

**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 16, 2015

The Honorable Teresa D. Miller
Insurance Commissioner
Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Attention: Mark Lersch, Director Bureau of Property & Casualty

RE: Revision to Proposal CM-3-2015 for House Bill 1846 of 2014
Revised Loss Costs for Traumatic, State Occupational Disease
And Federal Occupational Disease
To Be Effective: April 1, 2016

Dear Commissioner Miller:

On November 24, 2015, the Coal Mine Compensation Rating Bureau of Pennsylvania (“Bureau”) submitted Proposal CM-3-2015. In this Proposal, the Bureau maintained the adjustment for House Bill 1846 of 2014 (“HB 1846”) that was included in its revised Proposal for April 1, 2015. This adjustment (i.e., a reduction of 1.16%) reduced medical losses by a factor of 0.9884 and was based on the Pennsylvania Compensation Rating Bureau’s (“PCRB’s”) Evaluation of HB 1846 (i.e., Exhibit 34 of PCRB Filing No. C-365 for April 1, 2015).

Subsequently, the Bureau became aware of the PCRB’s updated Evaluation of HB 1846 (i.e., Exhibit 34 of PCRB Filing No. C-366 for April 1, 2016). The Bureau notes that the PCRB estimates that HB 1846 will reduce medical costs for workers compensation insurance by approximately 1.32% for policies effective April 1, 2016 through March 31, 2017. 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://pcrb.com/pcrb/filings/c366/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 PCRFB's updated Exhibit 34 and the feedback from the Bureau's larger writers discussed above, the Bureau proposes to revise the adjustment to Traumatic medical costs included in our original Proposal from -1.16% to -1.32%. Note that the Bureau does not propose to reduce the medical costs for SOD or FOD classifications for the reasons noted above.

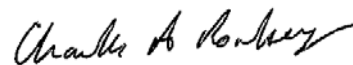
The Bureau revised Exhibit V-F by changing the Medical from 0.9884 (or 1.0000 minus 1.16%) to 0.9868 (or 1.0000 minus 1.32%). The revised Adjusted Trend Factors resulted in changes to Exhibits I, II, V-A, V-B and V-F.

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 +4.1% to +4.0%. The proposed change for Traumatic is revised from +7.4% to +7.2%. The changes for SOD and FOD remain as originally proposed.

The Bureau intends to provide an electronic copy of this revision to the attendees and invitees of the Bureau's combined meeting of the Actuarial/Classification Committee and the Governing Board of November 23, 2015. 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**

	2014 Developed Payroll	(1) Approved Loss Cost Manual	(2) Proposed Loss Cost Manual	(3) Percent Change
Underground Anthracite:				
Traumatic (1010)	\$258,809	\$20.36	\$22.06	8.3%
State O.D. (1011)	258,809	5.10	5.27	3.3%
<u>*Federal Basic/Ex (0160)</u>	<u>258,809</u>	<u>12.68</u>	<u>12.87</u>	<u>1.5%</u>
Total	xx	38.14	40.20	5.4%
Underground Bituminous:				
Traumatic (1001)	\$235,444,691	\$5.78	\$6.12	5.9%
State O.D. (1002)	235,444,691	0.68	0.73	7.4%
<u>*Federal Basic/Ex (0158)</u>	<u>148,066,216</u>	<u>0.81</u>	<u>0.72</u>	<u>-11.1%</u>
Total	xx	7.27	7.57	4.1%
Surface Anthracite:				
Traumatic (1012)	\$20,496,172	\$9.21	\$11.00	19.4%
State O.D. (1016)	20,496,172	2.29	1.97	-14.0%
<u>*Federal Basic/Ex (0153)</u>	<u>18,868,872</u>	<u>3.31</u>	<u>3.11</u>	<u>-6.0%</u>
Total	xx	14.81	16.08	8.6%
Surface Bituminous:				
Traumatic (1014)	\$54,137,563	\$2.21	\$2.31	4.5%
State O.D. (1013)	54,137,563	0.15	0.15	0.0%
<u>*Federal Basic/Ex (0156)</u>	<u>55,347,009</u>	<u>0.50</u>	<u>0.50</u>	<u>0.0%</u>
Total	xx	2.86	2.96	3.5%
Four Standard Classifications:				
Traumatic	\$310,337,235	\$5.40	\$5.79	7.2%
State O.D.	310,337,235	0.70	0.71	1.4%
<u>*Federal Basic/Ex</u>	<u>222,540,906</u>	<u>0.96</u>	<u>0.88</u>	<u>-8.3%</u>
Total	xx	7.06	7.38	4.5%

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

Sources: Payroll from Exhibit X-A
 Column (1) Loss Costs (Approved 4/1/2015) - 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**

	2014 Developed Payroll	(1) Approved Loss Cost Manual	(2) Proposed Loss Cost Manual	(3) Percent Change
Coke:				
Traumatic (1469)	\$4,464,398	\$5.82	\$5.08	-12.7%
State O.D. (1017)	4,464,398	0.12	0.13	8.3%
*Federal Basic/Ex (0154)	<u>4,464,398</u>	<u>0.11</u>	<u>0.09</u>	<u>-18.2%</u>
Total	xx	6.05	5.30	-12.4%
Auger:				
Traumatic (1015)	\$876,196	\$15.94	\$15.31	-4.0%
State O.D. (1019)	876,196	0.25	0.26	4.0%
*Federal Basic/Ex (0157)	<u>930,810</u>	<u>0.40</u>	<u>0.34</u>	<u>-15.0%</u>
Total	xx	16.59	15.91	-4.1%
Co-Gen Anthracite:				
Traumatic (1021)	\$9,279,611	\$2.46	\$2.78	13.0%
State O.D. (1022)	9,279,611	0.37	0.33	-10.8%
*Federal Basic/Ex (0181)	<u>8,565,937</u>	<u>0.49</u>	<u>0.46</u>	<u>-6.1%</u>
Total	xx	3.32	3.57	7.5%
Co-Gen Bituminous:				
Traumatic (1023)	\$11,451,621	\$1.09	\$1.18	8.3%
State O.D. (1024)	11,451,621	0.40	0.44	10.0%
*Federal Basic/Ex (0182)	<u>11,451,621</u>	<u>0.35</u>	<u>0.30</u>	<u>-14.3%</u>
Total	xx	1.84	1.92	4.3%
Prep Plant Anthracite:				
Traumatic (1025)	\$8,100,471	\$4.89	\$5.06	3.5%
State O.D. (1026)	8,100,471	2.69	2.37	-11.9%
*Federal Basic/Ex (0183)	<u>6,452,662</u>	<u>1.17</u>	<u>1.06</u>	<u>-9.4%</u>
Total	xx	8.75	8.49	-3.0%
Prep Plant Bituminous:				
Traumatic (1027)	\$43,762,160	\$1.18	\$1.45	22.9%
State O.D. (1028)	43,762,160	0.29	0.26	-10.3%
*Federal Basic/Ex (0184)	<u>32,023,187</u>	<u>0.45</u>	<u>0.38</u>	<u>-15.6%</u>
Total	xx	1.92	2.09	8.9%
Other Classifications:				
Traumatic	\$77,934,457	\$2.14	\$2.31	7.9%
State O.D.	77,934,457	0.55	0.51	-7.3%
*Federal Basic/Ex	<u>63,888,615</u>	<u>0.49</u>	<u>0.42</u>	<u>-14.3%</u>
Total	xx	3.18	3.24	1.9%
Grand Total:				
Traumatic	\$388,271,692	\$4.75	\$5.09	7.2%
State O.D.	388,271,692	0.67	0.67	0.0%
*Federal Basic/Ex	<u>286,429,521</u>	<u>0.86</u>	<u>0.77</u>	<u>-10.5%</u>
Total	xx	6.28	6.53	4.0%

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

Sources: Payroll from Exhibit X-A
 Column (1) Loss Costs (Approved 4/1/2015) - 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**

Exhibit I-A-UL
Page 1

	2014 Developed Payroll	(1) Approved Unloaded Manual	(2) Indicated Unloaded Manual	(3) Proposed Unloaded Manual	(4) Percent Change
Underground Anthracite:					
Traumatic (1010)	\$258,809	\$19.75	\$21.61	\$21.61	9.4%
State O.D. (1011)	258,809	5.10	5.27	5.27	3.3%
*Federal Basic/Ex (0160)	<u>258,809</u>	<u>12.68</u>	<u>12.87</u>	<u>12.87</u>	<u>1.5%</u>
Total	xx	37.53	39.75	39.75	5.9%
Underground Bituminous:					
Traumatic (1001)	\$235,444,691	\$5.44	\$5.87	\$5.87	7.9%
State O.D. (1002)	235,444,691	0.68	0.73	0.73	7.4%
*Federal Basic/Ex (0158)	<u>148,066,216</u>	<u>0.81</u>	<u>0.72</u>	<u>0.72</u>	<u>-11.1%</u>
Total	xx	6.93	7.32	7.32	5.6%
Surface Anthracite:					
Traumatic (1012)	\$20,496,172	\$9.01	\$10.84	\$10.84	20.3%
State O.D. (1016)	20,496,172	2.29	1.97	1.97	-14.0%
*Federal Basic/Ex (0153)	<u>18,868,872</u>	<u>3.31</u>	<u>3.11</u>	<u>3.11</u>	<u>-6.0%</u>
Total	xx	14.61	15.92	15.92	9.0%
Surface Bituminous:					
Traumatic (1014)	\$54,137,563	\$2.14	\$2.26	\$2.26	5.6%
State O.D. (1013)	54,137,563	0.15	0.15	0.15	0.0%
*Federal Basic/Ex (0156)	<u>55,347,009</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.0%</u>
Total	xx	2.79	2.91	2.91	4.3%
Four Standard Classifications:					
Traumatic	\$310,337,235	\$5.11	\$5.58	\$5.58	9.2%
State O.D.	310,337,235	0.70	0.71	0.71	1.4%
*Federal Basic/Ex	<u>222,540,906</u>	<u>0.96</u>	<u>0.88</u>	<u>0.88</u>	<u>-8.3%</u>
Total	xx	6.77	7.17	7.17	5.9%

*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**

	2014 Developed Payroll	(1) Approved Unloaded Manual	(2) Indicated Unloaded Manual	(3) Proposed Unloaded Manual	(4) Percent Change
Coke:					
Traumatic (1469)	\$4,464,398	\$5.68	\$5.00	\$5.00	-12.0%
State O.D. (1017)	4,464,398	0.12	0.13	0.13	8.3%
*Federal Basic/Ex (0154)	<u>4,464,398</u>	<u>0.11</u>	<u>0.09</u>	<u>0.09</u>	<u>-18.2%</u>
Total	xx	5.91	5.22	5.22	-11.7%
Auger:					
Traumatic (1015)	\$876,196	\$15.54	\$15.05	\$15.05	-3.2%
State O.D. (1019)	876,196	0.25	0.26	0.26	4.0%
*Federal Basic/Ex (0157)	<u>930,810</u>	<u>0.40</u>	<u>0.34</u>	<u>0.34</u>	<u>-15.0%</u>
Total	xx	16.19	15.65	15.65	-3.3%
Co-Gen Anthracite:					
Traumatic (1021)	\$9,279,611	\$2.38	\$2.73	\$2.73	14.7%
State O.D. (1022)	9,279,611	0.37	0.33	0.33	-10.8%
*Federal Basic/Ex (0181)	<u>8,565,937</u>	<u>0.49</u>	<u>0.46</u>	<u>0.46</u>	<u>-6.1%</u>
Total	xx	3.24	3.52	3.52	8.6%
Co-Gen Bituminous:					
Traumatic (1023)	\$11,451,621	\$1.04	\$1.15	\$1.15	10.6%
State O.D. (1024)	11,451,621	0.40	0.44	0.44	10.0%
*Federal Basic/Ex (0182)	<u>11,451,621</u>	<u>0.35</u>	<u>0.30</u>	<u>0.30</u>	<u>-14.3%</u>
Total	xx	1.79	1.89	1.89	5.6%
Prep Plant Anthracite:					
Traumatic (1025)	\$8,100,471	\$4.77	\$4.98	\$4.98	4.4%
State O.D. (1026)	8,100,471	2.69	2.37	2.37	-11.9%
*Federal Basic/Ex (0183)	<u>6,452,662</u>	<u>1.17</u>	<u>1.06</u>	<u>1.06</u>	<u>-9.4%</u>
Total	xx	8.63	8.41	8.41	-2.5%
Prep Plant Bituminous:					
Traumatic (1027)	\$43,762,160	\$1.13	\$1.75	\$1.41	25.0%
State O.D. (1028)	43,762,160	0.29	0.26	0.26	-10.3%
*Federal Basic/Ex (0184)	<u>32,023,187</u>	<u>0.45</u>	<u>0.38</u>	<u>0.38</u>	<u>-15.6%</u>
Total	xx	1.87	2.39	2.05	9.6%
Other Classifications:					
Traumatic	\$77,934,457	\$2.07	\$2.45	\$2.26	9.2%
State O.D.	77,934,457	0.55	0.51	0.51	-7.3%
*Federal Basic/Ex	<u>63,888,615</u>	<u>0.49</u>	<u>0.42</u>	<u>0.42</u>	<u>-14.3%</u>
Total	xx	3.11	3.38	3.19	2.6%
Grand Total:					
Traumatic	\$388,271,692	\$4.50	\$4.95	\$4.91	9.1%
State O.D.	388,271,692	0.67	0.67	0.67	0.0%
*Federal Basic/Ex	<u>286,429,521</u>	<u>0.86</u>	<u>0.77</u>	<u>0.77</u>	<u>-10.5%</u>
Total	xx	6.03	6.39	6.35	5.3%

*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 loss cost.
*Federal O.D. (0158)	Basic/Ex	Indicated loss cost.

Surface Anthracite

Traumatic (1012)		Indicated loss cost.
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 loss cost.

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 loss cost.
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 unloaded loss cost limited to 25% (Exhibit II).
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 4-1-2016**

	2014 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)	\$258,809	\$21.61	\$0.17	\$21.78	\$22.06	\$22.06
State O.D. (1011)	258,809	5.27				5.27
<u>*Federal Basic/Ex (0160)</u>	<u>258,809</u>	<u>12.87</u>				<u>12.87</u>
Total	xx	39.75				40.20
Underground Bituminous:						
Traumatic (1001)	\$235,444,691	\$5.87	\$0.17	\$6.04	\$6.12	\$6.12
State O.D. (1002)	235,444,691	0.73				0.73
<u>*Federal Basic/Ex (0158)</u>	<u>148,066,216</u>	<u>0.72</u>				<u>0.72</u>
Total	xx	7.32				7.57
Surface Anthracite:						
Traumatic (1012)	\$20,496,172	\$10.84	\$0.02	\$10.86	\$11.00	\$11.00
State O.D. (1016)	20,496,172	1.97				1.97
<u>*Federal Basic/Ex (0153)</u>	<u>18,868,872</u>	<u>3.11</u>				<u>3.11</u>
Total	xx	15.92				16.08
Surface Bituminous:						
Traumatic (1014)	\$54,137,563	\$2.26	\$0.02	\$2.28	\$2.31	\$2.31
State O.D. (1013)	54,137,563	0.15				0.15
<u>*Federal Basic/Ex (0156)</u>	<u>55,347,009</u>	<u>0.50</u>				<u>0.50</u>
Total	xx	2.91				2.96
Four Standard Classifications:						
Traumatic	\$310,337,235	\$5.58	\$0.13	\$5.72	\$5.79	\$5.79
State O.D.	310,337,235	0.71				0.71
<u>*Federal Basic/Ex</u>	<u>222,540,906</u>	<u>0.88</u>				<u>0.88</u>
Total	xx	7.17				7.38

*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	1.0002
Exhibit XIV-B	<u>Safety Rating</u>	<u>1.0125</u>
	Combined	1.0127

(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 4-1-2016**

	2014 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)	\$4,464,398	\$5.00	\$0.02	\$5.02	\$5.08	\$5.08
State O.D. (1017)	4,464,398	0.13				0.13
*Federal Basic/Ex (0154)	<u>4,464,398</u>	<u>0.09</u>				<u>0.09</u>
Total	xx	5.22				5.30
Auger:						
Traumatic (1015)	\$876,196	\$15.05	\$0.07	\$15.12	\$15.31	\$15.31
State O.D. (1019)	876,196	0.26				0.26
*Federal Basic/Ex (0157)	<u>930,810</u>	<u>0.34</u>				<u>0.34</u>
Total	xx	15.65				15.91
Co-Gen Anthracite:						
Traumatic (1021)	\$9,279,611	\$2.73	\$0.02	\$2.75	\$2.78	\$2.78
State O.D. (1022)	9,279,611	0.33				0.33
*Federal Basic/Ex (0181)	<u>8,565,937</u>	<u>0.46</u>				<u>0.46</u>
Total	xx	3.52				3.57
Co-Gen Bituminous:						
Traumatic (1023)	\$11,451,621	\$1.15	\$0.02	\$1.17	\$1.18	\$1.18
State O.D. (1024)	11,451,621	0.44				0.44
*Federal Basic/Ex (0182)	<u>11,451,621</u>	<u>0.30</u>				<u>0.30</u>
Total	xx	1.89				1.92
Prep Plant Anthracite:						
Traumatic (1025)	\$8,100,471	\$4.98	\$0.02	\$5.00	\$5.06	\$5.06
State O.D. (1026)	8,100,471	2.37				2.37
*Federal Basic/Ex (0183)	<u>6,452,662</u>	<u>1.06</u>				<u>1.06</u>
Total	xx	8.41				8.49
Prep Plant Bituminous:						
Traumatic (1027)	\$43,762,160	\$1.41	\$0.02	\$1.43	\$1.45	\$1.45
State O.D. (1028)	43,762,160	0.26				0.26
*Federal Basic/Ex (0184)	<u>32,023,187</u>	<u>0.38</u>				<u>0.38</u>
Total	xx	2.05				2.09
Other Classifications:						
Traumatic	\$77,934,457	\$2.26	\$0.02	\$2.28	\$2.31	\$2.31
State O.D.	77,934,457	0.51				0.51
*Federal Basic/Ex	<u>63,888,615</u>	<u>0.42</u>				<u>0.42</u>
Total	xx	3.19				3.24
Grand Total:						
Traumatic	\$388,271,692	\$4.91	\$0.11	\$5.02	\$5.08	\$5.09
State O.D.	388,271,692	0.67				0.67
*Federal Basic/Ex	<u>286,429,521</u>	<u>0.77</u>				<u>0.77</u>
Total	xx	6.35				6.53

*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	1.0002
	<u>Safety Rating</u>	<u>1.0125</u>
	Combined	1.0127

(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) 2014 Developed Payroll	(2) Approved Unloaded Loss Cost (Eff 4/01/2015)	(3) Indicated Unloaded Loss Cost	(4) Proposed Unloaded Loss Cost (Exh V-A-1)	(5) Percent Change
Underground:	Anthracite	1010	\$258,809	19.75	21.61	21.61	9.4%
	Bituminous	1001	235,444,691	5.44	5.87	5.87	7.9%
Surface:	Anthracite	1012	20,496,172	9.01	10.84	10.84	20.3%
	Bituminous	1014	54,137,563	<u>2.14</u>	<u>2.26</u>	<u>2.26</u>	<u>5.6%</u>
Four Standard Classes			310,337,235	5.11	5.58	5.58	9.2%
Other Classes	Coke	1469	4,464,398	5.68	5.00	5.00	-12.0%
	Auger	1015	876,196	15.54	15.05	15.05	-3.2%
Co-Gen:	Anthracite	1021	9,279,611	2.38	2.73	2.73	14.7%
	Bituminous	1023	11,451,621	1.04	1.15	1.15	10.6%
Prep Plants:	Anthracite	1025	8,100,471	4.77	4.98	4.98	4.4%
	Bituminous	1027	43,762,160	<u>1.13</u>	<u>1.75</u>	<u>1.41</u>	<u>25.0%</u>
Other Classes			77,934,457	2.07	2.45	2.26	9.2%
All Classes Combined			388,271,692	4.50	4.95	4.91	9.1%

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	2014 Payroll	(3) Loss Cost/Unloaded		(4) Indicated (Eff 04/01/2016)	(5) Credibility		(8) Indicated w/ Credibility		(9) Proposed Change after Limitation	(10) Proposed Loss Cost	(11) Proposed Change Excluding Trend	
				Approved (Eff 4/01/2015)	on Level		Five Year Expected Losses	Credibility Factor	Loss Cost	Indicated Change				
Underground:	Bituminous	1001	\$812,777,408	\$235,444,691	\$5.44	\$5.46	5.87	44,215,091	1.00	5.87	7.9%	7.9%	5.87	7.6%
Surface:	Anthracite	1012	\$104,571,791	20,496,172	9.01	9.04	10.84	9,421,918	1.00	10.84	20.3%	20.3%	10.84	20.0%
	Bituminous	1014	\$350,524,977	54,137,563	2.14	2.15	2.26	7,501,235	1.00	2.26	5.6%	5.6%	2.26	5.3%
Three Major Classifications			1,267,874,176	310,078,426	4.82	4.83	5.28	61,138,244						
	Coke	1469	\$24,029,157	4,464,398	5.68	5.70	4.07	1,364,856	0.43	5.00	-12.0%	-12.0%	5.00	-12.2%
Co-Gen:	Anthracite	1021	\$48,096,529	9,279,611	2.38	2.39	3.26	1,144,697	0.39	2.73	14.7%	14.7%	2.73	14.4%
	Bituminous	1023	\$48,690,362	11,451,621	1.04	1.04	1.48	506,380	0.26	1.15	10.6%	10.6%	1.15	10.2%
Prep Plants:	Anthracite	1025	\$38,035,945	8,100,471	4.77	4.78	5.19	1,814,315	0.49	4.98	4.4%	4.4%	4.98	4.1%
	Bituminous	1027	\$173,649,576	43,762,160	1.13	1.13	2.35	1,962,240	0.51	1.75	54.9%	25.0%	1.41	24.4%
	Auger	1015	\$4,692,754	876,196	15.54	15.59	13.85	729,254	0.31	15.05	-3.2%	-3.2%	15.05	-3.4%
Subtotal (6)			337,194,323	77,934,457	2.23	2.24	2.96	7,521,742					2.41	
Underground:	Anthracite	1010	\$769,941	258,809	19.75	19.81	23.40 ^(a)	152,063	0.14	21.61 ^(b)	9.4%	9.4%	21.61	9.1%
Subtotal (7)			337,964,264	78,193,266	2.27	2.28	3.00	7,673,805						
Total (Based on 5-year Payroll)			\$1,605,838,440		4.29	4.30	4.80	\$68,812,049		4.72				
Total (Based on 2014 Payroll, see Exhibit II)			\$388,271,692		4.50					4.95	10.0%	9.1%	4.91	

Source: (1) Exhibit V-B

(2) Unloaded Loss Cost Current (Eff 4/01/2015) Exhibit X-B page 2

(3) = (2) X Trend = (2) X (1.003)

1.003 = Weighted average of 1.005 and 1.001

Weights derived from 5 year Medical (31,759,622) and Indemnity (46,038,620) ultimate 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 7,501,235]^(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) When Col. (8) equals Col. (9), then Col. (7).

Otherwise, Col. (2) * [1 + (9)].

(11) Col.(10)/1.003/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

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 Cost	10.84 *	10.84 *
Indicated Anthracite Underground Loss Cost	<u>28.83</u>	<u>28.83</u>
Comparative Hazard Method #1 (Anthracite vs. Bituminous)		
Differential Factor from Study	2.41	2.41
Indicated Bituminous Underground Loss Cost:	5.87 *	5.87 *
Indicated Anthracite Underground Loss Cost	<u>14.15</u>	<u>14.15</u>
Comparative Hazard Method #2 (Surface vs. Underground)		
Differential Factor from Study	2.51	2.51
Indicated Anthracite Surface Loss Cost:	10.84 *	10.84 *
Indicated Anthracite Underground Loss Cost	<u>27.21</u>	<u>27.21</u>
Average	23.40	23.40

* Source: Exhibit V-A-1

Coal Mine Compensation Rating Bureau
Traumatic Loss Cost Indication

All Classifications Combined (10 Classes)

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>					
2010	7,301,176	1.0147	1.0068	7,458,881	2.77
2011	8,373,419	1.0455	1.0058	8,805,185	2.71
2012	8,319,223	1.0904	1.0048	9,114,823	2.80
2013	6,028,932	1.3085	1.0038	7,918,836	2.66
<u>2014</u>	<u>5,950,691</u>	2.1351	1.0028	<u>12,740,895</u>	<u>3.28</u>
5 Years	\$35,973,441			\$46,038,620	2.87
<u>Medical</u>					
2010	4,604,796	1.1957	1.0205	5,618,827	2.09
2011	5,609,134	1.2079	1.0155	6,880,290	2.12
2012	5,404,121	1.2205	1.0105	6,664,985	2.04
2013	3,927,444	1.2474	1.0055	4,926,038	1.66
<u>2014</u>	<u>5,513,027</u>	1.3906	1.0004	<u>7,669,482</u>	<u>1.98</u>
5 Years	\$25,058,522			\$31,759,622	1.98
<u>(6)</u>					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2010	269,231,509			13,077,708	4.86
2011	324,841,755			15,685,475	4.83
2012	326,110,586			15,779,808	4.84
2013	297,382,898			12,844,874	4.32
<u>2014</u>	<u>388,271,692</u>			<u>20,410,377</u>	<u>5.26</u>
5 Years	\$1,605,838,440			\$77,798,242	4.84

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

PAB

Three 100% Credibility Classifications (3 Classes)

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>					
2010	6,507,978	1.0147	1.0068	6,648,550	3.11
2011	7,402,488	1.0455	1.0058	7,784,190	3.03
2012	6,918,074	1.0904	1.0048	7,579,677	2.95
2013	5,084,797	1.3085	1.0038	6,678,740	2.90
<u>2014</u>	<u>5,453,624</u>	2.1351	1.0028	<u>11,676,636</u>	<u>3.77</u>
5 Years	\$31,366,961			\$40,367,793	3.18
<u>Medical</u>					
2010	4,003,399	1.1957	1.0205	4,884,994	2.29
2011	4,604,083	1.2079	1.0155	5,647,472	2.20
2012	4,542,178	1.2205	1.0105	5,601,938	2.18
2013	3,053,863	1.2474	1.0055	3,830,340	1.66
<u>2014</u>	<u>4,784,250</u>	1.3906	1.0004	<u>6,655,639</u>	<u>2.15</u>
5 Years	\$20,987,773			\$26,620,383	2.10
<u>Indemnity & Medical</u>					
	(6) Developed <u>Payroll</u>				
2010	213,694,310			11,533,544	5.40
2011	256,742,192			13,431,662	5.23
2012	257,141,248			13,181,615	5.13
2013	230,218,000			10,509,080	4.56
<u>2014</u>	<u>310,078,426</u>			<u>18,332,275</u>	<u>5.92</u>
5 Years	\$1,267,874,176			\$66,988,176	5.28

Source: (1) Sum of Exhibit V-B, pages 3,4 and 5 - 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 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>					
2010	4,931,957	1.0147	1.0068	5,038,487	3.98
2011	4,915,465	1.0455	1.0058	5,168,926	3.45
2012	4,549,628	1.0904	1.0048	4,984,727	3.23
2013	3,011,628	1.3085	1.0038	3,955,690	2.70
<u>2014</u>	<u>4,604,733</u>	2.1351	1.0028	<u>9,859,094</u>	<u>4.19</u>
5 Years	\$22,013,411			\$29,006,924	3.57
<u>Medical</u>					
2010	3,041,559	1.1957	1.0205	3,711,346	2.93
2011	2,872,569	1.2079	1.0155	3,523,558	2.35
2012	3,444,274	1.2205	1.0105	4,247,876	2.75
2013	1,730,764	1.2474	1.0055	2,170,829	1.48
<u>2014</u>	<u>3,646,387</u>	1.3906	1.0004	<u>5,072,694</u>	<u>2.15</u>
5 Years	\$14,735,553			\$18,726,303	2.30
<u>Indemnity & Medical</u>					
	(6) Developed <u>Payroll</u>				
2010	126,687,464			8,749,833	6.91
2011	149,633,528			8,692,484	5.81
2012	154,412,040			9,232,603	5.98
2013	146,599,685			6,126,519	4.18
<u>2014</u>	<u>235,444,691</u>			<u>14,931,788</u>	<u>6.34</u>
5 Years	\$812,777,408			\$47,733,227	5.87

Source: (1) CMCRB Database as of 04-30-2015
 (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

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>					
2010	1,284,914	1.0147	1.0068	1,312,668	9.18
2011	1,120,337	1.0455	1.0058	1,178,106	5.60
2012	1,189,369	1.0904	1.0048	1,303,113	4.96
2013	1,556,432	1.3085	1.0038	2,044,330	9.11
<u>2014</u>	<u>558,262</u>	2.1351	1.0028	<u>1,195,283</u>	<u>5.83</u>
5 Years	\$5,709,314			\$7,033,500	6.73
<u>Medical</u>					
2010	457,489	1.1957	1.0205	558,233	3.91
2011	728,471	1.2079	1.0155	893,559	4.25
2012	549,302	1.2205	1.0105	677,463	2.58
2013	860,649	1.2474	1.0055	1,079,478	4.81
<u>2014</u>	<u>782,690</u>	1.3906	1.0004	<u>1,088,844</u>	<u>5.31</u>
5 Years	\$3,378,601			\$4,297,577	4.11
<u>(6)</u>					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2010	14,295,288			1,870,901	13.09
2011	21,034,600			2,071,665	9.85
2012	26,295,907			1,980,576	7.54
2013	22,449,824			3,123,808	13.92
<u>2014</u>	<u>20,496,172</u>			<u>2,284,127</u>	<u>11.14</u>
5 Years	\$104,571,791			\$11,331,077	10.84

Source: (1) CMCRB Database as of 04-30-2015

(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

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>					
2010	291,107	1.0147	1.0068	297,395	0.41
2011	1,366,686	1.0455	1.0058	1,437,158	1.67
2012	1,179,077	1.0904	1.0048	1,291,837	1.69
2013	516,737	1.3085	1.0038	678,720	1.11
<u>2014</u>	<u>290,629</u>	2.1351	1.0028	<u>622,259</u>	<u>1.15</u>
5 Years	\$3,644,236			\$4,327,369	1.23
<u>Medical</u>					
2010	504,351	1.1957	1.0205	615,415	0.85
2011	1,003,043	1.2079	1.0155	1,230,355	1.43
2012	548,602	1.2205	1.0105	676,599	0.89
2013	462,450	1.2474	1.0055	580,033	0.95
<u>2014</u>	<u>355,173</u>	1.3906	1.0004	<u>494,101</u>	<u>0.91</u>
5 Years	\$2,873,619			\$3,596,503	1.03
<u>(6)</u>					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2010	72,711,558			912,810	1.26
2011	86,074,064			2,667,513	3.10
2012	76,433,301			1,968,436	2.58
2013	61,168,491			1,258,753	2.06
<u>2014</u>	<u>54,137,563</u>			<u>1,116,360</u>	<u>2.06</u>
5 Years	\$350,524,977			\$7,923,872	2.26

Source: (1) CMCRB Database as of 04-30-2015

(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

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>					
2010	793,198	1.0147	1.0068	810,331	1.46
2011	970,931	1.0455	1.0058	1,020,995	1.50
2012	1,401,149	1.0904	1.0048	1,535,147	2.23
2013	944,135	1.3085	1.0038	1,240,096	1.85
<u>2014</u>	<u>497,067</u>	2.1351	1.0028	<u>1,064,260</u>	<u>1.36</u>
5 Years	\$4,606,480			\$5,670,829	1.68
<u>Medical</u>					
2010	601,397	1.1957	1.0205	733,833	1.32
2011	1,005,051	1.2079	1.0155	1,232,817	1.81
2012	861,943	1.2205	1.0105	1,063,047	1.54
2013	873,581	1.2474	1.0055	1,095,698	1.63
<u>2014</u>	<u>728,777</u>	1.3906	1.0004	<u>1,013,843</u>	<u>1.30</u>
5 Years	\$4,070,749			\$5,139,238	1.52
(6)					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2010	55,537,199			1,544,164	2.78
2011	68,099,563			2,253,812	3.31
2012	68,969,338			2,598,194	3.77
2013	67,164,898			2,335,794	3.48
<u>2014</u>	<u>78,193,266</u>			<u>2,078,103</u>	<u>2.66</u>
5 Years	\$337,964,264			\$10,810,067	3.20

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

Exhibit V-B

Page 7

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>					
2010	19,717	1.0147	1.0068	20,143	0.37
2011	322,939	1.0455	1.0058	339,591	9.44
2012	0	1.0904	1.0048	0	0.00
2013	138,166	1.3085	1.0038	181,477	3.79
<u>2014</u>	<u>0</u>	2.1351	1.0028	<u>0</u>	<u>0.00</u>
5 Years	\$480,822			\$541,211	2.25
<u>Medical</u>					
2010	62,830	1.1957	1.0205	76,666	1.41
2011	249,668	1.2079	1.0155	306,248	8.51
2012	2,816	1.2205	1.0105	3,473	0.06
2013	35,484	1.2474	1.0055	44,506	0.93
<u>2014</u>	<u>3,561</u>	1.3906	1.0004	<u>4,954</u>	<u>0.11</u>
5 Years	\$354,359			\$435,847	1.81
<u>(6)</u>					
Indemnity & <u>Medical</u>	<u>Developed Payroll</u>				
2010	5,435,658			96,809	1.78
2011	3,599,086			645,839	17.94
2012	5,738,105			3,473	0.06
2013	4,791,910			225,983	4.72
<u>2014</u>	<u>4,464,398</u>			<u>4,954</u>	<u>0.11</u>
5 Years	\$24,029,157			\$977,058	4.07

Source: (1) CMCRB Database as of 04-30-2015
(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

Exhibit V-B

Page 8

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>					
2010	195,903	1.0147	1.0068	200,134	24.81
2011	84,253	1.0455	1.0058	88,597	7.53
2012	38,979	1.0904	1.0048	42,707	5.28
2013	11,448	1.3085	1.0038	15,037	1.47
<u>2014</u>	<u>2,150</u>	2.1351	1.0028	<u>4,603</u>	<u>0.53</u>
5 Years	\$332,733			\$351,078	7.48
<u>Medical</u>					
2010	134,579	1.1957	1.0205	164,215	20.36
2011	30,464	1.2079	1.0155	37,368	3.18
2012	66,406	1.2205	1.0105	81,900	10.13
2013	9,542	1.2474	1.0055	11,968	1.17
<u>2014</u>	<u>2,603</u>	1.3906	1.0004	<u>3,621</u>	<u>0.41</u>
5 Years	\$243,594			\$299,072	6.37
<u>Indemnity & Medical</u>					
	(6) Developed <u>Payroll</u>				
2010	806,696			364,349	45.17
2011	1,176,255			125,965	10.71
2012	808,208			124,607	15.41
2013	1,025,399			27,005	2.64
<u>2014</u>	<u>876,196</u>			<u>8,224</u>	<u>0.94</u>
5 Years	\$4,692,754			\$650,150	13.85

Source: (1) CMCRB Database as of 04-30-2015
(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

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>					
2010	131,153	1.0147	1.0068	133,986	1.58
2011	37,158	1.0455	1.0058	39,074	0.33
2012	499,138	1.0904	1.0048	546,873	5.32
2013	94,879	1.3085	1.0038	124,621	1.49
<u>2014</u>	<u>5,165</u>	2.1351	1.0028	<u>11,059</u>	<u>0.12</u>
5 Years	\$767,493			\$855,613	1.78
<u>Medical</u>					
2010	54,777	1.1957	1.0205	66,840	0.79
2011	13,608	1.2079	1.0155	16,692	0.14
2012	173,221	1.2205	1.0105	213,636	2.08
2013	207,406	1.2474	1.0055	260,141	3.12
<u>2014</u>	<u>111,856</u>	1.3906	1.0004	<u>155,609</u>	<u>1.68</u>
5 Years	\$560,868			\$712,918	1.48
<u>Indemnity & Medical</u>					
	(6) <u>Developed Payroll</u>				
2010	8,481,228			200,826	2.37
2011	11,720,035			55,766	0.48
2012	10,273,004			760,509	7.40
2013	8,342,651			384,762	4.61
<u>2014</u>	<u>9,279,611</u>			<u>166,668</u>	<u>1.80</u>
5 Years	\$48,096,529			\$1,568,531	3.26

Source: (1) CMCRB Database as of 04-30-2015

(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

Co-Gen Bituminous 1023

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>					
2010	12,131	1.0147	1.0068	12,393	0.14
2011	6,299	1.0455	1.0058	6,624	0.07
2012	65,117	1.0904	1.0048	71,344	0.79
2013	23,877	1.3085	1.0038	31,362	0.30
<u>2014</u>	<u>38,275</u>	2.1351	1.0028	<u>81,950</u>	<u>0.72</u>
5 Years	\$145,699			\$203,673	0.42
<u>Medical</u>					
2010	31,159	1.1957	1.0205	38,021	0.44
2011	40,514	1.2079	1.0155	49,695	0.55
2012	153,048	1.2205	1.0105	188,756	2.09
2013	33,928	1.2474	1.0055	42,555	0.41
<u>2014</u>	<u>141,232</u>	1.3906	1.0004	<u>196,476</u>	<u>1.72</u>
5 Years	\$399,881			\$515,503	1.06
<u>Indemnity & Medical</u>					
	(6) Developed <u>Payroll</u>				
2010	8,732,701			50,414	0.58
2011	9,102,411			56,319	0.62
2012	9,047,745			260,100	2.88
2013	10,355,884			73,917	0.71
<u>2014</u>	<u>11,451,621</u>			<u>278,426</u>	<u>2.44</u>
5 Years	\$48,690,362			\$719,176	1.48

Source: (1) CMCRB Database as of 04-30-2015

(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

Prep Plants Anthracite 1025

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>					
2010	274,348	1.0147	1.0068	280,274	4.86
2011	163,586	1.0455	1.0058	172,021	2.38
2012	113,881	1.0904	1.0048	124,772	1.44
2013	239,909	1.3085	1.0038	315,114	3.81
<u>2014</u>	<u>57,116</u>	2.1351	1.0028	<u>122,290</u>	<u>1.51</u>
5 Years	\$848,840			\$1,014,471	2.67
<u>Medical</u>					
2010	187,366	1.1957	1.0205	228,626	3.97
2011	97,784	1.2079	1.0155	119,944	1.66
2012	72,640	1.2205	1.0105	89,588	1.03
2013	341,944	1.2474	1.0055	428,887	5.19
<u>2014</u>	<u>67,315</u>	1.3906	1.0004	<u>93,646</u>	<u>1.16</u>
5 Years	\$767,049			\$960,691	2.53
<u>Indemnity & Medical</u>					
	(6) <u>Developed Payroll</u>				
2010	5,762,086			508,900	8.83
2011	7,236,583			291,965	4.03
2012	8,671,140			214,360	2.47
2013	8,265,665			744,001	9.00
<u>2014</u>	<u>8,100,471</u>			<u>215,936</u>	<u>2.67</u>
5 Years	\$38,035,945			\$1,975,162	5.19

Source: (1) CMCRB Database as of 04-30-2015

(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>					
2010	159,946	1.0147	1.0068	163,401	0.62
2011	139,446	1.0455	1.0058	146,636	0.42
2012	684,034	1.0904	1.0048	749,451	2.19
2013	435,856	1.3085	1.0038	572,485	1.67
<u>2014</u>	<u>394,361</u>	2.1351	1.0028	<u>844,358</u>	<u>1.93</u>
5 Years	\$1,813,643			\$2,476,331	1.43
 <u>Medical</u>					
2010	130,686	1.1957	1.0205	159,465	0.61
2011	73,013	1.2079	1.0155	89,559	0.25
2012	393,812	1.2205	1.0105	485,694	1.42
2013	245,277	1.2474	1.0055	307,641	0.90
<u>2014</u>	<u>402,210</u>	1.3906	1.0004	<u>559,537</u>	<u>1.28</u>
5 Years	\$1,244,998			\$1,601,896	0.92
 (6)					
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2010	26,313,130			322,866	1.23
2011	35,155,068			236,195	0.67
2012	34,211,729			1,235,145	3.61
2013	34,207,489			880,126	2.57
<u>2014</u>	<u>43,762,160</u>			<u>1,403,895</u>	<u>3.21</u>
5 Years	\$173,649,576			\$4,078,227	2.35

Source: (1) CMCRB Database as of 04-30-2015
 (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

	(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>					
2010	0	1.0147	1.0068	0	0.00
2011	217,250	1.0455	1.0058	228,452	207.45
2012	0	1.0904	1.0048	0	0.00
2013	0	1.3085	1.0038	0	0.00
<u>2014</u>	<u>0</u>	2.1351	1.0028	<u>0</u>	<u>0.00</u>
5 Years	\$217,250			\$228,452	29.67
 <u>Medical</u>					
2010	0	1.1957	1.0205	0	0.00
2011	500,000	1.2079	1.0155	613,311	556.92
2012	0	1.2205	1.0105	0	0.00
2013	0	1.2474	1.0055	0	0.00
<u>2014</u>	<u>0</u>	1.3906	1.0004	<u>0</u>	<u>0.00</u>
5 Years	\$500,000			\$613,311	79.66
 <u>Indemnity & Medical</u>					
	(6) Developed <u>Payroll</u>				
2010	5,700			0	0.00
2011	110,125			841,763	764.37
2012	219,407			0	0.00
2013	175,900			0	0.00
<u>2014</u>	<u>258,809</u>			<u>0</u>	<u>0.00</u>
5 Years	\$769,941			\$841,763	109.33

Source: (1) CMCRB Database as of 04-30-2015
 (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

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>					
2010	597,295	1.0147	1.0068	610,197	1.12
2011	669,428	1.0455	1.0058	703,946	1.05
2012	1,362,170	1.0904	1.0048	1,492,440	2.20
2013	932,687	1.3085	1.0038	1,225,059	1.86
<u>2014</u>	<u>494,917</u>	2.1351	1.0028	<u>1,059,656</u>	<u>1.38</u>
5 Years	\$4,056,497			\$5,091,298	1.53
<u>Medical</u>					
2010	466,818	1.1957	1.0205	569,617	1.04
2011	474,587	1.2079	1.0155	582,139	0.87
2012	795,537	1.2205	1.0105	981,147	1.44
2013	864,039	1.2474	1.0055	1,083,730	1.64
<u>2014</u>	<u>726,174</u>	1.3906	1.0004	<u>1,010,221</u>	<u>1.31</u>
5 Years	\$3,327,155			\$4,226,854	1.27
	(6)				
Indemnity & <u>Medical</u>	Developed <u>Payroll</u>				
2010	54,724,803			1,179,814	2.16
2011	66,813,183			1,286,085	1.92
2012	67,941,723			2,473,587	3.64
2013	65,963,599			2,308,789	3.50
<u>2014</u>	<u>77,058,261</u>			<u>2,069,877</u>	<u>2.69</u>
5 Years	\$332,501,569			\$9,318,152	2.80

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

Traumatic Loss Trend

Indemnity, Funeral and Medical for All Classes Combined

Trend Factors

Indemnity and Funeral

Annual Percentage Change:		0.1%	Annual		Frequency	HB 1846	Adjusted
			Percentage		Trend	Adjustment	Trend
<u>Accident Year</u>	<u>Trend Period - Years</u>		<u>Change</u>	<u>Formula</u>	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>
2010	7-1-10 to 4-1-2017	6.75	0.1%	$(1 + 0.001)^{\wedge} 6.75$	1.0068	1.000	1.0000
2011	7-1-11 to 4-1-2017	5.75	0.1%	$(1 + 0.001)^{\wedge} 5.75$	1.0058	1.000	1.0000
2012	7-1-12 to 4-1-2017	4.75	0.1%	$(1 + 0.001)^{\wedge} 4.75$	1.0048	1.000	1.0000
2013	7-1-13 to 4-1-2017	3.75	0.1%	$(1 + 0.001)^{\wedge} 3.75$	1.0038	1.000	1.0000
2014	7-1-14 to 4-1-2017	2.75	0.1%	$(1 + 0.001)^{\wedge} 2.75$	1.0028	1.000	1.0000

Medical and Medical Only

Annual Percentage Change:		0.5%	Annual		Frequency	HB 1846	Adjusted
			Percentage		Trend	Adjustment	Trend
<u>Accident Year</u>	<u>Trend Period - Years</u>		<u>Change</u>	<u>Formula</u>	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>
2010	7-1-10 to 4-1-2017	6.75	0.5%	$(1 + 0.005)^{\wedge} 6.75$	1.0342	1.000	0.9868
2011	7-1-11 to 4-1-2017	5.75	0.5%	$(1 + 0.005)^{\wedge} 5.75$	1.0291	1.000	0.9868
2012	7-1-12 to 4-1-2017	4.75	0.5%	$(1 + 0.005)^{\wedge} 4.75$	1.0240	1.000	0.9868
2013	7-1-13 to 4-1-2017	3.75	0.5%	$(1 + 0.005)^{\wedge} 3.75$	1.0189	1.000	0.9868
2014	7-1-14 to 4-1-2017	2.75	0.5%	$(1 + 0.005)^{\wedge} 2.75$	1.0138	1.000	0.9868

Source: Annual Percentage Change - Exhibit V-K

Frequency adjustment factor is from V-K Supplemental

PAB