

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 0.0033, which is lower than the factor of 0.0035 included in current loss costs.

Pennsylvania Compensation Rating Bureau

Analysis of Merit Rating Plan Off-Balance Indications

Risk Type	# of Risks	Manual Premium Before MRP	MRP Adjustment	Standard Premium Before Adjustment	Average Debit / Credit
1. Not Qualified for MRP	47,768	31,535,838	0	34,825,907	0.00%
2. Qualified for MRP Discount	131,056	168,293,625	-8,417,957	172,385,316	-5.00%
3. Qualified for MRP No Adjustment	4,670	15,115,665	0	15,211,316	0.00%
4. Qualified for MRP Surcharge	599	3,710,882	185,558	3,724,980	5.00%
5. Experience Rated Risks	53,549	2,479,799,419	0	2,303,380,684	0.00%
Total	237,642	2,698,455,429	-8,232,399	2,529,528,203	-0.31%
Ratio to Standard Premium					-0.33%
Increment to Manual Premium					0.0033

Data from policies effective 2002-2003 using 2003 Manual and Standard Premium .