Exhibit 14
As Filed

PENNSYLVANIA COMPENSATION RATING BUREAU
PENNSYLVANIA CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM ("PCCPAP")

The PCCPAP program has been used in Pennsylvania since 1991 as a means of addressing construction employers' concerns regarding the effects of wage differentials on workers compensation premiums. The program establishes a set of tabular premium credits given to employers engaged in the construction trades and who have paid wages in excess of minimum qualifying levels. When an experience-rated employer receives a PCCPAP credit, the expected losses used in determining that employer's modification are reduced in proportion to the PCCPAP credit, thereby avoiding redundant credits based on prevailing wage levels.

The PCCPAP is intended to be a means of redistributing a portion of workers compensation insurance premiums between lower-wage and higher-wage employers. On balance the program is intended to be revenue neutral. Prior to 1995, classifications in which employers were eligible for credits had been subject to a flat loading of 1 percent, intended to offset the credits being provided to relatively high-wage employers. Starting with the 1995 loss cost filing, the current procedure, as described herein, has been used.

The PCRB has assembled 2000 policy year experience data which provides historical measures of the extent to which employers in each eligible classification have qualified for PCCPAP credits, and the magnitude of credits granted under this program. The attached exhibit presents the staff analysis of this experience, and derives a proposed revised set of PCCPAP loadings to maintain the intended balance within the affected classifications. A brief description of page 14.1 follows:

Column (1) - Class: The numeric designation of each classification eligible for PCCPAP credit.

Column (2) - # of Policies (Total): The number of policies reported in each class, whether or not those policies applied for or received PCCPAP credit.

Column (3) - # of Policies (PCCPAP): The number of policies qualified for PCCPAP credit for the 1999 policy term.

Column (4) - Payroll (Total): The payroll attributable to the policies reported in column (2).

Column (5) - Payroll (PCCPAP): the payroll attributable to policies reported in column (3).

Column (6) - PCCPAP Policy Premium, Pre-PCCPAP: The Standard Premium which would have applied to qualifying PCCPAP policies ABSENT both the tabular PCCPAP credit and the adjustment to experience modifications made where applicable for those policies. The current PCCPAP load on Manual Rates is omitted from this calculation.

Column (7) - PCCPAP Policy Premium, Post-PCCPAP: The Standard Premium attributable to qualifying PCCPAP policies, reflecting BOTH the tabular PCCPAP credits and the adjustment to experience modifications made where applicable. The current PCCPAP load on Manual Rates is omitted from this calculation.

Columns (8) and (9) - Non-PCCPAP Policy Premium, Pre PCCPAP: The Standard Premium attributable to policies which did not qualify for PCCPAP credit in 2000. The current PCCPAP load on Manual Rates is omitted from this calculation

Column (10) - Indicated Surcharge: The ratio of Pre-PCCPAP premiums for both qualifying and non-qualifying policies to Post-PCCPAP premiums for those same policies. Computed as (Column (6) + Column (8)) / (Column (7) + Column (9)).

Column (11) - Average PCCPAP Credit: For qualifying policies, the average credit given in 2000. For example, an average credit of .0784 indicates that the average qualifying risk in Code 601 received a 7.84 percent reduction in standard premium by operation of the PCCPAP plan's tabular credit and experience rating plan adjustment.

Column (12) - Class "Z": This is the credibility assigned each classification's indicated PCCPAP surcharge. The credibility formula is a linear function of total classification policies, with 225 policies or more receiving full credibility. This formula is an adaptation of procedures used in NCCI jurisdictions where credibility is a linear function of the number of policies qualifying for Premium Adjustment Plan credits. Staff perceives the use of total policies to be more appropriate where large portions of a class have not historically qualified for PCCPAP credit.

Column (13) - Formula Surcharge: The credibility-weighted classification loadings for PCCPAP credits. The calculation uses the following values:

Column (10) x Column (12) + (1.00 - (Column (12)) x Average Column (10)

Column (14) - TCF: The test correction factor necessary to balance credibility-weighted surcharges across all classifications to the overall indicated surcharge of 3.23 percent.

Column (15) - Final Surcharge: The product of the TCF (Column (14)) and the formula surcharges (Column (13)) by classification.

Page 14.2 shows a comparison of current and proposed PCCPAP surcharges by class and overall.

100% Credibility = 225 Policies

Partial Credibility = # of Policies / 225

Class (1)	# of Policies (Total) (2)	# of Policies (PCCPAP) (3)	Payroll (Total) (4)	Payroll (PCCPAP) (5)	***PCCPAP Policies*** Premium Pre-PCCPAP (6)	Premium Post-PCCPAP (7)	**Non-PCCPAP Policies** Premium Pre-PCCPAP (8)	Premium Post-PCCPAP (9)	Indicated Surcharge (10)	Average PCCPAP Credit (11)	Class "Z" (12)	Formula Surcharge (13)	TCF (14)	Final Surcharge (15)
601	467	107	149,487,912	41,176,353	2,984,957	2,751,048	7,794,009	7,794,009	1.0222	0.0784	1.00	1.0222	0.9995	1.0217
602	187	60	88,145,833	26,023,823	986,326	905,100	1,895,903	1,895,903	1.0290	0.0824	0.83	1.0296	0.9995	1.0291
603	275	101	68,698,289	29,397,188	1,993,162	1,771,417	2,159,984	2,159,984	1.0564	0.1113	1.00	1.0564	0.9995	1.0559
605	38	0	7,224,817	0	0	0	650,818	650,818	1.0000	0.0000	0.17	1.0268	0.9995	1.0263
606	15	1	11,460,030	2,633	373	324	1,092,035	1,092,035	1.0000	0.1314	0.07	1.0300	0.9995	1.0295
607	321	21	58,873,040	7,595,263	574,332	501,589	5,556,202	5,556,202	1.0120	0.1267	1.00	1.0120	0.9995	1.0115
608	2,770	398	412,320,013	121,619,751	7,649,394	6,920,387	17,376,349	17,376,349	1.0300	0.0953	1.00	1.0300	0.9995	1.0295
609	2,714	286	449,533,075	86,496,187	4,287,080	3,843,122	18,108,317	18,108,317	1.0202	0.1036	1.00	1.0202	0.9995	1.0197
611	29	17	4,681,288	1,617,597	219,660	173,670	435,291	435,291	1.0755	0.2094	0.13	1.0379	0.9995	1.0374
615	2	1	1,531,470	1,145,498	263,627	260,558	76,649	76,649	1.0091	0.0116	0.01	1.0321	0.9995	1.0316
617	313	91	91,894,488	32,699,963	1,760,661	1,610,869	3,524,003	3,524,003	1.0292	0.0851	1.00	1.0292	0.9995	1.0287
645	812	178	201,680,669	76,924,536	4,888,047	4,308,805	8,556,692	8,556,692	1.0450	0.1185	1.00	1.0450	0.9995	1.0445
646	345	39	69,182,146	14,425,679	817,309	702,416	3,100,521	3,100,521	1.0302	0.1406	1.00	1.0302	0.9995	1.0297
647	134	9	21,232,805	1,484,674	163,995	136,690	1,821,649	1,821,649	1.0139	0.1665	0.60	1.0213	0.9995	1.0208
648	1,162	95	98,904,863	24,034,180	1,232,181	1,077,503	3,857,696	3,857,696	1.0313	0.1255	1.00	1.0313	0.9995	1.0308
649	218	93	63,377,395	34,185,805	1,124,606	982,984	1,026,261	1,026,261	1.0705	0.1259	0.97	1.0694	0.9995	1.0689
651	2,975	395	498,696,346	166,639,596	10,878,884	9,786,093	25,138,101	25,138,101	1.0313	0.1005	1.00	1.0313	0.9995	1.0308
652	8,371	154	509,243,598	26,013,248	2,003,275	1,783,833	39,449,218	39,449,218	1.0053	0.1095	1.00	1.0053	0.9995	1.0048
653	2,300	268	306,013,035	126,047,169	8,459,516	7,679,434	13,941,954	13,941,954	1.0361	0.0922	1.00	1.0361	0.9995	1.0356
654	647	214	148,714,798	51,365,443	5,869,728	5,182,525	9,237,558	9,237,558	1.0477	0.1171	1.00	1.0477	0.9995	1.0472
655	389	97	73,766,842	27,688,639	5,789,059	4,839,817	8,425,480	8,425,480	1.0716	0.1640	1.00	1.0716	0.9995	1.0711
656	71	6	31,411,921	2,727,289	272,238	217,390	2,503,276	2,503,276	1.0202	0.2015	0.32	1.0284	0.9995	1.0279
657	55	5	7,897,566	265,360	32,663	29,129	826,983	826,983	1.0041	0.1082	0.24	1.0255	0.9995	1.0250
658	415	75	48,403,963	17,801,921	1,744,866	1,537,998	3,146,901	3,146,901	1.0442	0.1186	1.00	1.0442	0.9995	1.0437
659	872	96	100,823,534	29,349,273	4,630,571	4,082,228	11,077,373	11,077,373	1.0362	0.1184	1.00	1.0362	0.9995	1.0357
660	786	69	191,115,532	36,370,747	979,894	883,837	3,911,434	3,911,434	1.0200	0.0980	1.00	1.0200	0.9995	1.0195
661	3,010	449	856,330,928	378,883,025	12,931,476	11,157,986	18,135,513	18,135,513	1.0605	0.1371	1.00	1.0605	0.9995	1.0600
662	271	4	53,404,636	516,306	17,319	14,026	1,746,051	1,746,051	1.0019	0.1901	1.00	1.0019	0.9995	1.0014
663	3,509	425	688,803,455	184,141,687	7,947,299	6,897,340	22,416,914	22,416,914	1.0358	0.1321	1.00	1.0358	0.9995	1.0353
664	2,362	315	568,398,329	201,694,537	7,911,561	7,005,015	15,183,865	15,183,865	1.0409	0.1146	1.00	1.0409	0.9995	1.0404
665	1,559	106	115,036,560	23,104,797	1,967,663	1,753,836	8,401,950	8,401,950	1.0211	0.1087	1.00	1.0211	0.9995	1.0206
666	287	33	50,446,786	11,501,808	833,143	719,889	3,063,613	3,063,613	1.0299	0.1359	1.00	1.0299	0.9995	1.0294
667	375	42	30,016,940	8,260,794	202,016	179,590	565,070	565,070	1.0301	0.1110	1.00	1.0301	0.9995	1.0296
668	325	52	41,001,897	17,308,794	996,696	886,234	1,561,738	1,561,738	1.0451	0.1108	1.00	1.0451	0.9995	1.0446
669	201	31	17,468,226	4,644,625	332,883	299,080	978,450	978,450	1.0265	0.1015	0.89	1.0271	0.9995	1.0266
670	564	36	41,602,009	8,526,051	508,813	427,559	2,070,653	2,070,653	1.0325	0.1597	1.00	1.0325	0.9995	1.0320
673	182	7	23,601,092	3,974,800	291,539	254,579	1,254,117	1,254,117	1.0245	0.1268	0.81	1.0260	0.9995	1.0255
674	220	8	18,457,662	1,466,310	96,119	82,882	1,090,115	1,090,115	1.0113	0.1377	0.98	1.0117	0.9995	1.0112
675	1,431	135	366,187,532	61,813,986	3,182,470	2,779,048	14,671,306	14,671,306	1.0231	0.1268	1.00	1.0231	0.9995	1.0226
676	304	40	55,235,132	13,546,860	638,601	550,201	2,125,241	2,125,241	1.0330	0.1384	1.00	1.0330	0.9995	1.0325
677	59	11	34,896,240	2,953,903	313,868	259,699	3,207,188	3,207,188	1.0156	0.1726	0.26	1.0280	0.9995	1.0275
679	23	1	6,002,216	666,786	62,723	56,840	1,137,408	1,137,408	1.0049	0.0938	0.10	1.0296	0.9995	1.0291
681	82	1	4,237,010	82,342	3,829	3,216	250,502	250,502	1.0024	0.1601	0.36	1.0215	0.9995	1.0210
682	64	0	4,727,389	0	0	0	984,035	984,035	1.0000	0.0000	0.28	1.0233	0.9995	1.0228
Total	41,511	4,572	6,690,169,307	1,906,185,226	107,844,431	95,295,786	293,534,386	293,534,386	1.0323	0.1164		1.0328	0.9995	1.0323

Note:

For each Class:

Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)

Basis of Credibility: 1 / ((# PCCPAP Policies)/(# Total Policies)) * 25 = 225 Policies for Full Credibility

Formula Surcharge = (Indicated Surcharge) * (Credibility for that Class) + (1- Credibility) * (Average Indicated Surcharge)

Test Correction Factor = (Total Indicated Surcharge) / ((Total Weighted Formula Surcharge) / (Total Premium Post-PCCPAP))

Comparison of PCCPAP Surcharges by Class

Class (1)	Current PCCPAP Surcharge (2)	Proposed PCCPAP Surcharge (3)	Percentage Change (4)=(3)/(2)-1.0
601	1.0294	1.0217	-0.7%
602	1.0340	1.0291	-0.5%
603	1.0699	1.0559	-1.3%
605	1.0309	1.0263	-0.4%
606	1.0315	1.0295	-0.2%
607	1.0146	1.0115	-0.3%
608	1.0308	1.0295	-0.1%
609	1.0217	1.0197	-0.2%
611	1.0346	1.0374	0.3%
615	1.0332	1.0316	-0.2%
617	1.0382	1.0287	-0.9%
645	1.0555	1.0445	-1.0%
646	1.0330	1.0297	-0.3%
647	1.0198	1.0208	0.1%
648	1.0332	1.0308	-0.2%
649	1.0821	1.0689	-1.2%
651	1.0353	1.0308	-0.4%
652	1.0057	1.0048	-0.1%
653	1.0354	1.0356	0.0%
654	1.0419	1.0472	0.5%
655	1.0330	1.0711	3.7%
656	1.0270	1.0279	0.1%
657	1.0282	1.0250	-0.3%
658	1.0595	1.0437	-1.5%
659	1.0339	1.0357	0.2%
660	1.0140	1.0195	0.5%
661	1.0615	1.0600	-0.1%
662	1.0000	1.0014	0.1%
663	1.0410	1.0353	-0.5%
664	1.0463	1.0404	-0.6%
665	1.0289	1.0206	-0.8%
666	1.0365	1.0294	-0.7%
667	1.0233	1.0296	0.6%
668	1.0537	1.0446	-0.9%
669	1.0407	1.0266	-1.4%
670	1.0351	1.0320	-0.3%
673	1.0157	1.0255	1.0%
674	1.0127	1.0112	-0.1%
675	1.0251	1.0226	-0.2%
676	1.0509	1.0325	-1.8%
677	1.0284	1.0275	-0.1%
679	1.0308	1.0291	-0.2%
681	1.0222	1.0210	-0.1%
682	1.0233	1.0228	0.0%
691	1.0217	1.0197	-0.2%
693	1.0353	1.0308	-0.4%
695	1.0615	1.0600	-0.1%
Total	1.0341	1.0323	-0.2%