

PENNSYLVANIA COMPENSATION RATING BUREAU

Loss Based Assessments and Employer Assessment Factor

The Administration Fund, Subsequent Injury Fund and Supersedeas Fund are not included in the loss costs but are a separate charge to the insured. The attached exhibit presents detail of loss payments, budgeted expenditures and the resulting assessment levels. The indicated Employer Assessment Factor is 2.32%, an increase of 0.62% from the current value of 1.70%.

The Small Business Advocate assessment as well as charges for the Merit Rating Plan and Certified Safety Committee Program are also included as part of the published loss costs. A factor of 1.36% is proposed as a load to loss costs for those items. The current factor is 1.47%.

EXHIBIT II

**CALCULATION OF EMPLOYER ASSESSMENT FACTOR AND
LOADING FOR LOSS BASED ASSESSMENTS**

(1)	2015 PCRB Member Paid Loss*	2,277,246,132
(2)	2016/2017 Fiscal Year Membership Assessment Amount	
	a. Administration Fund	63,959,320
	b. Subsequent Injury Fund	139,774
	c. Supersedeas Fund	17,292,191
	d. Uninsured Employers Guaranty Fund	2,299,668
	e. Total	<u>83,690,953</u>
(3)	2015 Employer Assessment Premium Base	3,600,225,958
(4)	2016/2017 Fiscal Year Membership Assessment Rate	
	a. Administration Fund (2a) / (3)	0.0178
	b. Subsequent Injury Fund (2b) / (3)	0.0000
	c. Supersedeas Fund (2c) / (3)	0.0048
	d. Uninsured Employers Guaranty Fund (2d) / (3)	0.0006
	e. Employer Assessment Factor (4a) + (4b) + (4c) + (4d)	<u>0.0232</u>
(5)	2016/2017 Fiscal Year Budget for the Office of Small Business Advocate	274,000
(6)	2016/2017 Fiscal Year Membership Assessment Rate for the Office of Small Business Advocate (5) / (1)	0.0001
(7)	Merit Rating Plan Increment Factor	0.0030
(8)	Certified Safety Committee Program Increment Factor	0.0105
(9)	Overall Adjustment for the Office of Small Business Advocate, Merit Rating Plan and Certified Safety Committee Program (6) + (7) + (8)	0.0136

* Loss payments on deductible policies have been adjusted to a first dollar basis.