

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 0.0029, which is the same 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	52,706	35,506,052	0	39,684,284	0.00%
2. Qualified for MRP Discount	135,097	174,758,037	-8,739,827	179,459,882	-5.00%
3. Qualified for MRP No Adjustment	3,957	14,505,796	0	14,604,667	0.00%
4. Qualified for MRP Surcharge	469	3,751,305	187,574	3,768,809	5.00%
5. Experience Rated Risks	57,469	2,745,568,363	0	2,689,523,338	0.00%
Total	249,698	2,974,089,553	-8,552,253	2,927,040,980	-0.29%
Ratio to Standard Premium					-0.29%
Increment to Manual Premium					0.0029

Data from policies effective 2005-2006 using 2006 Manual and Standard Premium .