



**PENNSYLVANIA**  
Compensation Rating Bureau

October 15, 2024

**PCRB CIRCULAR NO. A-86**

To All Members of the PCRB:

The following copy of the 2023 audited financial statements of the PCRB is provided for your information. Also following is information pertaining to the adjustment of assessment for the year 2023. This adjustment produces a net refund of \$151,945 to all members combined and is derived from the PCRB's financial results for the year 2023 only. Derivation of this refund is shown on the exhibits titled "Income and Expenses 2023." Member carrier detail of this adjustment of assessment is also attached.

Questions concerning this information should be addressed to John Zimitski, Vice President - Finance, at (215) 320-4414. Feel free to reproduce these statements as necessary or contact the PCRB for additional copies.

William V. Taylor  
President

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**Financial Statements**

**Pennsylvania Compensation**

**Rating Bureau**

**December 31, 2023 and 2022**





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## INDEPENDENT AUDITORS' REPORT

To the Audit Subcommittee and Governing Board  
Pennsylvania Compensation Rating Bureau  
Philadelphia, Pennsylvania

### **Opinion**

We have audited the accompanying financial statements of Pennsylvania Compensation Rating Bureau ("PCRB") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities without donor restrictions, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PCRB as of December 31, 2023 and 2022, and the changes in its net assets without donor restrictions and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PCRB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PCRB's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PCR B's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PCR B's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Rainer & Company*  
Rainer & Company

Newtown Square, PA  
October 1, 2024

**PENNSYLVANIA COMPENSATION RATING BUREAU**  
**Statements of Financial Position**  
**December 31, 2023 and 2022**

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
<b>Current:</b>		
Cash and Cash Equivalents	\$ 1,472,806	\$ 1,114,892
Accounts Receivable, Net	678,550	461,039
Prepaid Expenses	525,162	452,686
TOTAL CURRENT ASSETS	2,676,518	2,028,617
<b>Other:</b>		
Investments at Fair Value	2,451,739	2,367,913
Investment in CDX, LLC	40,027	40,027
Due from DCRB	48,186	709,617
Equipment, Leasehold Improvements, and Software, Net	6,327,615	6,345,619
Operating Lease Right of Use Assets, Net	7,258,150	7,601,370
TOTAL OTHER ASSETS	16,125,717	17,064,546
TOTAL ASSETS	\$ 18,802,235	\$ 19,093,163
<u>LIABILITIES AND NET ASSETS</u>		
<b>Current:</b>		
Accounts Payable	\$ 193,452	\$ 216,941
Accrued Expenses	1,032,053	981,921
Operating Lease Liabilities, Current Portion	263,482	159,637
Finance Lease Liabilities, Current Portion	23,557	0
Assessments Refundable to Members	156,129	231,867
TOTAL CURRENT LIABILITIES	1,668,673	1,590,366
<b>Long-Term Liabilities:</b>		
Deferred Compensation Payable	48,682	53,762
Accrued Pension Liability	1,116,886	2,415,953
Operating Lease Liabilities, Net of Current Portion	8,003,984	7,947,901
Finance Lease Liabilities, Net of Current Portion	96,610	0
TOTAL LONG-TERM LIABILITIES	9,266,162	10,417,616
TOTAL LIABILITIES	10,934,835	12,007,982
<b>Net Assets Without Donor Restrictions:</b>		
Board Designated Technology Fund	3,913,429	3,621,526
Investment in Property and Equipment	6,327,615	6,345,619
Undesignated	(2,373,644)	(2,881,964)
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	7,867,400	7,085,181
TOTAL LIABILITIES AND NET ASSETS	\$ 18,802,235	\$ 19,093,163

The accompanying notes are an integral part of these statements.

**PENNSYLVANIA COMPENSATION RATING BUREAU**  
Statements of Activities Without Donor Restrictions  
For the Years Ended December 31, 2023 and 2022

	2023		2022		
	Undesignated	Board Designated Technology Fund	Total	Board Designated Technology Fund	Total
Revenues Without Donor Restrictions:					
Assessments	\$ 12,241,277	\$ 0	\$ 12,241,277	\$ 0	\$ 11,957,510
Assessments - Fines	809,690	0	809,690	0	304,142
Membership Fees	1,162,500	0	1,162,500	0	1,190,000
Printing and Special Services	75,060	0	75,060	0	84,407
Interest and Other	103,446	0	103,446	0	25,495
<b>TOTAL REVENUES WITHOUT DONOR RESTRICTIONS</b>	<b>14,391,973</b>	<b>0</b>	<b>14,391,973</b>	<b>0</b>	<b>13,561,554</b>
Expenses Without Donor Restrictions:					
Operating Expenses:					
Program Services	7,501,777	0	7,501,777	6,911,614	6,911,614
Supporting Services:					
Management and General	10,879,965	13,689	10,893,654	9,787,880	9,997,748
	18,381,742	13,689	18,395,431	16,699,494	16,909,362
	(3,353,240)	(151,945)	(3,505,185)	(3,634,749)	(3,866,616)
Allocation of Expenses to DCRB	15,028,502	(138,256)	14,890,246	13,064,745	13,042,746
<b>TOTAL EXPENSES WITHOUT DONOR RESTRICTIONS</b>	<b>(636,529)</b>	<b>138,256</b>	<b>(498,273)</b>	<b>496,809</b>	<b>518,808</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE NON-OPERATING INCOME (EXPENSES)</b>					
Non-Operating Income (Expenses) Without Donor Restrictions:					
Interfund Transfer, Net	(153,647)	153,647	0	(404,870)	0
Minimum Pension Liability Adjustment	1,299,067	0	1,299,067	6,532,719	6,532,719
Loss on Disposal of Equipment	0	0	0	(6,064)	(6,064)
<b>TOTAL NON-OPERATING INCOME (EXPENSES) WITHOUT DONOR RESTRICTIONS</b>	<b>1,145,420</b>	<b>153,647</b>	<b>1,299,067</b>	<b>6,121,785</b>	<b>6,526,655</b>
<b>TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>508,891</b>	<b>291,903</b>	<b>800,794</b>	<b>6,618,594</b>	<b>7,045,463</b>
Net Assets (Deficit) Without Donor Restrictions - Beginning	3,463,655	3,621,526	7,085,181	(3,154,939)	3,194,657
Adoption of ASU 2016-13, Topic 326	(18,575)	0	(18,575)	0	0
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - ENDING</b>	<b>\$ 3,953,971</b>	<b>\$ 3,913,429</b>	<b>\$ 7,867,400</b>	<b>\$ 3,463,655</b>	<b>\$ 7,085,181</b>

The accompanying notes are an integral part of these statements.

**PENNSYLVANIA COMPENSATION RATING BUREAU**

**Statements of Functional Expenses**

**For the Years Ended December 31, 2023 and 2022**

	2023			2022		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries	\$ 6,473,987	\$ 3,491,833	\$ 9,965,820	\$ 5,999,803	\$ 3,420,890	\$ 9,420,693
Pension and Savings Plan	197,392	1,137,155	1,334,547	184,841	1,069,919	1,254,760
Payroll Taxes	468,050	256,248	724,298	429,127	247,425	676,552
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>7,139,429</b>	<b>4,885,236</b>	<b>12,024,665</b>	<b>6,613,771</b>	<b>4,738,234</b>	<b>11,352,005</b>
Group Insurance	0	1,643,105	1,643,105	0	1,542,057	1,542,057
Data Processing	0	1,856,686	1,856,686	0	1,514,142	1,514,142
Rent and Electric	0	739,473	739,473	0	610,001	610,001
Travel	167,348	91,624	258,972	102,843	58,637	161,480
Benchmarking Study Reference	195,000	0	195,000	195,000	0	195,000
Legal	0	123,803	123,803	0	105,712	105,712
Consulting	0	230,383	230,383	0	3,694	3,694
Depreciation	0	713,840	713,840	0	647,138	647,138
Document Processing, Postage and Telephone	0	27,889	27,889	0	37,884	37,884
Employee Overhead and Education	0	147,579	147,579	0	173,582	173,582
Insurance and Bonds	0	104,371	104,371	0	196,741	196,741
Accounting	0	73,781	73,781	0	67,000	67,000
Renovation Expenses	0	10,742	10,742	0	37,421	37,421
Office Expenses	0	74,819	74,819	0	74,892	74,892
Equipment and Furnishings	0	67,464	67,464	0	146,289	146,289
Supplies	0	26,352	26,352	0	44,324	44,324
Provision in Allowance for Credit Losses	0	76,507	76,507	0	0	0
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 7,501,777</b>	<b>\$ 10,893,654</b>	<b>\$ 18,395,431</b>	<b>\$ 6,911,614</b>	<b>\$ 9,997,748</b>	<b>\$ 16,909,362</b>

The accompanying notes are an integral part of these statements.



**PENNSYLVANIA COMPENSATION RATING BUREAU**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Change in Net Assets Without Donor Restrictions	\$ 800,794	\$ 7,045,463
Adjustments to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Provided by Operating Activities:		
Depreciation	713,840	647,138
Amortization of Tenant Incentive - Right of Use Asset	(28,067)	(14,269)
Increase (Decrease) in Deferred Rent from Operating Lease Right of Use Asset	531,215	(28,951)
Provision in Allowance for Credit Losses	76,507	0
Interest on Certificates of Deposit Added to Principal	(67,784)	(14,797)
Loss on Disposal of Equipment	0	6,064
Decrease (Increase) in:		
Accounts Receivable	(312,593)	325,662
Prepaid Expenses and Other Assets	(72,476)	52,725
Due from DCRB	661,431	(397,634)
Increase (Decrease) in:		
Accounts Payable	(23,489)	63,483
Accrued Expenses	50,132	64,507
Assessments Refundable to Members	(75,738)	37,852
Deferred Compensation Payable	(5,080)	(16,578)
Accrued Pension Liability	(1,299,067)	(6,532,719)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>949,625</u>	<u>1,237,946</u>
Cash Flows From Investing Activities:		
Purchase of Equipment, Leasehold Improvements, and Software	(562,822)	(838,366)
Purchases of Certificates of Deposit	(2,332,000)	(992,000)
Proceeds from Maturities of Certificates of Deposit	2,315,958	1,061,381
NET CASH USED BY INVESTING ACTIVITIES	<u>(578,864)</u>	<u>(768,985)</u>
Cash Flows From Financing Activities:		
Payments on Finance Lease Obligations	(12,847)	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	357,914	468,961
Cash and Cash Equivalents - Beginning	1,114,892	645,931
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,472,806</u>	<u>\$ 1,114,892</u>
<u>Supplemental Disclosure Non-Cash Flow Investing Information:</u>		
Finance Lease Obligation Incurred for Purchase of Equipment	\$ 133,014	\$ 0
Leasehold Improvements Purchased Through Tenant Allowance Incentive	<u>\$ 0</u>	<u>\$ 428,040</u>

The accompanying notes are an integral part of these statements.



**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 1 - Nature of Business

Pennsylvania Compensation Rating Bureau (“PCRB”) (a nonprofit corporation) provides services to insurers underwriting workers compensation coverage other than coal mines within Pennsylvania. PCRB also provides services and information to a broad variety of non-member constituencies including the Pennsylvania Insurance Department, the Pennsylvania Department of Labor & Industry, employers, insurance agents and brokers.

NOTE 2 - Summary of Significant Accounting Policies

Cash and Cash Equivalents - For the purposes of financial statements presentation, PCRB classifies all highly liquid investments maturing within three months or less of purchase date to be cash equivalents.

Accounts Receivable, Net - Beginning January 1, 2023, accounts receivable are stated at their estimated collectible amounts and comprise amounts billed and currently due from member carriers. The organization extends credit to members in the normal course of business. Collections from member carriers are continuously monitored and an allowance for credit losses is maintained based on historical experience adjusted for current conditions and reasonable forecasts taking into account geographical and industry-specific economic factors. The organization also considers any specific member carrier collection issues. Since the organization’s accounts receivable are largely similar, the organization evaluates its allowance for credit losses as one portfolio segment. At origination, the organization evaluates credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit ratings, probabilities of default, industry trends and other internal metrics.

On a continuing basis, data for each member carrier is regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses. The organization determines the allowance for credit losses by calculating a loss rate percentage based on a calculation of rolling historical write-offs during the year as a percentage of accounts receivable at the end of the prior year as well as applying a specific loss rate percentage based on past due status and selecting the rate that better represents the status. Loss rates, which are adjusted for current facts and circumstances, forecasting, and geographic trends, for the past five years range from 0.04% to 1.45% and loss rates by past due status are 0.5% for up to 30 days, 2.0% for up to 60 days, and 5.0% for 61 days and older. Actual write-offs are charged against the allowance. The allowance for credit losses was \$21,843 and \$23,580, as of December 31, 2023 and January 1, 2023, respectively. Prior to January 1, 2023, accounts receivable was recorded net of an allowance for expected losses. The allowance was estimated from historical performance and projection of trends. The allowance for doubtful accounts as of December 31, 2022 was \$5,005.

Changes in the valuation allowance for trade accounts receivable for the year ended December 31, 2023 are as follows:

Beginning Balance	\$ 5,005
Adoption of ASU 2016-13, Topic 326	18,575
Write-offs	(78,244)
Provision in Allowance for Credit Losses	<u>76,507</u>
ENDING BALANCE	<u>\$ 21,843</u>

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 2 - Summary of Significant Accounting Policies (Continued)**

Investments - PCRB invests in certificates of deposit and guaranteed income funds which are recorded at fair value (see Note 5).

Investment in CDX, LLC - PCRB has an investment in Compensation Data Exchange, LLC ("CDX, LLC"), a Minnesota limited liability company. CDX, LLC is an internet-based service company that facilitates the electronic transmission of workers compensation data between member insurers and data collection organizations in participating states. The investment is valued using the cost method of accounting since PCRB only has a 5.6% membership interest. Cost was not impaired at December 31, 2023 or 2022.

Due from (to) DCRB - PCRB provides services to and shares management with Delaware Compensation Rating Bureau, Inc. ("DCRB") to carry out DCRB's principal functions. PCRB recognizes receivables from or payables to DCRB based on the costs of those services less amounts remitted.

Equipment and Leasehold Improvements - Equipment and leasehold improvements are recorded at cost. PCRB's policy is to capitalize equipment and leasehold improvements with a cost greater than \$1,000.

Depreciation expense is computed on the straight-line method over the useful life of the assets and amortization expense of leasehold improvements is over the shorter of the lease term or useful life as follows:

Office Furniture and Equipment	5 - 7 Years
Computer Equipment and Internal Systems	5 - 10 Years
Other Equipment and Automobiles Under Finance Leases	5 Years
Leasehold Improvements	Lease Term

Internal-Use Capitalized Software Development Costs - Costs paid to third parties for the development and modification of software for internal use are capitalized. PCRB amortizes these costs over ten years. All training and maintenance costs are expensed as incurred. PCRB capitalized \$545,125 and \$405,378 of vendor costs during 2023 and 2022, respectively, which are included in computer equipment and internal systems and software development costs (in process) (Note 4).

Assessments Due from (Refundable to) Members - Under the terms of PCRB's by-laws, the balance of net revenues assessed or expenditures paid by PCRB (after deducting membership fees, increases in net assets without donor restrictions, and all other income) is refundable to, or due from, members according to their respective proportion of applicable total net written insurance premiums for the calendar year during which revenues have been earned and expenditures have been paid. The amount reflected as assessments refundable to and from members in the accompanying statements of financial position reflects the adjustment of assessments based upon actual net premiums written and expenditures paid.

Board Designated Net Assets - Technology Fund - The Governing Board established and maintains the Technology Fund as a means of providing monies for the purpose of providing needed technological resources and meeting selected special expense needs while also mitigating fluctuations in member assessments. This fund is also used for unexpected information technology (IT) expenditures, which are approved by the Governing Board. In 2023 and 2022, the Board designated \$778,807 and \$904,760 to be transferred from operations to the Technology Fund. Other funds are transferred related

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Board Designated Net Assets - Technology Fund (Continued) - to board-approved funding of the technology fund the acquisition of capital assets through the interfund transfer on the statements of financial position.

The Governing Board can approve an IT surcharge to the members and DCRB, which was not levied in 2023 or 2022 at the governing board's discretion. In addition, DCRB also makes contributions to the technology fund from time to time. Included in the board designated transfer above is DCRB's contribution to the technology fund. It is part of the amounts due from DCRB on the statements of financial position and was \$151,945 and \$231,867 for the years ended December 31, 2023 and 2022, respectively. See Note 10 for more detail.

Leases - PCRB accounts for leases in accordance with FASB ASC 842. PCRB is a lessee in several noncancelable operating leases for real estate, vehicles, and other small equipment. Certain vehicle leases have been classified as finance leases. Leases for real estate, vehicles, and equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The organization determines if an arrangement conveys the right to use an identified asset and whether the organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The organization recognizes a lease liability and right of use asset at the commencement date of the lease. Beginning January 1, 2022, operating lease right of use assets and the related current and long-term portions of operating lease liabilities have been presented on the statements of financial position.

Lease Liabilities - A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee.

The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the organization uses its incremental borrowing rate. The incremental borrowing rate is based on the information available at the later of the adoption date of FASB ASC 842 or the commencement date for each lease. The organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The organization determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases. Beginning January 1, 2022, the organization adopted ASU 2021-09. Leases (Topic 842): *Discount Rate for Lessees That are Not Public Business Entities*. ASU 2021-09 provides lessees with a practical expedient that permits the organization to make an accounting policy election to use a risk-free rate, instead of the incremental borrowing rate, as the discount rate for the lease. The election is made by each underlying class of assets.

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 2 - Summary of Significant Accounting Policies (Continued)**

**Right of Use Assets** - A right of use asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after the commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the right of use asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease right of use assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

**Accounting Policy Election for Short-Term Leases** - The organization has elected for all underlying classes of assets, to not recognize right of use assets and lease liabilities for short-term leases that have a lease term of twelve months or less, but greater than one month at lease commencement, and do not include an option to purchase the underlying asset that the organization is reasonably certain to exercise. The organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

**Functional Allocation of Expenses** - The costs of providing programs and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets without donor restrictions. Direct expenses are charged directly to the program and supporting service benefited.

**Income Tax Status** - PCRB is a nonprofit corporation that is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. PCRB recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during 2023 and 2022. PCRB's Forms 990, Return of Organization Exempt From Income Tax for the years ended 2020 through 2023 remain subject to examination by the Internal Revenue Service.

**Revenue Recognition** - The organization's primary sources of revenue are from quarterly assessments and membership fees. Revenue is recognized ratably over membership terms and as services are rendered to its members, for an amount that reflects the consideration the organization expects to be entitled to in exchange for the assessments and memberships.

*Disaggregation of Revenue from Contracts with Customers*

Revenue from performance obligations satisfied over time consist of assessments, membership fees and services provided to the organization's members. As a result, the organization is dependent on the strength of its membership and its ability to collect amounts owed on contracts.

*Performance Obligations and Significant Judgements*

**Assessments**: Quarterly provisional assessments of member companies for budgeted expenses of PCRB are the primary source of revenue. The assessments are levied pro rata upon members according to their respective proportions of the total Pennsylvania workers compensation premiums written in the prior year. Assessments made each year are adjusted at the end of the year according to actual PCRB expenses and insurer premium writings during the assessment year. Assessments are not recognized as revenues until revenue is earned, which is when services are provided, and the organization does not believe it is required to provide additional activities or services.

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 2 - Summary of Significant Accounting Policies (Continued)**

*Membership Fees Revenue (Continued)*: PCRB assesses membership fees to its members on an annual basis. Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the organization expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term, which begins annually on January 1. Membership fees are nonrefundable. Generally, the organization bills members annually with the first quarter assessment.

The organization does not have any significant financing components as payment is received at or shortly after the beginning of membership periods (the year) or when services are provided.

Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than one year.

The organization recognizes a contract liability (deferred revenue) for quarterly assessments and membership fees received prior to completion of services or their terms, respectively. Upon completion of services or over the membership fee term, the contract liability is reversed, and revenue is recognized.

The organization records allowances for expected uncollectible accounts, which are based on historical rates.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Measurement - *The Fair Value Measurements and Disclosures* topic of the Financial Accounting Standards Board Statement (FASB), Accounting Standards Codification (ASC), provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three Levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities

Level 2: Significant other observable inputs

Level 3: Significant unobservable inputs

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

PCR B's certificates of deposit are considered Level 2 since they are based on fixed interest rates, length of time to maturity, and a market-to-market value based on mid-market levels at the reporting date. PCR B's Guaranteed Income Funds are considered Level 2 since it invests in a broad range of fixed-income investments within the insurance company's general account.

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 2 - Summary of Significant Accounting Policies (Continued)**

**Fair Value of Measurement** (Continued) - The methods described above may produce a fair value calculation that may not be indicative of the net realizable value. Furthermore, while PCRB believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Concentration of Credit Risk** - PCRB maintains cash and cash equivalents at two financial institutions. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation. In the normal course of business, the balances of these accounts may exceed federally insured limits.

**Reclassifications** - Certain prior year amounts have been reclassified for consistency with the current year presentation.

**New Accounting Pronouncements** - In February 2016, FASB issued ASU 2016-02, Leases (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ACS 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. The organization adopted FASB ASC 842, with the date of initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU 2018-11, Leases (Topic 842): *Targeted Improvements*. The organization did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. The most significant effect of adopting FASB ASC 842 was the recognition of \$7,972,990 of operating lease right of use assets, net of accrued or prepaid lease payments and lease incentives, and a total of \$8,522,379 of current and long-term lease liabilities on the statement of financial position as of January 1, 2022. No cumulative effect adjustment to net assets as of January 1, 2022, was necessary. FASB ASC 842 did not have a significant effect on the results of activities or cash flows for the year ended December 31, 2022.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*" ("ASU 2016-13"), which changes the impairment model for most financial assets and certain other instruments from an incurred loss approach to a new expected credit loss methodology. On January 1, 2023, the organization adopted ASU 2016-13 using the modified retrospective method. The organization did not restate prior comparative periods as presented under ASU 2016-13 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2023 was necessary for the cumulative impact of adoption of ASU 2016-13. A cumulative effect adjustment of \$18,575 to net assets was required. The adoption of ASU 2016-13 did not materially impact the statements of activities, functional expenses without donor restrictions, or cash flows for the year ended December 31, 2023.

**Subsequent Events** - Subsequent events have been evaluated through October 1, 2024, the date that the financial statements were available to be issued.

**PENNSYLVANIA COMPENSATION RATING BUREAU**

**Notes to Financial Statements**

**December 31, 2023 and 2022**

**NOTE 3 - Liquidity and Availability**

Financial assets available for general expenditure, that is without external donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 1,472,806	\$ 1,114,892
Accounts Receivable, Net	678,550	461,039
Investments at Fair Value	2,451,739	2,367,913
Due from DCRB	48,186	709,617
TOTAL FINANCIAL ASSETS AS YEAR END	<u>4,651,281</u>	<u>4,653,461</u>
Less Amounts Not Available to be Used Within One Year:		
Board Designated Technology Funds, Net of Amounts Designated for Technology Capital Expenditures	<u>3,913,429</u>	<u>3,621,526</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 737,852</u>	<u>\$ 1,031,935</u>

As part of the PCRB's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. Although PCRB does not intend to spend from its board designated funds, amounts from these funds could be made available if necessary.

**NOTE 4 - Equipment, Leasehold Improvements, and Software, Net**

A summary of equipment, leasehold improvements, and software, net is as follows:

	<u>2023</u>	<u>2022</u>
Office Furniture and Equipment	\$ 155,885	\$ 155,885
Automobiles Under Finance Leases	133,014	0
Computer Equipment and Internal Systems	6,389,839	5,821,441
Leasehold Improvements	878,635	861,028
Software Development Costs (In Progress)	487,615	518,270
TOTAL	<u>8,044,988</u>	<u>7,356,624</u>
Less: Accumulated Depreciation and Amortization	<u>1,717,373</u>	<u>1,011,005</u>
EQUIPMENT, LEASEHOLD IMPROVEMENTS, AND SOFTWARE, NET	<u>\$ 6,327,615</u>	<u>\$ 6,345,619</u>



**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 4 - Equipment, Leasehold Improvements, and Software, Net (Continued)**

Depreciation expense for the years ended December 31, 2023 and 2022 was \$713,840 and \$647,138, respectively. Depreciation expense for the years ended December 31, 2023 and 2022 by category is as follows:

	<u>2023</u>	<u>2022</u>
Office Furniture and Equipment	\$ 21,429	\$ 25,713
Automobiles Under Finance Leases	16,834	0
Computer Equipment and Internal Systems	615,579	577,313
Leasehold Improvements	59,998	44,112
<b>TOTAL</b>	<b><u>\$ 713,840</u></b>	<b><u>\$ 647,138</u></b>

**NOTE 5 - Fair Value Measurement**

The following tables discloses PCRB's investments at fair value as of December 31, 2023 and 2022:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets For Identical Assets (Level 1)</u>	<u>Significant Unobservable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b><u>December 31, 2023</u></b>				
Certificates of Deposit	\$ 2,381,245	\$ 0	\$ 2,381,245	\$ 0
Guaranteed Income Funds	70,494	0	70,494	0
<b>TOTAL</b>	<b><u>\$ 2,451,739</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 2,451,739</u></b>	<b><u>\$ 0</u></b>

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets For Identical Assets (Level 1)</u>	<u>Significant Unobservable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b><u>December 31, 2022</u></b>				
Certificates of Deposit	\$ 2,289,503	\$ 0	\$ 2,289,503	\$ 0
Guaranteed Income Funds	78,410	0	78,410	0
<b>TOTAL</b>	<b><u>\$ 2,367,913</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 2,367,913</u></b>	<b><u>\$ 0</u></b>

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 6 - Deferred Compensation

PCRB has established two supplemental pension plans whereby PCRB will compensate certain employees for specified benefits lost as a result of limitations imposed on the Pension Plan by the Internal Revenue Code. At December 31, 2023 and 2022, PCRB maintained guaranteed income funds in the amount of \$70,494 and \$78,410, respectively, with an insurance company, which were designated to fund compensation to be paid under these plans.

Deferred compensation payable on the statements of financial position includes \$48,682 and \$53,762 at December 31, 2023 and 2022, respectively, which represents the actuarial valuation of the benefits expected to be paid from these plans for employees currently eligible for payments.

NOTE 7 - Employee Benefit Plans

PCRB participates with DCRB in a noncontributory defined benefit plan covering all employees who are at least 21 years of age and have at least one year of service. Pension benefits are primarily based upon the earnings of the participant over the previous five-year period and participants are fully vested after five years. As of December 31, 2013, employees hired or rehired after December 31, 2013, are not eligible to participate in the Plan. Benefits will continue to accumulate for all employees who were participants as of December 31, 2013.

PCRB's primary investment objective is to maximize investment returns, maintain liquidity, and limit the risk of investment loss through the use of a small number of investment vehicles that do not require frequent management on the part of PCRB or PCRB's investment advisors. The asset allocation is reviewed quarterly to determine whether the portfolio mix is within an acceptable range of the target allocation. The target asset allocation for the portfolio is 60% equity and 40% fixed income securities with the objective of enhancing the expected return of the retirement portfolio while maintaining acceptable levels of risk.

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2023 and 2022:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>December 31, 2023</u>				
Pooled Separate Accounts	\$ 33,580,291	N/A	Daily	90 days
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>December 31, 2022</u>				
Pooled Separate Accounts	\$ 28,941,232	N/A	Daily	90 days

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 7 - Employee Benefit Plans (Continued)**

*Pooled Separate Accounts:* Valued at the net asset value (NAV) of units of the separate account. The NAV, as provided by the insurance company, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the account less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Participant transactions (purchases and sales) may occur daily. Were the plan to initiate a full redemption of the separate account, the investment advisor reserves the right to temporarily delay withdrawal from the account in order to ensure that securities liquidations will be carried out in an orderly business manner.

*Guaranteed Deposit Account:* The Stable Value Fund primarily invests in a broadly diversified, fixed income portfolio, which includes public bonds, commercial mortgages and private placement bonds. The objective of the fund is to preserve principle and accumulated interest and provide liquidity of investment.

The Plan's investment in the Stable Value Fund is fully benefit-responsive and therefore, contract value is the relevant measurement attribute for the portion of the net assets available for benefits attributable to this investment. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment in the Stable Value Fund at contract value. The Stable Value Fund is valued based on information reported by Prudential, the fund's issuer.

Certain events may limit the ability of the Stable Value Fund or the Plan with respect to the Stable Value Fund to transact at contract value. Withdrawals from the Stable Value Fund prompted by the Plan or the Company, such as withdrawals resulting from adjustments to the Plan's investment options, may be paid at less than full contract value. The Plan administrator does not believe that the occurrence of any such events is probable.

The preceding method may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 7 - Employee Benefit Plans (Continued)**

The following chart shows the components of change in the financial assets categorized as Level 3, for the years ended December 31, 2023 and 2022:

	Guaranteed Deposit Stable Value Fund
Beginning Balance, January 1, 2022	\$ 5,992,957
Receipts / Transfers	712,752
Disbursements	(1,789,506)
Investment Gains	83,038
Ending Balance, December 31, 2022	<u>\$ 4,999,241</u>
Receipts / Transfers	1,275,000
Disbursements	(1,979,640)
Investment Gains	63,961
Ending Balance, December 31, 2023	<u><u>\$ 4,358,562</u></u>

The Projected Benefit Obligation (the actuarial present value of benefits attributed by the pension benefit formula to employee services rendered before a specified date based on employee services rendered before that date and using assumptions as to future compensation levels), plan assets, and funded status of PCR's pension plan at December 31:

	<u>2023</u>	<u>2022</u>
Change in Projected Benefit Obligation:		
Projected Benefit Obligation at End of Prior Year	\$ 36,356,696	\$ 50,339,534
Service Cost	502,133	920,311
Interest Cost	1,862,182	1,363,504
Actuarial (Gain) Loss	2,304,656	(14,477,147)
Benefits Paid	(1,969,928)	(1,789,506)
Projected Benefit Obligation at End of Year	<u>\$ 39,055,739</u>	<u>\$ 36,356,696</u>
Change in Plan Assets:		
Fair Value of Plan Assets at Beginning of Year	\$ 33,940,743	\$ 41,390,862
Actual Return on Plan Assets	5,078,038	(6,610,613)
Employer Contributions	890,000	950,000
Benefits Paid	(1,969,928)	(1,789,506)
Fair Value of Plan Assets at End of Year	<u>\$ 37,938,853</u>	<u>\$ 33,940,743</u>
Funded Status at End of Year	\$(1,116,886)	\$(2,415,953)
Pension Liability Recognized at End of Year	\$(1,116,886)	\$(2,415,953)
Net Accrued Pension Liability Recognized at End of Year	\$(1,116,886)	\$(2,415,953)

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 7 - Employee Benefit Plans (Continued)**

The Accumulated Benefit Obligation (the actuarial present value of benefits attributed by the pension benefit formula to employee services rendered before a specified date based on employee service and compensation up to that date) was \$36,008,191 and \$33,414,214 at December 31, 2023 and 2022, respectively.

The benefits expected to be paid in each of the next five years and thereafter through year ten are approximately as follows:

2024	\$ 1,953,284
2025	2,014,553
2026	2,078,587
2027	2,156,675
2028	2,216,132
Thereafter	<u>12,074,071</u>
	<u>\$ 22,493,302</u>

	<u>2023</u>	<u>2022</u>
Weighted Average Assumptions used to Develop the Net Pension Cost are as Follows:		
Discount Rate	5.25%	2.75%
Rate of Compensation Increase	3.50%	3.50%
Expected Long-Term Rate of Return on Assets	6.25%	6.00%

The expected rate of return on pension plan assets is determined by those assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

	<u>2023</u>	<u>2022</u>
Weighted Average Assumptions used to Determine Benefit Obligations are as follows:		
Discount Rate	5.00%	5.25%
Rate of Compensation Increase	4.00%	3.50%
Expected Return on Assets	6.50%	6.25%

	<u>2023</u>	<u>2022</u>
Asset Allocations are as Follows:		
Equity Securities	56.00%	57.00%
Debt Securities	39.00%	38.00%
Real Estate	5.00%	5.00%
	<u>100.00%</u>	<u>100.00%</u>

Net Periodic Benefit Cost Included the Following Components:		
Service Cost of the Current Period	\$ 502,133	\$ 920,311
Interest Cost on Projected Benefit Obligation	1,862,182	1,363,504
Expected Return on Plan Assets	(2,087,754)	(2,460,983)
Net Amortization / Deferral	<u>(99,116)</u>	<u>368,881</u>
Net Periodic Benefit Cost	<u>\$ 177,445</u>	<u>\$ 191,713</u>

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 7 - Employee Benefit Plans** (Continued)

Management expects to fund minimum annual contributions through operations and is working with the plan provider and consultants to evaluate future funding options. The expected contribution to the pension plan for 2024 is \$900,000.

The following cumulative amounts included in net assets without donor restrictions had not yet been recognized as components of pension expense as of December 31:

	<u>2023</u>	<u>2022</u>
Net Loss	\$ 3,243,498	\$ 3,978,284
Net Prior Service Credit	(158,662)	(306,936)
	<u>\$ 3,084,836</u>	<u>\$ 3,671,348</u>

PCRB also participates with DCRB in a contributory defined contribution 401(k) benefit plan for eligible employees. To become eligible, an employee must be at least 21 years of age and have completed one month of service. Participating employee contributions are limited to a minimum of 1% and a maximum of 15% of annual compensation. PCRB provides matching contributions equal to 75% of the employee contributions, up to the first 5% of the employee's compensation. Thus, the maximum PCRB matching contribution is 3.75% of an employee's annual compensation. Matching contributions for 2023 and 2022 were \$298,283 and \$275,012, respectively.

**NOTE 8 - Leases**

The organization has entered into a lease, as amended and extended, for office space with monthly rent ranging from \$48,069 to \$69,414 in the form of fixed increases that expires March 2038. The lease contains two cancellation options in 2031 and 2034 and has one five-year renewal option. Because the organization is not reasonably certain to exercise the renewal option, the optional periods are not included in determining the lease term, and associated payments under the renewal option are excluded from lease payments used to determine lease liabilities. The organization classifies the lease as an operating lease. The office space operating lease right of use asset was \$7,101,792 and \$7,479,181 net of deferred rent liability of \$623,612 and \$92,397 and unamortized tenant allowance incentive of \$385,704, and \$413,772 as of December 31, 2023 and 2022, respectively. The associated current portion of operating lease liability was \$220,682 and \$81,235, and an associated long-term operating lease liability of \$7,890,426 and \$7,904,115 as of December 31, 2023 and 2022, respectively. The total lease costs associated with the lease were \$660,606 and \$544,036 for the years ended December 31, 2023 and 2022, respectively.

The organization leases vehicles for several employees, expiring through September 2028. The terms and residual values are jointly determined by lessor and lessee for each vehicle on an individual basis. Certain leases have been classified as operating leases and others as finance leases. As of December 31, 2023, the vehicle operating lease right of use assets totaled \$15,549 and \$32,781 as of December 31, 2023 and 2022, respectively, with associated current portions of operating lease liabilities of \$14,265, and \$17,557 and associated long-term operating lease liabilities of \$1,284, and \$15,224 as of December 31, 2023 and 2022, respectively. The total operating lease cost associated with the vehicle leases for the years ended December 31, 2023 and 2022, was \$36,457 and \$50,788 respectively, which includes short-term lease costs of \$18,104 and \$25,712 respectively. The total finance lease cost associated with vehicle leases for the year ended December 31, 2023 was \$22,486. There were no finance lease costs associated with vehicle leases for the year ended December 31, 2022.

**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements  
December 31, 2023 and 2022

**NOTE 8 - Leases** (Continued)

The organization leases office equipment, expiring through May 2028. These leases have been classified as operating leases. As of December 31, 2023 and 2022, the office equipment operating lease right of use assets totaled \$140,809 and \$89,407 respectively, with associated current portions of operating lease liabilities of \$28,535 and \$60,845 respectively and associated long-term operating lease liabilities of \$112,274 and \$28,562 respectively. The total lease cost associated with the office equipment leases was \$57,528 and \$62,922 for the years ended December 31, 2023 and 2022, respectively.

Payments due under lease contracts include fixed payments and variable payments. The real estate lease requires payments for non-lease components, which include the building's property taxes, insurance, utilities and maintenance. The payment of non-lease components is not included in lease payments used to determine lease liabilities and are expensed as incurred. Vehicle and office equipment leases require variable payments for use in excess of lease limits, which are not included in lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.

The components of lease cost and statements of functional expenses caption allocations for the years ended December 31, 2023 and 2022, are as follows:

	Statements of Functional Expenses Without Donor Restrictions Captions	2023	2022
Operating Lease Cost:			
	Rent and Electric	\$660,606	\$544,036
	Equipment and Furnishings	43,393	48,706
	Data Processing	14,135	14,216
	Travel	18,353	25,076
<b>TOTAL OPERATING LEASE COST</b>		<u>736,487</u>	<u>632,034</u>
Finance Lease Cost:			
Amortization of Right of Use Assets	Depreciation	16,834	0
Interest on Lease Liabilities	Travel	5,652	0
<b>TOTAL FINANCE LEASE COST</b>		<u>22,486</u>	<u>0</u>
Short-Term Lease Cost:			
	Travel	18,104	25,712
Variable Lease Cost:			
	Rent and Electric	78,867	65,965
<b>TOTAL LEASE COST</b>		<u>\$855,944</u>	<u>\$723,711</u>

The following represents supplemental statements of financial position classification information related to finance leases as of December 31, 2023 and 2022:

	2023	2022
Assets:		
Finance Lease Right of Use Assets Included in Equipment, Leasehold Improvements, and Software, Net (Classified as Equipment at Cost of \$133,014, Less \$16,834 of Accumulated Depreciation as of December 31, 2023)	\$116,180	\$ 0

**PENNSYLVANIA COMPENSATION RATING BUREAU**

**Notes to Financial Statements**

**December 31, 2023 and 2022**

**NOTE 8 - Leases** (Continued)

Weighted average information related to leases as of December 31, 2023 is as follows:

	<u>2023</u>	<u>2022</u>
Weighted Average Remaining Lease Term (Years):		
Operating Leases	14.26 Years	15.26 Years
Finance Leases	4.45 Years	0 Years
Weighted Average Discount Rate:		
Operating Leases	3.33%	3.25%
Finance Leases	8.09%	0.00%

Supplemental cash flow information for the year ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows - Operating Leases	\$ 205,272	\$ 632,034
Operating Cash Flows - Finance Leases	\$ 5,652	\$ 0
Financing Cash Flows - Finance Leases	\$ 12,847	\$ 0
Right of Use Assets Obtained in Exchange for Lease Liabilities:		
Operating Leases	\$ 152,554	\$ 0
Finance Leases	\$ 133,014	\$ 0
Increases to Right of Use Asset Resulting From Free Rent Increase to Operating Lease Liability	\$ 195,057	\$ 0
Reductions to Right of Use Assets Resulting From Reductions to Lease Liabilities:		
Operating Leases	\$ 187,683	\$ 414,841
Finance Leases	\$ 12,847	\$ 0

Maturities of operating and finance lease liabilities as of December 31, 2023 were as follows:

	<u>OPERATING LEASES</u>	<u>FINANCE LEASES</u>
2024	\$ 536,664	\$ 32,417
2025	694,023	32,417
2026	705,741	32,417
2027	719,117	32,417
2028	705,272	13,819
Thereafter	<u>7,109,370</u>	<u>0</u>
TOTAL	10,470,187	143,487
Less: Present Value Adjustment	<u>2,202,721</u>	<u>23,320</u>
PRESENT VALUE OF LEASE LIABILITIES (CARRIED FORWARD)	<u>\$ 8,267,466</u>	<u>\$ 120,167</u>



**PENNSYLVANIA COMPENSATION RATING BUREAU**

Notes to Financial Statements

December 31, 2023 and 2022

**NOTE 8 - Leases** (Continued)

	<u>OPERATING LEASES</u>	<u>FINANCE LEASES</u>
PRESENT VALUE OF LEASE LIABILITIES (BROUGHT FORWARD)	<u>\$ 8,267,466</u>	<u>\$ 120,167</u>
Current Portion	\$ 263,482	\$ 23,557
Long-Term Portion	<u>8,003,984</u>	<u>96,610</u>
TOTAL	<u>\$ 8,267,466</u>	<u>\$ 120,167</u>

**NOTE 9 - Self-Insurance**

PCRB began participating in a self-funded medical and prescription plan during 2013. The funding of the plan is done on a monthly basis. Additional assessments or claims could be made in subsequent periods based on actual claims incurred. Any additional premiums charged, or refunds received by PCRB in future periods will be recognized in the period assessed or known.

**NOTE 10 - Related Party Services**

DCRB is a separate nonprofit corporation performing activities for the State of Delaware similar to those performed by PCRB for the Commonwealth of Pennsylvania. DCRB reimburses PCRB for its share of the cost of services provided to members based on the proportion of staff effort directed to Pennsylvania and Delaware issues for the year. An allocation percentage is selected in advance of each calendar year based on management's estimate of staff efforts anticipated on an ongoing basis for the benefit of PCRB and DCRB respectively. That allocation was 19.51% and 22.15% of PCRB expenses for 2023 and 2022, respectively.

DCRB was not assessed any surcharges for PCRB's technology fund for the years ended December 31, 2023 and 2022. DCRB makes annual contributions to PCRB's technology fund once financial results are evaluated. DCRB's contribution to the technology fund was \$151,945 and \$231,867 for the years ended December 31, 2023 and 2022, respectively.

In addition, PCRB obtained internet-based services throughout 2023 and 2022 from CDX, LLC. During both years ended December 31, 2023 and 2022, PCRB paid CDX, LLC approximately \$95,000 and \$85,000 relating to those services for the years ended December 31, 2023 and 2022, respectively.

**NOTE 11 - Concentrations**

Amounts due from three members represented approximately 21% of accounts receivable at December 31, 2022.

PENNSYLVANIA COMPENSATION RATING BUREAU

INCOME AND EXPENSES 2023

INCOME

Membership Fees	\$	1,162,500	
Pennsylvania Assessment - Tentative		12,393,222	
Delaware Expense Reimbursement- Tentative		3,457,000	
Delaware Expense Reimbursement - Adjustment		(103,760)	
Other		1,057,133	
		<u>1,057,133</u>	\$ 17,966,095

EXPENSES

PCRB Allocation of Expenses, Excluding Technology Funding	\$	(13,834,048)	
DCRB Allocation of Expenses, Excluding Technology Funding		<u>(3,353,240)</u>	(1), (2)
			<u>\$ (17,187,288)</u>
2023 Surplus	\$	778,807	
2023 Technology Funding	\$	<u>(778,807)</u>	
			0
Reimbursement from DCRB (prorata share of Technology Fund Expense)	\$	<u>(151,945)</u>	
Refundable Surplus	\$	<u><u>(151,945)</u></u>	

(1) In addition to reimbursing the Pennsylvania Compensation Rating Bureau for the Delaware share of Allocable Expenses (\$3,353,240 and \$151,945 for Technology Funding or \$3,505,185), the DCRB, Inc. incurred \$227,219 of direct expenses not allocable to the PCRB. Altogether, Delaware's 2023 expenses were \$3,731,056.

(2) DCRB Share of Allocable PCRB Expense	\$	3,353,240
Delaware Expense Reimbursement- Tentative	\$	<u>(3,457,000)</u>
Delaware Expense Reimbursement - Adjustment	\$	<u><u>(103,760)</u></u>

(3) By action of the Governing Board, 2023 surplus is to be retained in the Technology Fund Account.

(4) Technology Funding - Prorata Share

PCRB	0.8049	\$	626,862
DCRB	0.1951	\$	151,945
	<u>1</u>	\$	<u><u>778,807</u></u>

(5) Surplus to be refunded to member companies - This amount is the difference between columns (5) and (6) of the attached member carrier detail.

APPORTIONMENT OF EXPENSES

Pennsylvania Assessment - Tentative	\$	12,393,222	
Less: DCRB Tech. Fund Reimb.	\$	<u>(151,945)</u>	
Adjusted Assessment	\$	<u>12,241,277</u>	
Adjusted Assessment	\$	<u>12,241,277</u>	=
PCRB Premiums	\$	2,602,214,502	0.004704176691 per dollar of premium

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
<b>Total</b>	<b>2,602,214,502</b>	<b>12,393,222</b>		<b>12,241,277</b>	<b>(151,945)</b>
1842 Insurance Company	150,488	-	0.01%	708	708
Acadia Insurance Co	2,257,902	16,958	0.09%	10,622	(6,336)
Accident Fund General Insurance Co	6,206,991	32,902	0.24%	29,199	(3,703)
Accident Fund Insurance Co Of America	5,185,784	16,434	0.20%	24,395	7,961
Accident Fund National Insurance Co	2,073,351	3,376	0.08%	9,753	6,377
Accredited Surety And Casualty Company In	166,464	814	0.01%	783	(31)
ACE American Insurance Co	3,532,631	181,898	0.14%	16,618	(165,280)
ACE Fire Underwriters Insurance Co	494,544	128	0.02%	2,326	2,198
ACE Property & Casualty Insurance Co	794,432	3,958	0.03%	3,737	(221)
ACIG Insurance Co	585,075	1,844	0.02%	2,752	908
Acuity A Mutual Insurance Co	7,427,512	37,418	0.29%	34,940	(2,478)
Addison Insurance Company	288,846	-	0.01%	1,359	1,359
AIG Assurance Co	192,270	1,540	0.01%	904	(636)
AIG Property Casualty Co	170,130	1,820	0.01%	800	(1,020)
AIU Insurance Co	19,641,076	82,018	0.75%	92,395	10,377
Alea North America Insurance Co	-	-	0.00%	-	-
All America Insurance Company	-	-	0.00%	-	-
Alleghenypoint Insurance Co	21,638,343	82,456	0.83%	101,791	19,335
Allied Eastern Indemnity Co	27,732,186	154,796	1.07%	130,457	(24,339)
Allied Property & Casualty Insurance Co	-	282	0.00%	-	(282)
Allmerica Financial Alliance Ins Co	631,984	3,100	0.02%	2,973	(127)
Allmerica Financial Benefit Insurance Co	2,755,989	11,106	0.11%	12,965	1,859
Allstate Indemnity Co	-	-	0.00%	-	-
Allstate Insurance Co	-	-	0.00%	-	-
Allstate Northbrook Indemnity Co	-	-	0.00%	-	-
Amco Insurance Co	59,747	102	0.00%	281	179
American Alternative Insurance Corp	-	-	0.00%	-	-
American Automobile Insurance Co	396,094	3,848	0.02%	1,863	(1,985)
American Builders Insurance Co	199,130	12	0.01%	937	925
American Business & Mercantile Ins Mtl	-	80	0.00%	-	(80)
American Casualty Co Of Reading	17,565,286	70,622	0.68%	82,630	12,008
American Compensation Insurance Co	1,577,361	9,698	0.06%	7,420	(2,278)
American Country Insurance Co	-	-	0.00%	-	-
American Economy Insurance Co	-	-	0.00%	-	-
American European Insurance Co	-	-	0.00%	-	-
American Family Home Insurance Co	688	10	0.00%	3	(7)
American Fire And Casualty Co	2,183,994	10,706	0.08%	10,274	(432)
American Guarantee & Liability Ins Co	2,791,325	12,234	0.11%	13,131	897
American Home Assurance Co	205,822	240	0.01%	968	728
American Insurance Co	-	-	0.00%	-	-
American Interstate Insurance Co	15,523,667	91,572	0.60%	73,026	(18,546)
American Interstate Insurance Company of	2,305,260	1,592	0.09%	10,844	9,252
American Liberty Insurance Company	346,639	6,082	0.01%	1,631	(4,451)
American Modern Home Insurance Co	-	-	0.00%	-	-
American Select Insurance Co	2,042,476	11,988	0.08%	9,608	(2,380)

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
American Sentinel Insurance Co	-	-	0.00%	-	-
American States Insurance Co	-	-	0.00%	-	-
American States Insurance Co Of Texas	-	-	0.00%	-	-
American Zurich Insurance Co	58,248,643	235,616	2.24%	274,012	38,396
Amerisure Insurance Co	1,188,800	6,752	0.05%	5,592	(1,160)
Amerisure Mutual Insurance Co	4,299,450	20,860	0.17%	20,225	(635)
Amerisure Partners Insurance Co	153,980	416	0.01%	724	308
AmFed Advantage Insurance Comapny	111,203	-	0.00%	523	523
AmFed Casualty Insurance Company	2,132,303	-	0.08%	10,031	10,031
AmFed National Insurance Company	783,296	-	0.03%	3,685	3,685
Amguard Insurance Co	4,963,587	24,704	0.19%	23,350	(1,354)
Amtrust Insurance Company	59,605,575	234,808	2.29%	280,395	45,587
Arch Indemnity Insurance Co	6,047,071	29,718	0.23%	28,446	(1,272)
Arch Insurance Co	35,580,628	155,396	1.37%	167,378	11,982
Arch Property Casualty Insurance Company	-	-	0.00%	-	-
Argonaut Great Central Insurance Co	-	-	0.00%	-	-
Argonaut Insurance Co	1,993,883	5,930	0.08%	9,380	3,450
Argonaut-Midwest Insurance Co	124,977	1,152	0.00%	588	(564)
ARI Insurance Company	-	-	0.00%	-	-
Ascot Insurance Company	2,375,585	-	0.09%	11,175	11,175
Ashmere Insurance Co	-	-	0.00%	-	-
Atlantic Specialty Insurance Co	957,970	5,336	0.04%	4,506	(830)
Atlantic States Insurance Co	11,298,885	58,640	0.43%	53,152	(5,488)
Automobile Insurance Co Of Hartford CT	-	-	0.00%	-	-
Auto-Owners Insurance Co	1,705,046	6,344	0.07%	8,021	1,677
Bankers Standard Insurance Co	5,259,557	15,740	0.20%	24,742	9,002
Benchmark Insurance Co	5,931,167	30,254	0.23%	27,901	(2,353)
Berkley Casualty Insurance Co	11,687,521	44,636	0.45%	54,980	10,344
Berkley National Insurance Co	1,272,043	5,238	0.05%	5,984	746
Berkley Regional Insurance Co	1,169,763	4,944	0.04%	5,503	559
Berkshire Hathaway Direct Insurance Co	7,447,704	29,190	0.29%	35,035	5,845
Berkshire Hathaway Homestate Ins Co	12,071,755	50,774	0.46%	56,788	6,014
Bitco General Insurance Corporation	3,608,235	17,300	0.14%	16,974	(326)
Bitco National Insurance Co	80,592	1,132	0.00%	379	(753)
Bloomington Compensation Insurance Co	632,800	3,326	0.02%	2,977	(349)
Brethren Mutual Insurance Co	2,000,943	9,722	0.08%	9,413	(309)
Brickstreet Mutual Ins Co-Highmark Novati	-	142	0.00%	-	(142)
Brickstreet Mutual Insurance Co	18,707,692	82,686	0.72%	88,004	5,318
Brotherhood Mutual Insurance Co	3,648,762	16,976	0.14%	17,164	188
California Insurance Co	-	-	0.00%	-	-
Carolina Casualty Insurance Co	14,430,075	98,800	0.55%	67,882	(30,918)
Carolina Mutual Insurance Inc	3,462,813	9,638	0.13%	16,290	6,652
Cedar Insurance Company	492,431	-	0.02%	2,316	2,316
Central Mutual Insurance Company	254	8	0.00%	1	(7)
Century Indemnity Co	-	-	0.00%	-	-
Charter Oak Fire Insurance Co	20,080,236	82,378	0.77%	94,461	12,083
Cherokee Insurance Co	1,764,491	6,098	0.07%	8,300	2,202

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
Chiron Insurance Company	148,818	2,322	0.01%	700	(1,622)
Chubb Indemnity Insurance Co	8,418,957	44,310	0.32%	39,604	(4,706)
Chubb National Insurance Co	4,726,442	21,666	0.18%	22,234	568
Church Mutual Insurance Co	6,920,813	29,280	0.27%	32,557	3,277
Cincinnati Casualty Co	7,070,165	44,726	0.27%	33,259	(11,467)
Cincinnati Indemnity Co	14,562,068	74,212	0.56%	68,503	(5,709)
Cincinnati Insurance Co	4,760,876	26,968	0.18%	22,396	(4,572)
Citizens Insurance Co Of America	2,012,590	9,408	0.08%	9,468	60
Clarendon National Insurance Co	-	-	0.00%	-	-
Clear Spring American Ins Co	49,551,626	229,194	1.90%	233,100	3,906
Clear Spring Casualty Insurance Co	23,726,314	119,852	0.91%	111,613	(8,239)
Clear Spring National Ins Co	11,818,314	80,868	0.45%	55,595	(25,273)
Clear Spring Property and Casualty Compan	3,734,970	22,494	0.14%	17,570	(4,924)
CM Regent Insurance Company	7,831,386	49,666	0.30%	36,840	(12,826)
Colonial Surety Company	-	-	0.00%	-	-
Colony Specialty Insurance Co	7,188,137	40,174	0.28%	33,814	(6,360)
Commerce & Industry Insurance Co	1,844,203	6,684	0.07%	8,675	1,991
Continental Casualty Co	6,204,134	23,348	0.24%	29,185	5,837
Continental Indemnity Co	3,688,274	24,658	0.14%	17,350	(7,308)
Continental Insurance Co	7,567,878	28,090	0.29%	35,601	7,511
Continental Western Insurance Co	2,129,548	8,330	0.08%	10,018	1,688
Corepointe Insurance Co	1,008,596	1,910	0.04%	4,745	2,835
Crestbrook Insurance Company		166	0.00%	-	(166)
Crum & Forster Indemnity Co	323,927	1,682	0.01%	1,524	(158)
Cumberland Insurance Co Inc	291,390	2,024	0.01%	1,371	(653)
Dakota Truck Underwriters	406	18	0.00%	2	(16)
Depositors Insurance Co		40	0.00%	-	(40)
Diamond Insurance Co	-	-	0.00%	-	-
Discover Property & Casualty Insurance Co	-	-	0.00%	-	-
Donegal Mutual Insurance Co	8,441,588	46,852	0.32%	39,711	(7,141)
Eastern Advantage Assurance Co	24,266,438	115,404	0.93%	114,154	(1,250)
Eastern Alliance Insurance Co	55,413,090	270,726	2.13%	260,673	(10,053)
Eastguard Insurance Co	399,277	1,160	0.02%	1,878	718
Electric Insurance Co	1,269,206	7,820	0.05%	5,971	(1,849)
EMC Property & Casualty Co	393,886	2,728	0.02%	1,853	(875)
Emcasco Insurance Co	1,666,240	10,138	0.06%	7,838	(2,300)
Employers Assurance Co	6,151,347	25,336	0.24%	28,937	3,601
Employers Compensation Insurance Co	1,458,452	6,050	0.06%	6,861	811
Employers Insurance Co Of Wausau	8,801,396	39,004	0.34%	41,403	2,399
Employers Insurance Company of Nevada	238,382	660	0.01%	1,121	461
Employers Mutual Casualty Co	7,006,693	30,650	0.27%	32,961	2,311
Employers Preferred Insurance Co	8,333,857	39,992	0.32%	39,204	(788)
Endurance Assurance Corporation	-	-	0.00%	-	-
Erie Insurance Co	3,556,254	25,780	0.14%	16,729	(9,051)
Erie Insurance Co Of New York	41,136,835	193,084	1.58%	193,515	431
Erie Insurance Exchange	52,794,590	248,350	2.03%	248,355	5
Erie Insurance Property/Casualty Co	10,518,882	43,222	0.40%	49,483	6,261

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
Everest Denali Insurance Co	2,595,157	17,100	0.10%	12,208	(4,892)
Everest National Insurance Co	2,396,631	19,130	0.09%	11,274	(7,856)
Everest Premier Insurance Co	3,093,694	14,084	0.12%	14,553	469
Everett Cash Mutual Insurance Co	1,540,278	7,552	0.06%	7,246	(306)
Excelsior Insurance Co	-	-	0.00%	-	-
Executive Risk Indemnity Inc	277,097	2	0.01%	1,304	1,302
Explorer Insurance Co	5,141,345	32,148	0.20%	24,186	(7,962)
Falls Lake National Insurance Co	227,713	5,438	0.01%	1,071	(4,367)
Farm Family Casualty Insurance Co	1,865,369	8,420	0.07%	8,775	355
Farmers Insurance Exchange	70,477	200	0.00%	332	132
Farmington Casualty Co	12,564,459	58,444	0.48%	59,105	661
Farmland Mutual Insurance Co	-	-	0.00%	-	-
FCCI Insurance Company	1,172,180	2,362	0.05%	5,514	3,152
Federal Insurance Co	13,592,013	52,550	0.52%	63,939	11,389
Federated Mutual Insurance Co	10,752,440	54,440	0.41%	50,581	(3,859)
Federated Reserve Insurance Co	1,908,449	9,870	0.07%	8,978	(892)
Federated Rural Electric Ins Exchange	482,055	2,494	0.02%	2,268	(226)
Federated Service Insurance Co	1,996,503	5,800	0.08%	9,392	3,592
Fidelity & Guaranty Insurance Co	-	-	0.00%	-	-
Fidelity & Guaranty Insurance Underwriter	-	-	0.00%	-	-
Fidelity And Deposit Co Of Maryland	-	-	0.00%	-	-
Firemans Fund Insurance Co	165,537	1,000	0.01%	779	(221)
Firemens Insurance Co Of Washington DC	2,887,526	16,174	0.11%	13,583	(2,591)
First Dakota Indemnity Co	716	6	0.00%	3	(3)
First Liberty Insurance Corp	3,894,356	35,184	0.15%	18,320	(16,864)
First National Insurance Co Of America	-	-	0.00%	-	-
Firstcomp Insurance Co	10,420,449	51,490	0.40%	49,020	(2,470)
Firstline National Insurance Co	1,631,292	7,566	0.06%	7,674	108
Flagship City Insurance Co	55,168,990	242,244	2.12%	259,525	17,281
Florists Insurance Co	34,608	596	0.00%	163	(433)
Florists Mutual Insurance Co	868,865	6,370	0.03%	4,087	(2,283)
Foremost Insurance Co Grand Rapids MI	-	-	0.00%	-	-
Foremost Property & Casualty Ins Co	-	-	0.00%	-	-
Foremost Signature Insurance Co	-	-	0.00%	-	-
Frank Winston Crum Insurance Company	781,394	3,710	0.03%	3,676	(34)
Freedom Advantage Insurance Co	-	2,908	0.00%	-	(2,908)
General Casualty Co Of Wisconsin	685,227	4,148	0.03%	3,223	(925)
General Casualty Insurance Co	-	-	0.00%	-	-
General Insurance Co Of America	-	-	0.00%	-	-
Genesis Insurance Co	-	-	0.00%	-	-
Goodville Mutual Casualty Co	3,402,467	10,936	0.13%	16,006	5,070
Grange Insurance Company	796,258	5,814	0.03%	3,746	(2,068)
Granite State Insurance Co	2,476,940	25,122	0.10%	11,652	(13,470)
Graphic Arts Mutual Insurance Co	3,094,477	13,448	0.12%	14,557	1,109
Gray Insurance Co (The)	104,124	5,190	0.00%	490	(4,700)
Great American Alliance Insurance Co	11,704,356	50,842	0.45%	55,059	4,217
Great American Assurance Co	3,234,219	14,624	0.12%	15,214	590

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
Great American Insurance Co	161,583	394	0.01%	760	366
Great American Insurance Co Of New York	-	12	0.00%	-	(12)
Great American Spirit Insurance Co	4,680,214	21,406	0.18%	22,017	611
Great Divide Insurance Co	2,438,780	21,474	0.09%	11,472	(10,002)
Great Midwest Insurance Co	-	-	0.00%	-	-
Great Northern Insurance Co	689,205	4,022	0.03%	3,242	(780)
Great West Casualty Co	3,612,365	12,736	0.14%	16,993	4,257
Greater New York Mutual Insurance Co	-	-	0.00%	-	-
Greenwich Insurance Co	361,029	1,274	0.01%	1,698	424
Grinnell Mutual Reinsurance Co	649,493	3,236	0.02%	3,055	(181)
Guideone Elite Insurance Company	-	-	0.00%	-	-
Guideone Ins Co	893,780	7,372	0.03%	4,204	(3,168)
Guideone Specialty Insurance Compa	-	798	0.00%	-	(798)
Hanover American Insurance Co The	1,751,377	5,416	0.07%	8,239	2,823
Hanover Insurance Co	2,371,551	10,952	0.09%	11,156	204
Harco National Insurance Co	-	-	0.00%	-	-
Harford Mutual Insurance Co	4,710,361	25,088	0.18%	22,158	(2,930)
Harleysville Insurance Co	112,297	3,196	0.00%	528	(2,668)
Harleysville Insurance Co Of New Jersey		346	0.00%	-	(346)
Harleysville Preferred Insurance Co		-	0.00%	-	-
Harleysville Worcester Insurance Co	870,341	9,238	0.03%	4,094	(5,144)
Hartford Accident & Indemnity Co	2,644,166	25,444	0.10%	12,439	(13,005)
Hartford Casualty Insurance Co	11,225,599	56,012	0.43%	52,807	(3,205)
Hartford Fire Insurance Co	26,682,459	120,072	1.03%	125,519	5,447
Hartford Insurance Co Of The Midwest	18,895,431	55,914	0.73%	88,887	32,973
Hartford Insurance Co Of The Southeast	10,365,442	46,158	0.40%	48,761	2,603
Hartford Insurance Company Of Illinois	8,718,336	36,130	0.34%	41,013	4,883
Hartford Underwriters Insurance Co	3,395,424	16,160	0.13%	15,973	(187)
HDI Global Insurance Co	33,151	210	0.00%	156	(54)
Highview National Insurance Company	4,517,714	3,806	0.17%	21,252	17,446
Housing & Redevelopment Ins Exchange	14,324,974	71,176	0.55%	67,387	(3,789)
Illinois Casualty Company	17,697	126	0.00%	83	(43)
Illinois Insurance Co	818,095	2,332	0.03%	3,848	1,516
Illinois National Insurance Co	1,323,683	-	0.05%	6,227	6,227
Imperium Insurance Co	325,049	6,478	0.01%	1,529	(4,949)
Incline Casualty Company	1,966,437	6,686	0.08%	9,250	2,564
Indemnity Insurance Co Of North America	33,829,903	141,698	1.30%	159,142	17,444
Insurance Co Of Greater New York	-	-	0.00%	-	-
Insurance Co Of North America / Ina		-	0.00%	-	-
Insurance Co Of The State of PA	1,401,632	12,372	0.05%	6,594	(5,778)
Insurance Co Of The West	24,120,695	90,076	0.93%	113,468	23,392
Intrepid Insurance Co	1,686,997	4,184	0.06%	7,936	3,752
Key Risk Insurance Co	5,818,422	24,786	0.22%	27,371	2,585
Lancer Indemnity Company	-	-	0.00%	-	-
Lancer Insurance Co	-	-	0.00%	-	-
Laundry Owners Mutual Liability Ins Assn	2,980,256	15,788	0.11%	14,020	(1,768)
Liberty Insurance Corporation	18,534,559	110,884	0.71%	87,190	(23,694)

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
Liberty Mutual Fire Insurance Co	8,155,160	50,064	0.31%	38,363	(11,701)
Liberty Mutual Insurance Co		132	0.00%	-	(132)
Lion Insurance Co	248,309	952	0.01%	1,168	216
LM Insurance Corp	13,310,835	45,718	0.51%	62,617	16,899
Mag Mutual Insurance Company	94,918	498	0.00%	447	(51)
Main Street America Assurance Co	624,974	2,908	0.02%	2,940	32
Maine Employers Mutual Insurance Co	241,625	916	0.01%	1,137	221
Manufacturers Alliance Insurance Co	16,797,275	92,636	0.65%	79,017	(13,619)
Markel Insurance Co	1,914,499	8,122	0.07%	9,006	884
Massachusetts Bay Insurance Co	2,629,516	10,904	0.10%	12,370	1,466
Medmarc Casualty Insurance Co	-	-	0.00%	-	-
Memic Casualty Company	3,977,060	20,390	0.15%	18,709	(1,681)
Memic Indemnity Co	7,673,306	43,866	0.29%	36,097	(7,769)
Mercer Insurance Co	-	-	0.00%	-	-
Merchants Mutual Insurance Co	992,634	5,304	0.04%	4,670	(634)
Merchants Preferred Insurance Co	530,246	2,850	0.02%	2,494	(356)
Meridian Security Insurance Co	1,535,160	7,572	0.06%	7,222	(350)
Mid-Century Insurance Co	571,377	2,934	0.02%	2,688	(246)
Middlesex Insurance Co	1,209,714	5,056	0.05%	5,691	635
Midwest Employers Casualty Co	1,636,901	11,880	0.06%	7,700	(4,180)
Midwest Family Advantage Insurance Compan	-	-	0.00%	-	-
Midwest Family Mutual Insurance Company	-	-	0.00%	-	-
Milford Casualty Insurance Co	3,344,309	938	0.13%	15,732	14,794
Mitsui Sumitomo Insurance Co Of America	1,224,627	7,014	0.05%	5,761	(1,253)
Mitsui Sumitomo Insurance USA Inc	1,840,856	8,032	0.07%	8,660	628
Monroe Guaranty Insurance Company	123,686	40	0.00%	582	542
Montgomery Mutual Insurance Co	-	-	0.00%	-	-
Motorists Commercial Mutual Insurance Co	-	-	0.00%	-	-
Motorists Mutual Insurance Co	-	196	0.00%	-	(196)
Mutual Benefit Insurance Co	10,917,264	53,410	0.42%	51,357	(2,053)
National American Insurance Co	648,928	2,284	0.02%	3,053	769
National Builders Insurance Company	4,336	-	0.00%	20	20
National Casualty Co		3,118	0.00%	-	(3,118)
National Fire Insurance Co Of Hartford	6,400,679	33,296	0.25%	30,110	(3,186)
National Interstate Insurance Co	592,322	4,366	0.02%	2,786	(1,580)
National Liability & Fire Insurance Co	8,863,442	33,994	0.34%	41,695	7,701
National Specialty Insurance Co	-	-	0.00%	-	-
National Surety Corp	316,881	868	0.01%	1,491	623
National Trust Insurance Company	567,368	2,118	0.02%	2,669	551
National Union Fire Ins Of Pittsburgh	24,343,284	98,620	0.94%	114,515	15,895
Nationwide Agribusiness Insurance Co		4,128	0.00%	-	(4,128)
Nationwide Assurance Insurance Company	84,483	904	0.00%	397	(507)
Nationwide General Insurance Company	67,110	132	0.00%	316	184
Nationwide Insurance Company of America	561,673	1,286	0.02%	2,642	1,356
Nationwide Mutual Fire Insurance Co	-	-	0.00%	-	-
Nationwide Mutual Insurance Co		3,318	0.00%	-	(3,318)
Nationwide Property/Casualty Insurance		774	0.00%	-	(774)



Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
Netherlands Insurance Co	-	10	0.00%	-	(10)
New Hampshire Insurance Co	26,637,515	134,474	1.02%	125,308	(9,166)
New Jersey Casualty Insurance Company	2,159,422	2,278	0.08%	10,158	7,880
New Jersey Indemnity Insurance Company	664,952	290	0.03%	3,128	2,838
New Jersey Manufacturers Ins Co	17,729,541	77,388	0.68%	83,403	6,015
New Jersey Re-Insurance Company	1,265,767	112	0.05%	5,954	5,842
New York Marine And General Insurance Co	984,238	5,342	0.04%	4,630	(712)
NGM Insurance Co	550,073	3,166	0.02%	2,588	(578)
Norguard Insurance Co	15,145,761	90,692	0.58%	71,248	(19,444)
Normandy Insurance Co	6,535,014	20,590	0.25%	30,742	10,152
North Pointe Insurance Co	371,222	1,256	0.01%	1,746	490
North River Insurance Co	1,586,425	7,026	0.06%	7,463	437
Northstone Insurance Company	39,684,666	197,614	1.53%	186,684	(10,930)
Nova Casualty Co	569,913	13,780	0.02%	2,681	(11,099)
Nutmeg Insurance Company	6,363,893	20,630	0.24%	29,937	9,307
Oak River Insurance Co	387,838	1,314	0.01%	1,824	510
OBI America Insurance Co	5,973	140	0.00%	28	(112)
OBI National Insurance Co	1,050,842	3,380	0.04%	4,943	1,563
Ohio Casualty Insurance Co	4,296,759	23,698	0.17%	20,213	(3,485)
Ohio Farmers Insurance Co	31,103	464	0.00%	146	(318)
Ohio Security Insurance Co	5,868,535	34,474	0.23%	27,607	(6,867)
Old Dominion Insurance Co	289,862	2,010	0.01%	1,364	(646)
Old Guard Insurance Co	814,854	2,626	0.03%	3,833	1,207
Old Republic General Insurance Corp	19,396	-	0.00%	91	91
Old Republic Insurance Co	27,222,496	105,246	1.05%	128,059	22,813
Oriska Insurance Co	1,235,924	5,356	0.05%	5,814	458
Owners Insurance Co	767,985	3,270	0.03%	3,613	343
Pacific Employers Insurance Co	659,850	2,554	0.03%	3,104	550
Pacific Indemnity Co	2,415,454	16,972	0.09%	11,363	(5,609)
Park National Insurance Company	9,419	134	0.00%	44	(90)
Patriot General Insurance Co	356,338	1,454	0.01%	1,676	222
Peerless Indemnity Insurance Co	-	-	0.00%	-	-
Peerless Insurance Co	-	172	0.00%	-	(172)
Peninsula Indemnity Co	3,119,090	10,606	0.12%	14,673	4,067
Peninsula Insurance Co (The)	1,169,761	12,204	0.04%	5,503	(6,701)
Penn Millers Insurance Co	297,553	1,664	0.01%	1,400	(264)
Penn National Security Insurance Co	16,920,897	90,520	0.65%	79,599	(10,921)
Pennsylvania Insurance Company	1,137,361	7,156	0.04%	5,350	(1,806)
Pennsylvania Lumbermens Mutual Ins Co	-	-	0.00%	-	-
Pennsylvania Manufacturers Assn Ins Co	21,156,892	121,560	0.81%	99,526	(22,034)
Pennsylvania Manufacturers Indemnity Co	5,806,123	28,256	0.22%	27,313	(943)
Pennsylvania National Mutual Casualty	24,016,966	122,826	0.92%	112,980	(9,846)
Pharmacists Mutual Insurance Co	1,267,011	6,950	0.05%	5,960	(990)
Phoenix Insurance Co	14,044,935	132,396	0.54%	66,070	(66,326)
PIE Insurance Company	1,196,525	-	0.05%	5,629	5,629
Pinnaclepoint Insurance Co	38,274,347	200,132	1.47%	180,049	(20,083)
Plaza Insurance Co	229,405	710	0.01%	1,079	369

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
Praetorian Insurance Co	8,054,496	45,648	0.31%	37,890	(7,758)
Preferred Employers Insurance Company	1,180,952	3,250	0.05%	5,555	2,305
Preferred Professional Insurance Co	2,503,355	12,702	0.10%	11,776	(926)
Prescient National Insurance Company	1,843,803	82	0.07%	8,674	8,592
Princeton Insurance Co	-	-	0.00%	-	-
Property And Casualty Ins Co Of Hartford	8,717,759	34,970	0.34%	41,010	6,040
Protective Insurance Co	3,118,961	16,394	0.12%	14,672	(1,722)
Public Service Insurance Co	-	-	0.00%	-	-
QBE Insurance Corporation	6,817,792	31,362	0.26%	32,072	710
Redwood Fire And Casualty Insurance Co	16,088,902	72,524	0.62%	75,685	3,161
Regent Insurance Co	508,695	7,752	0.02%	2,393	(5,359)
Republic Fire & Casualty Insurance Co	-	-	0.00%	-	-
Republic Franklin Insurance Co	4,632,087	18,710	0.18%	21,790	3,080
Riverport Insurance Co	41,359	134	0.00%	195	61
RLI Insurance Co	407,403	1,860	0.02%	1,916	56
Rockwood Casualty Insurance Co	16,446,479	84,858	0.63%	77,367	(7,491)
Rural Trust Insurance Co	10,737	84	0.00%	51	(33)
Safeco Insurance Co Of America	-	-	0.00%	-	-
Safety First Insurance Co	178,463	520	0.01%	840	320
Safety National Casualty Corp	9,176,776	48,320	0.35%	43,169	(5,151)
Sagamore Insurance Co	800,111	5,708	0.03%	3,764	(1,944)
Samsung Fire & Marine Ins Co Ltd USB	57,021	134	0.00%	268	134
Secura Insurance Company	246,414	182	0.01%	1,159	977
Security National Insurance Co	11,830,381	42,896	0.45%	55,652	12,756
Select Risk Insurance Co	4,883,484	23,580	0.19%	22,973	(607)
Selective Insurance Co Of America	11,856,799	58,230	0.46%	55,776	(2,454)
Selective Insurance Co Of New York	1,114,717	3,006	0.04%	5,244	2,238
Selective Insurance Co Of South Carolina	17,078,200	84,812	0.66%	80,339	(4,473)
Selective Insurance Co Of The Southeast	13,544,537	68,018	0.52%	63,716	(4,302)
Selective Way Insurance Co	8,296,007	42,064	0.32%	39,026	(3,038)
Seneca Insurance Co Inc	-	-	0.00%	-	-
Sentinel Insurance Co Ltd	10,346,403	47,178	0.40%	48,671	1,493
Sentry Casualty Co	8,078,064	41,142	0.31%	38,001	(3,141)
Sentry Insurance Company	3,901,159	17,628	0.15%	18,352	724
Sentry Select Insurance Co	784,601	2,764	0.03%	3,691	927
Sequoia Insurance Company	4,950,492	18,956	0.19%	23,288	4,332
Service American Indemnity Company	5,365,585	37,010	0.21%	25,241	(11,769)
Service Lloyds Insurance Company	647,657	-	0.02%	3,047	3,047
SFM Mutual Insurance Company	158,742	498	0.01%	747	249
Silver Oak Casualty, Inc	3,883,547	9,610	0.15%	18,269	8,659
Sirius America Insurance Company	20,526,117	64,658	0.79%	96,558	31,900
Somerset Casualty Insurance Co	977,133	3,288	0.04%	4,597	1,309
Sompo Fire & Marine	1,911,686	8,888	0.07%	8,993	105
Sompo Japan Insurance Co Of America	2,893,712	12,668	0.11%	13,613	945
Southern Insurance Co	1,018,163	606	0.04%	4,790	4,184
Southern Insurance Co Of Virginia	9,594,720	50,046	0.37%	45,135	(4,911)
Southern States Insurance Exchange	333,647	1,770	0.01%	1,570	(200)

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
Sparta Insurance Co	-	-	0.00%	-	-
St Paul Fire & Marine Insurance Co	19,294	-	0.00%	91	91
St Paul Guardian Insurance Co	-	-	0.00%	-	-
St Paul Mercury Insurance Co	-	-	0.00%	-	-
St Paul Protective Insurance Co	-	-	0.00%	-	-
Standard Fire Insurance Co	11,214,313	45,764	0.43%	52,754	6,990
Star Insurance Co	1,697,266	10,776	0.07%	7,984	(2,792)
Starnet Insurance Co	4,848,847	31,636	0.19%	22,810	(8,826)
Starr Indemnity & Liability Company	13,204,858	54,506	0.51%	62,118	7,612
Starr Specialty Insurance Company	4,550,795	13,422	0.17%	21,408	7,986
Starstone National Insurance Co	6,277,956	29,168	0.24%	29,533	365
State Auto Property & Casualty Insurance	2,172,262	9,254	0.08%	10,219	965
State Automobile Mutual Insurance Co	1,348,132	6,392	0.05%	6,342	(50)
State Farm Fire & Casualty Co	7,886,882	34,990	0.30%	37,101	2,111
State National Insurance Co Inc	3,247,829	7,802	0.12%	15,278	7,476
State Workers Insurance Fund	85,963,006	480,830	3.30%	404,385	(76,445)
Statesman Insurance Co	-	-	0.00%	-	-
Stonington Insurance Co	178,756	820	0.01%	841	21
Strathmore Insurance Co	-	-	0.00%	-	-
Summitpoint Insurance Co	5,290,156	23,682	0.20%	24,886	1,204
Sunz Insurance Co	6,348,575	-	0.24%	29,865	29,865
Sutton National Insurance Company	-	-	0.00%	-	-
Swiss Re Corporate Solutions America Ins	521	-	0.00%	2	2
Swiss Re Corporate Solutions Elite Ins Co	-	-	0.00%	-	-
Swiss Re Corporate Solutions Premier Ins	-	-	0.00%	-	-
Synergy Comp Insurance Co	13,065,670	70,120	0.50%	61,463	(8,657)
T H E Insurance Co	170,204	812	0.01%	801	(11)
Technology Insurance Co	33,760,600	112,728	1.30%	158,816	46,088
TNUS Insurance Co	8,363	78	0.00%	39	(39)
Tokio Marine America Insurance Company	2,338,343	6,754	0.09%	11,000	4,246
Trans Pacific Insurance Co	133,742	4,022	0.01%	629	(3,393)
Transguard Insurance Co Of America Inc	170,567	454	0.01%	802	348
Transportation Insurance Co	6,164,456	19,300	0.24%	28,999	9,699
Travelers Casualty & Surety Co	9,308,038	49,276	0.36%	43,787	(5,489)
Travelers Casualty & Surety Co Of Amer	-	-	0.00%	-	-
Travelers Casualty Co Of Connecticut	8,563,080	45,816	0.33%	40,282	(5,534)
Travelers Casualty Insurance Co Of Americ	32,726,717	85,914	1.26%	153,952	68,038
Travelers Commercial Insurance Co	-	-	0.00%	-	-
Travelers Indemnity Co	9,787,237	54,488	0.38%	46,041	(8,447)
Travelers Indemnity Co Of America	10,569,827	48,754	0.41%	49,722	968
Travelers Indemnity Co Of Connecticut	9,992,205	48,338	0.38%	47,005	(1,333)
Travelers Property Casualty Co Of Amer	26,071,307	113,148	1.00%	122,644	9,496
Tri-State Insurance Co of MN	4,646,906	28,452	0.18%	21,860	(6,592)
Triumphe Casualty Co	5,920,834	23,196	0.23%	27,853	4,657
Truck Insurance Exchange	385,512	2,526	0.01%	1,814	(712)
Trumbull Insurance Co	11,633,965	50,134	0.45%	54,728	4,594
Trustgard Insurance Co	536,677	2,924	0.02%	2,525	(399)

Name	Net Premium	Assessments		Assessment Calculated	Adj of Assessment
Twin City Fire Insurance Co	14,574,663	80,052	0.56%	68,562	(11,490)
Union Insurance Co	3,722,528	22,554	0.14%	17,511	(5,043)
Union Insurance Company Of Providence	235,235	554	0.01%	1,107	553
United Farm Family Insurance Co	1,336,359	6,270	0.05%	6,286	16
United Fire & Casualty Company	1,221,280	7,382	0.05%	5,745	(1,637)
United States Fidelity & Guaranty Co	-	24	0.00%	-	(24)
United States Fire Insurance Co	3,111,157	18,640	0.12%	14,635	(4,005)
United Wisconsin Insurance Co	6,492,578	39,378	0.25%	30,542	(8,836)
Universal Underwriters Insurance Co	-	-	0.00%	-	-
UPMC Health Benefits Inc	53,753,871	294,226	2.07%	252,868	(41,358)
UPMC Work Alliance Inc	31,449,942	140,596	1.21%	147,946	7,350
US Specialty Insurance Co	-	-	0.00%	-	-
Utica Mutual Insurance Co	904,222	6,734	0.03%	4,254	(2,480)
Utica National Insurance Company Of Ohio	3,321,871	15,118	0.13%	15,627	509
Utica National Insurance Company Of Texas	2,725,358	9,538	0.10%	12,821	3,283
Valley Forge Insurance Co	6,866,116	32,554	0.26%	32,299	(255)
Vanliner Insurance Co	4,823,443	17,382	0.19%	22,690	5,308
Vigilant Insurance Co	3,451,279	17,652	0.13%	16,235	(1,417)
Wausau Business Insurance Co		38	0.00%	-	(38)
Wausau Underwriters Insurance Co	26,007	-	0.00%	122	122
WCF National Insurance Company	433,940	2,758	0.02%	2,041	(717)
WCF Select Insurance Company	2,357	-	0.00%	11	11
Wellfleet Insurance Company	1,157,584	2,466	0.04%	5,445	2,979
Wellfleet New York Insurance Company	2,802,602	5,792	0.11%	13,184	7,392
Wesco Insurance Co	38,140,493	205,298	1.47%	179,420	(25,878)
West American Insurance Co	4,106,275	24,400	0.16%	19,317	(5,083)
West Bend Mutual Insurance Co	719,277	2,866	0.03%	3,384	518
Westchester Fire Insurance Co	408,886	3,158	0.02%	1,923	(1,235)
Westfield Champion Insurance Company	454,458	1,110	0.02%	2,138	1,028
Westfield Insurance Co	3,741,201	22,178	0.14%	17,599	(4,579)
Westfield National Insurance Co	2,035,981	12,018	0.08%	9,578	(2,440)
Westfield Premier Insurance Company	205,339	406	0.01%	966	560
Westfield Superior Insurance Company	211,421	476	0.01%	995	519
Westfield Touchstone Insurance Company	417,785	718	0.02%	1,965	1,247
Westguard Insurance Co	10,258,382	70,352	0.39%	48,257	(22,095)
Westport Insurance Corporation	5,104	46	0.00%	24	(22)
Williamsburg National Insurance Co	7,490	46	0.00%	35	(11)
Work First Casualty Co	1,261,825	9,892	0.05%	5,936	(3,956)
WorkPartners National, Inc.	10,843,167	36,610	0.42%	51,008	14,398
XL Insurance America Inc	3,594,947	16,350	0.14%	16,911	561
XL Specialty Insurance Co	6,285,374	17,606	0.24%	29,568	11,962
Zenith Insurance Co	13,786,026	89,534	0.53%	64,852	(24,682)
ZNAT Insurance Co	5,913,760	30,608	0.23%	27,819	(2,789)
Zurich American Insurance Co	135,523,938	589,038	5.21%	637,529	48,491
Zurich American Insurance Co Of Illinois	2,731,906	16,174	0.10%	12,851	(3,323)
Closed out members	-	(6,778)	0.00%	-	6,778