.229
07	22,103	3,212,270		0		0	5	15,461	3	2,464	31	5,008	9,189	14.533
08	18,398	2,668,894		0		1,281	4	12,371	2	1,645	25	4,038	7,354	14.506
09	16,427	2,507,653		0		314	4	12,374	2	1,645	22	3,559	7,185	15.265
10	15,828	2,637,552		0		848	4	12,839	2	1,821	22	3,558	7,309	16.664
ALL	95,486	14,942,545	1	2,082		2,443	23	71,589	12	10,036	133	21,494	41,780	15.649
PURE PREMIUM		15.649		.218		.256		7.497		1.051		2.251	4.376	

TABLE V

TOTAL MEDICAL EXPERIENCE ALL INDUSTRIES - MANUAL YEARS 2006 - 2010

MAN YEAR	PAYROLL IN THOUS	ALL LOSSES	DEATH NO. COMP. IN HUNDREDS	PERM. NO. COMP. IN HUNDREDS	TOTAL NO. COMP. IN HUNDREDS	MAJOR NO. COMP. IN HUNDREDS	PERM. NO. COMP. IN HUNDREDS	MINOR NO. COMP. IN HUNDREDS	TEMPORARY NO. COMP. IN HUNDREDS	MEDICAL ONLY IN HUNDREDS	PURE PREM.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A. EXPERIENCE AS REPORTED														
06	22,730	2,174,911	2	0	0	11	16,237	9	1,292	34	3,943	277	9.568	
07	22,103	800,089		0	0	5	5,761	2	284	28	1,748	208	3.620	
08	18,398	442,719		0	0	4	2,534	2	322	26	1,477	94	2.406	
09	16,427	202,148		0	0		0	1	400	18	1,503	119	1.231	
10	15,828	278,473		0	0		0	2	807	16	1,743	234	1.759	
ALL	95,486	3,898,340	2	0	0	20	24,532	16	3,105	122	10,414	932	4.083	
B. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (EXCLUDING IBNR AND FREQUENCY TREND)														
06	22,730	1,872,773	2	0	0	11	16,058	9	952	34	1,479	239	8.239	
07	22,103	895,220		0	0	5	7,299	2	212	28	1,217	224	4.050	
08	18,398	739,470		0	30	4	5,839	2	212	26	1,130	184	4.019	
09	16,427	247,272		0	6	1	1,460	1	106	17	738	162	1.505	
10	15,828	393,201		0	42	2	2,919	2	212	14	608	152	2.484	
ALL	95,486	4,147,936	2	0	78	23	33,575	16	1,694	119	5,172	961	4.344	
PURE PREMIUM		4.344		.000	.008		3.516		.177		.542		.101	
C. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (INCLUDING IBNR AND FREQUENCY TREND)														
06	22,730	1,074,344		0	0	6	8,752	3	318	33	1,435	239	4.727	
07	22,103	918,848		0	0	5	7,299	3	319	31	1,347	224	4.157	
08	18,398	735,276		0	30	4	5,839	2	213	25	1,087	184	3.996	
09	16,427	717,914		0	6	4	5,841	2	212	22	957	162	4.370	
10	15,828	729,038		0	44	4	5,939	2	222	22	934	152	4.606	
ALL	95,486	4,175,420		0	80	23	33,670	12	1,284	133	5,760	961	4.373	
PURE PREMIUM		4.373		.000	.008		3.526		.134		.603		.101	

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2006	85	110,000	129.411	1						1
2007	54									
2008	45									
2009	104									
2010	46									
TOTAL	334	110,000	32.934	1						1

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006	110,000										
TOTAL	110,000										

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006	158,400										
TOTAL	158,400										

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	158,400			
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	3,165	88		
TOTAL LOSSES	161,565	88		
EXPECTED LOSSES	38,590	7,705	437	
CREDIBILITY	.00	.00	.00	
PURE PREMIUMS				
INDICATED (PRE-TEST)	48.373	.026	.000	48.399
INDICATED (POST-TEST)	56.790	.020	.000	56.810
PRES. ON RATE LEVEL	11.219	2.240	.127	13.586
DERIVED BY FORMULA	11.219	2.240	.127	13.586
UNDERLYING PRES. RATE	11.554	2.307	.131	13.992
PROPOSED	11.219	2.240	.127	13.586

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	TOTAL
IND. RATES				20.31	MINIMUM PREMIUM	
MAN. RATES	19.02	20.07	20.79	+ 20.31	PRESENT	3400

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED					NUMBER OF CASES					
								DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2006	6												
2007	28												
2008	16												
2009	12												
2010	12												
TOTAL	74												

REPORTED LOSSES													
MANUAL YEAR	INDEMNITY					MEDICAL							
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY		
TOTAL													

TRANSLATED LOSSES													
MANUAL YEAR	INDEMNITY					MEDICAL							
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY		
TOTAL													

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	1,038	166		
TOTAL LOSSES	1,038	166		
EXPECTED LOSSES	8,896	1,837	100	
CREDIBILITY	.00	.00	.00	
PURE PREMIUMS				
INDICATED (PRE-TEST)	1.403	.224	.000	1.627
INDICATED (POST-TEST)	1.647	.174	.000	1.821
PRES. ON RATE LEVEL	11.672	2.410	.131	14.213
DERIVED BY FORMULA	11.672	2.410	.131	14.213
UNDERLYING PRES. RATE	12.021	2.482	.135	14.638
PROPOSED	11.672	2.410	.131	14.213

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	21.248
IND. RATES				21.25	MINIMUM PREMIUM	
MAN. RATES	19.93	21.00	21.75	+ 21.25	PRESENT	3400

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2006	3,647	995,251	27.289			3			3	6
2007	4,470	1,178,731	26.369			2	2		3	7
2008	1,362	482	.035							
2009	2,499									
2010										
TOTAL	11,978	2,174,464	18.154			5	2		6	13

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006			509,603		4,421			453,963		8,870	18,394
2007			514,565	107,884	8,319			495,426	28,431	19,183	4,923
2008											482
TOTAL			1,024,168	107,884	12,740			949,389	28,431	28,053	23,799

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006			572,284		3,072			448,969		3,326	15,837
2007			828,415	157,411	20,770			579,201	19,808	16,486	5,297
2008											947
TOTAL			1,400,699	157,411	23,842			1,028,170	19,808	19,812	22,081

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	2,428,869	220,873	22,081	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-133,677	-17,366		
TOTAL LOSSES	2,295,192	203,507	22,081	
EXPECTED LOSSES	1,767,952	405,934	25,154	
CREDIBILITY	.01	.02	.04	
PURE PREMIUMS				
INDICATED (PRE-TEST)	19.162	1.699	.184	21.045
INDICATED (POST-TEST)	22.496	1.324	.288	24.108
PRES. ON RATE LEVEL	14.332	3.291	.204	17.827
DERIVED BY FORMULA	14.414	3.252	.207	17.873
UNDERLYING PRES. RATE	14.760	3.389	.210	18.359
PROPOSED	14.414	3.252	.207	17.873

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	26.720
IND. RATES				26.72	MINIMUM PREMIUM	
MAN. RATES	25.05	26.29	27.28	+ 26.72	PRESENT	3400

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2006	74									
2007	81									
2008	68									
2009	330									
2010	140									
TOTAL	693									

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
TOTAL											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
TOTAL											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	77,132	5,930		
TOTAL LOSSES	77,132	5,930		
EXPECTED LOSSES	246,548	43,625	3,000	
CREDIBILITY	.00	.00	.01	
PURE PREMIUMS				
INDICATED (PRE-TEST)	11.130	.856	.000	11.986
INDICATED (POST-TEST)	13.067	.667	.000	13.734
PRES. ON RATE LEVEL	34.545	6.112	.421	41.078
DERIVED BY FORMULA	34.545	6.112	.417	41.074
UNDERLYING PRES. RATE	35.577	6.295	.433	42.305
PROPOSED	34.545	6.112	.417	41.074

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	61.405
IND. RATES				61.41	MINIMUM PREMIUM	
MAN. RATES	58.92	61.34	62.86	+ 61.41	PRESENT	3400

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2006	240									
2007	298									
2008	355	6,597	1.858				1			1
2009	417	313	.075							
2010	310	1,205	.388							
TOTAL	1,620	8,115	.501				1			1

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2008				1,166					2,220		3,211
2009											313
2010											1,205
TOTAL				1,166					2,220		4,729

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2008				1,574	17				1,199	26	6,306
2009											427
2010											781
TOTAL				1,574	17				1,199	26	7,514

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B		2,816	7,514	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	140,396	12,306		
TOTAL LOSSES	140,396	15,122	7,514	
EXPECTED LOSSES	978,821	196,134	9,510	
CREDIBILITY	.00	.01	.01	
PURE PREMIUMS				
INDICATED (PRE-TEST)	8.666	.933	.464	10.063
INDICATED (POST-TEST)	10.174	.727	.726	11.627
PRES. ON RATE LEVEL	58.669	11.756	.570	70.995
DERIVED BY FORMULA	58.669	11.646	.572	70.887
UNDERLYING PRES. RATE	60.421	12.107	.587	73.115
PROPOSED	58.669	11.646	.572	70.887

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	105.976
IND. RATES				105.98	MINIMUM PREMIUM	
MAN. RATES	101.26	105.41	108.64	+105.98	PRESENT	3400

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES					
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2006	1,241	1,695,629	136.634			2	3	2	7
2007	1,217	841	.069						
2008	1,200								
2009	1,130	9,666	.855					1	1
2010	1,287	33,063	2.568					1	1
TOTAL	6,075	1,739,199	28.629			2	3	4	9

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006			1,309,213	76,814	32,834			211,252	45,054	18,845	1,617
2007											841
2009					4,839					3,830	997
2010					3,248					24,211	5,604
TOTAL			1,309,213	76,814	40,921			211,252	45,054	46,886	9,059

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006			1,470,246	199,640	22,819			208,928	33,205	7,067	1,392
2007											905
2009		220	2,166	401	3,576		5	1,203	112	1,834	1,361
2010		876	6,541	1,232	3,531		414	23,005	1,694	7,733	3,631
TOTAL		1,096	1,478,953	201,273	29,926		419	233,136	35,011	16,634	7,289

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	1,713,604	282,844	7,289	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	52,952	3,794		
TOTAL LOSSES	1,766,556	286,638	7,289	
EXPECTED LOSSES	760,164	152,968	14,156	
CREDIBILITY	.01	.01	.02	
PURE PREMIUMS				
INDICATED (PRE-TEST)	29.079	4.718	.120	33.917
INDICATED (POST-TEST)	34.139	3.675	.188	38.002
PRES. ON RATE LEVEL	12.150	2.445	.226	14.821
DERIVED BY FORMULA	12.370	2.457	.225	15.052
UNDERLYING PRES. RATE	12.513	2.518	.233	15.264
PROPOSED	12.370	2.457	.225	15.052

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	TOTAL
IND. RATES				22.50	MINIMUM PREMIUM	
MAN. RATES	20.57	21.75	22.68	+ 22.50	PRESENT	3400

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES					
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2006	6,533	1,036,463	15,865			2	1	11	14
2007	5,423	299,511	5,522			1		8	9
2008	4,194	683,377	16,294			2		9	11
2009	3,118	415,321	13,320				1	11	12
2010	3,514	284,380	8,092					11	11
TOTAL	22,782	2,719,052	11,935			5	2	50	57

REPORTED LOSSES

MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006			475,224	32,000	271,920			101,201	3,175	146,941	6,002
2007			112,522		131,367			9,544		42,981	3,097
2008			360,000		84,027			192,000		47,087	263
2009				102,164	205,650				39,974	65,715	1,818
2010					170,261					109,846	4,273
TOTAL			947,746	134,164	863,225			302,745	43,149	412,570	15,453

TRANSLATED LOSSES

MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006			533,677	83,168	188,985			100,088	2,340	55,104	5,168
2007			193,031	2,570	165,158			12,093	382	28,897	3,332
2008		51,600	498,445	7,304	119,817		2,237	442,474	2,363	36,858	517
2009		24,271	239,159	69,102	158,844		513	119,462	8,124	33,314	2,482
2010		45,865	342,861	64,736	185,187		1,881	104,378	7,688	35,084	2,769
TOTAL		121,736	1,807,173	226,880	817,991		4,631	778,495	20,897	189,257	14,268

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	2,712,035	1,255,025	14,268	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-224,004	-49,175		
TOTAL LOSSES	2,488,031	1,205,850	14,268	
EXPECTED LOSSES	5,358,328	1,358,719	56,727	
CREDIBILITY	.02	.03	.06	
PURE PREMIUMS				
INDICATED (PRE-TEST)	10.921	5.293	.063	16.277
INDICATED (POST-TEST)	12.821	4.123	.099	17.043
PRES. ON RATE LEVEL	22.838	5.791	.242	28.871
DERIVED BY FORMULA	22.638	5.741	.233	28.612
UNDERLYING PRES. RATE	23.520	5.964	.249	29.733
PROPOSED	22.638	5.741	.233	28.612

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	42.774
IND. RATES				42.77	MINIMUM PREMIUM	
MAN. RATES	40.12	42.85	44.18	+ 42.77	PRESENT	3400

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2006	6,188	2,656,862	42.935	1		4	5	15	25	
2007	6,255	556,396	8.895			2		12	14	
2008	7,829	956,120	12.212			2	1	14	17	
2009	5,596	174,342	3.115					3	3	
2010	6,794	204,550	3.010				2	3	5	
TOTAL	32,662	4,548,270	13.925	1		8	8	47	64	

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006	179,207		736,044	175,349	429,495			857,277	80,952	196,838	1,700
2007			274,181		135,639			71,098		64,194	11,284
2008			533,454	104,938	143,141			61,371	30,000	78,224	4,992
2009					115,062					56,197	3,083
2010				80,539	17,910				80,729	16,633	8,739
TOTAL	179,207		1,543,679	360,826	841,247			989,746	191,681	412,086	29,798

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006	258,058		826,577	455,732	298,499			847,847	59,661	73,815	1,464
2007			470,354	2,657	173,468			90,088	569	43,568	12,142
2008		76,461	738,605	153,043	204,069		715	141,435	17,448	59,348	9,804
2009		5,229	51,522	9,546	85,045		76	17,649	1,632	26,911	4,208
2010		31,024	257,767	96,116	31,122		1,477	142,050	10,131	10,418	5,663
TOTAL	258,058	112,714	2,344,825	717,094	792,203		2,268	1,239,069	89,441	214,060	33,281

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL		
TOTAL TRANS. LOSSES PG B	3,956,934	1,812,798	33,281			
TOTAL TRANS. LOSSES PG A						
IBNR + FREQUENCY ADJUST.	247,308	19,111				
TOTAL LOSSES	4,204,242	1,831,909	33,281			
EXPECTED LOSSES	3,591,839	766,249	38,214			
CREDIBILITY	.02	.04	.07			
PURE PREMIUMS						
INDICATED (PRE-TEST)	12.872	5.609	.102	18.583		
INDICATED (POST-TEST)	15.112	4.369	.160	19.641		
PRES. ON RATE LEVEL	10.678	2.278	.114	13.070		
DERIVED BY FORMULA	10.767	2.362	.117	13.246		
UNDERLYING PRES. RATE	10.997	2.346	.117	13.460		
PROPOSED	10.767	2.362	.117	13.246		
YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	19.802
IND. RATES				19.80	MINIMUM PREMIUM	
MAN. RATES	16.90	18.71	20.00	+ 19.80	PRESENT	3400

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2006	4,416	73,947	1.674						3	3
2007	4,126	123,402	2.990						5	5
2008	3,125	94,571	3.026						3	3
2009	2,815	66,954	2.378						3	3
2010	3,287	32,840	.999						1	1
TOTAL	17,769	391,714	2.204						15	15

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006					51,117					22,830	
2007					74,315					48,437	650
2008					71,702					22,436	433
2009					36,733					24,528	5,693
2010					5,607					23,643	3,590
TOTAL					239,474					141,874	10,366

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2006					35,526					8,562	
2007				1,454	92,246				430	32,486	699
2008				2,209	96,079				174	16,769	850
2009		1,671	16,450	3,050	27,149		33	7,699	710	11,746	7,771
2010		1,510	11,291	2,130	6,102		405	22,466	1,655	7,552	2,326
TOTAL		3,181	27,741	8,843	257,102		438	30,165	2,969	77,115	11,646

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	61,525	346,029	11,646	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	8,104	-957		
TOTAL LOSSES	69,629	345,072	11,646	
EXPECTED LOSSES	747,009	181,243	6,930	
CREDIBILITY	.01	.03	.05	
PURE PREMIUMS				
INDICATED (PRE-TEST)	.392	1.942	.066	2.400
INDICATED (POST-TEST)	.460	1.513	.103	2.076
PRES. ON RATE LEVEL	4.082	.990	.038	5.110
DERIVED BY FORMULA	4.046	1.006	.041	5.093
UNDERLYING PRES. RATE	4.204	1.020	.039	5.263
PROPOSED	4.046	1.006	.041	5.093

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	7.614
IND. RATES				7.61	MINIMUM PREMIUM	
MAN. RATES	7.11	7.54	7.82	+ 7.61	PRESENT	1950

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2006	300									
2007	151									
2008	204									
2009	406									
2010	438									
TOTAL	1,499									

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
TOTAL											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
TOTAL											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	8,954	611		
TOTAL LOSSES	8,954	611		
EXPECTED LOSSES	55,868	10,913	615	
CREDIBILITY	.00	.01	.01	
PURE PREMIUMS				
INDICATED (PRE-TEST)	.597	.041	.000	.638
INDICATED (POST-TEST)	.701	.032	.000	.733
PRES. ON RATE LEVEL	3.619	.707	.040	4.366
DERIVED BY FORMULA	3.619	.700	.040	4.359
UNDERLYING PRES. RATE	3.727	.728	.041	4.496
PROPOSED	3.619	.700	.040	4.359

YEAR	4-1-07	4-1-09	4-1-11	4-1-14	IND. RATE	6.516
IND. RATES				6.52	MINIMUM PREMIUM	
MAN. RATES	6.20	6.46	6.68	+ 6.52	PRESENT	1705

+PROPOSED