

PENNSYLVANIA COMPENSATION RATING BUREAU
F-CLASS FILING

Derivation of F-Class Rates

In the following exhibits, Page 1 derives the proposed F-Class manual rates as described in Exhibit 9 as well as the associated impacts by class code. Page 2 calculates the average rates by class based on rates from selected states that are used in the Page 1 calculations.

PENNSYLVANIA COMPENSATION RATING BUREAU

DERIVATION OF F-CLASS RATES

CLASS CODE	EXPOSURE TWO YEAR (00's)	PROPOSED PURE PREM.	CLASS BOOK INDICATED RATE *	AVERAGE RATE **	INDICATED RATE PRE-CAP ***	MINIMUM RATE	MAXIMUM RATE	PROPOSED RATE POST-CAP	CURRENT RATE	% CHANGE RATE
6824F	92	7.370	10.51	8.01	10.01	7.74	13.23	11.06	10.98	0.70
6826F	75	6.967	9.93	4.40	8.82	7.32	12.51	9.74	10.38	-6.20
6843F	219	9.230	13.16	8.33	12.19	9.62	16.44	13.47	13.64	-1.20
6872F	215	19.317	27.54	8.69	23.77	20.29	34.68	26.26	28.78	-8.80
7309F	16,712	31.349	44.69	9.64	37.68	33.01	56.42	41.63	46.82	-11.10
7313F	21,125	6.821	9.72	3.86	8.55	7.25	12.39	9.45	10.28	-8.10
7317F	3,842	17.512	24.96	8.13	21.59	18.42	31.48	23.85	26.12	-8.70
7327F	19,508	16.149	23.02	16.82	21.78	16.96	28.99	24.06	24.06	0.00
7366F	49,752	8.152	11.62	9.50	11.20	8.59	14.68	12.37	12.18	1.60
8709F	10,962	4.445	6.34	4.87	6.05	4.53	7.74	6.68	6.42	4.00
8726F	128	2.302	3.28	2.25	3.07	2.42	4.13	3.39	3.43	-1.20
TOTAL	122,630									-4.49

* Indicated Pure Premium x CPPM (1.4255)

** See page 2

*** 80% weight to the Class Book Indicated Rate and 20% weight to the Average Rate

F-CLASS VOLUNTARY RISK RATES FROM SELECTED STATES

		<u>F-Class Codes</u>										
		<u>6824F</u>	<u>6826F</u>	<u>6843F</u>	<u>6872F</u>	<u>7309F</u>	<u>7313F</u>	<u>7317F</u>	<u>7327F</u>	<u>7366F</u>	<u>8709F</u>	<u>8726F</u>
Pennsylvania Approved F-Class Rates effective April 1, 2021		10.98	10.38	13.64	28.78	46.82	10.28	26.12	24.06	12.18	6.42	3.43
<u>State</u>	<u>Effective Date (Latest Approved)</u>											
Alabama ²	3/1/2022	6.02	3.43	10.08	7.25	9.05	3.86	7.14	13.94	9.09	4.50	2.71
Alaska ²	1/1/2022	9.87	5.13	7.34	10.64	11.56	-	6.57	13.74	10.40	3.14	2.28
Arkansas ²	7/1/2022	5.48	3.49	6.51	6.68	6.03	3.00	5.58	16.09	6.87	3.93	1.40
Connecticut ⁴	1/1/2022	11.39	4.92	8.94	8.35	10.85	4.37	6.80	20.23	10.93	10.52	2.38
Delaware ²	12/1/2020	8.86	7.74	9.75	12.08	27.73	10.13	21.44	14.56	6.83	2.74	3.29
District Of Columbia ⁴	11/1/2021	9.90	3.89	-	10.42	11.98	5.16	10.04	22.06	-	5.49	2.74
Illinois ⁵	1/1/2022	7.82	4.02	8.50	8.16	7.61	4.59	5.58	18.96	7.73	3.43	1.90
Indiana ²	1/1/2022	6.36	4.31	7.00	6.79	6.65	2.75	7.28	19.37	8.25	3.48	2.00
Iowa ¹	1/1/2022	7.43	6.56	12.38	10.60	10.83	4.23	8.20	22.50	9.48	5.59	2.58
Kansas ²	1/1/2022	6.15	3.69	6.93	7.05	6.96	3.21	6.55	14.96	8.89	3.88	1.83
Michigan ²	1/1/2022	19.75	4.84	8.68	9.03	9.55	3.72	13.37	-	18.85	15.13	4.02
Mississippi ²	3/1/2022	5.74	3.65	7.66	6.60	7.25	2.96	6.16	17.54	10.16	5.24	1.49
Nevada ²	3/1/2022	11.28	7.14	13.55	12.06	14.44	6.19	12.14	25.72	20.97	7.08	3.35
New Hampshire ²	1/1/2022	6.51	3.82	8.31	7.92	9.58	3.29	8.00	19.75	8.70	4.23	2.18
New Mexico ²	1/1/2022	6.59	3.94	7.46	12.38	8.43	3.41	6.94	16.31	9.14	4.25	1.96
North Carolina ²	4/1/2022	6.75	3.44	8.60	8.31	8.39	3.73	7.49	16.11	10.04	4.05	2.13
Oregon ³	1/1/2022	7.03	4.33	9.83	8.08	7.35	3.46	7.00	16.22	15.80	3.46	1.87
South Carolina ⁴	2/1/2022	6.68	3.73	8.64	8.21	8.49	2.96	7.65	18.75	7.30	3.45	2.21
South Dakota ⁵	7/1/2022	7.08	4.01	8.48	8.14	7.40	3.03	5.57	16.34	5.62	2.74	1.79
Tennessee ²	3/1/2022	6.11	3.21	6.75	6.51	5.93	2.42	5.97	14.46	6.28	3.23	1.63
Vermont ²	4/1/2022	8.62	4.72	10.37	9.87	11.31	4.87	9.38	20.01	13.27	5.64	2.62
Virginia ²	4/1/2022	6.63	3.76	8.53	7.66	7.87	4.72	7.35	15.29	9.15	4.48	1.73
West Virginia ²	11/1/2021	6.08	3.45	7.29	7.00	6.38	2.61	4.80	14.06	4.83	2.35	1.55
Minimum		5.48	3.21	6.51	6.51	5.93	2.42	4.80	13.74	4.83	2.35	1.40
Maximum		19.75	7.74	13.55	12.38	27.73	10.13	21.44	25.72	20.97	15.13	4.02
Average		8.01	4.40	8.33	8.69	9.64	3.86	8.13	16.82	9.50	4.87	2.25

¹ (Approved State Voluntary Market Rates)

² (Approved State Voluntary Market Loss Costs including LAE and Federal Assessment) * (Associated Pennsylvania F-Class Loss Cost Multiplier based on the provisions underlying the filing)

³ (Approved State Voluntary Market Loss Costs excluding LAE and including Federal Assessment) * (Associated Pennsylvania F-Class Loss Cost Multiplier based on the provisions underlying the filing)

⁴ (Approved State Voluntary Market Loss Costs including LAE and excluding Federal Assessment) * (Associated Pennsylvania F-Class Loss Cost Multiplier based on the provisions underlying the filing)

⁵ (Approved State Voluntary Market Loss Costs excluding LAE and Federal Assessment) * (Associated Pennsylvania F-Class Loss Cost Multiplier based on the provisions underlying the filing)

NOTE: 1.) With the exception of Delaware, all rates in the 7366 column were based on the analogous national classification code 7350.

2.) F-Class rates by state were calculated by adjusting the state's approved F-Class voluntary loss costs to full rates based on assumptions underlying the calculation of Pennsylvania F-Class rates in this filing. If F-Class voluntary loss costs were not available, voluntary rates were used.