

PENNSYLVANIA COMPENSATION RATING BUREAU
F CLASS FILING

Indicated Change in Rate Level

This exhibit shows the indicated change in rate level for Pennsylvania Federal Classes. It includes a section to reflect the adjustment of the indicated change in overall rate level to the indicated change in manual rate level.

INDICATED CHANGE IN RATE LEVEL

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1) Trended Loss Ratio for Policy Period 10/1/16 - 10/1/17	0.2170	0.0934	0.3104
(2) Credibility	1.0000	1.0000	1.0000
(3) Loss Ratio Underlying Current Rates	0.4266	0.1747	0.6013
(4) Credibility Weighted Trended Loss Ratio (1) * (2) + (3) * [1.0 - (2)]	0.2170	0.0934	0.3104
(5) Ratio of Loss Adjustment Expense to Loss	0.1489	0.1489	0.1489
(6) Trended Policy Year Loss and Loss Adjustment Ratio (4) * [1.0 + (5)]	0.2493	0.1073	0.3566
(7) Fixed Expense Ratio			0.0903
(8) Total Loss, LAE, and Fixed Expense Ratio (6) + (7)			0.4469
(9) Permissible Loss, Loss Adjustment and Fixed Expense Ratio			0.7655
(10) Indicated Change in Rates - Factor (8) / (9)			0.5838
(11) Indicated Change in Rates - Percentage (10) - 1.0			-41.6%

INDICATED CHANGE IN MANUAL LEVEL

	Total
(12) Current Collectible Premium Ratio	1.0320
(13) Proposed Collectible Premium Ratio	1.0238
(14) Indicated Change in Manual Level - Factor [(10) * (12)] / (11)	0.5792
(15) Indicated Change in Manual Level - Percentage (14) - 1.0	-42.1%