

PENNSYLVANIA COMPENSATION RATING BUREAU  
F-CLASS FILING

Derivation of F-Class Rates

In the following exhibits, Page 1 derives the proposed F-Class manual rates as described in Exhibit 9 as well as the associated impacts by class code. Page 2 calculates the average rates by class based on rates from selected states that are used in the Page 1 calculations.

PENNSYLVANIA COMPENSATION RATING BUREAU

DERIVATION OF F-CLASS RATES

CLASS CODE	EXPOSURE TWO YEAR (00's)	PROPOSED PURE PREM.	CLASS BOOK INDICATED RATE *	AVERAGE RATE **	INDICATED RATE PRE-CAP ***	MINIMUM RATE	MAXIMUM RATE	PROPOSED RATE POST-CAP	CURRENT RATE	% CHANGE RATE
6824F	124	7.333	10.20	5.94	9.35	7.45	12.98	<b>10.63</b>	11.06	-3.90
6826F	56	6.458	8.99	3.26	7.84	6.56	11.43	<b>8.91</b>	9.74	-8.50
6843F	263	9.218	12.83	6.30	11.52	9.08	15.81	<b>13.10</b>	13.47	-2.70
6872F	180	17.411	24.23	6.17	20.62	17.70	30.83	<b>23.44</b>	26.26	-10.70
7309F	18,626	27.419	38.15	6.99	31.92	28.05	48.87	<b>36.29</b>	41.63	-12.80
7313F	12,486	6.193	8.62	2.78	7.45	6.37	11.09	<b>8.47</b>	9.45	-10.40
7317F	3,983	15.797	21.98	5.59	18.70	16.07	28.00	<b>21.26</b>	23.85	-10.90
7327F	23,271	15.911	22.14	11.78	20.07	16.21	28.24	<b>22.82</b>	24.06	-5.20
7366F	57,218	8.290	11.54	6.26	10.48	8.34	14.52	<b>11.91</b>	12.37	-3.70
8709F	19,157	4.546	6.33	3.08	5.68	4.50	7.84	<b>6.46</b>	6.68	-3.30
8726F	219	2.248	3.13	1.51	2.81	2.28	3.98	<b>3.19</b>	3.39	-5.90
TOTAL	135,583									-7.61

\* Indicated Pure Premium x CPPM (1.3915)

\*\* See page 2

\*\*\* 80% weight to the Class Book Indicated Rate and 20% weight to the Average Rate

**F-CLASS VOLUNTARY RISK RATES FROM SELECTED STATES**

		<b>F-Class Codes</b>										
		<b>6824F</b>	<b>6826F</b>	<b>6843F</b>	<b>6872F</b>	<b>7309F</b>	<b>7313F</b>	<b>7317F</b>	<b>7327F</b>	<b>7366F</b>	<b>8709F</b>	<b>8726F</b>
Pennsylvania Approved F-Class Rates effective April 1, 2023		11.06	9.74	13.47	26.26	41.63	9.45	23.85	24.06	12.37	6.68	3.39
<u>State</u>	<u>Effective Date (Latest Approved)</u>											
Alabama <sup>2</sup>	3/1/2024	4.91	2.76	7.24	5.27	6.50	2.79	5.14	10.46	6.53	3.23	1.96
Alaska <sup>2</sup>	1/1/2024	5.52	2.88	5.72	5.95	6.47	-	3.98	10.59	5.82	1.76	1.27
Arkansas <sup>2</sup>	7/1/2024	4.48	2.52	5.14	4.80	4.64	1.88	3.57	9.53	3.88	2.21	1.00
Connecticut <sup>4</sup>	1/1/2024	7.26	3.38	6.88	6.42	6.92	2.80	4.79	12.90	6.97	6.70	1.52
Delaware <sup>2</sup>	12/1/2024	10.49	7.90	11.70	13.52	25.27	9.40	19.65	19.70	9.65	4.02	3.47
District Of Columbia <sup>4</sup>	11/1/2023	6.31	2.77	-	6.64	7.64	3.29	6.41	14.06	-	3.50	1.76
Illinois <sup>5</sup>	1/1/2024	5.87	3.30	6.72	6.29	6.08	2.65	4.69	12.48	5.07	1.99	1.31
Indiana <sup>2</sup>	1/1/2024	4.67	2.63	5.35	5.01	4.84	1.97	4.13	10.97	4.67	1.97	1.13
Iowa <sup>1</sup>	1/1/2024	5.81	3.69	6.97	6.23	6.10	2.45	4.64	12.66	5.34	3.15	1.46
Kansas <sup>2</sup>	1/1/2024	4.93	2.76	5.65	5.28	5.11	2.08	3.94	10.47	5.03	2.19	1.10
Michigan <sup>2</sup>	1/1/2025	9.46	2.64	5.80	6.36	6.36	2.81	6.39	-	8.87	7.08	1.89
Mississippi <sup>2</sup>	3/1/2024	4.77	2.68	5.48	5.11	4.95	2.01	3.81	10.16	5.72	2.94	1.06
Nevada <sup>2</sup>	3/1/2024	7.67	4.52	8.79	8.21	9.13	3.92	7.67	16.31	13.25	4.47	2.13
New Hampshire <sup>2</sup>	1/1/2024	5.44	3.06	6.24	5.83	6.89	2.38	5.76	14.19	6.26	3.05	1.58
New Mexico <sup>2</sup>	1/1/2024	5.14	2.89	5.89	6.93	5.32	2.16	4.10	10.92	5.12	2.38	1.14
North Carolina <sup>2</sup>	4/1/2024	5.14	2.89	6.19	5.97	6.03	2.68	5.39	11.58	7.23	2.92	1.54
Oregon <sup>3</sup>	1/1/2024	5.62	3.16	6.45	6.03	5.83	2.36	4.50	11.97	8.80	1.94	1.25
South Carolina <sup>4</sup>	4/1/2024	5.22	2.93	5.98	5.58	5.40	2.19	4.29	11.08	4.50	1.94	1.25
South Dakota <sup>5</sup>	7/1/2024	5.89	3.32	6.77	6.32	6.11	2.47	4.71	12.54	5.09	1.98	1.31
Tennessee <sup>2</sup>	3/1/2024	4.70	2.64	5.39	5.03	4.88	1.97	3.76	9.99	4.06	1.81	1.05
Vermont <sup>2</sup>	4/1/2024	7.29	3.99	8.77	8.34	9.55	4.11	7.92	16.91	11.21	4.77	2.22
Virginia <sup>2</sup>	4/1/2024	5.06	2.84	6.14	5.52	5.66	3.40	5.30	10.99	6.58	3.23	1.26
West Virginia <sup>2</sup>	11/1/2023	4.97	2.79	5.69	1.37	5.14	2.09	3.97	10.55	4.28	1.71	1.12
Minimum		4.48	2.52	5.14	1.37	4.64	1.88	3.57	9.53	3.88	1.71	1.00
Maximum		10.49	7.90	11.70	13.52	25.27	9.40	19.65	19.70	13.25	7.08	3.47
<b>Average</b>		<b>5.94</b>	<b>3.26</b>	<b>6.30</b>	<b>6.17</b>	<b>6.99</b>	<b>2.78</b>	<b>5.59</b>	<b>11.78</b>	<b>6.26</b>	<b>3.08</b>	<b>1.51</b>

<sup>1</sup> (Approved State Voluntary Market Rates)

<sup>2</sup> (Approved State Voluntary Market Loss Costs including LAE and Federal Assessment) \* (Associated Pennsylvania F-Class Loss Cost Multiplier based on the provisions underlying the filing)

<sup>3</sup> (Approved State Voluntary Market Loss Costs excluding LAE and including Federal Assessment) \* (Associated Pennsylvania F-Class Loss Cost Multiplier based on the provisions underlying the filing)

<sup>4</sup> (Approved State Voluntary Market Loss Costs including LAE and excluding Federal Assessment) \* (Associated Pennsylvania F-Class Loss Cost Multiplier based on the provisions underlying the filing)

<sup>5</sup> (Approved State Voluntary Market Loss Costs excluding LAE and Federal Assessment) \* (Associated Pennsylvania F-Class Loss Cost Multiplier based on the provisions underlying the filing)

NOTE: 1.) With the exception of Delaware, all rates in the 7366 column were based on the analogous national classification code 7350.

2.) F-Class rates by state were calculated by adjusting the state's approved F-Class voluntary loss costs to full rates based on assumptions underlying the calculation of Pennsylvania F-Class rates in this filing. If F-Class voluntary loss costs were not available, voluntary rates were used.

Source: National Council on Compensation Insurance, Inc.  
 Delaware Compensation Rating Bureau, Inc.  
 Compensation Advisory Organization of Michigan