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 2014 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 2014 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 2014. 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 2014. For example, an average credit of 0.0736 indicates that the average qualifying risk in Code 601 received a 7.36 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 305 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 2.30 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 01/01/14 Through 12/31/14

100% Credibility = 305 Policies
Partial Credibility = # of Policies / 305

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	362	60	343,469,448	40,139,205	2,064,915	1,913,032	14,858,372	14,858,372	1.0091	0.0736	1.00	1.0091	0.9990	1.0081
603	275	54	103,091,344	30,843,372	1,308,674	1,135,825	3,081,732	3,081,732	1.0410	0.1321	0.90	1.0392	0.9990	1.0382
605	41	2	26,693,472	2,170,602	117,447	103,046	1,393,359	1,393,359	1.0096	0.1226	0.13	1.0213	0.9990	1.0203
606	43	0	256,386,898	0	0	0	15,747,484	15,747,484	1.0000	0.0000	0.14	1.0198	0.9990	1.0188
607	447	17	787,805,723	29,786,404	1,143,663	901,057	32,127,285	32,127,285	1.0073	0.2121	1.00	1.0073	0.9990	1.0063
608	2,404	238	451,171,154	88,124,264	4,227,352	3,692,924	17,630,499	17,630,499	1.0251	0.1264	1.00	1.0251	0.9990	1.0241
609	2,448	182	1,072,100,654	101,331,925	4,224,239	3,635,074	36,834,803	36,834,803	1.0146	0.1395	1.00	1.0146	0.9990	1.0136
611	30	11	7,505,410	2,239,005	164,127	136,084	353,341	353,341	1.0573	0.1709	0.10	1.0264	0.9990	1.0254
615	5	1	3,241,997	94,041	6,833	6,491	219,708	219,708	1.0015	0.0501	0.02	1.0226	0.9990	1.0216
617	298	47	314,506,606	32,016,202	1,050,561	928,547	8,198,292	8,198,292	1.0134	0.1161	0.98	1.0136	0.9990	1.0126
645	706	138	222,430,892	73,199,002	3,598,317	3,179,429	7,596,918	7,596,918	1.0389	0.1164	1.00	1.0389	0.9990	1.0379
646	425	55	85,265,292	21,168,739	910,778	766,664	2,864,665	2,864,665	1.0397	0.1582	1.00	1.0397	0.9990	1.0387
647	230	13	47,510,669	1,584,519	88,633	69,832	2,666,573	2,666,573	1.0069	0.2121	0.75	1.0109	0.9990	1.0099
648	1,077	51	109,788,153	17,457,201	868,257	755,362	4,671,094	4,671,094	1.0208	0.1300	1.00	1.0208	0.9990	1.0198
649	270	94	79,704,961	49,210,852	1,080,118	934,814	736,206	736,206	1.0870	0.1345	0.89	1.0800	0.9990	1.0789
651	2,370	236	608,857,585	101,509,505	5,323,034	4,577,255	27,362,260	27,362,260	1.0233	0.1401	1.00	1.0233	0.9990	1.0223
652	6,112	47	448,657,416	10,303,282	698,979	637,469	32,249,563	32,249,563	1.0019	0.0880	1.00	1.0019	0.9990	1.0009
653	1,732	124	266,161,395	63,214,745	3,668,072	3,218,871	11,727,010	11,727,010	1.0301	0.1225	1.00	1.0301	0.9990	1.0291
654	537	112	216,802,137	54,196,570	3,525,479	3,028,847	10,048,527	10,048,527	1.0380	0.1409	1.00	1.0380	0.9990	1.0370
655	318	55	160,694,140	19,674,512	2,186,564	1,840,844	11,811,723	11,811,723	1.0253	0.1581	1.00	1.0253	0.9990	1.0243
656	131	4	161,043,497	3,366,284	150,959	131,716	7,445,100	7,445,100	1.0025	0.1275	0.43	1.0142	0.9990	1.0132
657	49	4	16,636,695	250,347	16,012	14,438	930,084	930,084	1.0017	0.0983	0.16	1.0196	0.9990	1.0186
658	439	76	75,813,550	20,126,811	1,323,909	1,058,290	3,930,267	3,930,267	1.0532	0.2006	1.00	1.0532	0.9990	1.0522
659	845	52	143,116,978	18,047,248	2,362,281	2,112,141	15,637,037	15,637,037	1.0141	0.1059	1.00	1.0141	0.9990	1.0131
660	1,038	122	379,334,791	67,806,287	1,520,508	1,233,268	7,130,723	7,130,723	1.0343	0.1889	1.00	1.0343	0.9990	1.0333
661	2,874	312	982,451,859	382,838,411	9,483,727	7,874,773	15,550,887	15,550,887	1.0687	0.1697	1.00	1.0687	0.9990	1.0677
662	280	1	69,988,789	146,757	6,271	5,519	2,620,820	2,620,820	1.0003	0.1199	0.92	1.0021	0.9990	1.0011
663	3,284	302	954,047,477	183,202,610	5,594,164	4,707,667	23,943,131	23,943,131	1.0309	0.1585	1.00	1.0309	0.9990	1.0299
664	2,420	242	821,402,217	242,326,774	7,095,405	5,977,307	18,527,579	18,527,579	1.0456	0.1576	1.00	1.0456	0.9990	1.0446
665	1,515	56	145,510,497	26,598,375	1,576,530	1,365,196	7,533,689	7,533,689	1.0237	0.1341	1.00	1.0237	0.9990	1.0227
666	284	54	60,553,483	21,385,283	1,071,882	919,006	2,025,053	2,025,053	1.0519	0.1426	0.93	1.0499	0.9990	1.0489
667	213	17	21,221,407	4,314,207	71,725	60,404	256,417	256,417	1.0357	0.1578	0.70	1.0319	0.9990	1.0309
668	452	43	60,705,916	13,702,405	625,913	545,732	2,268,368	2,268,368	1.0285	0.1281	1.00	1.0285	0.9990	1.0275
669	130	23	8,044,460	2,442,396	116,979	99,393	296,789	296,789	1.0444	0.1503	0.43	1.0322	0.9990	1.0312
670	617	48	54,562,932	14,263,231	606,549	488,660	1,644,567	1,644,567	1.0553	0.1944	1.00	1.0553	0.9990	1.0543
673	224	11	42,813,395	2,669,109	124,065	110,190	1,765,167	1,765,167	1.0074	0.1118	0.73	1.0116	0.9990	1.0106
674	206	2	22,580,102	1,389,957	51,496	43,287	816,535	816,535	1.0095	0.1594	0.68	1.0138	0.9990	1.0128
675	1,704	99	936,279,652	62,449,848	1,883,457	1,603,294	26,750,479	26,750,479	1.0099	0.1487	1.00	1.0099	0.9990	1.0089
676	321	40	55,954,871	16,678,470	607,816	509,054	1,221,337	1,221,337	1.0571	0.1625	1.00	1.0571	0.9990	1.0561
677	72	9	69,854,305	7,890,200	208,098	174,442	1,444,237	1,444,237	1.0208	0.1617	0.24	1.0225	0.9990	1.0215
679	25	0	8,760,473	0	0	0	520,774	520,774	1.0000	0.0000	0.08	1.0212	0.9990	1.0202
681	85	1	6,327,695	900	38	33	269,835	269,835	1.0000	0.1316	0.28	1.0166	0.9990	1.0156
691	27	0	3,522,211	0	0	0	200,238	200,238	1.0000	0.0000	0.09	1.0209	0.9990	1.0199
693	44	0	4,199,793	0	0	0	380,720	380,720	1.0000	0.0000	0.14	1.0198	0.9990	1.0188
695	66	0	10,561,291	0	0	0	397,011	397,011	1.0000	0.0000	0.22	1.0179	0.9990	1.0169
Total	37,475	3,055	10,727,133,682	1,830,159,857	70,753,826	60,495,277	385,686,258	385,686,258	1.0230	0.1450		1.0240	0.9990	1.0230

Note:
For each Class:
 Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)
 Basis of Credibility: 1 / ((# PCCPAP Policies) / (# Total Policies)) * 25 = 305 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	1.0109	1.0081	-0.3%
603	1.0567	1.0382	-1.8%
605	1.0215	1.0203	-0.1%
606	1.0199	1.0188	-0.1%
607	1.0044	1.0063	0.2%
608	1.0267	1.0241	-0.3%
609	1.0125	1.0136	0.1%
611	1.0251	1.0254	0.0%
615	1.0237	1.0216	-0.2%
617	1.0152	1.0126	-0.3%
645	1.0472	1.0379	-0.9%
646	1.0359	1.0387	0.3%
647	1.0095	1.0099	0.0%
648	1.0250	1.0198	-0.5%
649	1.0698	1.0789	0.9%
651	1.0289	1.0223	-0.6%
652	1.0010	1.0009	0.0%
653	1.0324	1.0291	-0.3%
654	1.0354	1.0370	0.2%
655	1.0324	1.0243	-0.8%
656	1.0170	1.0132	-0.4%
657	1.0194	1.0186	-0.1%
658	1.0501	1.0522	0.2%
659	1.0170	1.0131	-0.4%
660	1.0320	1.0333	0.1%
661	1.0735	1.0677	-0.5%
662	1.0033	1.0011	-0.2%
663	1.0363	1.0299	-0.6%
664	1.0491	1.0446	-0.4%
665	1.0195	1.0227	0.3%
666	1.0402	1.0489	0.8%
667	1.0296	1.0309	0.1%
668	1.0321	1.0275	-0.4%
669	1.0261	1.0312	0.5%
670	1.0581	1.0543	-0.4%
673	1.0081	1.0106	0.2%
674	1.0129	1.0128	0.0%
675	1.0096	1.0089	-0.1%
676	1.0565	1.0561	0.0%
677	1.0243	1.0215	-0.3%
679	1.0221	1.0202	-0.2%
681	1.0166	1.0156	-0.1%
691	1.0221	1.0199	-0.2%
693	1.0206	1.0188	-0.2%
695	1.0191	1.0169	-0.2%
Total	1.0251	1.0230	-0.2%