

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.

COLLECTIBLE PREMIUM RATIOS *

Manual Year	Premium at Manual Rates	Collected Premium (Excluding Constants)	Collectible Premium Ratio (2)/(3)
(1)	(2)	(3)	(4)
ALL INDUSTRIES			
2002	2,666,499,945	2,491,753,964	1.0701
2003	2,715,352,859	2,533,964,366	1.0716
2004	2,875,006,477	2,735,690,410	1.0509
TOTAL	8,256,859,281	7,761,408,740	1.0638
MANUFACTURING AND UTILITIES			
2002	621,928,210	585,546,236	1.0621
2003	633,172,990	595,138,155	1.0639
2004	659,680,230	632,274,101	1.0433
TOTAL	1,914,781,430	1,812,958,492	1.0562
CONTRACTING AND QUARRYING			
2002	490,746,787	440,523,327	1.1140
2003	481,937,129	434,047,104	1.1103
2004	516,390,610	471,421,254	1.0954
TOTAL	1,489,074,526	1,345,991,685	1.1063
OTHER INDUSTRIES			
2002	1,553,824,948	1,465,684,401	1.0601
2003	1,600,242,740	1,504,779,107	1.0634
2004	1,698,935,637	1,631,995,055	1.0410
TOTAL	4,853,003,325	4,602,458,563	1.0544

CALCULATION OF EXPECTED LOSS COST FACTORS (a)

Policy Year Beginning 4/1 (1)	Act 57 Adjust- ment (2)	Adjust- ment 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>							
2004	1.0000	1.0000	1.2885	1.0562	0.9873	1.3436	0.7443
2005	1.0000	1.0000	1.4732	1.0562	0.9902	1.5407	0.6491
2006	1.0000	1.0000	1.8947	1.0562	0.9933	1.9878	0.5031
<u>Contracting and Quarrying</u>							
2004	1.0000	1.0000	1.3432	1.1063	0.9873	1.4671	0.6816
2005	1.0000	1.0000	1.5343	1.1063	0.9902	1.6808	0.5950
2006	1.0000	1.0000	1.9609	1.1063	0.9933	2.1548	0.4641
<u>Other Industries</u>							
2004	1.0000	1.0000	1.3118	1.0544	0.9873	1.3656	0.7323
2005	1.0000	1.0000	1.4733	1.0544	0.9902	1.5382	0.6501
2006	1.0000	1.0000	1.9106	1.0544	0.9933	2.0010	0.4998

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