

PENNSYLVANIA COMPENSATION RATING BUREAU

Review of Experience Rating Plan Parameters

Filing No. 340, which proposed changes to the Experience Rating Plan (ERP) effective April 1, 2024, was approved in August of 2023. To ensure this filing results in a revenue neutral position, the Collectible Premium Ratios calculated in this exhibit reflects the approval of the new ERP. The Collectible Premium Ratios are higher to offset the overall expected decrease in premiums resulting from the approved ERP.

Page 19.1 contains Collectible Premium Ratios.

Page 19.2 contains Expected Loss Cost Factors. They are applied to loss costs by classification to produce Table A values (Expected Loss Factors) which are the basis for the calculation of Expected Losses.

**COLLECTIBLE PREMIUM RATIOS \***

Policy Years 2018 to 2020 Unit Data

Policy Year	Premium at Manual Rates	Collected Premium (Excluding Constants)	Collectible Premium Ratio (2)/(3)
(1)	(2)	(3)	(4)
ALL INDUSTRIES			
2018	2,949,963,646	2,757,631,589	1.0697
2019	2,355,204,068	2,212,206,313	1.0646
2020	2,094,747,357	2,013,595,511	1.0403
TOTAL	7,399,915,071	6,983,433,413	1.0596
MANUFACTURING AND UTILITIES			
2018	567,914,407	526,301,015	1.0791
2019	447,991,539	417,294,894	1.0736
2020	400,076,166	381,956,548	1.0474
TOTAL	1,415,982,112	1,325,552,457	1.0682
CONTRACTING AND QUARRYING			
2018	620,335,115	518,657,973	1.1960
2019	495,136,256	410,925,439	1.2049
2020	424,315,956	358,736,448	1.1828
TOTAL	1,539,787,327	1,288,319,860	1.1952
OTHER INDUSTRIES			
2018	1,761,714,124	1,712,672,601	1.0286
2019	1,412,076,273	1,383,985,980	1.0203
2020	1,270,355,235	1,272,902,515	0.9980
TOTAL	4,444,145,632	4,369,561,096	1.0171

\* Excludes classifications and coverages not subject to experience rating.

**CALCULATION OF EXPECTED LOSS COST FACTORS (a)**

<b>Policy Year Beginning 4/1</b>	<b>Loss Ratio Development Factor</b>	<b>Collectible Premium Ratio</b>	<b>Trend Factor</b>	<b>Product (2) * (3) * (4)</b>	<b>Expected Loss Cost Factor 1.0 / (5)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b><u>Manufacturing and Utilities</u></b>					
2020	1.0800	1.0682	0.8800	1.0152	0.9850
2021	1.1238	1.0682	0.9085	1.0906	0.9169
2022	1.3342	1.0682	0.9380	1.3368	0.7481
<b><u>Contracting and Quarrying</u></b>					
2020	1.0929	1.1952	0.8800	1.1495	0.8699
2021	1.1523	1.1952	0.9085	1.2512	0.7992
2022	1.3172	1.1952	0.9380	1.4767	0.6772
<b><u>Other Industries</u></b>					
2020	1.0730	1.0171	0.8800	0.9604	1.0412
2021	1.1318	1.0171	0.9085	1.0458	0.9562
2022	1.3560	1.0171	0.9380	1.2937	0.7730

a Apply to pure Loss Costs (pre-LBA, Merit Rating Plan, PCCPAP and Certified Safety Committee adjus