

PENNSYLVANIA COMPENSATION RATING BUREAU  
F CLASS FILING

Indicated Change in Rate Level

This exhibit shows the indicated change in rate level for Pennsylvania Federal Classes. It includes a section to reflect the adjustment of the indicated change in overall rate level to the indicated change in manual rate level.

**INDICATED CHANGE IN RATE LEVEL**

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1) Trended Loss Ratio for Policy Period 4/1/11 - 4/1/12	0.5891	0.2405	0.8296
(2) Credibility	0.2500	0.2500	0.2500
(3) Loss Ratio Underlying Current Rates	0.4230	0.1770	0.6000
(4) Credibility Weighted Trended Loss Ratio (1)*(2)+(3)*[1.0-(2)]	0.4645	0.1929	0.6574
(5) Ratio of Loss Adjustment Expense to Loss	0.1395	0.1395	0.1395
(6) Trended Policy Year Loss and Loss Adjustment Ratio (4)*[1.0+(5)]	0.5293	0.2198	0.7491
(7) Fixed Expense Ratio			0.0560
(8) Total Loss, LAE, and Fixed Expense Ratio (6) + (7)			0.8051
(9) Permissible Loss, Loss Adjustment and Fixed Expense Ratio			0.7527
(10) Indicated Change in Rates (8) / (9)			1.0696

**INDICATED CHANGE IN MANUAL LEVEL**

	<b>Total</b>
(11) Current Collectible Premium Ratio	1.0638
(12) Proposed Collectible Premium Ratio	1.0352
(13) Indicated Change in Manual Level [(10) * (12)] / (11)	1.0408