

**COAL MINE COMPENSATION RATING BUREAU
OF PENNSYLVANIA**

COMMERCE BUILDING – SUITE 403
300 NORTH SECOND STREET
HARRISBURG, PENNSYLVANIA 17101

CHARLES A. ROMBERGER
EXECUTIVE DIRECTOR

TELEPHONE/FAX
717-238-5020

December 19, 2014

The Honorable Michael F. Consedine
Insurance Commissioner
Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Attention: Mark Lersch, Director Bureau of Property & Casualty

RE: Revision to Proposal CM-3-2014 for House Bill 1846 of 2014
Revised Loss Costs for Traumatic, State Occupational Disease
And Federal Occupational Disease
To Be Effective: April 1, 2015

Dear Commissioner Consedine:

On November 26, 2014, the Coal Mine Compensation Rating Bureau of Pennsylvania (“Bureau”) submitted Proposal CM-3-2014. At the time of this submission, the Bureau was not aware of House Bill 1846 (“HB 1846”) that was signed into law on October 27, 2014. Consequently, Proposal CM-3-2014 was submitted without any consideration of or provision for this law.

Subsequently, the Bureau became aware of the enactment of HB 1846 and the Pennsylvania Compensation Rating Bureau’s (“PCRB”) Evaluation of House Bill 1846 of 2014 (i.e., Exhibit 34 of PCRB Filing No. C-365). The Bureau notes that the PCRB estimates that HB 1846 will reduce medical costs for workers compensation insurance by approximately 1.16% for policies effective April 1, 2015 through March 31, 2016. For the purposes of this Revision, the Bureau proceeds with the understanding that Exhibit 34 is readily available to the public from the PCRB’s website at <http://www.pcrb.com/pcrb/filings/c365/Exhibit%2034.pdf>.

The Bureau notes that it collects workers compensation medical loss information that is aggregated at the claim level, but that it does not collect the line item detail information mentioned by the PCRB in Exhibit 34. Consequently, the Bureau believes that the PCRB’s Evaluation of HB 1846 is the best analysis of this law that is available to the Bureau at this time.

To evaluate the appropriateness of adopting the reduction computed by the PCRB in Exhibit 34, the Bureau contacted a few of our larger writers to discuss the potential impact of HB 1846 across the three main types of claims under the Bureau’s jurisdiction – Traumatic, State Occupational Disease (“SOD”) and Federal Occupational Disease (“FOD”). The Bureau’s contacts said that they expected the reduction computed by the PCRB to be appropriate for Traumatic claims, but that they did not expect any reduction for SOD or FOD claims. These contacts noted that SOD and FOD claims differ from Traumatic claims in the following general ways:

- The Medical expenses of SOD and FOD claims are a much smaller portion of the Total expenses (i.e., Indemnity and Medical expenses combined) than the Medical expenses on Traumatic claims on average.
- The Medical expenses of SOD and FOD claims include only a minimal amount of prescription pain medicines.
- The Medical expenses of SOD and FOD claims also include only a minimal amount of Physician Dispensed drugs.
- The majority of Medical expenses of SOD and FOD claims include treatments and medicines for breathing disorders that are expected to be unaffected by the provisions of HB 1846.

Based upon the PCRB's Exhibit 34 and the feedback from the Bureau's larger writers discussed above, the Bureau proposes to reduce the Traumatic medical costs included in our original Proposal by approximately 1.16%. Note that the Bureau does not propose to reduce the medical costs included in our original Proposal for SOD or FOD classifications for the reasons noted above.

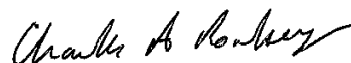
To incorporate this reduction, the Bureau revised Exhibit V-F by inserting a column (i.e., "HB 1846 Adjustment Factor") between the Frequency Adjustment Factor and Adjusted Trend Factor columns. The HB 1846 Adjustment Factor for Indemnity is 1.0000 (or 1.0000 minus 0.00%); the HB 1846 Factor for Medical is 0.9884 (or 1.0000 minus 1.16%). The Adjusted Trend Factor is now the product of the Trend Factor, Frequency Adjustment Factor and HB 1846 Adjustment Factor columns. The revised Adjusted Trend Factors resulted in changes to Exhibits I, II, V-A and V-B.

Exhibit I-A-M displays the revised proposed changes by classification and by coverage. Overall, the proposed change in Manual Loss Costs is revised from +7.1% to +6.7%. The proposed change for Traumatic is revised from +6.9% to +6.4%. The changes for SOD and FOD remain as originally proposed.

The Bureau intends to provide an electronic copy of this revision to the attendees of the Bureau's combined meeting of the Actuarial/Classification Committee and the Governing Board of November 25, 2014, and to representatives of the Office of Small Business Advocate and the Pennsylvania Anthracite Council. The Bureau also intends to provide the Insurance Department with one (1) updated electronic copy of the filing Exhibits on CD in Excel file format as soon as possible.

The Bureau and its consultants will be pleased to discuss any issues raised by the Department. Please feel free to contact me if additional information or discussion is necessary.

Sincerely,



Charles A. Romberger
Executive Director

Enclosures: Exhibits I, II, V-A, V-B and V-F

**Coal Mine Compensation Rating Bureau
Current and Proposed Loss Costs
Manual Including Loadings**

	2013 Developed Payroll	(1) Approved Loss Cost Manual	(2) Proposed Loss Cost Manual	(3) Percent Change
Underground Anthracite:				
Traumatic (1010)	\$175,900	\$20.04	\$20.36	1.6%
State O.D. (1011)	382,329	4.58	5.10	11.4%
*Federal Basic/Ex (0160)	<u>382,329</u>	<u>12.15</u>	<u>12.68</u>	<u>4.4%</u>
Total	xx	36.77	38.14	3.7%
Underground Bituminous:				
Traumatic (1001)	\$146,145,680	\$5.68	\$5.78	1.8%
State O.D. (1002)	145,939,251	0.54	0.68	25.0%
*Federal Basic/Ex (0158)	<u>141,449,556</u>	<u>0.66</u>	<u>0.81</u>	<u>22.7%</u>
Total	xx	6.88	7.27	5.7%
Surface Anthracite:				
Traumatic (1012)	\$22,127,846	\$7.38	\$9.21	24.8%
State O.D. (1016)	22,127,846	2.57	2.29	-10.9%
*Federal Basic/Ex (0153)	<u>20,261,498</u>	<u>3.70</u>	<u>3.31</u>	<u>-10.5%</u>
Total	xx	13.65	14.81	8.5%
Surface Bituminous:				
Traumatic (1014)	\$63,507,517	\$1.85	\$2.21	19.5%
State O.D. (1013)	63,507,517	0.16	0.15	-6.3%
*Federal Basic/Ex (0156)	<u>64,837,518</u>	<u>0.40</u>	<u>0.50</u>	<u>25.0%</u>
Total	xx	2.41	2.86	18.7%
Four Standard Classifications:				
Traumatic	\$231,956,943	\$4.80	\$5.14	7.1%
State O.D.	231,956,943	0.64	0.70	9.4%
*Federal Basic/Ex	<u>226,930,901</u>	<u>0.88</u>	<u>0.96</u>	<u>9.1%</u>
Total	xx	6.32	6.80	7.6%

*Federal Basic and Excess are after the Federal Administrative / Law Change

Sources: Payroll from Exhibit X-A
Column (1) Loss Costs (Approved 4/1/2014) - Exhibit X-B-2
Column (2) Proposed - Exhibit I-B, pages 1 and 2
Column (3) Traumatic Column (2) / Column (1)
OD Exhibit III and IV-A

**Coal Mine Compensation Rating Bureau
Current and Proposed Loss Costs
Manual Including Loadings**

	2013 Developed Payroll	(1) Approved Loss Cost Manual	(2) Proposed Loss Cost Manual	(3) Percent Change
Coke:				
Traumatic (1469)	\$4,791,910	\$6.40	\$5.82	-9.1%
State O.D. (1017)	4,791,910	0.12	0.12	0.0%
*Federal Basic/Ex (0154)	<u>4,791,910</u>	<u>0.11</u>	<u>0.11</u>	<u>0.0%</u>
Total	xx	6.63	6.05	-8.7%
Auger:				
Traumatic (1015)	\$1,093,790	\$14.75	\$15.94	8.1%
State O.D. (1019)	1,093,790	0.25	0.25	0.0%
*Federal Basic/Ex (0157)	<u>1,093,790</u>	<u>0.39</u>	<u>0.40</u>	<u>2.6%</u>
Total	xx	15.39	16.59	7.8%
Co-Gen Anthracite:				
Traumatic (1021)	\$8,678,376	\$1.98	\$2.46	24.2%
State O.D. (1022)	8,678,376	0.40	0.37	-7.5%
*Federal Basic/Ex (0181)	<u>7,958,314</u>	<u>0.54</u>	<u>0.49</u>	<u>-9.3%</u>
Total	xx	2.92	3.32	13.7%
Co-Gen Bituminous:				
Traumatic (1023)	\$13,133,423	\$1.07	\$1.09	1.9%
State O.D. (1024)	13,133,423	0.38	0.40	5.3%
*Federal Basic/Ex (0182)	<u>13,133,423</u>	<u>0.33</u>	<u>0.35</u>	<u>6.1%</u>
Total	xx	1.78	1.84	3.4%
Prep Plant Anthracite:				
Traumatic (1025)	\$8,266,396	\$5.49	\$4.89	-10.9%
State O.D. (1026)	8,266,396	2.67	2.69	0.7%
*Federal Basic/Ex (0183)	<u>7,053,691</u>	<u>1.30</u>	<u>1.17</u>	<u>-10.0%</u>
Total	xx	9.46	8.75	-7.5%
Prep Plant Bituminous:				
Traumatic (1027)	\$33,935,906	\$1.00	\$1.18	18.0%
State O.D. (1028)	33,935,906	0.29	0.29	0.0%
*Federal Basic/Ex (0184)	<u>33,303,121</u>	<u>0.44</u>	<u>0.45</u>	<u>2.3%</u>
Total	xx	1.73	1.92	11.0%
Other Classifications:				
Traumatic	\$69,899,801	\$2.25	\$2.31	2.7%
State O.D.	69,899,801	0.59	0.59	0.0%
*Federal Basic/Ex	<u>67,334,249</u>	<u>0.50</u>	<u>0.49</u>	<u>-2.0%</u>
Total	xx	3.34	3.39	1.5%
Grand Total:				
Traumatic	\$301,856,744	\$4.21	\$4.48	6.4%
State O.D.	301,856,744	0.63	0.67	6.3%
*Federal Basic/Ex	<u>294,265,150</u>	<u>0.79</u>	<u>0.86</u>	<u>8.9%</u>
Total	xx	5.63	6.01	6.7%

*Federal Basic and Excess are after the Federal Administrative / Law Change

Sources: Payroll from Exhibit X-A
Column (1) Loss Costs (Approved 4/1/2014) - Exhibit X-B-2
Column (2) Proposed - Exhibit I-B, pages 1 and 2
Column (3) Traumatic Column (2) / Column (1)
OD Exhibit III and IV-A

**Coal Mine Compensation Rating Bureau
Current and Proposed Loss Costs
Unloaded Manual**

	2013 Developed Payroll	(1) Approved Unloaded Manual	(2) Indicated Unloaded Manual	(3) Proposed Unloaded Manual	(4) Percent Change
Underground Anthracite:					
Traumatic (1010)	\$175,900	\$19.43	\$20.41	\$19.75	5.0%
State O.D. (1011)	382,329	4.58	5.10	5.10	11.4%
*Federal Basic/Ex (0160)	<u>382,329</u>	<u>12.15</u>	<u>12.68</u>	<u>12.68</u>	<u>4.4%</u>
Total	xx	36.16	38.19	37.53	3.8%
Underground Bituminous:					
Traumatic (1001)	\$146,145,680	\$5.33	\$5.44	\$5.44	2.1%
State O.D. (1002)	145,939,251	0.54	0.78	0.68	25.0%
*Federal Basic/Ex (0158)	<u>141,449,556</u>	<u>0.66</u>	<u>0.81</u>	<u>0.81</u>	<u>22.7%</u>
Total	xx	6.53	7.03	6.93	6.1%
Surface Anthracite:					
Traumatic (1012)	\$22,127,846	\$7.21	\$9.78	\$9.01	25.0%
State O.D. (1016)	22,127,846	2.57	2.29	2.29	-10.9%
*Federal Basic/Ex (0153)	<u>20,261,498</u>	<u>3.70</u>	<u>3.31</u>	<u>3.31</u>	<u>-10.5%</u>
Total	xx	13.48	15.38	14.61	8.4%
Surface Bituminous:					
Traumatic (1014)	\$63,507,517	\$1.78	\$2.14	\$2.14	20.2%
State O.D. (1013)	63,507,517	0.16	0.15	0.15	-6.3%
*Federal Basic/Ex (0156)	<u>64,837,518</u>	<u>0.40</u>	<u>0.52</u>	<u>0.50</u>	<u>25.0%</u>
Total	xx	2.34	2.81	2.79	19.2%
Four Standard Classifications:					
Traumatic	\$231,956,943	\$4.55	\$4.96	\$4.89	7.5%
State O.D.	231,956,943	0.64	0.76	0.70	9.4%
*Federal Basic/Ex	<u>226,930,901</u>	<u>0.88</u>	<u>0.97</u>	<u>0.96</u>	<u>9.1%</u>
Total	xx	6.07	6.69	6.55	7.9%

*Federal Basic and Excess are after the Federal Administrative / Law Change

Sources: Payroll from Exhibit X-A

Column (1) Exhibit X-B Page 2

Column (2) Indicated Loss Cost - Exh. II, col(3) (Traumatic); Exh. III, col(5) (State O.D.); Exh. IV-A, col(5) (Federal O.D. After Adm/Law)

Column (3) Proposed Loss Cost - Exh. II, col(4) (Traumatic); Exh. III, col(8) (State O.D.); Exh. IV-A, col(7) (Federal O.D. After Adm/Law)

Column (4) Exhibit II, III or IV-A

**Coal Mine Compensation Rating Bureau
Current and Proposed Loss Costs
Unloaded Manual**

	2013 Developed Payroll	(1) Approved Unloaded Manual	(2) Indicated Unloaded Manual	(3) Proposed Unloaded Manual	(4) Percent Change
Coke:					
Traumatic (1469)	\$4,791,910	\$6.25	\$5.68	\$5.68	-9.1%
State O.D. (1017)	4,791,910	0.12	0.12	0.12	0.0%
*Federal Basic/Ex (0154)	4,791,910	0.11	0.11	0.11	0.0%
Total	xx	6.48	5.91	5.91	-8.8%
Auger:					
Traumatic (1015)	\$1,093,790	\$14.38	\$15.54	\$15.54	8.1%
State O.D. (1019)	1,093,790	0.25	0.25	0.25	0.0%
*Federal Basic/Ex (0157)	1,093,790	0.39	0.40	0.40	2.6%
Total	xx	15.02	16.19	16.19	7.8%
Co-Gen Anthracite:					
Traumatic (1021)	\$8,678,376	\$1.90	\$2.95	\$2.38	25.0%
State O.D. (1022)	8,678,376	0.40	0.37	0.37	-7.5%
*Federal Basic/Ex (0181)	7,958,314	0.54	0.49	0.49	-9.3%
Total	xx	2.84	3.81	3.24	14.1%
Co-Gen Bituminous:					
Traumatic (1023)	\$13,133,423	\$1.01	\$1.04	\$1.04	3.0%
State O.D. (1024)	13,133,423	0.38	0.40	0.40	5.3%
*Federal Basic/Ex (0182)	13,133,423	0.33	0.35	0.35	6.1%
Total	xx	1.72	1.79	1.79	4.1%
Prep Plant Anthracite:					
Traumatic (1025)	\$8,266,396	\$5.35	\$4.77	\$4.77	-10.8%
State O.D. (1026)	8,266,396	2.67	2.69	2.69	0.7%
*Federal Basic/Ex (0183)	7,053,691	1.30	1.17	1.17	-10.0%
Total	xx	9.32	8.63	8.63	-7.4%
Prep Plant Bituminous:					
Traumatic (1027)	\$33,935,906	\$0.94	\$1.13	\$1.13	20.2%
State O.D. (1028)	33,935,906	0.29	0.29	0.29	0.0%
*Federal Basic/Ex (0184)	33,303,121	0.44	0.45	0.45	2.3%
Total	xx	1.67	1.87	1.87	12.0%
Other Classifications:					
Traumatic	\$69,899,801	\$2.17	\$2.31	\$2.24	3.2%
State O.D.	69,899,801	0.59	0.59	0.59	0.0%
*Federal Basic/Ex	67,334,249	0.50	0.49	0.49	-2.0%
Total	xx	3.26	3.39	3.32	1.8%
Grand Total:					
Traumatic	\$301,856,744	\$4.00	\$4.35	\$4.28	7.0%
State O.D.	301,856,744	0.63	0.72	0.67	6.3%
*Federal Basic/Ex	294,265,150	0.79	0.86	0.86	8.9%
Total	xx	5.42	5.93	5.81	7.2%

*Federal Basic and Excess are after the Federal Administrative / Law Change

Sources: Payroll from Exhibit X-A

Column (1) Exhibit X-B Page 2

Column (2) Indicated Loss Cost - Exh. II, col(3) (Traumatic); Exh. III, col(5) (State O.D.); Exh. IV-A, col(5) (Federal O.D. After Adm/Law)

Column (3) Proposed Loss Cost - Exh. II, col(4) (Traumatic); Exh. III, col(8) (State O.D.); Exh. IV-A, col(7) (Federal O.D. After Adm/Law)

Column (4) Exhibit II, III or IV-A

**Coal Mine Compensation Rating Bureau
Current and Proposed Loss Costs
Unloaded Manual**

Calculation of Proposed Unloaded Loss Costs**Underground Anthracite**

Traumatic (1010)		Indicated loss cost.
State O.D. (1011)		Indicated loss cost.
*Federal O.D. (0160)	Basic/Ex	Indicated loss cost.

Underground Bituminous

Traumatic (1001)		Indicated loss cost.
State O.D. (1002)		Indicated unloaded loss cost limited to 25% (Exhibit III).
*Federal O.D. (0158)	Basic/Ex	Indicated loss cost.

Surface Anthracite

Traumatic (1012)		Indicated unloaded loss cost limited to 25% (Exhibit II).
State O.D. (1016)		Indicated loss cost.
*Federal O.D. (0153)	Basic/Ex	Indicated loss cost.

Surface Bituminous

Traumatic (1014)		Indicated loss cost.
State O.D. (1013)		Indicated loss cost.
*Federal O.D. (0156)	Basic/Ex	Indicated unloaded loss cost limited to 25% (Exhibit IV-A).

Coke

Traumatic (1469)		Indicated loss cost.
State O.D. (1017)		Indicated loss cost.
*Federal O.D. (0154)	Basic/Ex	Indicated loss cost.

Auger

Traumatic (1015)		Indicated loss cost.
State O.D. (1019)		Indicated loss cost.
*Federal O.D. (0157)	Basic/Ex	Indicated loss cost.

Co-Gen Anthracite

Traumatic (1021)		Indicated unloaded loss cost limited to 25% (Exhibit II).
State O.D. (1022)		Indicated loss cost.
*Federal O.D. (0181)	Basic/Ex	Indicated loss cost.

Co-Gen Bituminous

Traumatic (1023)		Indicated loss cost.
State O.D. (1024)		Indicated loss cost.
*Federal O.D. (0182)	Basic/Ex	Indicated loss cost.

Prep Plant Anthracite

Traumatic (1025)		Indicated loss cost.
State O.D. (1026)		Indicated loss cost.
*Federal O.D. (0183)	Basic/Ex	Indicated loss cost.

Prep Plant Bituminous

Traumatic (1027)		Indicated loss cost.
State O.D. (1028)		Indicated loss cost.
*Federal O.D. (0184)	Basic/Ex	Indicated loss cost.

*Federal Basic and Excess are after the Federal Administrative / Law Change

**Coal Mine Compensation Rating Bureau
Manual Loss Cost Loaded (after Capping)
For Catastrophe, Off-Balances, and Assessment
Proposed to Become Effective 4-1-2015**

	2013 Developed Payroll	(1) Proposed Loss Cost Before Loading	(2) Catastrophe Loss Cost	(3) Loss Cost Including Catastrophe	(4) Loss Cost Including Off-Balance ^(a)	(5) Loss Cost Inc. Off-Balance ^(a) & Assessment ^(b)
Underground Anthracite:						
Traumatic (1010)	\$175,900	\$19.75	\$0.23	\$19.98	\$20.36	\$20.36
State O.D. (1011)	382,329	5.10				5.10
<u>*Federal Basic/Ex (0160)</u>	<u>382,329</u>	<u>12.68</u>				<u>12.68</u>
Total	xx	37.53				38.14
Underground Bituminous:						
Traumatic (1001)	\$146,145,680	\$5.44	\$0.23	\$5.67	\$5.78	\$5.78
State O.D. (1002)	145,939,251	0.68				0.68
<u>*Federal Basic/Ex (0158)</u>	<u>141,449,556</u>	<u>0.81</u>				<u>0.81</u>
Total	xx	6.93				7.27
Surface Anthracite:						
Traumatic (1012)	\$22,127,846	\$9.01	\$0.03	\$9.04	\$9.21	\$9.21
State O.D. (1016)	22,127,846	2.29				2.29
<u>*Federal Basic/Ex (0153)</u>	<u>20,261,498</u>	<u>3.31</u>				<u>3.31</u>
Total	xx	14.61				14.81
Surface Bituminous:						
Traumatic (1014)	\$63,507,517	\$2.14	\$0.03	\$2.17	\$2.21	\$2.21
State O.D. (1013)	63,507,517	0.15				0.15
<u>*Federal Basic/Ex (0156)</u>	<u>64,837,518</u>	<u>0.50</u>				<u>0.50</u>
Total	xx	2.79				2.86
Four Standard Classifications:						
Traumatic	\$231,956,943	\$4.89	\$0.16	\$5.04	\$5.14	\$5.14
State O.D.	231,956,943	0.70				0.70
<u>*Federal Basic/Ex</u>	<u>226,930,901</u>	<u>0.96</u>				<u>0.96</u>
Total	xx	6.55				6.80

*Federal Basic and Excess are after the Federal Administrative / Law Change

Sources: Payroll from Exhibit X-A

Column (1) Proposed Loss Cost Before Loading - Exhibit II for Traumatic, Exhibit III for State OD, and Exhibit IV for Federal OD.

Column (2) Catastrophe - Exhibit XII-A

Column (3) (1)+(2)

Columns (4)(a) & (5)(a) Off-balances applied to Traumatic only

	Exper. Rating	1.0000
Exhibit XIV-A	Merit Rating	1.0005
Exhibit XIV-B	<u>Safety Rating</u>	<u>1.0184</u>
	Combined	1.0189

(5)(b) Loss-based Assessment factor in present rates
applied to Traumatic & State OD loss costs =1.0001

**Coal Mine Compensation Rating Bureau
Manual Loss Cost Loaded (after Capping)
For Catastrophe, Off-Balances, and Assessment
Proposed to Become Effective 4-1-2015**

	2013 Developed Payroll	(1) Proposed Loss Cost Before Loading	(2) Catastrophe Loss Cost	(3) Loss Cost Including Catastrophe	(4) Loss Cost Including Off-Balance ^(a)	(5) Loss Cost Inc. Off-Balance ^(a) & Assessment ^(b)
Coke:						
Traumatic (1469)	\$4,791,910	\$5.68	\$0.03	\$5.71	\$5.82	\$5.82
State O.D. (1017)	4,791,910	0.12				0.12
*Federal Basic/Ex (0154)	<u>4,791,910</u>	<u>0.11</u>				<u>0.11</u>
Total	xx	5.91				6.05
Auger:						
Traumatic (1015)	\$1,093,790	\$15.54	\$0.10	\$15.64	\$15.94	\$15.94
State O.D. (1019)	1,093,790	0.25				0.25
*Federal Basic/Ex (0157)	<u>1,093,790</u>	<u>0.40</u>				<u>0.40</u>
Total	xx	16.19				16.59
Co-Gen Anthracite:						
Traumatic (1021)	\$8,678,376	\$2.38	\$0.03	\$2.41	\$2.46	\$2.46
State O.D. (1022)	8,678,376	0.37				0.37
*Federal Basic/Ex (0181)	<u>7,958,314</u>	<u>0.49</u>				<u>0.49</u>
Total	xx	3.24				3.32
Co-Gen Bituminous:						
Traumatic (1023)	\$13,133,423	\$1.04	\$0.03	\$1.07	\$1.09	\$1.09
State O.D. (1024)	13,133,423	0.40				0.40
*Federal Basic/Ex (0182)	<u>13,133,423</u>	<u>0.35</u>				<u>0.35</u>
Total	xx	1.79				1.84
Prep Plant Anthracite:						
Traumatic (1025)	\$8,266,396	\$4.77	\$0.03	\$4.80	\$4.89	\$4.89
State O.D. (1026)	8,266,396	2.69				2.69
*Federal Basic/Ex (0183)	<u>7,053,691</u>	<u>1.17</u>				<u>1.17</u>
Total	xx	8.63				8.75
Prep Plant Bituminous:						
Traumatic (1027)	\$33,935,906	\$1.13	\$0.03	\$1.16	\$1.18	\$1.18
State O.D. (1028)	33,935,906	0.29				0.29
*Federal Basic/Ex (0184)	<u>33,303,121</u>	<u>0.45</u>				<u>0.45</u>
Total	xx	1.87				1.92
Other Classifications:						
Traumatic	\$69,899,801	\$2.24	\$0.03	\$2.27	\$2.31	\$2.31
State O.D.	69,899,801	0.59				0.59
*Federal Basic/Ex	<u>67,334,249</u>	<u>0.49</u>				<u>0.49</u>
Total	xx	3.32				3.39
Grand Total:						
Traumatic	\$301,856,744	\$4.28	\$0.13	\$4.41	\$4.49	\$4.48
State O.D.	301,856,744	0.67				0.67
*Federal Basic/Ex	<u>294,265,150</u>	<u>0.86</u>				<u>0.86</u>
Total	xx	5.81				6.01

*Federal Basic and Excess are after the Federal Administrative / Law Change

Sources: Payroll from Exhibit X-A

Column (1) Proposed Loss Cost Before Loading - Exhibit II for Traumatic, Exhibit III for State OD, and Exhibit IV for Federal OD.

Column (2) Catastrophe - Exhibit XII-A

Column (3) (1)+(2)

Columns (4)(a) & (5)(a) Off-balances applied to Traumatic only

Exhibit XIV-A	Experience Rating	1.0000
Exhibit XIV-B	Merit Rating	1.0005
	<u>Safety Rating</u>	<u>1.0184</u>
	Combined	1.0189

(5)(b) Loss-based Assessment factor in present rates
applied to Traumatic & State OD loss costs =1.0001

**COAL MINE COMPENSATION RATING BUREAU
TRAUMATIC LOSS COST INDICATIONS
Proposed Unloaded Loss Costs**

Exhibit II

<u>Classification</u>	<u>Code</u>	(1) 2013 Developed Payroll	(2) Approved Unloaded Loss Cost (Eff 4/01/2014)	(3) Indicated Unloaded Loss Cost	(4) Proposed Unloaded Loss Cost (Exh V-A-1)	(5) Percent Change	
Underground:	Anthracite	1010	\$175,900	19.43	20.41	19.75	5.0%
	Bituminous	1001	146,145,680	5.33	5.44	5.44	2.1%
Surface:	Anthracite	1012	22,127,846	7.21	9.78	9.01	25.0%
	Bituminous	1014	63,507,517	<u>1.78</u>	<u>2.14</u>	<u>2.14</u>	<u>20.2%</u>
Four Standard Classes			231,956,943	4.55	4.96	4.89	7.5%
Other Classes	Coke	1469	4,791,910	6.25	5.68	5.68	-9.1%
	Auger	1015	1,093,790	14.38	15.54	15.54	8.1%
Co-Gen:	Anthracite	1021	8,678,376	1.90	2.95	2.38	25.0%
	Bituminous	1023	13,133,423	1.01	1.04	1.04	3.0%
Prep Plants:	Anthracite	1025	8,266,396	5.35	4.77	4.77	-10.8%
	Bituminous	1027	33,935,906	<u>0.94</u>	<u>1.13</u>	<u>1.13</u>	<u>20.2%</u>
Other Classes			69,899,801	2.17	2.31	2.24	3.2%
All Classes Combined			301,856,744	4.00	4.35	4.27	6.7%

Sources: Column (1) Exhibit X-A
Column (2) Unloaded Loss Cost-Exhibit X-B,pg.2
Column (3) Exhibit V-A-1 Col.(7)
Column (4) Exhibit V-A-1 Col.(10)
Column (5) Exhibit V-A-1 Col.(9)

COAL MINE COMPENSATION RATING BUREAU
Traumatic Loss and Classification Credibility

Classification	Code	(1) 5 Year Payroll	2013 Payroll	(3) Loss Cost/Unloaded		(4) Indicated (Eff 04/01/2015)	(5) Credibility		(6) Credibility Factor	(7) (8) Indicated w/ Credibility Indicated		(9) Proposed Change after Limitation	(10) Proposed Loss Cost	(11) Proposed Change Excluding Trend
				Approved (Eff 4/01/2014)	on Level		Five Year Expected Losses	Loss Cost		Indicated Change				
Underground:	Bituminous	1001	\$679,562,718	\$146,145,680	\$5.33	\$5.37	5.44	36,220,693	1.00	5.44	2.1%	2.1%	5.44	1.3%
Surface:	Anthracite	1012	\$100,199,103	22,127,846	7.21	7.27	9.78	7,224,355	1.00	9.78	35.6%	25.0%	9.01	24.0%
	Bituminous	1014	\$360,510,834	63,507,517	1.78	1.79	2.14	6,417,093	1.00	2.14	20.2%	20.2%	2.14	19.3%
Three Major Classifications			1,140,272,655	231,781,043	4.37	4.40	4.78	49,862,141						
Co-Gen:	Coke	1469	\$24,738,311	4,791,910	6.25	6.30	5.04	1,546,144	0.49	5.68	-9.1%	-9.1%	5.68	-9.8%
	Anthracite	1021	\$47,157,287	8,678,376	1.90	1.92	4.70	895,988	0.37	2.95	55.3%	25.0%	2.38	24.3%
Prep Plants:	Bituminous	1023	\$47,882,693	13,133,423	1.01	1.02	1.11	483,615	0.27	1.04	3.0%	3.0%	1.04	2.2%
	Anthracite	1025	\$36,685,953	8,266,396	5.35	5.39	4.27	1,962,698	0.55	4.77	-10.8%	-10.8%	4.77	-11.5%
Subtotal (6)	Bituminous	1027	\$149,443,845	33,935,906	0.94	0.95	1.33	1,404,772	0.47	1.13	20.2%	20.2%	1.13	19.3%
	Auger	1015	\$4,811,112	1,093,790	14.38	14.50	17.65	691,838	0.33	15.54	8.1%	8.1%	15.54	7.2%
Subtotal (6)			310,719,201	69,899,801	2.25	2.27	2.70	6,985,055					2.32	
Underground:	Anthracite	1010	\$511,132	175,900	19.43	19.59	21.22 ^(a)	99,313	0.12	20.41 ^(b)	5.0%	5.0%	19.75 ^(c)	0.8%
Subtotal (7)			311,230,333	70,075,701	2.28	2.30	2.73	7,084,368						
Total (Based on 5-year Payroll)			\$1,451,502,988		3.92	3.95	4.34	\$56,946,509		4.28				
Total (Based on 2013 Payroll, see Exhibit II)			\$301,856,744		4.00					4.35	6.7%		4.27	

Source: (1) Exhibit V-B

(2) Unloaded Loss Cost Current (Eff 4/01/2014) Exhibit X-B page 2

(3) = (2) X Trend = (2) X (1.008)

1.008 = Weighted average of 1.016 and 1.003

Weights derived from 5 year Medical (26,878,381) and Indemnity (36,855,591) reported losses. Exhibit V-B, pg. 1

(4) Exhibit V-B except Underground Anthracite for which see Ex V-A-2

(5) Expected Losses = Column (1) times Column (2) divided by 100

(6) Factor Z = [(5) divided by 6,417,093]^(1/2)

(7) [Column (4) times Column (6)] plus [Column (3) times (1.0 minus Column (6))]

(8) Col.(7) / Col.(2) - 1.0

(9) Loss costs changes limited to +25% increase, -25% decrease

(10) Col.(2) x (1.0 + Col.(9))

(11) Col.(10)/1.008/Col.(2)-1.000

(a) Underground Anthracite Indicated Loss Cost from V-A-2

(b) Average of Col. (3) and Col. (4).

(c) Average of Col.(3) and Proposed (limited, indicated) Loss Cost from V-A-2

COAL MINE COMPENSATION RATING BUREAU
Traumatic Loss and Classification Credibility

Calculation of Anthracite Underground Loss Cost

	<u>Indicated</u>	<u>Proposed</u>
Multiplicative Method (Anthracite: Underground vs. Surface)		
Differential Factor from Study	2.66	2.66
Indicated Anthracite Surface Loss Cos	9.78 *	9.01 *
Indicated Anthracite Underground Loss Cost	<u>26.01</u>	<u>23.97</u>
Comparative Hazard Method #1 (Anthracite vs. Bituminous)		
Differential Factor from Study	2.41	2.41
Indicated Bituminous Underground Loss Cos	5.44 *	5.44 *
Indicated Anthracite Underground Loss Cost	<u>13.11</u>	<u>13.11</u>
Comparative Hazard Method #2 (Surface vs. Underground)		
Differential Factor from Study	2.51	2.51
Indicated Anthracite Surface Loss Cost	9.78 *	9.01 *
Indicated Anthracite Underground Loss Cost	<u>24.55</u>	<u>22.62</u>
Average	21.22	19.90

* Souce: Exhibit V-A-1

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication

All Classifications Combined (10 Classes)

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	5,433,501	1.0186	0.7255	4,015,326	1.75
2010	6,918,124	1.0428	1.0174	7,339,747	2.73
2011	8,225,491	1.1058	1.0143	9,225,817	2.84
2012	6,826,563	1.3155	1.0113	9,057,414 *	2.78
<u>2013</u>	<u>3,407,539</u>	2.1006	1.0083	<u>7,217,287</u>	<u>2.39</u>
5 Years	\$30,811,218			\$36,855,591	2.54
<u>Medical</u>					
2009	2,983,393	1.1706	0.7822	2,731,724	1.19
2010	4,413,176	1.1806	1.0829	5,642,121	2.10
2011	5,633,374	1.1910	1.0658	7,150,824	2.20
2012	5,258,148	1.2222	1.0490	6,702,503 *	2.06
<u>2013</u>	<u>3,352,536</u>	1.3437	1.0325	<u>4,651,209</u>	<u>1.54</u>
5 Years	\$21,640,627			\$26,878,381	1.85
(6)					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	229,462,394			6,747,050	2.94
2010	269,231,509			12,981,868	4.82
2011	324,841,755			16,376,641	5.04
2012	326,110,586			15,759,917	4.84
<u>2013</u>	<u>301,856,744</u>			<u>11,868,496</u>	<u>3.93</u>
5 Years	\$1,451,502,988			\$63,733,972	4.39

Source: (1) Sum of Exhibit V-B, pages 2 and 6 - column (1)

(2) Exhibit V-C

* Claim 46135 has been

(3) Exhibit V-F

capped at \$1,250,000.

(4) (1) times (2) times (3)

See V-B, page 3b

(5) (4) divided by (6) times 100

(6) Sum of Exhibit V-B, pages 2 and 6 - column (6)

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication**Three 100% Credibility Classifications (3 Classes)**

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	4,603,228	1.0186	0.7255	3,401,760	1.88
2010	6,124,322	1.0428	1.0174	6,497,566	3.04
2011	7,306,924	1.1058	1.0143	8,195,540	3.19
2012	5,851,278	1.3155	1.0113	7,759,929 *	3.02
<u>2013</u>	<u>2,969,600</u>	2.1006	1.0083	<u>6,289,717</u>	<u>2.71</u>
5 Years	\$26,855,352			\$32,144,512	2.82
<u>Medical</u>					
2009	2,400,546	1.1706	0.7822	2,198,044	1.21
2010	3,811,779	1.1806	1.0829	4,873,251	2.28
2011	4,626,472	1.1910	1.0658	5,872,695	2.29
2012	4,474,907	1.2222	1.0490	5,698,320 *	2.22
<u>2013</u>	<u>2,656,770</u>	1.3437	1.0325	<u>3,685,923</u>	<u>1.59</u>
5 Years	\$17,970,474			\$22,328,233	1.96
<u>(6)</u>					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	180,913,862			5,599,804	3.10
2010	213,694,310			11,370,817	5.32
2011	256,742,192			14,068,235	5.48
2012	257,141,248			13,458,249	5.24
<u>2013</u>	<u>231,781,043</u>			<u>9,975,640</u>	<u>4.30</u>
5 Years	\$1,140,272,655			\$54,472,745	4.78

Source: (1) Sum of Exhibit V-B, pages 3,4 and 5 - column (1)

(2) Exhibit V-C

* Claim 46135 has been

(3) Exhibit V-F

capped at \$1,250,000.

(4) (1) times (2) times (3)

See V-B, page 3b

(5) (4) divided by (6) times 100

(6) Sum of Exhibit V-B, pages 3,4 and 5 - column (6)

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication
Underground Bituminous 1001

Accident <u>Year</u>	(1) Reported <u>Losses</u>	(2) Loss <u>Development</u>	(3) Trend <u>Factor</u>	(4) Ultimate <u>Losses</u>	(5) Loss <u>Cost</u>
<u>Indemnity</u>					
2009	3,149,591	1.0186	0.7255	2,327,530	2.27
2010	4,640,360	1.0428	1.0174	4,923,165	3.89
2011	4,751,042	1.1058	1.0143	5,328,830	3.56
2012	3,905,837	1.3155	1.0113	5,171,782 *	3.35
<u>2013</u>	<u>1,689,000</u>	2.1006	1.0083	<u>3,577,361</u>	<u>2.45</u>
5 Years	\$18,135,830			\$21,328,668	3.14
<u>Medical</u>					
2009	1,757,519	1.1706	0.7822	1,609,261	1.57
2010	2,944,231	1.1806	1.0829	3,764,116	2.97
2011	2,826,654	1.1910	1.0658	3,588,064	2.40
2012	3,449,599	1.2222	1.0490	4,383,785 *	2.84
<u>2013</u>	<u>1,652,477</u>	1.3437	1.0325	<u>2,292,597</u>	<u>1.57</u>
5 Years	\$12,630,480			\$15,637,823	2.30
<u>(6)</u>					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	102,684,006			3,936,791	3.83
2010	126,687,464			8,687,281	6.86
2011	149,633,528			8,916,894	5.96
2012	154,412,040			9,555,567	6.19
<u>2013</u>	<u>146,145,680</u>			<u>5,869,958</u>	<u>4.02</u>
5 Years	\$679,562,718			\$36,966,491	5.44

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

* Claim 46135 has been
capped at \$1,250,000.

(3) Exhibit V-F

See V-B, page 3b

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
 Traumatic Loss Cost Indication
Underground Bituminous 1001

Adjustment for Large Claim 46135 (Accident Year 2012)

	Indemnity	Medical	Total
Uncapped Claim 46135 as of 04-30-2014	246,748	768,314	1,015,062
Percent of Total	24.3%	75.7%	100.00%
Percent x 1,250,000	303,858	946,142	1,250,000
Total Reported Loss as of 04-30-2014	3,905,837	3,449,599	
Uncapped Claim 46135	246,748	768,314	
Reported Loss ex. Claim 46135	3,659,089	2,681,285	
Loss Development Factor	1.3155	1.2222	
Trend Factor	1.0113	1.0490	
Dev & Trended Loss ex. Claim 46135	4,867,924	3,437,643	
Claim 46135 Capped at \$1,250,000	303,858	946,142	
Dev & Trended Loss w/Claim 46135 Capped	5,171,782	4,383,785	

Reported losses do not need to be adjusted for capping because reported total loss on Claim 46135 is less than 1,250,000

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication**Surface Anthracite 1012**

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	905,379	1.0186	0.7255	669,070	4.07
2010	1,192,855	1.0428	1.0174	1,265,553	8.85
2011	1,122,561	1.1058	1.0143	1,259,079	5.99
2012	1,116,922	1.3155	1.0113	1,485,914	5.65
<u>2013</u>	<u>917,895</u>	2.1006	1.0083	<u>1,944,134</u>	<u>8.79</u>
5 Years	\$5,255,612			\$6,623,750	6.61
<u>Medical</u>					
2009	265,184	1.1706	0.7822	242,814	1.48
2010	364,153	1.1806	1.0829	465,559	3.26
2011	735,982	1.1910	1.0658	934,232	4.44
2012	538,588	1.2222	1.0490	690,517	2.63
<u>2013</u>	<u>604,221</u>	1.3437	1.0325	<u>838,278</u>	<u>3.79</u>
5 Years	\$2,508,128			\$3,171,400	3.17
<u>(6)</u>					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	16,445,462			911,884	5.55
2010	14,295,288			1,731,112	12.11
2011	21,034,600			2,193,311	10.43
2012	26,295,907			2,176,431	8.28
<u>2013</u>	<u>22,127,846</u>			<u>2,782,412</u>	<u>12.58</u>
5 Years	\$100,199,103			\$9,795,150	9.78

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication**Surface Bituminous 1014**

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	548,258	1.0186	0.7255	405,160	0.66
2010	291,107	1.0428	1.0174	308,848	0.42
2011	1,433,321	1.1058	1.0143	1,607,631	1.87
2012	828,519	1.3155	1.0113	1,102,233	1.44
<u>2013</u>	<u>362,705</u>	2.1006	1.0083	<u>768,222</u>	<u>1.21</u>
5 Years	\$3,463,910			\$4,192,094	1.16
<u>Medical</u>					
2009	377,843	1.1706	0.7822	345,969	0.56
2010	503,395	1.1806	1.0829	643,576	0.89
2011	1,063,836	1.1910	1.0658	1,350,399	1.57
2012	486,720	1.2222	1.0490	624,018	0.82
<u>2013</u>	<u>400,072</u>	1.3437	1.0325	<u>555,048</u>	<u>0.87</u>
5 Years	\$2,831,866			\$3,519,010	0.98
<u>(6)</u>					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	61,784,394			751,129	1.22
2010	72,711,558			952,424	1.31
2011	86,074,064			2,958,030	3.44
2012	76,433,301			1,726,251	2.26
<u>2013</u>	<u>63,507,517</u>			<u>1,323,270</u>	<u>2.08</u>
5 Years	\$360,510,834			\$7,711,104	2.14

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication

Seven Less Than 100% Credibility Classifications (7 Classes)

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	830,273	1.0186	0.7255	613,568	1.26
2010	793,802	1.0428	1.0174	842,180	1.52
2011	918,567	1.1058	1.0143	1,030,276	1.51
2012	975,285	1.3155	1.0113	1,297,485	1.88
<u>2013</u>	<u>437,939</u>	2.1006	1.0083	<u>927,570</u>	<u>1.32</u>
5 Years	\$3,955,866			\$4,711,079	1.51
<u>Medical</u>					
2009	582,847	1.1706	0.7822	533,680	1.10
2010	601,397	1.1806	1.0829	768,868	1.38
2011	1,006,902	1.1910	1.0658	1,278,129	1.88
2012	783,241	1.2222	1.0490	1,004,183	1.46
<u>2013</u>	<u>695,766</u>	1.3437	1.0325	<u>965,284</u>	<u>1.38</u>
5 Years	\$3,670,153			\$4,550,144	1.46
(6)					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	48,548,532			1,147,248	2.36
2010	55,537,199			1,611,048	2.90
2011	68,099,563			2,308,405	3.39
2012	68,969,338			2,301,668	3.34
<u>2013</u>	<u>70,075,701</u>			<u>1,892,854</u>	<u>2.70</u>
5 Years	\$311,230,333			\$9,261,223	2.98

Source: (1) Sum of Exhibit V-B, pages 7-13 - column (1)
(2) Exhibit V-C
(3) Exhibit V-F
(4) (1) times (2) times (3)
(5) (4) divided by (6) times 100
(6) Sum of Exhibit V-B, pages 7-13 - column (6)

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication

Coke 1469

Accident <u>Year</u>	(1) <u>Reported Losses</u>	(2) <u>Loss Development</u>	(3) <u>Trend Factor</u>	(4) <u>Ultimate Losses</u>	(5) <u>Loss Cost</u>
<u>Indemnity</u>					
2009	273,129	1.0186	0.7255	201,841	3.90
2010	19,717	1.0428	1.0174	20,919	0.38
2011	282,589	1.1058	1.0143	316,955	8.81
2012	0	1.3155	1.0113	0	0.00
<u>2013</u>	<u>23,842</u>	2.1006	1.0083	<u>50,498</u>	<u>1.05</u>
5 Years	\$599,277			\$590,213	2.39
<u>Medical</u>					
2009	226,547	1.1706	0.7822	207,436	4.01
2010	62,830	1.1806	1.0829	80,326	1.48
2011	251,564	1.1910	1.0658	319,327	8.87
2012	2,816	1.2222	1.0490	3,610	0.06
<u>2013</u>	<u>33,020</u>	1.3437	1.0325	<u>45,811</u>	<u>0.96</u>
5 Years	\$576,777			\$656,510	2.65
(6)					
Indemnity & <u>Medical</u>	<u>Developed Payroll</u>				
2009	5,173,552			409,277	7.91
2010	5,435,658			101,245	1.86
2011	3,599,086			636,282	17.68
2012	5,738,105			3,610	0.06
<u>2013</u>	<u>4,791,910</u>			<u>96,309</u>	<u>2.01</u>
5 Years	\$24,738,311			\$1,246,723	5.04

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication

Auger 1015

Accident <u>Year</u>	(1) Reported <u>Losses</u>	(2) Loss <u>Development</u>	(3) Trend <u>Factor</u>	(4) Ultimate <u>Losses</u>	(5) Loss <u>Cost</u>
<u>Indemnity</u>					
2009	96,212	1.0186	0.7255	71,100	7.68
2010	195,903	1.0428	1.0174	207,842	25.76
2011	84,253	1.1058	1.0143	94,499	8.03
2012	38,979	1.3155	1.0113	51,856	6.42
<u>2013</u>	<u>21,273</u>	2.1006	1.0083	<u>45,057</u>	<u>4.12</u>
5 Years	\$436,620			\$470,354	9.78
<u>Medical</u>					
2009	61,677	1.1706	0.7822	56,474	6.10
2010	134,579	1.1806	1.0829	172,055	21.33
2011	30,464	1.1910	1.0658	38,670	3.29
2012	66,406	1.2222	1.0490	85,138	10.53
<u>2013</u>	<u>19,114</u>	1.3437	1.0325	<u>26,518</u>	<u>2.42</u>
5 Years	\$312,240			\$378,855	7.87
(6)					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	926,163			127,574	13.77
2010	806,696			379,897	47.09
2011	1,176,255			133,169	11.32
2012	808,208			136,994	16.95
<u>2013</u>	<u>1,093,790</u>			<u>71,575</u>	<u>6.54</u>
5 Years	\$4,811,112			\$849,209	17.65

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication**Co-Gen Anthracite 1021**

Accident <u>Year</u>	(1) <u>Reported Losses</u>	(2) <u>Loss Development</u>	(3) <u>Trend Factor</u>	(4) <u>Ultimate Losses</u>	(5) <u>Loss Cost</u>
<u>Indemnity</u>					
2009	389,242	1.0186	0.7255	287,648	3.59
2010	131,153	1.0428	1.0174	139,146	1.64
2011	37,158	1.1058	1.0143	41,677	0.36
2012	483,273	1.3155	1.0113	642,930	6.26
<u>2013</u>	<u>147,650</u>	2.1006	1.0083	<u>312,728</u>	<u>3.60</u>
5 Years	\$1,188,476			\$1,424,129	3.02
<u>Medical</u>					
2009	175,798	1.1706	0.7822	160,968	2.01
2010	54,777	1.1806	1.0829	70,031	0.83
2011	13,608	1.1910	1.0658	17,274	0.15
2012	194,695	1.2222	1.0490	249,616	2.43
<u>2013</u>	<u>212,289</u>	1.3437	1.0325	<u>294,523</u>	<u>3.39</u>
5 Years	\$651,167			\$792,412	1.68
<u>(6)</u>					
Indemnity & <u>Medical</u>	<u>Developed Payroll</u>				
2009	8,004,644			448,616	5.60
2010	8,481,228			209,177	2.47
2011	11,720,035			58,951	0.51
2012	10,273,004			892,546	8.69
<u>2013</u>	<u>8,678,376</u>			<u>607,251</u>	<u>6.99</u>
5 Years	\$47,157,287			\$2,216,541	4.70

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication
Co-Gen Bituminous 1023

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	0	1.0186	0.7255	0	0.00
2010	12,131	1.0428	1.0174	12,870	0.15
2011	6,299	1.1058	1.0143	7,065	0.08
2012	65,117	1.3155	1.0113	86,629	0.96
<u>2013</u>	<u>31,686</u>	2.1006	1.0083	<u>67,112</u>	<u>0.51</u>
5 Years	\$115,233			\$173,676	0.36
<u>Medical</u>					
2009	13,188	1.1706	0.7822	12,076	0.15
2010	31,159	1.1806	1.0829	39,836	0.46
2011	40,514	1.1910	1.0658	51,427	0.56
2012	133,047	1.2222	1.0490	170,578	1.89
<u>2013</u>	<u>59,868</u>	1.3437	1.0325	<u>83,059</u>	<u>0.63</u>
5 Years	\$277,776			\$356,976	0.75
	(6)				
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	7,866,413			12,076	0.15
2010	8,732,701			52,706	0.60
2011	9,102,411			58,492	0.64
2012	9,047,745			257,207	2.85
<u>2013</u>	<u>13,133,423</u>			<u>150,171</u>	<u>1.14</u>
5 Years	\$47,882,693			\$530,652	1.11

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication
Prep Plants Anthracite 1025

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	35,973	1.0186	0.7255	26,584	0.39
2010	274,952	1.0428	1.0174	291,709	5.06
2011	163,586	1.1058	1.0143	183,480	2.54
2012	113,881	1.3155	1.0113	151,503	1.75
<u>2013</u>	<u>87,877</u>	2.1006	1.0083	<u>186,127</u>	<u>2.25</u>
5 Years	\$676,269			\$839,403	2.29
<u>Medical</u>					
2009	32,649	1.1706	0.7822	29,895	0.44
2010	187,366	1.1806	1.0829	239,542	4.16
2011	97,784	1.1910	1.0658	124,124	1.72
2012	72,640	1.2222	1.0490	93,131	1.07
<u>2013</u>	<u>172,391</u>	1.3437	1.0325	<u>239,170</u>	<u>2.89</u>
5 Years	\$562,830			\$725,862	1.98
(6)					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	6,749,748			56,479	0.84
2010	5,762,086			531,251	9.22
2011	7,236,583			307,604	4.26
2012	8,671,140			244,634	2.82
<u>2013</u>	<u>8,266,396</u>			<u>425,297</u>	<u>5.14</u>
5 Years	\$36,685,953			\$1,565,265	4.27

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication
Prep Plants Bituminous 1027

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	35,717	1.0186	0.7255	26,395	0.13
2010	159,946	1.0428	1.0174	169,694	0.64
2011	138,975	1.1058	1.0143	155,876	0.44
2012	274,035	1.3155	1.0113	364,567	1.07
<u>2013</u>	<u>125,611</u>	2.1006	1.0083	<u>266,048</u>	<u>0.78</u>
5 Years	\$734,284			\$982,580	0.66
<u>Medical</u>					
2009	72,988	1.1706	0.7822	66,831	0.34
2010	130,686	1.1806	1.0829	167,078	0.63
2011	72,968	1.1910	1.0658	92,623	0.26
2012	313,637	1.2222	1.0490	402,110	1.18
<u>2013</u>	<u>199,084</u>	1.3437	1.0325	<u>276,203</u>	<u>0.81</u>
5 Years	\$789,363			\$1,004,845	0.67
(6)					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	19,828,012			93,226	0.47
2010	26,313,130			336,772	1.27
2011	35,155,068			248,499	0.70
2012	34,211,729			766,677	2.25
<u>2013</u>	<u>33,935,906</u>			<u>542,251</u>	<u>1.59</u>
5 Years	\$149,443,845			\$1,987,425	1.33

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication
Underground Anthracite - 1010

Accident <u>Year</u>	(1) Reported <u>Losses</u>	(2) Loss <u>Development</u>	(3) Trend <u>Factor</u>	(4) Ultimate <u>Losses</u>	(5) Loss <u>Cost</u>
<u>Indemnity</u>					
2009	0	1.0186	0.7255	0	0.00
2010	0	1.0428	1.0174	0	0.00
2011	205,707	1.1058	1.0143	230,724	209.51
2012	0	1.3155	1.0113	0	0.00
<u>2013</u>	<u>0</u>	2.1006	1.0083	<u>0</u>	<u>0.00</u>
5 Years	\$205,707			\$230,724	45.14
<u>Medical</u>					
2009	0	1.1706	0.7822	0	0.00
2010	0	1.1806	1.0829	0	0.00
2011	500,000	1.1910	1.0658	634,684	576.33
2012	0	1.2222	1.0490	0	0.00
<u>2013</u>	<u>0</u>	1.3437	1.0325	<u>0</u>	<u>0.00</u>
5 Years	\$500,000			\$634,684	124.17
(6)					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	0			0	0.00
2010	5,700			0	0.00
2011	110,125			865,408	785.84
2012	219,407			0	0.00
<u>2013</u>	<u>175,900</u>			<u>0</u>	<u>0.00</u>
5 Years	\$511,132			\$865,408	169.31

Source: (1) CMCRB Database as of 04-30-2014

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit X-D

PAB

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication**Five Other Classifications [Page 6 less Pages 8&13] - (5 Classes)**

	(1)	(2)	(3)	(4)	(5)
Accident <u>Year</u>	Reported <u>Losses</u>	Loss <u>Development</u>	Trend <u>Factor</u>	Ultimate <u>Losses</u>	Loss <u>Cost</u>
<u>Indemnity</u>					
2009	734,061	1.0186	0.7255	542,467	1.14
2010	597,899	1.0428	1.0174	634,338	1.16
2011	628,607	1.1058	1.0143	705,053	1.06
2012	936,306	1.3155	1.0113	1,245,629	1.83
<u>2013</u>	<u>416,666</u>	2.1006	1.0083	<u>882,513</u>	<u>1.28</u>
5 Years	\$3,313,539			\$4,010,000	1.31
<u>Medical</u>					
2009	521,170	1.1706	0.7822	477,206	1.00
2010	466,818	1.1806	1.0829	596,814	1.09
2011	476,438	1.1910	1.0658	604,775	0.91
2012	716,835	1.2222	1.0490	919,045	1.35
<u>2013</u>	<u>676,652</u>	1.3437	1.0325	<u>938,767</u>	<u>1.36</u>
5 Years	\$2,857,913			\$3,536,607	1.16
	(6)				
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2009	47,622,369			1,019,673	2.14
2010	54,724,803			1,231,152	2.25
2011	66,813,183			1,309,828	1.97
2012	67,941,723			2,164,674	3.18
<u>2013</u>	<u>68,806,011</u>			<u>1,821,280</u>	<u>2.64</u>
5 Years	\$305,908,089			\$7,546,607	2.47

Source: (1) Exhibit V-B, page 6 minus page 8, column (1) minus page 13, column (1)

(2) Exhibit V-C

(3) Exhibit V-F

(4) (1) times (2) times (3)

(5) (4) divided by (6) times 100

(6) Exhibit V-B, page 6 minus page 13 - column (6)

PAB

Coal Mine Compensation Rating Bureau

Summary

Traumatic Loss Trend

Indemnity, Funeral and Medical for All Classes Combined

Trend Factors

Indemnity and Funeral

Annual Percentage Change: 0.3%		Annual Percentage Change	Formula	Frequency Trend Adjustment Factor	HB 1846 Adjustment Factor	Adjusted Trend Factor
Accident Year	Trend Period - Years	Change	Formula	Factor	Factor	Factor
2009	7-1-09 to 4-1-2016 6.75	0.3%	(1 + 0.003) ^ 6.75	1.0204	0.711	1.0000 0.7255
2010	7-1-10 to 4-1-2016 5.75	0.3%	(1 + 0.003) ^ 5.75	1.0174	1.000	1.0000 1.0174
2011	7-1-11 to 4-1-2016 4.75	0.3%	(1 + 0.003) ^ 4.75	1.0143	1.000	1.0000 1.0143
2012	7-1-12 to 4-1-2016 3.75	0.3%	(1 + 0.003) ^ 3.75	1.0113	1.000	1.0000 1.0113
2013	7-1-13 to 4-1-2016 2.75	0.3%	(1 + 0.003) ^ 2.75	1.0083	1.000	1.0000 1.0083

Medical and Medical Only

Annual Percentage Change: 1.6%		Annual Percentage Change	Formula	Frequency Trend Adjustment Factor	HB 1846 Adjustment Factor	Adjusted Trend Factor
Accident Year	Trend Period - Years	Change	Formula	Factor	Factor	Factor
2009	7-1-09 to 4-1-2016 6.75	1.6%	(1 + 0.016) ^ 6.75	1.1131	0.711	0.9884 0.7822
2010	7-1-10 to 4-1-2016 5.75	1.6%	(1 + 0.016) ^ 5.75	1.0956	1.000	0.9884 1.0829
2011	7-1-11 to 4-1-2016 4.75	1.6%	(1 + 0.016) ^ 4.75	1.0783	1.000	0.9884 1.0658
2012	7-1-12 to 4-1-2016 3.75	1.6%	(1 + 0.016) ^ 3.75	1.0613	1.000	0.9884 1.0490
2013	7-1-13 to 4-1-2016 2.75	1.6%	(1 + 0.016) ^ 2.75	1.0446	1.000	0.9884 1.0325

Source: Annual Percentage Change - Exhibit V-K

Frequency adjustment factor is from V-K Supplemental

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