

PENNSYLVANIA COMPENSATION RATING BUREAU

Review of Experience Rating Plan Parameters

Page 19.1 contains Collectible Premium Ratios.

Page 19.2 contains Expected Loss Cost Factors. They are applied to loss costs by classification to produce Table A values (Expected Loss Factors) which are the basis for the calculation of Expected Losses.

**COLLECTIBLE PREMIUM RATIOS \***

Manual Year	Premium at Manual Rates	Collected Premium (Excluding Constants)	Collectible Premium Ratio (2)/(3)
(1)	(2)	(3)	(4)
<b>ALL INDUSTRIES</b>			
2006	3,026,746,221	2,959,745,245	1.0226
2007	3,156,612,519	3,053,871,277	1.0336
2008	2,845,228,939	2,753,636,997	1.0333
<b>TOTAL</b>	<b>9,028,587,679</b>	<b>8,767,253,519</b>	<b>1.0298</b>
<b>MANUFACTURING AND UTILITIES</b>			
2006	692,454,016	683,038,113	1.0138
2007	691,400,731	667,967,652	1.0351
2008	593,860,310	573,671,895	1.0352
<b>TOTAL</b>	<b>1,977,715,057</b>	<b>1,924,677,660</b>	<b>1.0276</b>
<b>CONTRACTING AND QUARRYING</b>			
2006	560,920,600	521,249,435	1.0761
2007	580,882,698	535,283,100	1.0852
2008	520,656,988	477,390,560	1.0906
<b>TOTAL</b>	<b>1,662,460,286</b>	<b>1,533,923,095</b>	<b>1.0838</b>
<b>OTHER INDUSTRIES</b>			
2006	1,773,371,605	1,755,457,697	1.0102
2007	1,884,329,090	1,850,620,525	1.0182
2008	1,730,711,641	1,702,574,542	1.0165
<b>TOTAL</b>	<b>5,388,412,336</b>	<b>5,308,652,764</b>	<b>1.0150</b>

\* Excludes classifications and coverages not subject to experience rating.

**CALCULATION OF EXPECTED LOSS COST FACTORS (a)**

<b>Policy Year Beginning 4/1 (1)</b>	<b>Act 57 Adjust- ment (2)</b>	<b>Adjust- ment Factor (3)</b>	<b>Loss Ratio Development Factor (4)</b>	<b>Collectible Premium Ratio (5)</b>	<b>Trend Factor (6)</b>	<b>Product (2) * (3) * (4) * (5) * (6) (7)</b>	<b>Expected Loss Cost Factor 1.0 / (7) (8)</b>
<b><u>Manufacturing and Utilities</u></b>							
2008	1.0000	1.0000	1.2036	1.0276	0.9503	1.1753	0.8508
2009	1.0000	1.0000	1.3728	1.0276	0.9595	1.3536	0.7388
2010	1.0000	1.0000	1.7532	1.0276	0.9689	1.7456	0.5729
<b><u>Contracting and Quarrying</u></b>							
2008	1.0000	1.0000	1.2531	1.0838	0.9503	1.2906	0.7748
2009	1.0000	1.0000	1.3708	1.0838	0.9595	1.4255	0.7015
2010	1.0000	1.0000	1.7240	1.0838	0.9689	1.8104	0.5524
<b><u>Other Industries</u></b>							
2008	1.0000	1.0000	1.2056	1.0150	0.9503	1.1629	0.8599
2009	1.0000	1.0000	1.3614	1.0150	0.9595	1.3259	0.7542
2010	1.0000	1.0000	1.7228	1.0150	0.9689	1.6943	0.5902

a Apply to pure Loss Costs (pre-LBA, Merit Rating Plan, PCCPAP and Certified Safety Committee adjustments).