

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 2/1/03 - 2/1/04	0.4809	0.1533	0.6342
(2) Credibility	0.2500	0.2500	0.2500
(3) Loss Ratio Underlying Current Rates	0.3903	0.2353	0.6256
(4) Credibility Weighted Trended Loss Ratio $(1)*(2)+(3)*[1.0-(2)]$	0.4130	0.2148	0.6278
(5) Ratio of Loss Adjustment Expense to Loss	0.1671	0.1671	0.1671
(6) Trended Policy Year Loss and Loss Adjustment Ratio $(4)*[1.0+(5)]$	0.4820	0.2507	0.7327
(7) Fixed Expense Ratio			0.0743
(8) Total Loss, LAE, and Fixed Expense Ratio $(6) + (7)$			0.8070
(9) Permissible Loss, Loss Adjustment and Fixed Expense Ratio			0.7302
(10) Indicated Change in Rates $(8) / (9)$			1.1052

INDICATED CHANGE IN MANUAL LEVEL

	Total
(11) Current Collectible Premium Ratio	1.0747
(12) Proposed Collectible Premium Ratio	1.0672
(13) Indicated Change in Manual Level $[(10) * (12)] / (11)$	1.0975