

PENNSYLVANIA COMPENSATION RATING BUREAU

Review of Experience Rating Plan Parameters

Page 19.1 contains Collectible Premium Ratios.

Page 19.2 contains Expected Loss Cost Factors. They are applied to loss costs by classification to produce Table A values (Expected Loss Factors) which are the basis for the calculation of Expected Losses.

EXHIBIT VIII**COLLECTIBLE PREMIUM RATIOS ***

| Manual Year | Premium at Manual Rates | Collected Premium (Excluding Constants) | Collectible Premium Ratio (2)/(3) |
|-----------------------------|----------------------------|--|---|
| (1) | (2) | (3) | (4) |
| ALL INDUSTRIES | | | |
| 2014 | 2,746,743,943 | 2,668,227,034 | 1.0294 |
| 2015 | 2,666,469,668 | 2,602,219,012 | 1.0247 |
| 2016 | 2,662,504,862 | 2,594,827,046 | 1.0261 |
| TOTAL | 8,075,718,473 | 7,865,273,092 | 1.0268 |
| MANUFACTURING AND UTILITIES | | | |
| 2014 | 563,913,515 | 541,404,846 | 1.0416 |
| 2015 | 537,151,164 | 513,490,886 | 1.0461 |
| 2016 | 529,173,566 | 508,618,404 | 1.0404 |
| TOTAL | 1,630,238,245 | 1,563,514,136 | 1.0427 |
| CONTRACTING AND QUARRYING | | | |
| 2014 | 540,321,387 | 474,241,939 | 1.1393 |
| 2015 | 514,618,525 | 458,414,093 | 1.1226 |
| 2016 | 517,706,281 | 460,715,203 | 1.1237 |
| TOTAL | 1,572,646,193 | 1,393,371,235 | 1.1287 |
| OTHER INDUSTRIES | | | |
| 2014 | 1,642,509,041 | 1,652,580,249 | 0.9939 |
| 2015 | 1,614,699,979 | 1,630,314,033 | 0.9904 |
| 2016 | 1,615,625,015 | 1,625,493,439 | 0.9939 |
| TOTAL | 4,872,834,035 | 4,908,387,721 | 0.9928 |

* Excludes classifications and coverages not subject to experience rating.

CALCULATION OF EXPECTED LOSS COST FACTORS (a)

| Policy Year Beginning 4/1 (1) | HB 1846 Adjustment Factor (2) | Protz & HB 1840 Adjustment Factor (3) | Loss Ratio Development Factor (4) | Collectible Premium Ratio (5) | Trend Factor (6) | Product (2) * (3) * (4) * (5) * (6) (7) | Expected Loss Cost Factor 1.0 / (7) (8) |
|--|--|--|--|--|---------------------------------|--|--|
| <u>Manufacturing and Utilities</u> | | | | | | | |
| 2016 | 1.0000 | 1.0044 | 1.1267 | 1.0427 | 0.8239 | 0.9722 | 1.0286 |
| 2017 | 1.0000 | 1.0028 | 1.2288 | 1.0427 | 0.8647 | 1.1110 | 0.9001 |
| 2018 | 1.0000 | 1.0021 | 1.4879 | 1.0427 | 0.9077 | 1.4112 | 0.7086 |
| <u>Contracting and Quarrying</u> | | | | | | | |
| 2016 | 1.0000 | 1.0044 | 1.1716 | 1.1287 | 0.8239 | 1.0944 | 0.9137 |
| 2017 | 1.0000 | 1.0028 | 1.2259 | 1.1287 | 0.8647 | 1.1998 | 0.8335 |
| 2018 | 1.0000 | 1.0021 | 1.5135 | 1.1287 | 0.9077 | 1.5539 | 0.6435 |
| <u>Other Industries</u> | | | | | | | |
| 2016 | 1.0000 | 1.0044 | 1.1248 | 0.9928 | 0.8239 | 0.9241 | 1.0821 |
| 2017 | 1.0000 | 1.0028 | 1.2082 | 0.9928 | 0.8647 | 1.0401 | 0.9614 |
| 2018 | 1.0000 | 1.0021 | 1.4912 | 0.9928 | 0.9077 | 1.3466 | 0.7426 |

a Apply to pure Loss Costs (pre-LBA, Merit Rating Plan, PCCPAP and Certified Safety Committee adjustments).