Exhibit 14
As Filed

PENNSYLVANIA COMPENSATION RATING BUREAU
PENNSYLVANIA CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM ("PCCPAP")

The PCCPAP 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 2012 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 2012 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: The Standard Premium attributable to policies that did not qualify for PCCPAP credit in 2012. 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 2012. For example, an average credit of 0.0780 indicates that the average qualifying risk in Code 601 received a 7.80 percent reduction in standard premium by operation of the PCCPAP plan's tabular credit and experience rating plan adjustment. This is computed as (1.00 - (Column (7) / Column(6))).

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 285 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 2.60 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 01/01/12 Through 12/31/12

100% Credibility =   285   Policies
Partial Credibility =   # of Policies / 285

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	343	59	247,743,692	40,714,907	2,392,001	2,205,503	11,675,944	11,675,944	1.0134	0.0780	1.00	1.0134	0.9985	1.0119
602	2	0	21,396	0	0	0	965	965	1.0000	0.0000	0.01	1.0257	0.9985	1.0242
603	294	72	95,379,517	37,329,321	1,889,095	1,611,895	2,531,329	2,531,329	1.0669	0.1467	1.00	1.0669	0.9985	1.0653
605	43	2	16,465,757	410,293	40,457	32,996	1,020,532	1,020,532	1.0071	0.1844	0.15	1.0232	0.9985	1.0217
606	52	0	288,529,012	0	0	0	23,314,235	23,314,235	1.0000	0.0000	0.18	1.0213	0.9985	1.0198
607	459	15	623,600,804	18,990,663	1,043,997	804,980	36,288,886	36,288,886	1.0064	0.2289	1.00	1.0064	0.9985	1.0049
608	2,379	271	392,008,812	95,277,231	5,331,517	4,659,795	16,438,506	16,438,506	1.0318	0.1260	1.00	1.0318	0.9985	1.0303
609	2,548	216	1,053,938,648	113,708,870	5,241,430	4,611,160	41,391,302	41,391,302	1.0137	0.1202	1.00	1.0137	0.9985	1.0122
611	22	10	5,959,491	1,493,986	134,629	102,874	301,782	301,782	1.0785	0.2359	0.08	1.0302	0.9985	1.0287
615	9	0	6,875,906	0	0	0	639,226	639,226	1.0000	0.0000	0.03	1.0252	0.9985	1.0237
617	338	67	326,067,094	35,369,053	1,572,810	1,397,416	10,657,951	10,657,951	1.0145	0.1115	1.00	1.0145	0.9985	1.0130
645	694	139	191,978,332	73,879,178	4,173,833	3,669,144	6,655,884	6,655,884	1.0489	0.1209	1.00	1.0489	0.9985	1.0474
646	400	30	85,982,894	18,151,549	853,682	735,240	3,617,931	3,617,931	1.0272	0.1387	1.00	1.0272	0.9985	1.0257
647	224	13	37,868,778	1,377,029	83,492	63,749	2,350,971	2,350,971	1.0082	0.2365	0.79	1.0119	0.9985	1.0104
648	1,140	47	96,284,640	17,155,451	961,996	823,098	4,272,755	4,272,755	1.0273	0.1444	1.00	1.0273	0.9985	1.0258
649	243	86	71,481,923	44,634,558	1,219,483	1,048,534	677,324	677,324	1.0991	0.1402	0.85	1.0881	0.9985	1.0865
651	2,323	254	530,810,050	110,614,402	6,449,214	5,650,357	24,871,501	24,871,501	1.0262	0.1239	1.00	1.0262	0.9985	1.0247
652	6,223	53	415,648,130	11,980,848	872,274	769,113	32,407,672	32,407,672	1.0031	0.1183	1.00	1.0031	0.9985	1.0016
653	1,808	158	258,373,363	69,281,631	4,346,843	3,745,314	12,370,805	12,370,805	1.0373	0.1384	1.00	1.0373	0.9985	1.0358
654	564	139	227,220,263	53,637,357	4,038,768	3,438,421	11,941,918	11,941,918	1.0390	0.1486	1.00	1.0390	0.9985	1.0375
655	299	56	128,165,722	28,337,421	3,222,470	2,612,100	10,558,757	10,558,757	1.0463	0.1894	1.00	1.0463	0.9985	1.0448
656	119	5	150,344,568	5,499,842	342,882	284,753	8,323,420	8,323,420	1.0068	0.1695	0.42	1.0179	0.9985	1.0164
657	52	3	14,181,642	158,518	12,198	11,470	1,077,760	1,077,760	1.0007	0.0597	0.18	1.0214	0.9985	1.0199
658	455	84	77,261,879	18,075,047	1,353,382	1,107,107	4,211,742	4,211,742	1.0463	0.1820	1.00	1.0463	0.9985	1.0448
659	801	60	123,867,715	18,515,248	2,719,155	2,416,858	14,766,780	14,766,780	1.0176	0.1112	1.00	1.0176	0.9985	1.0161
660	998	120	321,865,598	57,044,372	1,384,120	1,117,594	6,130,065	6,130,065	1.0368	0.1926	1.00	1.0368	0.9985	1.0353
661	2,842	341	902,713,226	367,040,629	11,104,532	9,277,515	16,189,235	16,189,235	1.0717	0.1645	1.00	1.0717	0.9985	1.0701
662	254	0	198,600,536	109,601	4,075	2,934	8,982,059	8,982,059	1.0001	0.2800	0.89	1.0029	0.9985	1.0014
663	3,245	323	843,066,682	219,689,519	7,907,077	6,579,646	23,210,192	23,210,192	1.0446	0.1679	1.00	1.0446	0.9985	1.0431
664	2,314	262	738,657,076	244,941,109	8,807,818	7,460,360	18,357,867	18,357,867	1.0522	0.1530	1.00	1.0522	0.9985	1.0507
665	1,426	65	128,065,261	23,232,215	1,456,618	1,258,689	7,107,434	7,107,434	1.0237	0.1359	1.00	1.0237	0.9985	1.0222
666	239	40	49,972,458	18,842,478	1,058,406	916,306	1,745,625	1,745,625	1.0534	0.1343	0.84	1.0490	0.9985	1.0475
667	218	18	20,440,631	7,045,059	140,749	124,447	222,655	222,655	1.0470	0.1158	0.76	1.0420	0.9985	1.0405
668	437	32	50,599,274	12,234,889	628,741	539,200	1,850,707	1,850,707	1.0375	0.1424	1.00	1.0375	0.9985	1.0360
669	141	20	8,959,905	2,952,212	168,986	146,090	356,247	356,247	1.0456	0.1355	0.49	1.0356	0.9985	1.0341
670	620	41	45,669,268	12,771,690	610,691	493,654	1,486,969	1,486,969	1.0591	0.1916	1.00	1.0591	0.9985	1.0576
673	206	3	35,964,076	1,291,961	66,414	62,853	1,654,057	1,654,057	1.0021	0.0536	0.72	1.0088	0.9985	1.0073
674	203	2	19,976,584	1,141,153	41,138	33,522	790,981	790,981	1.0092	0.1851	0.71	1.0141	0.9985	1.0126
675	1,556	95	784,169,276	60,515,589	2,280,483	1,952,834	25,913,091	25,913,091	1.0118	0.1437	1.00	1.0118	0.9985	1.0103
676	317	37	54,486,275	14,796,013	628,282	520,517	1,511,432	1,511,432	1.0530	0.1715	1.00	1.0530	0.9985	1.0515
677	79	12	72,269,670	4,881,847	166,177	128,083	1,999,650	1,999,650	1.0179	0.2292	0.28	1.0237	0.9985	1.0222
679	21	1	9,011,026	389,063	23,033	19,578	698,706	698,706	1.0048	0.1500	0.07	1.0245	0.9985	1.0230
681	85	0	7,010,941	0	0	0	336,313	336,313	1.0000	0.0000	0.30	1.0182	0.9985	1.0167
691	25	0	26,478,747	0	0	0	1,544,113	1,544,113	1.0000	0.0000	0.09	1.0237	0.9985	1.0222
693	38	0	1,358,599	0	0	0	114,945	114,945	1.0000	0.0000	0.13	1.0226	0.9985	1.0211
695	48	0	6,443,396	0	0	0	272,049	272,049	1.0000	0.0000	0.17	1.0216	0.9985	1.0201
Total	37,146	3,251	9,791,838,533	1,863,511,802	84,772,948	72,435,699	402,840,270	402,840,270	1.0260	0.1455		1.0275	0.9985	1.0260

Note:
For each Class:
 Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)
 Basis of Credibility: 1 / ((# PCCPAP Policies)/(# Total Policies)) * 25 = 285 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	1.0140	1.0119	-0.2%
602	N/A	1.0242	N/A
603	1.0654	1.0653	0.0%
605	1.0188	1.0217	0.3%
606	1.0183	1.0198	0.1%
607	1.0048	1.0049	0.0%
608	1.0298	1.0303	0.0%
609	1.0109	1.0122	0.1%
611	1.0236	1.0287	0.5%
615	1.0222	1.0237	0.1%
617	1.0103	1.0130	0.3%
645	1.0429	1.0474	0.4%
646	1.0210	1.0257	0.5%
647	1.0071	1.0104	0.3%
648	1.0278	1.0258	-0.2%
649	1.0766	1.0865	0.9%
651	1.0307	1.0247	-0.6%
652	1.0025	1.0016	-0.1%
653	1.0333	1.0358	0.2%
654	1.0310	1.0375	0.6%
655	1.0318	1.0448	1.3%
656	1.0189	1.0164	-0.2%
657	1.0189	1.0199	0.1%
658	1.0276	1.0448	1.7%
659	1.0178	1.0161	-0.2%
660	1.0277	1.0353	0.7%
661	1.0619	1.0701	0.8%
662	1.0013	1.0014	0.0%
663	1.0382	1.0431	0.5%
664	1.0485	1.0507	0.2%
665	1.0238	1.0222	-0.2%
666	1.0474	1.0475	0.0%
667	1.0216	1.0405	1.9%
668	1.0304	1.0360	0.5%
669	1.0238	1.0341	1.0%
670	1.0563	1.0576	0.1%
673	1.0066	1.0073	0.1%
674	1.0238	1.0126	-1.1%
675	1.0081	1.0103	0.2%
676	1.0377	1.0515	1.3%
677	1.0203	1.0222	0.2%
679	1.0211	1.0230	0.2%
681	1.0157	1.0167	0.1%
691	1.0200	1.0222	0.2%
693	1.0196	1.0211	0.1%
695	1.0181	1.0201	0.2%
Total	1.0242	1.0260	0.2%