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 2009 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 2008 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 2009. 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 2009. For example, an average credit of 0.0839 indicates that the average qualifying risk in Code 601 received an 8.39 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 260 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 2.75 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.

PCCPAP Surcharges
For Policy Effective Dates 01/01/09 Through 12/31/09

100% Credibility = 260 Policies
Partial Credibility = # of Policies / 260

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	443	66	211,933,485	37,314,485	2,232,321	2,045,110	10,399,021	10,399,021	1.0150	0.0839	1.00	1.0150	0.9988	1.0138
602	205	58	142,246,836	19,097,364	798,804	713,291	5,164,134	5,164,134	1.0145	0.1071	0.79	1.0172	0.9988	1.0160
603	317	77	87,283,186	33,187,973	1,537,913	1,357,448	2,382,398	2,382,398	1.0483	0.1173	1.00	1.0483	0.9988	1.0470
605	58	0	15,783,026	0	0	0	1,022,052	1,022,052	1.0000	0.0000	0.22	1.0215	0.9988	1.0203
606	58	0	131,686,849	0	0	0	13,638,851	13,638,851	1.0000	0.0000	0.22	1.0215	0.9988	1.0203
607	426	24	230,288,231	12,694,572	839,376	726,011	15,260,201	15,260,201	1.0071	0.1351	1.00	1.0071	0.9988	1.0059
608	2,633	301	371,171,832	88,370,821	5,150,077	4,533,919	15,786,656	15,786,656	1.0303	0.1196	1.00	1.0303	0.9988	1.0291
609	2,713	198	755,896,461	83,475,282	3,884,871	3,452,370	29,780,361	29,780,361	1.0130	0.1113	1.00	1.0130	0.9988	1.0118
611	33	12	5,906,409	2,005,158	143,751	124,253	306,270	306,270	1.0453	0.1356	0.13	1.0298	0.9988	1.0286
615	4	0	4,621,280	0	0	0	404,091	404,091	1.0000	0.0000	0.02	1.0270	0.9988	1.0258
617	354	79	161,153,067	28,406,944	1,409,823	1,264,857	5,954,162	5,954,162	1.0201	0.1028	1.00	1.0201	0.9988	1.0189
645	852	166	176,551,758	79,151,683	4,261,036	3,683,924	5,270,369	5,270,369	1.0645	0.1354	1.00	1.0645	0.9988	1.0632
646	457	54	65,396,318	16,406,113	716,569	606,576	2,450,048	2,450,048	1.0360	0.1535	1.00	1.0360	0.9988	1.0348
647	219	9	45,799,956	1,072,909	79,735	67,319	2,759,967	2,759,967	1.0044	0.1557	0.84	1.0081	0.9988	1.0069
648	1,240	85	100,357,362	19,480,919	1,036,565	880,217	4,261,067	4,261,067	1.0304	0.1508	1.00	1.0304	0.9988	1.0292
649	259	101	70,722,726	42,412,528	1,036,381	917,285	739,848	739,848	1.0719	0.1149	1.00	1.0719	0.9988	1.0706
651	2,573	326	502,810,268	111,351,551	6,736,389	5,814,333	23,063,715	23,063,715	1.0319	0.1369	1.00	1.0319	0.9988	1.0307
652	6,945	63	422,213,579	13,220,277	975,825	864,577	31,423,964	31,423,964	1.0034	0.1140	1.00	1.0034	0.9988	1.0022
653	2,120	207	274,640,747	80,679,982	5,307,243	4,692,727	12,512,228	12,512,228	1.0357	0.1158	1.00	1.0357	0.9988	1.0345
654	662	153	185,853,442	43,796,732	3,212,273	2,765,455	9,863,811	9,863,811	1.0354	0.1391	1.00	1.0354	0.9988	1.0342
655	361	74	69,835,736	20,289,075	2,294,978	1,873,071	5,555,414	5,555,414	1.0568	0.1838	1.00	1.0568	0.9988	1.0555
656	104	14	70,329,188	4,002,147	232,167	184,527	4,028,113	4,028,113	1.0113	0.2052	0.40	1.0210	0.9988	1.0198
657	51	5	8,595,427	1,274,623	101,163	83,737	558,721	558,721	1.0271	0.1723	0.20	1.0274	0.9988	1.0262
658	505	76	61,404,346	16,557,225	1,271,065	1,090,814	3,476,794	3,476,794	1.0395	0.1418	1.00	1.0395	0.9988	1.0383
659	881	72	106,838,578	16,739,861	2,503,532	2,166,110	12,720,958	12,720,958	1.0227	0.1348	1.00	1.0227	0.9988	1.0215
660	1,043	139	288,667,011	46,790,800	929,095	780,571	4,758,836	4,758,836	1.0268	0.1599	1.00	1.0268	0.9988	1.0256
661	3,079	443	878,423,507	358,521,056	10,490,266	8,688,143	16,063,784	16,063,784	1.0728	0.1718	1.00	1.0728	0.9988	1.0715
662	283	2	41,729,914	206,630	8,535	8,126	1,979,969	1,979,969	1.0002	0.0479	1.00	1.0002	0.9988	1.0000
663	3,536	402	797,676,775	185,873,337	6,874,476	5,821,806	23,600,341	23,600,341	1.0358	0.1531	1.00	1.0358	0.9988	1.0346
664	2,481	292	669,137,135	186,573,149	6,756,955	5,812,857	18,013,156	18,013,156	1.0396	0.1397	1.00	1.0396	0.9988	1.0384
665	1,512	88	130,284,994	23,560,098	1,408,107	1,224,651	7,269,187	7,269,187	1.0216	0.1303	1.00	1.0216	0.9988	1.0204
666	305	64	55,134,538	22,832,747	1,340,893	1,179,212	1,721,316	1,721,316	1.0557	0.1206	1.00	1.0557	0.9988	1.0544
667	239	23	19,004,942	3,655,019	68,341	59,841	287,000	287,000	1.0245	0.1244	0.92	1.0247	0.9988	1.0235
668	484	53	49,164,317	13,271,124	605,460	534,091	1,667,106	1,667,106	1.0324	0.1179	1.00	1.0324	0.9988	1.0312
669	169	27	10,396,578	3,021,102	183,750	160,081	442,571	442,571	1.0393	0.1288	0.65	1.0352	0.9988	1.0340
670	649	42	41,754,517	11,574,850	443,694	356,993	1,335,055	1,335,055	1.0512	0.1954	1.00	1.0512	0.9988	1.0499
673	216	5	31,879,946	1,315,125	78,289	73,529	1,445,076	1,445,076	1.0031	0.0608	0.83	1.0072	0.9988	1.0060
674	228	5	19,398,402	2,719,361	100,457	87,792	711,401	711,401	1.0158	0.1261	0.88	1.0172	0.9988	1.0160
675	1,573	97	600,035,799	58,214,121	2,304,704	2,010,134	20,576,309	20,576,309	1.0130	0.1278	1.00	1.0130	0.9988	1.0118
676	370	53	47,873,549	12,985,835	489,237	392,250	1,469,349	1,469,349	1.0521	0.1982	1.00	1.0521	0.9988	1.0508
677	87	15	88,298,292	5,264,599	178,524	147,904	2,664,978	2,664,978	1.0109	0.1715	0.33	1.0220	0.9988	1.0208
679	24	1	8,572,488	179,134	11,093	9,318	669,836	669,836	1.0026	0.1600	0.09	1.0253	0.9988	1.0241
681	87	0	5,576,120	0	0	0	251,965	251,965	1.0000	0.0000	0.33	1.0184	0.9988	1.0172
691	16	0	5,257,049	0	0	0	213,487	213,487	1.0000	0.0000	0.06	1.0259	0.9988	1.0247
693	37	0	1,293,217	0	0	0	107,209	107,209	1.0000	0.0000	0.14	1.0237	0.9988	1.0225
695	44	0	4,070,913	0	0	0	198,243	198,243	1.0000	0.0000	0.17	1.0228	0.9988	1.0216
Total	40,935	3,971	8,072,950,096	1,707,556,311	78,033,733	67,255,230	324,229,388	324,229,388	1.0275	0.1381		1.0287	0.9988	1.0275

Note:
For each Class:
 Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)
 Basis of Credibility: 1 / ((# PCCPAP Policies)/(# Total Policies)) * 25 = 260 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	1.0157	1.0138	-0.2%
602	1.0225	1.0160	-0.6%
603	1.0459	1.0470	0.1%
605	1.0247	1.0203	-0.4%
606	1.0244	1.0203	-0.4%
607	1.0035	1.0059	0.2%
608	1.0266	1.0291	0.2%
609	1.0117	1.0118	0.0%
611	1.0274	1.0286	0.1%
615	1.0290	1.0258	-0.3%
617	1.0151	1.0189	0.4%
645	1.0643	1.0632	-0.1%
646	1.0481	1.0348	-1.3%
647	1.0153	1.0069	-0.8%
648	1.0354	1.0292	-0.6%
649	1.1020	1.0706	-2.8%
651	1.0357	1.0307	-0.5%
652	1.0028	1.0022	-0.1%
653	1.0354	1.0345	-0.1%
654	1.0385	1.0342	-0.4%
655	1.0478	1.0555	0.7%
656	1.0196	1.0198	0.0%
657	1.0314	1.0262	-0.5%
658	1.0442	1.0383	-0.6%
659	1.0138	1.0215	0.8%
660	1.0219	1.0256	0.4%
661	1.0762	1.0715	-0.4%
662	1.0000	1.0000	0.0%
663	1.0360	1.0346	-0.1%
664	1.0503	1.0384	-1.1%
665	1.0202	1.0204	0.0%
666	1.0437	1.0544	1.0%
667	1.0217	1.0235	0.2%
668	1.0422	1.0312	-1.1%
669	1.0428	1.0340	-0.8%
670	1.0553	1.0499	-0.5%
673	1.0036	1.0060	0.2%
674	1.0039	1.0160	1.2%
675	1.0129	1.0118	-0.1%
676	1.0573	1.0508	-0.6%
677	1.0214	1.0208	-0.1%
679	1.0271	1.0241	-0.3%
681	1.0192	1.0172	-0.2%
691	1.0265	1.0247	-0.2%
693	1.0247	1.0225	-0.2%
695	1.0241	1.0216	-0.2%
Total	1.0307	1.0275	-0.3%