

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 0.0035, which is the 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	47,262	29,784,640	0	32,359,753	0.00%
2. Qualified for MRP Discount	133,758	171,124,206	-8,559,472	175,227,470	-5.00%
3. Qualified for MRP No Adjustment	5,110	16,544,336	0	16,639,995	0.00%
4. Qualified for MRP Surcharge	668	3,980,838	199,060	3,992,171	5.00%
5. Experience Rated Risks	51,846	2,404,672,431	0	2,181,489,085	0.00%
Total	238,644	2,626,106,451	-8,360,412	2,409,708,474	-0.32%
Ratio to Standard Premium					-0.35%
Increment to Manual Premium					0.0035

Data from policies effective 2001-2002 using 2002 Manual and Standard Premium .