

PENNSYLVANIA COMPENSATION RATING BUREAU
F CLASS FILING

Pennsylvania F Class Rates Comparison

As discussed in the Actuarial Memorandum, the attached exhibit contains a comparison of Pennsylvania F Class rates to F Class rates in other selected coastal states. F Class rates were obtained for the other states, where available. If F Class rates were not available, then F Class loss costs for the other states were obtained and adjusted to full rates based on assumptions underlying the calculation of Pennsylvania F Class rates in this filing.

For most classes, revised F Class rates were based on the rate level indication shown in Exhibit 1. However, for classes 7366 and 8709, F Class rates were based on the average of the selected states. These rates, for all F Classes, are shown in the line labeled "Pennsylvania Preliminary F-Class Rates Subject to Selected States Average". With the rates for classes 7366 and 8709 held constant, the remaining F Class rates were then adjusted such that the resulting overall rate change for all the Pennsylvania F Class rates (including classes 7366 and 8709) balanced to the overall indicated change in manual rates. These are the proposed F Class rates shown in the line labeled "Pennsylvania Proposed F-Class Rates effective October 1, 2016 Balanced to Overall Indicated Change in Manual Rates".

	"F" Class Codes										
	6824	6826	6843	6872	7309	7313	7317	7327	7366	8709	8726
Pennsylvania Approved F-Class Rates effective April 1, 2014	20.31	21.25	26.72	61.41	105.98	22.50	55.78	42.77	19.80	7.61	6.52
<u>Latest Approved F-Class Rates</u> (effective date shown on state manual pages)											
Alabama ² (03/01/2016)	9.63	5.24	17.67	9.23	14.19	4.56	9.18	17.63		4.97	3.32
Alaska ² (05/01/2016)	14.08	6.85	9.67	17.15	21.04		10.95	11.85		4.11	3.71
Connecticut ² (01/01/2016)	11.83	6.89	11.63	15.64	16.84	4.60	9.67	23.74		6.67	3.40
Delaware ² (12/01/2010)	7.42	7.50	8.44	10.61	29.53	10.75	22.85	12.19	5.72	2.29	3.11
Florida ¹ (01/01/2016)	8.96	5.29	12.42	12.22	15.65	2.95	12.26	32.17		6.98	2.70
Georgia ³ (03/01/2016)	8.09	5.74	11.10	11.37	25.27	3.86	11.38	15.32		6.69	4.04
Hawaii ² (01/01/2016)	18.85	8.04	11.79	15.41	15.57	3.67	19.43	19.84		4.26	2.75
Louisiana ³ (05/01/2016)	10.47	10.35	14.09	13.71	23.30	2.64	8.94	17.77		6.39	3.54
Maine ² (04/01/2016)	7.77	5.87	13.48	10.06	39.07	4.18	11.16	17.34		5.23	2.84
Maryland ³ (01/01/2016)	7.92	5.87	8.23	11.34	16.74	4.66	15.86	25.47		4.86	2.46
Massachusetts ¹ (07/01/2016)	10.26	9.84	14.29	21.87	21.11	15.29	14.61	33.44		5.16	5.83
Mississippi ² (03/01/2016)	7.46	5.61	11.86	8.75	16.88	3.30	9.23	25.31		10.05	2.67
New Hampshire ² (01/01/2016)	8.46	6.03	12.07	10.13	18.89	3.19	11.28	24.49		5.53	3.36
New Jersey ¹ (01/01/2016)	8.54	8.40		30.63	13.52			24.36		5.81	3.52
New York ² (10/01/2015)	18.56	4.54	6.53	38.36	11.94	2.88	31.52	32.33	19.34	27.83	4.92
North Carolina ² (04/01/2016)	10.56	5.35	12.21	11.86	16.83	3.44	13.06	17.15		5.36	3.36
Oregon ³ (01/01/2016)	11.51	6.56	14.24	10.49	19.22	3.69	11.70	13.56		5.19	3.34
Rhode Island ² (08/01/2016)	11.63	5.09	13.02	14.65	18.63	4.90	10.41	20.98		5.37	3.32
South Carolina ² (09/01/2015)	9.25	5.84	15.62	17.38	38.42	3.75	13.87	27.76		4.96	3.31
Texas ² (07/01/2016)	8.44		9.71	7.41	13.76	4.81	4.54	5.06		2.76	0.84
Virginia ² (04/01/2016)	7.81	4.73	9.97	7.99	13.19	5.29	8.99	13.20		5.21	2.43
Selected States Average	10.36	6.48	11.90	14.58	19.98	4.86	13.04	20.52	12.53	6.46	3.27
Pennsylvania Preliminary F-Class Rates at Full Indication	11.77	12.32	15.46	35.59	61.05	12.91	32.27	25.11	11.47	4.40	3.77
Pennsylvania Preliminary F-Class Rates Subject to Selected States Average	11.77	12.32	15.46	35.59	61.05	12.91	32.27	25.11	12.53	6.46	3.77
Pennsylvania Proposed F-Class Rates effective October 1, 2016 Balanced to Overall Indicated Change in Manual Rates	11.30	11.82	14.84	34.15	58.59	12.39	30.97	24.10	12.53	6.46	3.62
Proposed Change in Pennsylvania F-Class Rates	-44.4%	-44.4%	-44.5%	-44.4%	-44.7%	-44.9%	-44.5%	-43.7%	-36.7%	-15.1%	-44.5%

¹ (Approved State Voluntary Market Rates)

² (Approved State Voluntary Market Loss Costs including LAE) * (Implicit Pennsylvania F-Class Loss Cost Multiplier proposed effective October 1, 2016)

³ (Approved State Voluntary Market Loss Costs excluding LAE) * (Implicit Pennsylvania F-Class Loss Cost Multiplier, including LAE provision, proposed effective October 1, 2016)