

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 2/1/07 - 2/1/08	0.2495	0.0895	0.3390
(2) Credibility	0.2500	0.2500	0.2500
(3) Loss Ratio Underlying Current Rates	0.3552	0.1701	0.5253
(4) Credibility Weighted Trended Loss Ratio (1)*(2)+(3)*[1.0-(2)]	0.3288	0.1500	0.4787
(5) Ratio of Loss Adjustment Expense to Loss	0.1278	0.1278	0.1278
(6) Trended Policy Year Loss and Loss Adjustment Ratio (4)*[1.0+(5)]	0.3708	0.1692	0.5399
(7) Fixed Expense Ratio			0.0671
(8) Total Loss, LAE, and Fixed Expense Ratio (6) + (7)			0.6070
(9) Permissible Loss, Loss Adjustment and Fixed Expense Ratio			0.7148
(10) Indicated Change in Rates (8) / (9)			0.8492

INDICATED CHANGE IN MANUAL LEVEL

	<u>Total</u>
(11) Current Collectible Premium Ratio	1.0656
(12) Proposed Collectible Premium Ratio	1.0957
(13) Indicated Change in Manual Level [(10) * (12)] / (11)	0.8732