Exhibit 14
As Filed

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

The PCCPAP is used in Pennsylvania 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.

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.

The PCRB has assembled 2018 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 2018 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 2018. 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)).

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(Continued)

Column (11) - Average PCCPAP Credit: For qualifying policies, the average credit given in 2018. For example, an average credit of 0.092 indicates that the average qualifying risk in Code 601 received an 9.2 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 partial credibility formula is the square root of (the number of policies divided by 355, the standard for full credibility). 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 2.25 percent.

Column (15) - Final Surcharge: The product of the TCF (Column (14)) and the formula surcharges (Column (13)) by classification.

Page 14.2 and 14.3 shows a comparison of current and proposed PCCPAP surcharges by class and overall.

100% Credibility = 355 Policies

Partial Credibility = √ # of Policies / 355

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	442	56	494,126,524	46,587,411	2,179,894	1,980,068	21,767,529	21,767,529	1.0084	0.0917	1.00	1.0084	0.9995	1.0079
603	271	52	108,225,871	21,040,659	1,117,454	953,653	3,793,133	3,793,133	1.0345	0.1466	0.87	1.0329	0.9995	1.0324
605	47	7	20,460,601	2,246,490	121,282	110,604	1,058,250	1,058,250	1.0091	0.0880	0.36	1.0177	0.9995	1.0172
606	33	0	113,501,506	0	0	0	4,097,359	4,097,359	1.0000	0.0000	0.30	1.0158	0.9995	1.0153
607	416	22	660,541,400	39,823,547	907,984	814,272	15,644,887	15,644,887	1.0057	0.1032	1.00	1.0057	0.9995	1.0052
608	2,511	204	547,383,978	86,717,886	4,340,298	3,714,552	23,694,040	23,694,040	1.0228	0.1442	1.00	1.0228	0.9995	1.0223
609	2,583	170	1,493,482,999	137,083,967	4,438,213	3,800,876	41,769,889	41,769,889	1.0140	0.1436	1.00	1.0140	0.9995	1.0135
611	25	9	7,630,260	2,243,297	146,208	126,350	330,100	330,100	1.0435	0.1358	0.27	1.0282	0.9995	1.0277
615	5	1	4,866,770	3,866,807	299,749	251,789	77,375	77,375	1.1457	0.1600	0.12	1.0373	0.9995	1.0368
617	319	61	319,466,353	47,304,294	1,162,012	994,450	6,319,496	6,319,496	1.0229	0.1442	0.95	1.0229	0.9995	1.0224
645	751	107	299,321,978	93,404,020	4,862,029	4,167,491	10,903,198	10,903,198	1.0461	0.1428	1.00	1.0461	0.9995	1.0456
646	412	39	106,645,432	19,283,823	727,430	599,416	3,747,736	3,747,736	1.0294	0.1760	1.00	1.0294	0.9995	1.0289
647	253	11	47,826,789	2,075,910	113,949	92,229	2,780,742	2,780,742	1.0076	0.1906	0.84	1.0100	0.9995	1.0095
648	1,179	42	148,756,936	19,351,700	954,001	826,584	7,018,466	7,018,466	1.0163	0.1339	1.00	1.0163	0.9995	1.0158
649	262	74	92,287,836	46,153,989	1,197,423	1,040,247	1,460,621	1,460,621	1.0628	0.1313	0.86	1.0572	0.9995	1.0567
651	2,682	221	850,884,994	130,672,696	6,349,821	5,408,806	36,705,119	36,705,119	1.0223	0.1482	1.00	1.0223	0.9995	1.0218
652	6,010	33	524,069,536	7,051,546	502,629	448,516	41,082,091	41,082,091	1.0013	0.1077	1.00	1.0013	0.9995	1.0008
653	1,820	132	328,685,995	78,644,565	4,313,886	3,785,291	14,771,844	14,771,844	1.0285	0.1225	1.00	1.0285	0.9995	1.0280
654	620	106	264,262,650	58,154,238	3,490,610	2,974,008	11,699,640	11,699,640	1.0352	0.1480	1.00	1.0352	0.9995	1.0347
655	428	50	212,165,056	25,674,731	2,211,444	1,817,198	15,558,917	15,558,917	1.0227	0.1783	1.00	1.0227	0.9995	1.0222
656	129	6	298,665,844	12,114,160	591,428	457,195	11,132,175	11,132,175	1.0116	0.2270	0.60	1.0160	0.9995	1.0155
657	56	0	145,560,170	0	0	0	10,462,692	10,462,692	1.0000	0.0000	0.40	1.0135	0.9995	1.0130
658	469	74	80,465,345	16,589,013	1,113,619	897,231	4,672,339	4,672,339	1.0389	0.1943	1.00	1.0389	0.9995	1.0384
659	844	38	176,979,282	20,576,872	2,293,013	2,014,193	19,026,711	19,026,711	1.0133	0.1216	1.00	1.0133	0.9995	1.0128
660	1,126	113	422,415,850	73,691,499	1,445,390	1,168,154	7,253,450	7,253,450	1.0329	0.1918	1.00	1.0329	0.9995	1.0324
661	3,033	286	1,280,242,840	394,436,944	9,180,090	7,504,136	22,025,644	22,025,644	1.0568	0.1826	1.00	1.0568	0.9995	1.0563
662	272	1	70,432,906	77,329	3,024	2,782	3,143,707	3,143,707	1.0001	0.0800	0.88	1.0028	0.9995	1.0023
663	3,405	298	1,209,858,134	188,574,310	5,767,047	4,705,875	30,776,360	30,776,360	1.0299	0.1840	1.00	1.0299	0.9995	1.0294
664	2,548	221	1,044,110,000	264,928,150	7,221,373	5,973,258	23,247,480	23,247,480	1.0427	0.1728	1.00	1.0427	0.9995	1.0422
665	1,606	62	191,020,718	29,029,859	1,693,091	1,453,422	10,533,345	10,533,345	1.0200	0.1416	1.00	1.0200	0.9995	1.0195
666	295	55	79,748,366	29,530,812	1,610,037	1,381,869	2,785,055	2,785,055	1.0548	0.1417	0.91	1.0519	0.9995	1.0514
667	194	10	24,818,889	5,041,109	64,261	57,666	300,288	300,288	1.0184	0.1026	0.74	1.0195	0.9995	1.0190
668	533	30	74,331,240	18,714,309	896,945	742,479	3,214,507	3,214,507	1.0390	0.1722	1.00	1.0390	0.9995	1.0385
669	124	19	10,757,771	3,872,660	191,920	164,676	364,106	364,106	1.0515	0.1420	0.59	1.0396	0.9995	1.0391
670	698	47	71,073,945	17,401,276	744,792	607,194	2,578,593	2,578,593	1.0432	0.1847	1.00	1.0432	0.9995	1.0427
673	210	7	46,996,527	1,967,018	96,270	83,782	2,133,107	2,133,107	1.0056	0.1297	0.77	1.0095	0.9995	1.0090
674	197	4	28,051,237	3,826,867	181,500	166,068	977,761	977,761	1.0135	0.0850	0.74	1.0158	0.9995	1.0153
675	1,903	82	1,133,337,815	78,494,658	1,971,254	1,670,561	28,760,927	28,760,927	1.0099	0.1525	1.00	1.0099	0.9995	1.0094
676	314	22	57,452,596	10,114,629	353,719	291,236	1,733,880	1,733,880	1.0309	0.1766	0.94	1.0304	0.9995	1.0299
677	71	8	95,392,900	6,991,340	154,468	117,797	1,920,771	1,920,771	1.0180	0.2374	0.45	1.0205	0.9995	1.0200
679	23	0	9,460,963	0	0	0	548,305	548,305	1.0000	0.0000	0.25	1.0169	0.9995	1.0164
681	81	1	7,608,504	5,200	261	227	362,865	362,865	1.0001	0.1303	0.48	1.0117	0.9995	1.0112
2609 *	20	0	8,930,478	0	0	0	592,085	592,085	1.0000	0.0000	0.24	1.0171	0.9995	1.0166
2651 **	32	0	6,296,257	0	0	0	705,511	705,511	1.0000	0.0000	0.30	1.0158	0.9995	1.0153
2661 ***	75	0	25,603,167	0	0	0	999,998	999,998	1.0000	0.0000	0.46	1.0122	0.9995	1.0117
Total	39,327	2,781	13,244,205,208	2,043,359,590	75,010,234	63,366,201	454,532,094	454,532,094	1.0225	0.1552		1.0230	0.9995	1.0225

Note:
For each Class:
 Indicated Surcharge = (Total Premium Pre-PCCPAP) / (Total Premium Post-PCCPAP)
 Basis of Credibility: 1 / ((# PCCPAP Policies) / (# Total Policies)) * 25 = 355 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))

* Formerly Class 691
** Formerly Class 693
*** Formerly Class 695

14.1

Comparison of PCCPAP Surcharges by Class

Class (1)	Current PCCPAP Surcharge (2)	Proposed PCCPAP Surcharge (3)	Percentage Change (4)=(3)/(2)-1.0
601	1.0116	1.0079	-0.37%
603	1.0312	1.0324	0.12%
605	1.0168	1.0172	0.04%
606	1.0164	1.0153	-0.11%
607	1.0111	1.0052	-0.58%
608	1.0275	1.0223	-0.51%
609	1.0131	1.0135	0.04%
611	1.0275	1.0277	0.02%
615	1.0212	1.0368	1.53%
617	1.0138	1.0224	0.85%
645	1.0485	1.0456	-0.28%
646	1.0288	1.0289	0.01%
647	1.0099	1.0095	-0.04%
648	1.0188	1.0158	-0.29%
649	1.0697	1.0567	-1.22%
651	1.0254	1.0218	-0.35%
652	1.0021	1.0008	-0.13%
653	1.0288	1.0280	-0.08%
654	1.0323	1.0347	0.23%
655	1.0315	1.0222	-0.90%
656	1.0102	1.0155	0.52%
657	1.0144	1.0130	-0.14%
658	1.0410	1.0384	-0.25%
659	1.0127	1.0128	0.01%
660	1.0321	1.0324	0.03%
661	1.0607	1.0563	-0.41%
662	1.0011	1.0023	0.12%
663	1.0313	1.0294	-0.18%
664	1.0436	1.0422	-0.13%
665	1.0202	1.0195	-0.07%
666	1.0536	1.0514	-0.21%
667	1.0247	1.0190	-0.56%
668	1.0314	1.0385	0.69%
669	1.0387	1.0391	0.04%
670	1.0476	1.0427	-0.47%
673	1.0102	1.0090	-0.12%
674	1.0174	1.0153	-0.21%
675	1.0101	1.0094	-0.07%
676	1.0242	1.0299	0.56%
677	1.0182	1.0200	0.18%
679	1.0173	1.0164	-0.09%
681	1.0115	1.0112	-0.03%
2601	Not Applicable	1.0225	Not Applicable
2603	Not Applicable	1.0225	Not Applicable
2605	Not Applicable	1.0225	Not Applicable

Comparison of PCCPAP Surcharges by Class

Class (1)		Current PCCPAP Surcharge (2)	Proposed PCCPAP Surcharge (3)	Percentage Change (4)=(3)/(2)-1.0
2606		Not Applicable	1.0225	Not Applicable
2607		Not Applicable	1.0225	Not Applicable
2608		Not Applicable	1.0225	Not Applicable
2609	*	1.0166	1.0166	0.00%
2611		Not Applicable	1.0225	Not Applicable
2615		Not Applicable	1.0225	Not Applicable
2617		Not Applicable	1.0225	Not Applicable
2645		Not Applicable	1.0225	Not Applicable
2646		Not Applicable	1.0225	Not Applicable
2647		Not Applicable	1.0225	Not Applicable
2648		Not Applicable	1.0225	Not Applicable
2649		Not Applicable	1.0225	Not Applicable
2651	**	1.0149	1.0153	0.04%
2652		Not Applicable	1.0225	Not Applicable
2653		Not Applicable	1.0225	Not Applicable
2654		Not Applicable	1.0225	Not Applicable
2655		Not Applicable	1.0225	Not Applicable
2656		Not Applicable	1.0225	Not Applicable
2657		Not Applicable	1.0225	Not Applicable
2658		Not Applicable	1.0225	Not Applicable
2659		Not Applicable	1.0225	Not Applicable
2660		Not Applicable	1.0225	Not Applicable
2661	***	1.0120	1.0117	-0.03%
2662		Not Applicable	1.0225	Not Applicable
2663		Not Applicable	1.0225	Not Applicable
2664		Not Applicable	1.0225	Not Applicable
2665		Not Applicable	1.0225	Not Applicable
2666		Not Applicable	1.0225	Not Applicable
2667		Not Applicable	1.0225	Not Applicable
2668		Not Applicable	1.0225	Not Applicable
2669		Not Applicable	1.0225	Not Applicable
2670		Not Applicable	1.0225	Not Applicable
2673		Not Applicable	1.0225	Not Applicable
2674		Not Applicable	1.0225	Not Applicable
2675		Not Applicable	1.0225	Not Applicable
2676		Not Applicable	1.0225	Not Applicable
2677		Not Applicable	1.0225	Not Applicable
2679		Not Applicable	1.0225	Not Applicable
2681		Not Applicable	1.0225	Not Applicable
Total		1.0243	1.0225	-0.2%

*   Formerly Class 691
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