

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 0.0029, representing a slight decrease compared to the 0.0031 factor 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	52,499	37,348,394	0	42,183,605	0.00%
2. Qualified for MRP Discount	131,325	173,292,321	-8,667,689	178,073,393	-5.00%
3. Qualified for MRP No Adjustment	4,002	14,409,183	0	14,528,519	0.00%
4. Qualified for MRP Surcharge	456	2,980,726	149,052	2,985,903	5.00%
5. Experience Rated Risks	57,988	2,822,457,341	0	2,711,409,611	0.00%
Total	246,270	3,050,487,965	-8,518,637	2,949,181,031	-0.28%
Ratio to Standard Premium					-0.29%
Increment to Manual Premium					0.0029

Data from policies effective 2004-2005 using 2005 Manual and Standard Premium .