

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	53,868	30,205,340	0	33,930,574	0.00%
2. Qualified for MRP Discount	139,557	166,645,113	-8,335,828	171,339,554	-5.00%
3. Qualified for MRP No Adjustment	3,983	13,303,211	0	13,396,009	0.00%
4. Qualified for MRP Surcharge	426	3,116,492	155,842	3,125,194	5.00%
5. Experience Rated Risks	57,645	2,637,874,150	0	2,557,359,047	0.00%
Total	255,479	2,851,144,306	-8,179,986	2,779,150,378	-0.29%
Ratio to Standard Premium					-0.29%
Increment to Manual Premium					0.0029

Data from policies effective 2007-2008 using 2008 Manual and Standard Premium .