

PENNSYLVANIA COMPENSATION RATING BUREAU
F CLASS FILING

Pennsylvania F-Class Rates Development

This exhibit shows the calculation of Pennsylvania F-Class rates by classification. The calculation of F-Class rates includes a comparison based on voluntary F-Class loss costs or rates from other states. If F-Class loss costs were available, they were adjusted to full rates based on assumptions underlying the calculation of Pennsylvania F-Class rates in this filing.

F-Class rates shown in the line labeled “Pennsylvania Preliminary F-Class Rates at Full Indication” were based on the rate level indication shown in Exhibit 1. The line labeled “Pennsylvania Preliminary F-Class Rates” was calculated by giving 80% weight to the Preliminary F-Class Rates at Full Indication and 20% weight to the average of the other states’ rates.

Those rates were then adjusted such that the resulting overall Pennsylvania F-Class rates balanced to the overall indicated change in manual rates. These are the proposed F-Class rates shown in the line labeled “Pennsylvania Proposed F-Class Rates effective April 1, 2021 Balanced to Overall Indicated Change in Manual Rates”.

		F-Class Codes										
		6824	6826	6843	6872	7309	7313	7317	7327	7366	8709	8726
Pennsylvania F-Class Rates effective April 1, 2018		9.93	10.39	13.17	30.02	51.11	10.75	27.20	21.91	10.87	5.61	3.18
Latest Approved F-Class Voluntary Loss Costs, Adjusted for Pennsylvania Expense Provisions, or Voluntary Rates												
State	Effective Date											
Alabama ²	3/1/2021	7.08	4.02	11.85	8.52	10.64	4.54	8.40	16.39	10.69	5.29	3.19
Alaska ²	1/1/2021	13.15	6.84	9.78	14.17	15.41	-	8.76	14.80	13.85	4.18	3.03
Arkansas ²	7/1/2020	8.25	5.09	8.33	10.26	9.62	4.22	8.07	22.83	10.66	5.75	1.85
Connecticut ⁴	1/1/2021	14.23	6.15	11.17	10.43	13.56	5.45	8.50	25.27	13.66	13.13	2.96
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	11/1/2020	12.38	4.85	-	13.02	14.97	6.44	12.55	27.57	-	6.86	3.42
Illinois ⁵	1/1/2021	10.62	5.05	10.85	9.42	10.33	6.21	7.15	25.75	10.49	4.67	2.58
Indiana ²	1/1/2021	8.70	5.90	9.56	9.29	9.11	3.76	9.97	26.52	11.30	4.76	2.72
Iowa ¹	1/1/2021	9.90	8.74	16.50	14.13	14.44	5.64	10.93	30.00	12.63	7.45	3.43
Kansas ²	1/1/2021	8.19	4.92	9.13	9.39	9.27	4.27	8.73	19.93	11.84	5.16	2.43
Michigan ²	1/1/2021	23.49	5.45	8.98	11.06	11.59	3.86	14.92	-	24.92	16.52	4.44
Mississippi ²	3/1/2020	7.26	5.29	9.56	9.33	11.10	4.26	9.26	24.50	13.25	7.95	1.97
Nevada ²	3/1/2021	14.10	8.93	16.92	15.07	18.06	7.74	15.17	32.14	26.20	8.84	4.18
New Hampshire ²	1/1/2021	7.65	4.48	9.76	9.31	11.26	3.86	9.41	23.23	10.23	4.97	2.57
New Mexico ²	1/1/2021	8.78	5.25	9.79	16.51	11.23	4.54	9.25	21.73	12.18	5.65	2.61
North Carolina ²	4/1/2021	21.59	10.82	27.54	26.60	26.85	11.93	23.97	51.62	32.16	12.94	6.81
Oregon ³	1/1/2021	8.85	5.77	13.09	10.39	9.63	4.62	9.33	14.85	21.05	4.62	2.48
South Carolina ⁴	4/1/2020	9.38	5.30	11.31	12.56	14.16	4.09	12.34	25.98	11.13	4.99	3.00
South Dakota ⁵	7/1/2020	12.06	7.52	11.54	13.60	15.26	6.23	12.39	34.86	17.45	7.50	3.69
Tennessee ²	3/1/2021	8.15	3.94	5.40	7.70	7.42	3.15	7.95	19.27	8.37	4.30	2.17
Vermont ²	4/1/2021	10.13	5.54	12.20	11.60	13.29	5.71	11.03	23.55	15.61	6.63	3.07
Virginia ²	4/1/2020	8.23	4.81	9.42	10.60	10.46	6.03	8.97	18.16	12.30	5.71	1.85
West Virginia ²	11/1/2020	7.76	7.10	8.94	8.98	7.47	4.38	7.22	16.44	11.22	4.23	2.34
Minimum		7.08	3.94	5.40	7.70	7.42	3.15	7.15	14.56	6.83	2.74	1.85
Maximum		23.49	10.82	27.54	26.60	27.73	11.93	23.97	51.62	32.16	16.52	6.81
Average		10.82	6.07	10.93	11.91	13.17	5.26	11.12	23.04	13.83	6.73	3.05
Pennsylvania Preliminary F-Class Rates at Full Indication		10.20	10.67	13.29	30.82	51.69	10.76	27.89	22.50	10.84	5.86	3.26
		2.7%	2.7%	0.9%	2.7%	1.1%	0.1%	2.5%	2.7%	-0.3%	4.5%	2.5%
Pennsylvania Preliminary F-Class Rates												
= (80% * PA Preliminary Rate) + (20% * Average Rate)		10.32	9.75	12.82	27.04	43.99	9.66	24.54	22.61	11.44	6.03	3.22
Pennsylvania Proposed F-Class Rates effective April 1, 2021												
Balanced to Overall Indicated Change in Manual Rates		10.98	10.38	13.64	28.78	46.82	10.28	26.12	24.06	12.18	6.42	3.43
Proposed Change in Pennsylvania F-Class Rates		10.6%	-0.1%	3.6%	-4.1%	-8.4%	-4.4%	-4.0%	9.8%	12.1%	14.4%	7.9%

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.