

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 0.0034, representing a slight increase compared to the 0.0032 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	46,323	28,891,730	0	31,065,885	0.00%
2. Qualified for MRP Discount	133,813	150,161,614	-7,510,845	154,350,854	-5.00%
3. Qualified for MRP No Adjustment	5,926	18,167,619	0	18,297,994	0.00%
4. Qualified for MRP Surcharge	934	5,757,622	287,894	5,774,071	5.00%
5. Experience Rated Risks	47,656	2,023,952,560	0	1,899,740,206	0.00%
Total	234,652	2,226,931,145	-7,222,951	2,109,229,010	-0.32%
Ratio to Standard Premium					-0.34%
Increment to Manual Premium					0.0034

Data from policies effective 1997-1998 using 1998 Manual and Standard Premium .