

PENNSYLVANIA COMPENSATION RATING BUREAU

APRIL 1, 2009 F CLASS RATE FILING

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Pennsylvania F Class Rate Revision
Proposed Effective April 1, 2009

Calculation of Composite Pure Premium Multiplier

Item	Total
(1) Pure Premium Test Correction Factor	1.0110
(2) Off-Balance Factor (Collectible Prem Ratio)	1.0638
(3) Expense Provision (1 / 0.6805)	1.4695
(4) Rate Test Correction Factor	0.9785
(5) Composite Pure Premium Multiplier (1)*(2)*(3)*(4)	1.5464

CALCULATION OF PER CLAIM AND CATASTROPHE LIMITATIONS

All Death, Permanent Total and Major Disability claims in the Pennsylvania experience for Manual Years 2000 through 2004 were translated using composite multipliers, yielding an average claim value of \$5,544. A value of \$400,037 was selected based on a review of Pennsylvania State Act coverage experience as reported in the approved 4/1/08 Loss Cost Filing. Using twice the value as unity and using the indicated Hazard Group Relativities produced the following results:

Hazard Group (1)	Hazard Group Relativities @ (2)	Per Claim Limit [2 * 400,037] * (2) (3)	Per Accident Limit (3) * 2 (4)
I	0.854	683,263	1,366,526
II	0.908	726,467	1,452,934
III	1.079	863,280	1,726,560
IV	1.263	1,010,493	2,020,986

@ From Pennsylvania 4/1/08 Loss Cost Filing - Excess Loss Factor Study

CREDIBILITY

The classification relativity criteria for 100 percent credibility for the various categories of loss are as follows:

Serious: 175 * Average Cost of Serious Case (including Medical)
 Non-Serious: 500 * Average Cost of Non-Serious Case (including Medical)
 Medical: 10 Percent of the Non-Serious

The following calculations are based on the figures in Table V, Section B.

	No. Cases	INDEMNITY AMOUNT (in hundreds)	MEDICAL AMOUNT (in hundreds)	TOTAL AMOUNT (in hundreds)	AVERAGE COST (4) / (1)
	(1)	(2)	(3)	(4)	(5)
Death	1	1,800	11	1,811	1,811
Permanent Total	0	23,733	5,910	29,643	#DIV/0!
Major	49	164,881	52,198	217,079	4,430
Total Serious	50	190,414	58,119	248,533	4,971
Minor	86	51,614	37,674	89,288	1,038
Temporary	119	17,417	22,762	40,179	338
Total Non-Serious	205	69,031	60,436	129,467	632

Accordingly, the criteria for 100 percent credibility will be:

Selected @

Serious: 175 *	4,971 =	869,925	70,006,475
Non-Serious: 500 *	632 =	316,000	9,645,000
Medical: .10 *	316,000 =	31,600	964,500

@ From PA State Act Coverage Loss Cost filing approval of 4/1/08.

EXPECTED LOSS CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credibility (1)	Serious (2)	Non-Serious (3)	Medical (4)
1.00	69,482,110	9,572,757	957,276
0.99	68,437,329	9,428,815	942,882
0.98	67,397,837	9,285,601	928,560
0.97	66,363,662	9,143,119	914,312
0.96	65,334,831	9,001,374	900,137
0.95	64,311,371	8,860,369	886,037
0.94	63,293,312	8,720,108	872,011
0.93	62,280,681	8,580,595	858,060
0.92	61,273,508	8,441,834	844,183
0.91	60,271,824	8,303,829	830,383
0.90	59,275,658	8,166,584	816,658
0.89	58,285,040	8,030,104	803,010
0.88	57,300,003	7,894,392	789,439
0.87	56,320,577	7,759,454	775,945
0.86	55,346,796	7,625,293	762,529
0.85	54,378,693	7,491,914	749,191
0.84	53,416,300	7,359,323	735,932
0.83	52,459,652	7,227,522	722,752
0.82	51,508,783	7,096,518	709,652
0.81	50,563,730	6,966,316	696,632
0.80	49,624,527	6,836,919	683,692
0.79	48,691,212	6,708,333	670,833
0.78	47,763,822	6,580,564	658,056
0.77	46,842,395	6,453,616	645,362
0.76	45,926,970	6,327,496	632,750
0.75	45,017,587	6,202,207	620,221
0.74	44,114,286	6,077,757	607,776
0.73	43,217,108	5,954,150	595,415
0.72	42,326,095	5,831,392	583,139
0.71	41,441,291	5,709,490	570,949
0.70	40,562,739	5,588,449	558,845
0.69	39,690,484	5,468,276	546,828
0.68	38,824,572	5,348,977	534,898
0.67	37,965,050	5,230,558	523,056
0.66	37,111,965	5,113,026	511,303
0.65	36,265,366	4,996,388	499,639
0.64	35,425,305	4,880,650	488,065
0.63	34,591,831	4,765,820	476,582
0.62	33,764,998	4,651,904	465,190
0.61	32,944,858	4,538,911	453,891
0.60	32,131,469	4,426,848	442,685
0.59	31,324,885	4,315,723	431,572
0.58	30,525,164	4,205,543	420,554
0.57	29,732,367	4,096,317	409,632
0.56	28,946,554	3,988,053	398,805
0.55	28,167,788	3,880,760	388,076
0.54	27,396,133	3,774,447	377,445
0.53	26,631,655	3,669,123	366,912
0.52	25,874,423	3,564,797	356,480
0.51	25,124,506	3,461,478	346,148
0.50	24,381,977	3,359,178	335,918
0.49	23,646,910	3,257,905	325,791
0.48	22,919,381	3,157,672	315,767
0.47	22,199,469	3,058,487	305,849
0.46	21,487,256	2,960,364	296,036
0.45	20,782,826	2,863,312	286,331

EXPECTED LOSS CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credi- bility (1)	Serious (2)	Non-Serious (3)	Medical (4)
0.44	20,086,266	2,767,345	276,735
0.43	19,397,666	2,672,475	267,248
0.42	18,717,119	2,578,714	257,871
0.41	18,044,722	2,486,075	248,608
0.40	17,380,574	2,394,574	239,457
0.39	16,724,780	2,304,223	230,422
0.38	16,077,446	2,215,038	221,504
0.37	15,438,686	2,127,034	212,703
0.36	14,808,616	2,040,228	204,023
0.35	14,187,358	1,954,635	195,464
0.34	13,575,038	1,870,274	187,027
0.33	12,971,789	1,787,162	178,716
0.32	12,377,749	1,705,320	170,532
0.31	11,793,064	1,624,766	162,477
0.30	11,217,886	1,545,522	154,552
0.29	10,652,374	1,467,610	146,761
0.28	10,096,697	1,391,052	139,105
0.27	9,551,032	1,315,874	131,587
0.26	9,015,566	1,242,102	124,210
0.25	8,490,498	1,169,762	116,976
0.24	7,976,038	1,098,883	109,888
0.23	7,472,408	1,029,496	102,950
0.22	6,979,848	961,635	96,164
0.21	6,498,613	895,334	89,533
0.20	6,028,974	830,630	83,063
0.19	5,571,226	767,565	76,757
0.18	5,125,687	706,182	70,618
0.17	4,692,701	646,528	64,653
0.16	4,272,642	588,655	58,866
0.15	3,865,923	532,620	53,262
0.14	3,472,995	478,485	47,849
0.13	3,094,361	426,320	42,632
0.12	2,730,584	376,201	37,620
0.11	2,382,296	328,216	32,822
0.10	2,050,220	282,465	28,247
0.09	1,735,190	239,063	23,906
0.08	1,438,185	198,143	19,814
0.07	1,160,373	159,868	15,987
0.06	903,185	124,435	12,444
0.05	668,434	92,093	9,209
0.04	458,511	63,171	6,317
0.03	276,802	38,136	3,814
0.02	128,651	17,725	1,773
0.01	24,761	3,412	341
0.00	0	0	0

Classification Credibility Table

Payroll Conversion Factors

Convert the Expected Loss Credibility Table to a Payroll Basis

A)

Five Year Payroll (00's)		
6,421,005,530		

B)

Five Year Expected Losses *		
Serious	Non-Serious	Medical Only
6,033,937,465	3,920,256,659	682,988,302

C) =A/B

Ratio Payroll to Expected Loss		
Serious	Non-Serious	Medical Only
1.0641	1.6379	9.4013

PAYROLL CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credi- bility (1)	Serious (2)	Non-Serious (3)	Medical (4)
1.00	78,174,322	19,381,004	10,204,754
0.99	76,998,839	19,089,579	10,051,311
0.98	75,829,306	18,799,628	9,898,635
0.97	74,665,756	18,511,159	9,746,749
0.96	73,508,218	18,224,182	9,595,640
0.95	72,356,724	17,938,703	9,445,332
0.94	71,211,305	17,654,731	9,295,812
0.93	70,071,994	17,372,273	9,147,091
0.92	68,938,824	17,091,337	8,999,160
0.91	67,811,829	16,811,932	8,852,049
0.90	66,691,043	16,534,066	8,705,738
0.89	65,576,499	16,257,749	8,560,247
0.88	64,468,233	15,982,986	8,415,578
0.87	63,366,281	15,709,791	8,271,729
0.86	62,270,680	15,438,168	8,128,712
0.85	61,181,467	15,168,129	7,986,526
0.84	60,098,679	14,899,685	7,845,182
0.83	59,022,354	14,632,841	7,704,681
0.82	57,952,532	14,367,610	7,565,032
0.81	56,889,253	14,104,003	7,426,236
0.80	55,832,555	13,842,026	7,288,293
0.79	54,782,483	13,581,691	7,151,214
0.78	53,739,076	13,323,010	7,015,009
0.77	52,702,379	13,065,991	6,879,688
0.76	51,672,434	12,810,648	6,745,242
0.75	50,649,287	12,556,988	6,611,680
0.74	49,632,983	12,305,027	6,479,014
0.73	48,623,568	12,054,772	6,347,243
0.72	47,621,089	11,806,236	6,216,378
0.71	46,625,597	11,559,433	6,086,431
0.70	45,637,138	11,314,374	5,957,399
0.69	44,655,764	11,071,072	5,829,296
0.68	43,681,526	10,829,539	5,702,120
0.67	42,714,478	10,589,788	5,575,882
0.66	41,754,672	10,351,832	5,450,592
0.65	40,802,163	10,115,687	5,326,252
0.64	39,857,011	9,881,364	5,202,871
0.63	38,919,269	9,648,879	5,080,459
0.62	37,988,999	9,418,245	4,959,018
0.61	37,066,260	9,189,479	4,838,569
0.60	36,151,116	8,962,596	4,719,111
0.59	35,243,628	8,737,613	4,600,644
0.58	34,343,862	8,514,542	4,483,190
0.57	33,451,886	8,293,403	4,366,759
0.56	32,567,768	8,074,212	4,251,341
0.55	31,691,578	7,856,987	4,136,968
0.54	30,823,389	7,641,745	4,023,639
0.53	29,963,275	7,428,506	3,911,355
0.52	29,111,313	7,217,288	3,800,148
0.51	28,267,582	7,008,108	3,690,007
0.50	27,432,162	6,800,992	3,580,953
0.49	26,605,138	6,595,954	3,472,997
0.48	25,786,596	6,393,023	3,366,139
0.47	24,976,623	6,192,213	3,260,412
0.46	24,175,312	5,993,553	3,155,803
0.45	23,382,758	5,797,061	3,052,346

PAYROLL CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credi- bility (1)	Serious (2)	Non-Serious (3)	Medical (4)
0.44	22,599,058	5,602,767	2,950,050
0.43	21,824,314	5,410,693	2,848,917
0.42	21,058,631	5,220,864	2,748,956
0.41	20,302,117	5,033,307	2,650,211
0.40	19,554,884	4,848,055	2,552,660
0.39	18,817,050	4,665,130	2,456,345
0.38	18,088,734	4,484,566	2,361,277
0.37	17,370,066	4,306,393	2,267,457
0.36	16,661,174	4,130,646	2,174,926
0.35	15,962,196	3,957,354	2,083,685
0.34	15,273,275	3,786,557	1,993,745
0.33	14,594,560	3,618,288	1,905,148
0.32	13,926,205	3,452,591	1,817,905
0.31	13,268,376	3,289,501	1,732,037
0.30	12,621,244	3,129,064	1,647,555
0.29	11,984,986	2,971,323	1,564,502
0.28	11,359,794	2,816,324	1,482,887
0.27	10,745,866	2,664,119	1,402,744
0.26	10,143,413	2,514,760	1,324,103
0.25	9,552,659	2,368,300	1,246,988
0.24	8,973,840	2,224,799	1,171,428
0.23	8,407,206	2,084,318	1,097,468
0.22	7,853,027	1,946,926	1,025,127
0.21	7,311,589	1,812,693	954,440
0.20	6,783,199	1,681,693	885,468
0.19	6,268,186	1,554,012	818,245
0.18	5,766,910	1,429,736	752,802
0.17	5,279,758	1,308,961	689,214
0.16	4,807,150	1,191,791	627,523
0.15	4,349,550	1,078,342	567,784
0.14	3,907,467	968,741	510,080
0.13	3,481,466	863,127	454,466
0.12	3,072,180	761,657	401,037
0.11	2,680,321	664,506	349,889
0.10	2,306,703	571,879	301,119
0.09	1,952,262	484,007	254,843
0.08	1,618,102	401,160	211,221
0.07	1,305,536	323,669	170,425
0.06	1,016,173	251,931	132,656
0.05	752,055	186,451	98,170
0.04	515,871	127,896	67,340
0.03	311,430	77,210	40,658
0.02	144,745	35,886	18,901
0.01	27,859	6,908	3,635
0.00	0	0	0

TABLE V

TOTAL EXPERIENCE ALL INDUSTRIES - MANUAL YEARS 2001 - 2005

MAN YEAR	PAYROLL IN THOUS	ALL LOSSES	DEATH NO.	COMP. IN HUNDREDS	PERM. NO.	TOTAL COMP. IN HUNDREDS	MAJOR NO.	PERM. COMP. IN HUNDREDS	MINOR NO.	PERM. COMP. IN HUNDREDS	TEMPORARY NO.	COMP. IN HUNDREDS	MEDICAL IN HUNDREDS	PURE PREM.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A. EXPERIENCE AS REPORTED														
01	24,451	4,513,631		0		0	11	23,471	27	6,683	18	1,597	13,385	18.460
02	58,031	3,480,036	1	1,860		0	9	14,492	23	7,143	40	2,544	8,762	5.997
03	26,574	5,025,906		0		0	12	27,295	18	6,501	23	2,146	14,317	18.913
04	20,127	3,156,164		0		0	7	12,632	12	4,653	26	3,922	10,354	15.681
05	18,433	1,820,065		0		0	3	6,822	6	1,907	18	3,221	6,251	9.874
ALL	147,616	17,995,802	1	1,860		0	42	84,712	86	26,887	125	13,430	53,069	12.191
B. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (EXCLUDING IBNR AND FREQUENCY TREND)														
01	24,451	8,327,898		0		0	11	37,014	27	16,207	18	2,635	27,424	34.060
02	58,031	8,449,627	1	1,800		0	10	33,648	23	13,802	40	5,854	29,391	14.561
03	26,574	8,345,025		0		0	13	43,739	17	10,202	23	3,367	26,143	31.403
04	20,127	7,213,563		0		9,520	9	30,286	12	7,202	24	3,513	21,615	35.840
05	18,433	5,712,711		0		14,213	6	20,194	7	4,201	14	2,048	16,473	30.992
ALL	147,616	38,048,824	1	1,800		23,733	49	164,881	86	51,614	119	17,417	121,046	25.776
PURE PREMIUM		25.776		.122		1.608		11.170		3.497		1.180	8.200	
C. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (INCLUDING IBNR AND FREQUENCY TREND)														
01	24,451	6,396,965		0		0	9	30,278	15	9,002	24	3,513	21,177	26.162
02	58,031	14,632,090	1	1,800		0	20	67,281	35	21,008	55	8,066	48,166	25.214
03	26,574	6,413,059		0		0	9	30,291	15	9,071	24	3,519	21,249	24.133
04	20,127	5,733,433		0		9,520	6	20,837	11	6,467	19	2,744	17,767	28.486
05	18,433	6,041,596		0		14,313	6	19,518	10	5,834	16	2,357	18,394	32.776
ALL	147,616	39,217,143	1	1,800		23,833	50	168,205	86	51,382	138	20,199	126,753	26.567
PURE PREMIUM		26.567		.122		1.615		11.395		3.481		1.368	8.587	

TABLE V

TOTAL MEDICAL EXPERIENCE ALL INDUSTRIES - MANUAL YEARS 2001 - 2005

MAN YEAR	PAYROLL IN THOUS	ALL LOSSES	DEATH NO.	COMP. IN HUNDREDS	PERM. NO.	TOTAL COMP. IN HUNDREDS	MAJOR NO.	PERM. COMP. IN HUNDREDS	MINOR NO.	PERM. COMP. IN HUNDREDS	TEMPORARY NO.	COMP. IN HUNDREDS	MEDICAL ONLY IN HUNDREDS	PURE PREM.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A. EXPERIENCE AS REPORTED														
01	24,451	1,338,524		0		0	11	6,674	27	4,966	18	1,227	519	5.474
02	58,031	876,231	1	4		0	9	3,151	23	2,709	40	2,345	553	1.510
03	26,574	1,431,650		0		0	12	7,889	18	4,139	23	1,756	532	5.387
04	20,127	1,035,428		0		0	7	4,729	12	2,262	26	2,987	375	5.144
05	18,433	625,106		0		0	3	1,997	6	875	18	3,118	261	3.391
ALL	147,616	5,306,939	1	4		0	42	24,440	86	14,951	125	11,433	2,240	3.595
B. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (EXCLUDING IBNR AND FREQUENCY TREND)														
01	24,451	2,742,354		0		0	11	11,719	27	11,828	18	3,444	432	11.216
02	58,031	2,939,114	1	11		0	10	10,651	23	10,074	40	7,651	1,005	5.065
03	26,574	2,614,256		0		0	13	13,852	17	7,448	23	4,399	443	9.838
04	20,127	2,161,538		0		1,855	9	9,587	12	5,258	24	4,591	323	10.739
05	18,433	1,647,274		0		4,055	6	6,389	7	3,066	14	2,677	286	8.937
ALL	147,616	12,104,536	1	11		5,910	49	52,198	86	37,674	119	22,762	2,489	8.200
PURE PREMIUM		8.200		.001		.400		3.536		2.552		1.542	.169	
C. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (INCLUDING IBNR AND FREQUENCY TREND)														
01	24,451	2,117,664		0		0	9	9,583	15	6,570	24	4,591	432	8.661
02	58,031	4,816,567	1	11		0	20	21,299	35	15,331	55	10,520	1,005	8.300
03	26,574	2,128,310		0		0	9	9,583	15	6,666	24	4,591	443	8.009
04	20,127	1,760,895		0		1,855	7	7,478	11	4,731	17	3,213	331	8.749
05	18,433	1,837,862		0		4,056	7	6,944	10	4,175	15	2,911	293	9.970
ALL	147,616	12,661,298	1	11		5,911	52	54,887	86	37,473	135	25,826	2,504	8.577
PURE PREMIUM		8.577		.001		.400		3.718		2.539		1.750		

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES					
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2001	361	174,713	48.396			1		2	3
2002	344	357	.103						
2003	141								
2004	134	41,101	30.672					1	1
2005	68								
TOTAL	1,048	216,171	20.627			1		3	4

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			138,890		2,045			29,597		4,181	
2002											357
2004					13,493					27,608	
TOTAL			138,890		15,538			29,597		31,789	357

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			219,030		3,375			51,972		11,732	
2002											649
2004			27,420	5,905	10,715			17,158	8,482	39,862	
TOTAL			246,450	5,905	14,090			69,130	8,482	51,594	649

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	315,580	80,071	649	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-1,438	-1,254	5	
TOTAL LOSSES	314,142	78,817	654	
EXPECTED LOSSES	97,401	19,325	1,100	
CREDIBILITY	.00	.01	.01	
PURE PREMIUMS				
INDICATED (PRE-TEST)	29.975	7.521	.062	37.558
INDICATED (POST-TEST)	33.062	3.512	.078	36.652
PRES. ON RATE LEVEL	10.715	2.126	.121	12.962
DERIVED BY FORMULA	10.715	2.140	.121	12.976
UNDERLYING PRES. RATE	9.294	1.844	.105	11.243
PROPOSED	10.715	2.140	.121	12.976

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	20.066
IND. RATES				20.07	MINIMUM PREMIUM	
MAN. RATES	24.08	21.85	19.02	+ 20.07	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED					NUMBER OF CASES					
								DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2001	40												
2002	33												
2003	34												
2004	37												
2005	22												
TOTAL	166												

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
TOTAL											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
TOTAL											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-1,723	-256	2	
TOTAL LOSSES			2	
EXPECTED LOSSES	16,062	3,315	180	
CREDIBILITY	.00	.00	.00	
PURE PREMIUMS				
INDICATED (PRE-TEST)	.000	.000	.001	.001
INDICATED (POST-TEST)	.000	.000	.001	.001
PRES. ON RATE LEVEL	11.155	2.302	.125	13.582
DERIVED BY FORMULA	11.155	2.302	.125	13.582
UNDERLYING PRES. RATE	9.676	1.997	.108	11.781
PROPOSED	11.155	2.302	.125	13.582

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	21.003
IND. RATES				21.00	MINIMUM PREMIUM	
MAN. RATES	25.23	22.90	19.93	+ 21.00	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES					
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2001	346	439,174	126.928			2	2	1	5
2002	33,057	1,410,522	4.266			5	5	6	16
2003	78	666	.853						
2004	111								
2005	1,563	5,220	.333						
TOTAL	35,155	1,855,582	5.278			7	7	7	21

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			220,563	115,384	24,472			17,000	34,260	27,495	
2002			921,712	188,823	75,741			143,500	14,518	58,795	7,433
2003											666
2005											5,220
TOTAL			1,142,275	304,207	100,213			160,500	48,778	86,290	13,319

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			347,828	279,806	40,379			29,852	81,607	77,151	
2002			2,086,361	365,770	173,898			482,479	54,731	191,286	13,513
2003											555
2005											5,716
TOTAL			2,434,189	645,576	214,277			512,331	136,338	268,437	19,784

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	2,946,520	1,264,628	19,784	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	1,702,997	268,015	69	
TOTAL LOSSES	4,649,517	1,532,643	19,853	
EXPECTED LOSSES	4,154,617	989,964	60,819	
CREDIBILITY	.03	.07	.11	
PURE PREMIUMS				
INDICATED (PRE-TEST)	13.226	4.360	.056	17.642
INDICATED (POST-TEST)	14.588	2.036	.071	16.695
PRES. ON RATE LEVEL	13.625	3.247	.199	17.071
DERIVED BY FORMULA	13.654	3.162	.185	17.001
UNDERLYING PRES. RATE	11.818	2.816	.173	14.807
PROPOSED	13.654	3.162	.185	17.001

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	26.290
IND. RATES				26.29	MINIMUM PREMIUM	
MAN. RATES	31.56	28.64	25.05	+ 26.29	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	2,195	68,799	3.134						4	4
2002	2,600	49,744	1.913						6	6
2003	3,584	11,392	.317							
2004	2,157	12,240	.567							
2005	123									
TOTAL	10,659	142,175	1.334						10	10

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001					24,972					40,792	3,035
2002					18,528					20,189	11,027
2003											11,392
2004											12,240
TOTAL					43,500					60,981	37,694

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001					41,204					114,463	2,531
2002			3,312	1,945	41,696			1,079	327	65,629	20,047
2003											9,490
2004											10,539
TOTAL			3,312	1,945	82,900			1,079	327	180,092	42,607

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	4,391	265,264	42,607	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-402,116	-38,358	184	
TOTAL LOSSES		226,906	42,791	
EXPECTED LOSSES	3,110,829	564,820	36,667	
CREDIBILITY	.01	.03	.05	
PURE PREMIUMS				
INDICATED (PRE-TEST)	.000	2.129	.401	2.530
INDICATED (POST-TEST)	.000	.994	.506	1.500
PRES. ON RATE LEVEL	33.647	6.109	.397	40.153
DERIVED BY FORMULA	33.311	5.956	.402	39.669
UNDERLYING PRES. RATE	29.185	5.299	.344	34.828
PROPOSED	33.311	5.956	.402	39.669

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	61.344
IND. RATES				61.34	MINIMUM PREMIUM	
MAN. RATES	75.32	68.17	58.92	+ 61.34	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES					
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2001	6,186	1,910,520	30.884			5	20	2	27
2002	4,123	180,327	4.373				4	6	10
2003	3,731	1,073,776	28.779			4	3	7	14
2004	505	150,406	29.783			1	1		2
2005	272								
TOTAL	14,817	3,315,029	22.373			10	28	15	53

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			767,489	364,469	46,210			303,071	379,077	10,906	39,298
2002				66,131	40,466				20,850	47,050	5,830
2003			614,541	152,198	61,002			154,459	21,801	60,070	9,705
2004			131,916	2,004				15,796	690		
TOTAL			1,513,946	584,802	147,678			473,326	422,418	118,026	54,833

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			1,210,330	883,840	76,246			532,193	902,963	30,602	32,775
2002			16,785	129,568	92,274			2,514	77,992	153,172	10,599
2003			998,290	241,693	93,060			272,440	59,870	138,970	8,084
2004		99,419	189,926	8,360	282		6,201	23,302	3,811	118	
TOTAL		99,419	2,415,331	1,263,461	261,862		6,201	830,449	1,044,636	322,862	51,458

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	3,351,400	2,892,821	51,458	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-535,486	-150,055	89	
TOTAL LOSSES	2,815,914	2,742,766	51,547	
EXPECTED LOSSES	7,321,524	1,475,329	71,862	
CREDIBILITY	.02	.04	.06	
PURE PREMIUMS				
INDICATED (PRE-TEST)	19.005	18.511	.348	37.864
INDICATED (POST-TEST)	20.963	8.645	.439	30.047
PRES. ON RATE LEVEL	56.968	11.480	.559	69.007
DERIVED BY FORMULA	56.248	11.367	.552	68.167
UNDERLYING PRES. RATE	49.413	9.957	.485	59.855
PROPOSED	56.248	11.367	.552	68.167

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	105.413
IND. RATES				105.41	MINIMUM PREMIUM	
MAN. RATES	129.14	117.72	101.26	+105.41	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	1,858	97,847	5,266						5	5
2002	1,984	21,715	1,094					2	1	3
2003	1,559	382,892	24,560						2	4
2004	1,361	279,187	20,513			1		1	2	4
2005	1,742	46,139	2,648						1	1
TOTAL	8,504	827,780	9,734			2		4	11	17

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001					57,547					34,665	5,635
2002				15,290	4,817						1,608
2003			325,646	1,300	5,484			45,804		1,680	2,978
2004			104,033	48,780	59,121			20,160	12,040	34,167	886
2005					24,540					14,578	7,021
TOTAL			429,679	65,370	151,509			65,964	12,040	85,090	18,128

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001					94,952					97,270	4,700
2002			3,069	29,480	11,117						2,923
2003			477,146	16,091	7,489			72,114	5,213	3,844	2,481
2004		78,404	313,597	82,028	51,096		7,914	55,071	32,731	50,798	763
2005		57,753	57,484	16,704	13,954		14,352	11,295	8,145	11,312	7,688
TOTAL		136,157	851,296	144,303	178,608		22,266	138,480	46,089	163,224	18,555

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	1,148,199	532,224	18,555	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-51,965	-6,355	136	
TOTAL LOSSES	1,096,234	525,869	18,691	
EXPECTED LOSSES	849,380	168,889	15,732	
CREDIBILITY	.01	.03	.04	
PURE PREMIUMS				
INDICATED (PRE-TEST)	12.891	6.184	.220	19.295
INDICATED (POST-TEST)	14.219	2.888	.277	17.384
PRES. ON RATE LEVEL	11.515	2.290	.213	14.018
DERIVED BY FORMULA	11.542	2.308	.216	14.066
UNDERLYING PRES. RATE	9.988	1.986	.185	12.159
PROPOSED	11.542	2.308	.216	14.066

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	21.751
IND. RATES				21.75	MINIMUM PREMIUM	
MAN. RATES	26.04	23.63	20.57	+ 21.75	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	1									
2002	10									
2003	289									
2004										
2005										
TOTAL	300									

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
TOTAL											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
TOTAL											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-29,294	-807		
TOTAL LOSSES				
EXPECTED LOSSES	76,107	15,903	751	
CREDIBILITY	.00	.00	.00	
PURE PREMIUMS				
INDICATED (PRE-TEST)	.000	.000	.000	.000
INDICATED (POST-TEST)	.000	.000	.000	.000
PRES. ON RATE LEVEL	29,248	6,112	.288	35,648
DERIVED BY FORMULA	29,248	6,112	.288	35,648
UNDERLYING PRES. RATE	25,369	5,301	.250	30,920
PROPOSED	29,248	6,112	.288	35,648

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	55.126
IND. RATES				55.13	MINIMUM PREMIUM	
MAN. RATES	67.01	60.11	52.31	+ 55.13	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES					
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2001	5,199	1,817,756	34.963			3	5	2	10
2002	9,163	1,583,233	17.278			4	12	17	33
2003	5,788	2,269,773	39.215			4	6	8	18
2004	6,716	1,116,238	16.620			2	3	10	15
2005	4,217	391,987	9.295				3	7	10
TOTAL	31,083	7,178,987	23.096			13	29	44	86

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			1,220,152	188,470	3,810			317,706	83,237	3,294	1,087
2002			527,485	444,019	92,458			171,616	235,579	84,789	27,287
2003			1,260,900	204,197	106,431			487,235	109,326	84,193	17,491
2004			525,560	113,228	87,370			222,568	82,791	78,963	5,758
2005				81,769	146,416				49,525	106,200	8,077
TOTAL			3,534,097	1,031,683	436,485			1,199,125	560,458	357,439	59,700

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			1,831,929	457,041	6,287			505,877	198,271	9,243	907
2002			1,251,300	851,109	216,165			577,785	873,961	278,094	49,608
2003			1,993,815	349,677	157,592			817,735	233,078	202,420	14,570
2004		358,516	960,546	179,695	79,213		81,552	382,775	189,114	124,280	4,958
2005		389,153	473,077	161,916	91,035		113,292	128,141	107,376	89,326	8,844
TOTAL		747,669	6,510,667	1,999,438	550,292		194,844	2,412,313	1,601,800	703,363	78,887

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	9,865,493	4,854,893	78,887	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-239,733	-27,232	503	
TOTAL LOSSES	9,625,760	4,827,661	79,390	
EXPECTED LOSSES	5,835,211	1,475,511	60,612	
CREDIBILITY	.02	.06	.10	
PURE PREMIUMS				
INDICATED (PRE-TEST)	30.968	15.532	.255	46.755
INDICATED (POST-TEST)	34.158	7.253	.322	41.733
PRES. ON RATE LEVEL	21.643	5.473	.225	27.341
DERIVED BY FORMULA	21.893	5.580	.235	27.708
UNDERLYING PRES. RATE	18.773	4.747	.195	23.715
PROPOSED	21.893	5.580	.235	27.708

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	42.847
IND. RATES				42.85	MINIMUM PREMIUM	
MAN. RATES	48.28	44.90	40.12	+ 42.85	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	5,202	2,228	.042						1	1
2002	3,935	234,138	5.950	1					4	5
2003	4,386	914,312	20.846			2	5		2	9
2004	3,845	1,477,338	38.422			3	6		11	20
2005	4,306	1,110,737	25.795			2	3		10	15
TOTAL	21,674	3,738,753	17.250	1		7	14		28	50

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001					47					253	1,928
2002	185,995				22,340	437				23,648	1,718
2003			432,678	158,270	20,359			68,926	213,654	10,419	10,006
2004			501,641	279,329	199,274			214,401	119,842	145,222	17,629
2005			478,077	108,881	151,130			138,012	37,960	190,996	5,681
TOTAL	185,995		1,412,396	546,480	393,150	437		421,339	371,456	370,538	36,962

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001					78					710	1,608
2002	180,043		3,995	2,347	50,279	1,081		1,265	381	76,876	3,123
2003			700,092	228,213	39,645			150,855	334,616	44,184	8,335
2004		378,052	1,378,616	404,318	181,922		84,115	447,057	268,254	224,317	15,179
2005		806,976	1,201,077	224,775	98,727		252,154	401,706	176,414	162,852	6,221
TOTAL	180,043	1,185,028	3,283,780	859,653	370,651	1,081	336,269	1,000,883	779,665	508,939	34,466

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL		
TOTAL TRANS. LOSSES PG B	5,987,084	2,518,908	34,466			
TOTAL TRANS. LOSSES PG A						
IBNR + FREQUENCY ADJUST.	-181,827	-22,840	158			
TOTAL LOSSES	5,805,257	2,496,068	34,624			
EXPECTED LOSSES	1,801,542	345,918	17,774			
CREDIBILITY	.02	.05	.08			
PURE PREMIUMS						
INDICATED (PRE-TEST)	26.784	11.516	.160	38.460		
INDICATED (POST-TEST)	29.543	5.378	.202	35.123		
PRES. ON RATE LEVEL	9.583	1.840	.094	11.517		
DERIVED BY FORMULA	9.982	2.017	.103	12.102		
UNDERLYING PRES. RATE	8.312	1.596	.082	9.990		
PROPOSED	9.982	2.017	.103	12.102		
IND. RATES						
YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	18.714
IND. RATES				18.71	MINIMUM PREMIUM	
MAN. RATES	22.05	19.33	16.90	+ 18.71	PRESENT	3000

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	1,774	1,815	.102						1	1
2002	1,687									
2003	5,718	373,095	6.524			1	3		4	8
2004	4,921	79,654	1.618				1		2	3
2005	6,087	265,982	4.369			1				1
TOTAL	20,187	720,546	3.569			2	4		7	13

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001					587					1,135	93
2003			95,745	134,182	21,323			32,479	69,151	19,270	945
2004				22,000	32,987				10,878	12,779	1,010
2005			204,146					61,736			100
TOTAL			299,891	156,182	54,897			94,215	80,029	33,184	2,148

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001					969					3,185	78
2003			204,547	184,529	38,890			72,062	112,045	50,508	787
2004			87,392	37,540	28,024			11,929	20,854	19,736	870
2005		167,372	287,734	16,660	1,040		25,671	97,769	14,704	4,186	110
TOTAL		167,372	579,673	238,729	68,923		25,671	181,760	147,603	77,615	1,845

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	954,476	532,870	1,845	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-113,338	-6,758	88	
TOTAL LOSSES	841,138	526,112	1,933	
EXPECTED LOSSES	680,706	160,889	6,864	
CREDIBILITY	.02	.05	.07	
PURE PREMIUMS				
INDICATED (PRE-TEST)	4.167	2.606	.010	6.783
INDICATED (POST-TEST)	4.596	1.217	.013	5.826
PRES. ON RATE LEVEL	3.888	.919	.039	4.846
DERIVED BY FORMULA	3.902	.934	.037	4.873
UNDERLYING PRES. RATE	3.372	.797	.034	4.203
PROPOSED	3.902	.934	.037	4.873

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	7.535
IND. RATES				7.54	MINIMUM PREMIUM	
MAN. RATES	8.70	7.86	7.11	+ 7.54	PRESENT	1565

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	1,289	779	.060							
2002	1,095									
2003	1,266									
2004	340									
2005	33									
TOTAL	4,023	779	.019							

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001											779
TOTAL											779

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001											650
TOTAL											650

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B			650	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	-11,830	-1,956	3	
TOTAL LOSSES			653	
EXPECTED LOSSES	121,858	24,300	1,287	
CREDIBILITY	.01	.02	.02	
PURE PREMIUMS				
INDICATED (PRE-TEST)	.000	.000	.016	.016
INDICATED (POST-TEST)	.000	.000	.020	.020
PRES. ON RATE LEVEL	3.492	.696	.037	4.225
DERIVED BY FORMULA	3.457	.682	.037	4.176
UNDERLYING PRES. RATE	3.029	.604	.032	3.665
PROPOSED	3.457	.682	.037	4.176

YEAR	2-1-03	2-1-05	4-1-07	4-1-09	IND. RATE	6.457
IND. RATES				6.46	MINIMUM PREMIUM	
MAN. RATES	7.79	6.96	6.20	+ 6.46	PRESENT	1395

+PROPOSED