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 premium. 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. Until January 1, 2002, when an experience-rated employer received a PCCPAP credit, the expected losses used in determining that employer's modification were reduced in proportion to the PCCPAP credit, thereby avoiding redundant credits based on prevailing wage levels.

Beginning January 1, 2002, the practice of adjusting PCCPAP participating employers' experience modifications was discontinued. Instead, an equivalent adjustment is now made to reduce the insured's policy credit factor.

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 2003 policy year experience data that 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 2002 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 that tabular credit to offset any redundancy resulting from the calculation of experience modifications. 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 that tabular credit to offset any redundancy resulting from the calculation of experience modifications. 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 that did not qualify for PCCPAP credit in 2003. 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 2003. For example, an average credit of .0755 indicates that the average qualifying risk in Code 601 received a 7.55 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 220 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 2.53 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 =   220 Policies
Partial Credibility =   # of Policies / 220

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	603	89	172,651,419	44,688,172	2,918,180	2,697,964	8,666,979	8,666,979	1.0194	0.0755	1.00	1.0194	0.99951	1.0189
602	210	59	104,717,129	29,319,928	1,259,436	1,171,986	3,261,001	3,261,001	1.0197	0.0694	0.95	1.0200	0.99951	1.0195
603	286	101	76,036,417	36,987,776	2,348,409	2,076,615	2,021,873	2,021,873	1.0663	0.1157	1.00	1.0663	0.99951	1.0658
605	27	1	14,139,959	46,692	3,679	3,384	1,427,396	1,427,396	1.0002	0.0802	0.12	1.0223	0.99951	1.0218
606	18	0	11,010,182	0	0	0	1,583,490	1,583,490	1.0000	0.0000	0.08	1.0233	0.99951	1.0228
607	297	34	66,841,590	9,917,306	945,315	842,518	5,573,566	5,573,566	1.0160	0.1087	1.00	1.0160	0.99951	1.0155
608	2,795	409	402,127,847	113,796,531	6,865,214	6,192,105	17,301,000	17,301,000	1.0287	0.0980	1.00	1.0287	0.99951	1.0282
609	2,771	274	525,617,602	98,809,246	5,228,508	4,732,824	21,326,612	21,326,612	1.0190	0.0948	1.00	1.0190	0.99951	1.0185
611	31	20	2,763,880	1,616,328	162,204	143,205	126,650	126,650	1.0704	0.1171	0.14	1.0316	0.99951	1.0311
615	3	0	1,119,213	0	0	0	163,081	163,081	1.0000	0.0000	0.01	1.0250	0.99951	1.0245
617	287	99	115,000,589	37,101,829	2,018,786	1,850,878	4,799,817	4,799,817	1.0252	0.0832	1.00	1.0252	0.99951	1.0247
645	847	206	205,842,976	87,522,913	5,989,492	5,458,501	8,434,287	8,434,287	1.0382	0.0887	1.00	1.0382	0.99951	1.0377
646	363	57	63,255,382	17,369,938	1,025,267	872,753	2,298,016	2,298,016	1.0481	0.1488	1.00	1.0481	0.99951	1.0476
647	148	10	37,524,009	1,525,776	110,607	96,841	2,687,621	2,687,621	1.0049	0.1245	0.67	1.0116	0.99951	1.0111
648	1,187	93	111,448,511	20,249,162	1,126,785	990,646	5,311,465	5,311,465	1.0216	0.1208	1.00	1.0216	0.99951	1.0211
649	247	107	58,483,871	34,198,705	1,118,566	1,001,720	731,044	731,044	1.0674	0.1045	1.00	1.0674	0.99951	1.0669
651	2,764	399	510,824,543	151,080,158	10,454,029	9,547,222	26,269,829	26,269,829	1.0253	0.0867	1.00	1.0253	0.99951	1.0248
652	8,117	128	589,644,805	24,775,142	2,099,877	1,854,213	50,533,622	50,533,622	1.0047	0.1170	1.00	1.0047	0.99951	1.0042
653	2,363	262	304,523,201	89,390,569	6,881,826	6,279,393	15,925,980	15,925,980	1.0271	0.0875	1.00	1.0271	0.99951	1.0266
654	688	198	151,335,093	47,116,107	4,115,955	3,767,658	8,313,154	8,313,154	1.0288	0.0846	1.00	1.0288	0.99951	1.0283
655	355	64	76,522,090	10,638,955	1,490,127	1,315,497	9,280,976	9,280,976	1.0165	0.1172	1.00	1.0165	0.99951	1.0160
656	78	6	53,941,829	4,310,689	292,670	253,880	4,220,441	4,220,441	1.0087	0.1325	0.35	1.0195	0.99951	1.0190
657	62	15	7,213,248	3,553,497	350,819	297,602	370,731	370,731	1.0796	0.1517	0.28	1.0405	0.99951	1.0400
658	459	96	50,642,399	16,299,018	1,490,631	1,270,124	3,227,007	3,227,007	1.0490	0.1479	1.00	1.0490	0.99951	1.0485
659	897	128	109,016,944	31,677,862	4,379,125	4,010,499	11,926,260	11,926,260	1.0231	0.0842	1.00	1.0231	0.99951	1.0226
660	818	92	201,559,860	30,444,553	648,065	562,001	3,446,325	3,446,325	1.0215	0.1328	1.00	1.0215	0.99951	1.0210
661	3,108	513	883,803,750	346,859,151	13,020,568	11,272,752	20,336,070	20,336,070	1.0553	0.1342	1.00	1.0553	0.99951	1.0548
662	241	6	61,437,819	294,010	10,753	10,055	2,522,335	2,522,335	1.0003	0.0649	1.00	1.0003	0.99951	1.0000
663	3,674	448	768,485,583	202,477,499	8,341,138	7,350,131	25,600,446	25,600,446	1.0301	0.1188	1.00	1.0301	0.99951	1.0296
664	2,471	338	614,350,874	184,536,748	6,866,848	6,030,308	16,580,411	16,580,411	1.0370	0.1218	1.00	1.0370	0.99951	1.0365
665	1,562	111	123,707,492	19,674,805	1,742,950	1,583,505	8,774,659	8,774,659	1.0154	0.0915	1.00	1.0154	0.99951	1.0149
666	283	40	44,740,069	13,969,515	874,204	767,467	1,930,397	1,930,397	1.0396	0.1221	1.00	1.0396	0.99951	1.0391
667	366	34	26,250,812	6,338,743	151,679	137,698	472,846	472,846	1.0229	0.0922	1.00	1.0229	0.99951	1.0224
668	401	62	45,080,747	13,197,235	807,295	723,413	1,768,316	1,768,316	1.0337	0.1039	1.00	1.0337	0.99951	1.0332
669	199	30	14,373,056	3,301,069	249,946	232,332	773,798	773,798	1.0175	0.0705	0.90	1.0183	0.99951	1.0178
670	560	30	48,146,822	7,034,974	400,628	336,737	2,293,420	2,293,420	1.0243	0.1595	1.00	1.0243	0.99951	1.0238
673	199	11	30,692,238	2,651,195	156,575	144,872	1,646,568	1,646,568	1.0065	0.0747	0.90	1.0084	0.99951	1.0079
674	227	2	22,834,614	1,264,154	84,513	79,940	1,212,797	1,212,797	1.0035	0.0541	1.00	1.0035	0.99951	1.0030
675	1,433	138	397,779,174	75,757,675	3,540,476	3,203,368	14,691,943	14,691,943	1.0188	0.0952	1.00	1.0188	0.99951	1.0183
676	323	55	53,415,177	14,007,842	670,518	566,695	2,002,122	2,002,122	1.0404	0.1548	1.00	1.0404	0.99951	1.0399
677	73	13	132,104,930	5,922,337	399,295	344,312	6,380,004	6,380,004	1.0082	0.1377	0.33	1.0197	0.99951	1.0192
679	23	0	5,516,390	0	0	0	411,146	411,146	1.0000	0.0000	0.10	1.0228	0.99951	1.0223
681	77	1	9,494,422	158,443	8,171	7,518	559,718	559,718	1.0012	0.0799	0.35	1.0169	0.99951	1.0164
682	70	0	4,991,182	0	0	0	779,774	779,774	1.0000	0.0000	0.32	1.0172	0.99951	1.0167
691	27	0	2,953,133	0	0	0	143,766	143,766	1.0000	0.0000	0.12	1.0223	0.99951	1.0218
693	43	0	1,650,452	0	0	0	157,767	157,767	1.0000	0.0000	0.20	1.0202	0.99951	1.0197
695	36	0	1,544,265	0	0	0	62,552	62,552	1.0000	0.0000	0.16	1.0213	0.99951	1.0208
Total	42,117	4,779	7,317,157,589	1,839,882,247	100,649,129	90,081,132	328,329,078	328,329,078	1.0253	0.1050		1.0258	0.99951	1.0253

Note:

For each Class:

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

 Basis of Credibility: 1 / ((# PCCPAP Policies)/(# Total Policies)) * 25 = 220 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	1.0221	1.0189	-0.3%
602	1.0222	1.0195	-0.3%
603	1.0584	1.0658	0.7%
605	1.0237	1.0218	-0.2%
606	1.0248	1.0228	-0.2%
607	1.0188	1.0155	-0.3%
608	1.0323	1.0282	-0.4%
609	1.0178	1.0185	0.1%
611	1.0328	1.0311	-0.2%
615	1.0270	1.0245	-0.2%
617	1.0267	1.0247	-0.2%
645	1.0444	1.0377	-0.6%
646	1.0408	1.0476	0.7%
647	1.0109	1.0111	0.0%
648	1.0245	1.0211	-0.3%
649	1.0601	1.0669	0.6%
651	1.0261	1.0248	-0.1%
652	1.0048	1.0042	-0.1%
653	1.0301	1.0266	-0.3%
654	1.0585	1.0283	-2.9%
655	1.0208	1.0160	-0.5%
656	1.0187	1.0190	0.0%
657	1.0197	1.0400	2.0%
658	1.0489	1.0485	0.0%
659	1.0227	1.0226	0.0%
660	1.0117	1.0210	0.9%
661	1.0576	1.0548	-0.3%
662	1.0002	1.0000	0.0%
663	1.0305	1.0296	-0.1%
664	1.0392	1.0365	-0.3%
665	1.0201	1.0149	-0.5%
666	1.0323	1.0391	0.7%
667	1.0275	1.0224	-0.5%
668	1.0359	1.0332	-0.3%
669	1.0279	1.0178	-1.0%
670	1.0275	1.0238	-0.4%
673	1.0236	1.0079	-1.5%
674	1.0114	1.0030	-0.8%
675	1.0199	1.0183	-0.2%
676	1.0462	1.0399	-0.6%
677	1.0204	1.0192	-0.1%
679	1.0237	1.0223	-0.1%
681	1.0161	1.0164	0.0%
682	1.0181	1.0167	-0.1%
691	1.0237	1.0218	-0.2%
693	1.0206	1.0197	-0.1%
695	1.0211	1.0208	0.0%
Total	1.0280	1.0253	-0.3%