

THE PIE INSURANCE COMPANY

Workers' Compensation

Filing Memorandum

The Pie Insurance Company (“the Company”) is submitting this filing to adopt the PCRB loss costs and rating values and revise their LCM.

The Company is adopting the April 1, 2026, PCRB loss costs, which results in an estimated rate impact of +4.4% on the current book of business. To maintain rate adequacy and reflect an appropriate expense structure and underwriting considerations, the Company proposes to increase its LCM from 1.66 to 1.83. The combined impact of adopting loss costs and the proposed LCM change is +15.1% overall.

Expense data is provided to support the LCM, and the expense selections are mostly consistent with the prior filing.

The Company began writing Workers' Compensation business in Pennsylvania in September 2023. Due to the short time in the market, the Company does not have sufficient historical Pennsylvania-specific experience to produce an indicated rate level change. While historical experience is limited, early indicators suggest that the Company's overall experience has been less favorable than anticipated since launching this new program. Raw incurred loss and ALAE ratios displayed in the 5-year experience exhibit indicate adverse results compared to the permissible loss and LAE ratio of 64.5% shown in Exhibit R5.

The Company is proposing an increase to its LCM to better align with its expected experience while maintaining competitive positioning in the Pennsylvania market. The Company will continue to closely monitor its emerging experience and market conditions and will make further adjustments as necessary to ensure rates remain actuarially sound and responsive to actual performance.