

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 0.0034, representing a slight increase compared to the 0.0033 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	49,968	27,984,862	-	30,882,719	0.00%
2. Qualified for MRP Discount	163,791	177,490,341	(8,878,070)	182,893,259	-5.00%
3. Qualified for MRP No Adjustment	3,299	11,112,416	-	11,215,312	0.00%
4. Qualified for MRP Surcharge	313	1,993,040	99,654	2,013,128	5.00%
5. Experience Rated Risks	52,442	2,429,110,731	-	2,372,739,792	0.00%
<b>Total</b>	<b>269,813</b>	<b>2,647,691,390</b>	<b>(8,778,416)</b>	<b>2,599,744,210</b>	<b>-0.33%</b>
<b>Ratio to Standard Premium</b>					<b>-0.34%</b>
<b>Increment to Manual Premium</b>					<b>0.0034</b>

Data from policies effective 2015-2016 using 2016 Manual and Standard Premium.