

PENNSYLVANIA COMPENSATION RATING BUREAU

State and Hazard Group Relativities

The attached exhibit pages present an analysis of Pennsylvania State and Hazard Group relativities.

Page 1 shows the indicated State and Hazard Group Relativities.

Page 2 presents factors by type of injury and policy year which are applied to reported data to project trended ultimate average costs.

Page 3 through 6 calculates average costs by hazard group.

Page 7 relates a countrywide (NCCI states) severity to Pennsylvania severities by hazard group to generate relativities.

<u>Hazard Group</u>	<u>Current</u>	<u>Proposed</u>
I	1.010	1.127
II	0.885	0.882
III	0.703	0.722
IV	0.516	0.506

Note: As part of the PCRB' s review of State and Hazard Group Relativities, current assignments of classifications to hazard groups were evaluated and reassignment of the hazard group for certain classifications were indicated. Page 8 provides a list of classifications with proposed changes to the hazard group assignment.

PENNSYLVANIA  
STATE AND HAZARD GROUP RELATIVITIES  
PROPOSED EFFECTIVE DATE: 4/1/06

Proposed Relativities

---

Hazard Group	Factor
I	1.127
II	0.882
III	0.722
IV	0.506

Pennsylvania  
State & Hazard Group Relativities  
Factors to Adjusted Reported Data to Projected Levels

	Indemnity Death	Indemnity PT	Indemnity Major	Indemnity Minor	Indemnity Temp	All Medical
<b>1A Severity Trend Factors</b>						
1998	1.3947	1.3947	1.3947	1.4287	1.4287	1.3907
1999	1.3352	1.3352	1.3352	1.3634	1.3634	1.3318
2000	1.2782	1.2782	1.2782	1.3011	1.3011	1.2754
2001	1.2236	1.2236	1.2236	1.2416	1.2416	1.2214
2002	1.1714	1.1714	1.1714	1.1848	1.1848	1.1697
<b>1B Benefit Level (ACT44 and ACT 57) Factors</b>						
1998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2001	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2002	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
<b>1C Loss Development Factors</b>						
1998	1.1037	2.4814	1.0135	1.0069	0.9651	1.4708
1999	1.1267	3.9435	1.0837	1.0002	0.9439	1.5034
2000	1.1838	4.2089	1.2624	0.9722	0.9134	1.6138
2001	1.2550	6.5339	1.8172	0.8993	0.8859	1.7181
2002	1.3469	11.3472	4.6701	1.0271	0.9436	2.0785
<b>1D Claim Count Development Factors</b>						
1998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1999	1.0092	1.4407	1.0351	1.0014	1.0009	1.0038
2000	1.0571	1.6129	1.1404	1.0000	1.0034	1.0125
2001	1.1546	2.3659	1.5325	0.9727	1.0098	1.0336
2002	1.2697	3.5000	3.8604	1.0167	1.0387	1.0979
<b>1E Claim Count Trend Factors</b>						
1998	1.2952	1.8133	1.5111	1.3179	0.9676	
1999	1.2309	1.7233	1.4106	1.2437	0.9553	
2000	1.1974	1.3970	1.3425	1.1974	0.9655	
2001	1.1744	1.3702	1.2889	1.1664	0.9841	
2002	1.1455	1.3365	1.2311	1.1299	0.9973	

**Pennsylvania 2005  
State & Hazard Group Relativities  
Projected Loss Costs**

**Hazard Group I**

**(1) Reported Losses**

	Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
1998	-	365,322	13,253,932	6,772,065	13,278,303	29,503,820	63,173,442
1999	302,737	171,475	12,787,299	6,985,571	15,241,193	25,927,851	61,416,126
2000	252,821	-	11,179,459	6,216,963	15,947,587	28,544,527	62,141,357
2001	515,267	204,776	8,470,169	7,526,927	16,611,905	26,982,700	60,311,744
2002	189,740	18,291	2,340,571	5,499,610	12,355,089	23,689,102	44,092,403
Total	1,260,565	759,864	48,031,430	33,001,136	73,434,077	134,648,000	291,135,072

**(2) Reported Claim Counts**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	4	104	296	3,224	3,628	3,628
1999	2	2	104	290	3,025	3,423	3,423
2000	3	-	87	255	2,927	3,272	3,272
2001	5	1	63	248	2,996	3,313	3,313
2002	5	1	19	192	2,839	3,056	3,056
Total	15	8	377	1,281	15,011	16,692	16,692

**(3) Reported Average Cost ((1)/(2))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	91,331	127,442	22,879	4,119	8,132	17,413
1999	151,369	85,738	122,955	24,088	5,038	7,575	17,942
2000	84,274	-	128,500	24,380	5,448	8,724	18,992
2001	103,053	204,776	134,447	30,351	5,545	8,144	18,205
2002	37,948	18,291	123,188	28,644	4,352	7,752	14,428
Average	84,038	94,983	127,404	25,762	4,892	8,067	17,442

**(4) Ultimate On Level Losses((1) \* (1B) \* (1C))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	906,510	13,432,860	6,818,792	12,814,890	43,394,218	77,367,270
1999	341,094	676,212	13,857,596	6,986,968	14,386,162	38,979,931	75,227,963
2000	299,289	-	14,112,949	6,044,131	14,566,526	46,065,158	81,088,053
2001	646,660	1,337,986	15,391,991	6,768,965	14,716,487	46,358,977	85,221,066
2002	255,561	207,552	10,930,701	5,648,649	11,658,262	49,237,799	77,938,524
Total	1,542,604	3,128,260	67,726,097	32,267,505	68,142,327	224,036,083	396,842,876

**(5) Ultimate Claim Counts ((2) \* (1D))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	4	104	296	3,224	3,628	3,628
1999	2	3	108	290	3,028	3,431	3,431
2000	3	-	99	255	2,937	3,294	3,294
2001	6	2	97	241	3,025	3,371	3,371
2002	6	4	73	195	2,949	3,227	3,227
Total	17	13	481	1,277	15,163	16,951	16,951

**(6) Ultimate Average Cost ((4) / (5))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	226,628	129,162	23,036	3,975	11,961	21,325
1999	170,547	225,404	128,311	24,093	4,751	11,361	21,926
2000	99,763	-	142,555	23,702	4,960	13,985	24,617
2001	107,777	668,993	158,680	28,087	4,865	13,752	25,281
2002	42,594	51,888	149,736	28,967	3,953	15,258	24,152
Average	90,741	240,635	140,803	25,268	4,494	13,217	23,411

**(7) Trended Average Cost ((6) \* (1A) )**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	316,078	180,142	32,912	5,679	16,634	33,250
1999	227,714	300,959	171,321	32,848	6,478	15,131	32,301
2000	127,517	-	182,214	30,839	6,453	17,836	33,837
2001	131,876	818,580	194,161	34,873	6,040	16,797	33,133
2002	49,895	60,782	175,401	34,320	4,684	17,847	29,421
Total	111,895	323,850	180,538	33,044	5,859	16,829	32,415

**(8) Trended Claim Count ((5) \* (1E))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	7	157	390	3,120	3,674	3,674
1999	2	5	152	361	2,893	3,413	3,413
2000	4	-	133	305	2,836	3,278	3,278
2001	7	3	125	281	2,977	3,393	3,393
2002	7	5	90	220	2,941	3,263	3,263
Total	20	20	657	1,557	14,767	17,021	17,021

**(9) Projected Losses ((7) \* (8))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	2,212,546	28,282,294	12,835,680	17,718,480	61,113,316	122,162,316
1999	455,428	1,504,795	26,040,792	11,858,128	18,740,854	51,642,103	110,242,100
2000	510,068	-	24,234,462	9,405,895	18,300,708	58,466,408	110,917,541
2001	923,132	2,455,740	24,270,125	9,799,313	17,981,080	56,992,221	112,421,611
2002	349,265	303,910	15,786,090	7,550,400	13,775,644	58,234,761	96,000,070
Total	2,237,893	6,476,991	118,613,763	51,449,416	86,516,766	286,448,809	551,743,638

**(10) Projected Average Cost ((9) / (8))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	-	316,078	180,142	32,912	5,679	16,634	33,250
1999	227,714	300,959	171,321	32,848	6,478	15,131	32,301
2000	127,517	-	182,214	30,839	6,453	17,836	33,837
2001	131,876	818,580	194,161	34,873	6,040	16,797	33,133
2002	49,895	60,782	175,401	34,320	4,684	17,847	29,421
Average	111,895	323,850	180,538	33,044	5,859	16,829	32,415

**Pennsylvania 2005  
State & Hazard Group Relativities  
Projected Loss Costs**

**Hazard Group II**

**(1) Reported Losses**

	Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
1998	5,187,696	8,920,963	208,830,513	47,711,066	117,035,555	249,024,589	636,710,382
1999	6,392,384	7,242,161	228,693,922	53,573,311	132,811,816	264,544,504	693,258,098
2000	5,276,556	9,904,194	200,327,386	63,465,456	148,904,960	296,647,989	724,526,541
2001	3,851,795	3,966,208	132,337,457	73,909,131	139,496,155	253,400,136	606,960,882
2002	5,159,144	3,147,460	51,945,594	58,959,916	124,404,017	222,136,093	465,752,224
Total	25,867,575	33,180,986	822,134,872	297,618,880	662,652,503	1,285,753,311	3,127,208,127

**(2) Reported Claim Counts**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	30	27	1,445	2,112	21,314	24,928	24,928
1999	43	23	1,559	2,234	21,727	25,586	25,586
2000	28	27	1,429	2,377	22,035	25,896	25,896
2001	31	13	943	2,509	20,060	23,556	23,556
2002	26	11	369	2,433	19,415	22,254	22,254
Total	158	101	5,745	11,665	104,551	122,220	122,220

**(3) Reported Average Cost ((1)/(2))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	172,923	330,406	144,519	22,590	5,491	9,990	25,542
1999	148,660	314,877	146,693	23,981	6,113	10,339	27,095
2000	188,448	366,822	140,187	26,700	6,758	11,455	27,978
2001	124,251	305,093	140,337	29,458	6,954	10,757	25,767
2002	198,429	286,133	140,774	24,233	6,408	9,982	20,929
Average	163,719	328,525	143,104	25,514	6,338	10,520	25,587

**(4) Ultimate On Reported Losses**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	5,725,660	22,136,478	211,649,725	48,040,272	112,951,014	366,265,366	766,768,515
1999	7,202,299	28,559,462	247,835,603	53,584,026	125,361,073	397,716,207	860,258,670
2000	6,246,387	41,685,762	252,893,292	61,701,116	136,009,790	478,730,525	977,266,872
2001	4,834,003	25,914,806	240,483,627	66,466,482	123,579,644	435,366,774	896,645,336
2002	6,948,851	35,714,858	242,591,119	60,557,730	117,387,630	461,709,869	924,910,057
Total	30,957,200	154,011,366	1,195,453,366	290,349,626	615,289,151	2,139,788,741	4,425,849,450

**(5) Ultimate Claim Counts ((2) \* (1D))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	30	27	1,445	2,112	21,314	24,928	24,928
1999	43	33	1,614	2,237	21,747	25,674	25,674
2000	30	44	1,630	2,377	22,110	26,191	26,191
2001	36	31	1,445	2,441	20,257	24,210	24,210
2002	33	39	1,425	2,474	20,166	24,137	24,137
Total	172	174	7,559	11,641	105,594	125,140	125,140

**(6) Ultimate Average Cost ((4) / (5))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	190,855	819,870	146,470	22,746	5,299	14,693	30,759
1999	167,495	865,438	153,554	23,954	5,765	15,491	33,507
2000	208,213	947,404	155,149	25,958	6,152	18,278	37,313
2001	134,278	835,961	166,425	27,229	6,101	17,983	37,036
2002	210,571	915,766	170,239	24,478	5,821	19,129	38,319
Average	179,984	885,123	158,150	24,942	5,827	17,099	35,367

**(7) Trended Average Cost ((6) \* (1A))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	266,185	1,143,473	204,282	32,497	7,571	20,434	49,998
1999	223,639	1,155,533	205,025	32,659	7,860	20,631	51,417
2000	266,138	1,210,972	198,311	33,774	8,004	23,312	52,934
2001	164,303	1,022,882	203,638	33,808	7,575	21,964	49,313
2002	246,663	1,072,728	199,418	29,002	6,897	22,375	48,019
Total	231,197	1,128,382	202,226	32,358	7,588	21,744	50,379

**(8) Trended Claim Count ((5) \* (1E))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	39	49	2,184	2,783	20,623	25,678	25,678
1999	53	57	2,277	2,782	20,775	25,944	25,944
2000	36	61	2,188	2,846	21,347	26,478	26,478
2001	42	42	1,862	2,847	19,935	24,728	24,728
2002	38	52	1,754	2,795	20,112	24,751	24,751
Total	208	261	10,265	14,053	102,792	127,579	127,579

**(9) Projected Losses ((7) \* (8))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	10,381,215	56,030,177	446,151,888	90,439,151	156,136,733	524,704,252	1,283,843,416
1999	11,852,867	65,865,381	466,841,925	90,857,338	163,291,500	535,250,664	1,333,959,675
2000	9,580,968	73,869,292	433,904,468	96,120,804	170,861,388	617,255,136	1,401,592,056
2001	6,900,726	42,961,044	379,173,956	96,251,376	151,007,625	543,125,792	1,219,420,519
2002	9,373,194	55,781,856	349,779,172	81,060,590	138,712,464	553,803,625	1,188,510,901
Total	48,088,970	294,507,750	2,075,851,409	454,729,259	780,009,710	2,774,139,469	6,427,326,567

**(10) Projected Average Cost ((9) / (8))**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	266,185	1,143,473	204,282	32,497	7,571	20,434	49,998
1999	223,639	1,155,533	205,025	32,659	7,860	20,631	51,417
2000	266,138	1,210,972	198,311	33,774	8,004	23,312	52,934
2001	164,303	1,022,882	203,638	33,808	7,575	21,964	49,313
2002	246,663	1,072,728	199,418	29,002	6,897	22,375	48,019
Average	231,197	1,128,382	202,226	32,358	7,588	21,744	50,379

**Pennsylvania 2005  
State & Hazard Group Relativities  
Projected Loss Costs**

**Hazard Group III**

<b>(1) Reported Losses</b>		Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
1998	12,538,652	10,528,859	175,105,428	34,211,108	81,569,910	192,226,638	506,180,595	
1999	9,643,120	7,714,644	220,654,354	38,863,222	93,588,422	226,411,703	596,875,465	
2000	10,376,168	8,566,578	221,167,474	42,239,241	106,145,446	226,132,781	614,627,688	
2001	12,820,323	7,340,106	169,135,433	50,547,519	107,547,221	228,122,129	575,512,731	
2002	12,513,330	4,548,875	64,914,591	52,223,454	97,329,804	200,943,354	432,473,408	
<b>Total</b>	<b>57,891,593</b>	<b>38,699,062</b>	<b>850,977,280</b>	<b>218,084,544</b>	<b>486,180,803</b>	<b>1,073,836,605</b>	<b>2,725,669,887</b>	
<b>(2) Reported Claim Counts</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	56	24	1,138	1,399	15,324	17,941	17,941	
1999	48	26	1,385	1,552	15,960	18,971	18,971	
2000	52	24	1,366	1,480	16,823	19,745	19,745	
2001	49	20	1,093	1,575	15,744	18,481	18,481	
2002	44	14	436	1,711	14,589	16,794	16,794	
<b>Total</b>	<b>249</b>	<b>108</b>	<b>5,418</b>	<b>7,717</b>	<b>78,440</b>	<b>91,932</b>	<b>91,932</b>	
<b>(3) Reported Average Cost ((1)/(2))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	223,905	438,702	153,871	24,454	5,323	10,714	28,214	
1999	200,898	296,717	159,317	25,041	5,864	11,935	31,463	
2000	199,542	356,941	161,909	28,540	6,310	11,453	31,128	
2001	261,639	367,005	154,744	32,094	6,831	12,344	31,141	
2002	284,394	324,920	148,887	30,522	6,671	11,965	25,752	
<b>Average</b>	<b>232,496</b>	<b>358,325</b>	<b>157,065</b>	<b>28,260</b>	<b>6,198</b>	<b>11,681</b>	<b>29,649</b>	
<b>(4) Ultimate On Level Losses((1) * (1B) * (1C))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	13,838,910	26,126,311	177,469,351	34,447,165	78,723,120	282,726,939	613,331,796	
1999	10,864,903	30,422,699	239,123,123	38,870,995	88,338,112	340,387,354	748,007,186	
2000	12,283,308	36,055,870	279,201,819	41,064,990	96,953,250	364,933,082	830,492,319	
2001	16,089,505	47,959,519	307,352,909	45,457,384	95,276,083	391,936,630	904,072,030	
2002	16,854,204	51,616,994	303,157,631	53,638,710	91,840,403	417,660,761	934,768,703	
<b>Total</b>	<b>69,930,830</b>	<b>192,181,393</b>	<b>1,306,304,833</b>	<b>213,479,244</b>	<b>451,130,968</b>	<b>1,797,644,766</b>	<b>4,030,672,034</b>	
<b>(5) Ultimate Claim Counts ((2) * (1D))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	56	24	1,138	1,399	15,324	17,941	17,941	
1999	48	37	1,434	1,554	15,974	19,047	19,047	
2000	55	39	1,558	1,480	16,880	20,012	20,012	
2001	57	47	1,675	1,532	15,898	19,209	19,209	
2002	56	49	1,683	1,740	15,154	18,682	18,682	
<b>Total</b>	<b>272</b>	<b>196</b>	<b>7,488</b>	<b>7,705</b>	<b>79,230</b>	<b>94,891</b>	<b>94,891</b>	
<b>(6) Ultimate Average Cost ((4) / (5))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	247,123	1,088,596	155,948	24,623	5,137	15,759	34,186	
1999	226,352	822,235	166,753	25,014	5,530	17,871	39,272	
2000	223,333	924,509	179,205	27,747	5,744	18,236	41,500	
2001	282,272	1,020,415	183,494	29,672	5,993	20,404	47,065	
2002	300,968	1,053,408	180,129	30,827	6,060	22,356	50,036	
<b>Average</b>	<b>257,099</b>	<b>980,517</b>	<b>174,453</b>	<b>27,707</b>	<b>5,694</b>	<b>18,944</b>	<b>42,477</b>	
<b>(7) Trended Average Cost ((6) * (1A) )</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	344,662	1,518,265	217,501	35,179	7,339	21,916	56,481	
1999	302,225	1,097,848	222,649	34,104	7,540	23,801	61,005	
2000	285,464	1,181,707	229,060	36,102	7,474	23,258	60,120	
2001	345,388	1,248,580	224,523	36,841	7,441	24,921	63,966	
2002	352,554	1,233,962	211,003	36,524	7,180	26,150	63,509	
<b>Total</b>	<b>326,859</b>	<b>1,240,532</b>	<b>221,106</b>	<b>35,735</b>	<b>7,397</b>	<b>24,022</b>	<b>61,056</b>	
<b>(8) Trended Claim Count ((5) * (1E))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	73	44	1,720	1,844	14,828	18,509	18,509	
1999	59	64	2,023	1,933	15,260	19,339	19,339	
2000	66	54	2,092	1,772	16,298	20,282	20,282	
2001	67	64	2,159	1,787	15,645	19,722	19,722	
2002	64	65	2,072	1,966	15,113	19,280	19,280	
<b>Total</b>	<b>329</b>	<b>291</b>	<b>10,066</b>	<b>9,302</b>	<b>77,144</b>	<b>97,132</b>	<b>97,132</b>	
<b>(9) Projected Losses ((7) * (8))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	25,160,326	66,803,660	374,101,720	64,870,076	108,822,692	405,643,244	1,045,401,718	
1999	17,831,275	70,262,272	450,418,927	65,923,032	115,060,400	460,287,539	1,179,783,445	
2000	18,840,624	63,812,178	479,193,520	63,972,744	121,811,252	471,718,756	1,219,349,074	
2001	23,140,996	79,909,120	484,745,157	65,834,867	116,414,445	491,491,962	1,261,536,547	
2002	22,563,456	80,207,530	437,198,216	71,806,184	108,511,340	504,172,000	1,224,458,726	
<b>Total</b>	<b>107,536,677</b>	<b>360,994,760</b>	<b>2,225,657,540</b>	<b>332,406,903</b>	<b>570,620,129</b>	<b>2,333,313,501</b>	<b>5,930,529,510</b>	
<b>(10) Projected Average Cost ((9) / (8))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998	344,662	1,518,265	217,501	35,179	7,339	21,916	56,481	
1999	302,225	1,097,848	222,649	34,104	7,540	23,801	61,005	
2000	285,464	1,181,707	229,060	36,102	7,474	23,258	60,120	
2001	345,388	1,248,580	224,523	36,841	7,441	24,921	63,966	
2002	352,554	1,233,962	211,003	36,524	7,180	26,150	63,509	
<b>Average</b>	<b>326,859</b>	<b>1,240,532</b>	<b>221,106</b>	<b>35,735</b>	<b>7,397</b>	<b>24,022</b>	<b>61,056</b>	

**Pennsylvania 2005  
State & Hazard Group Relativities  
Projected Loss Costs**

**Hazard Group IV**

<b>(1) Reported Losses</b>		Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
1998		3,630,310	4,567,720	49,654,945	7,857,163	17,546,286	58,952,911	142,209,335
1999		3,208,414	3,001,489	60,656,746	7,780,626	18,292,159	61,064,592	154,004,026
2000		6,198,516	4,189,206	63,475,155	8,738,744	21,988,639	71,480,285	176,070,545
2001		3,334,087	3,225,621	51,012,934	10,498,736	20,857,151	56,238,363	145,166,892
2002		4,094,688	712,216	20,416,097	12,862,816	22,005,821	43,263,497	103,355,135
<b>Total</b>		<b>20,466,015</b>	<b>15,696,252</b>	<b>245,215,877</b>	<b>47,738,085</b>	<b>100,690,056</b>	<b>290,999,648</b>	<b>720,805,933</b>
<b>(2) Reported Claim Counts</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		12	10	301	293	2,690	3,306	3,306
1999		16	8	370	297	2,737	3,428	3,428
2000		22	11	380	285	2,818	3,516	3,516
2001		12	7	320	327	2,701	3,367	3,367
2002		14	2	129	395	2,575	3,115	3,115
<b>Total</b>		<b>76</b>	<b>38</b>	<b>1,500</b>	<b>1,597</b>	<b>13,521</b>	<b>16,732</b>	<b>16,732</b>
<b>(3) Reported Average Cost ((1)/(2))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		302,526	456,772	164,967	26,816	6,523	17,832	43,016
1999		200,526	375,186	163,937	26,197	6,683	17,813	44,925
2000		281,751	380,837	167,040	30,662	7,803	20,330	50,077
2001		277,841	460,803	159,415	32,106	7,722	16,703	43,115
2002		292,478	356,108	158,264	32,564	8,546	13,889	33,180
<b>Average</b>		<b>269,290</b>	<b>413,059</b>	<b>163,477</b>	<b>29,892</b>	<b>7,447</b>	<b>17,392</b>	<b>43,079</b>
<b>(4) Ultimate On Level Losses((1) * (1B) * (1C))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		4,006,773	11,334,340	50,325,287	7,911,377	16,933,921	86,707,941	177,219,639
1999		3,614,920	11,836,372	65,733,716	7,782,182	17,265,969	91,804,508	198,037,667
2000		7,337,803	17,631,949	80,131,036	8,495,807	20,084,423	115,354,884	249,035,902
2001		4,184,279	21,075,885	92,700,704	9,441,513	18,477,350	96,623,131	242,502,862
2002		5,515,135	8,081,657	95,345,215	13,211,398	20,764,693	89,923,179	232,841,277
<b>Total</b>		<b>24,658,910</b>	<b>69,960,203</b>	<b>384,235,958</b>	<b>46,842,277</b>	<b>93,526,356</b>	<b>480,413,643</b>	<b>1,099,637,347</b>
<b>(5) Ultimate Claim Counts ((2) * (1D))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		12	10	301	293	2,690	3,306	3,306
1999		16	12	383	297	2,739	3,447	3,447
2000		23	18	433	285	2,828	3,587	3,587
2001		14	17	490	318	2,727	3,566	3,566
2002		18	7	498	402	2,675	3,600	3,600
<b>Total</b>		<b>83</b>	<b>64</b>	<b>2,105</b>	<b>1,595</b>	<b>13,659</b>	<b>17,506</b>	<b>17,506</b>
<b>(6) Ultimate Average Cost ((4) / (5))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		333,898	1,133,434	167,194	27,001	6,295	26,227	53,605
1999		225,933	986,364	171,629	26,203	6,304	26,633	57,452
2000		319,035	979,553	185,060	29,810	7,102	32,159	69,427
2001		298,877	1,239,758	189,185	29,690	6,776	27,096	68,004
2002		306,396	1,154,522	191,456	32,864	7,763	24,979	64,678
<b>Average</b>		<b>297,095</b>	<b>1,093,128</b>	<b>182,535</b>	<b>29,368</b>	<b>6,847</b>	<b>27,443</b>	<b>62,815</b>
<b>(7) Trended Average Cost ( (6) * (1A) )</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		465,688	1,580,800	233,185	38,576	8,994	36,474	88,316
1999		301,666	1,316,993	229,159	35,725	8,595	35,470	89,608
2000		407,791	1,252,065	236,544	38,786	9,240	41,016	100,018
2001		365,706	1,516,968	231,487	36,863	8,413	33,095	93,025
2002		358,912	1,352,407	224,272	38,937	9,198	29,218	82,181
<b>Total</b>		<b>379,118</b>	<b>1,400,779</b>	<b>230,789</b>	<b>37,820</b>	<b>8,890</b>	<b>35,012</b>	<b>90,641</b>
<b>(8) Trended Claim Count ((5) * (1E))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		16	18	455	386	2,603	3,478	3,478
1999		20	21	540	369	2,617	3,567	3,567
2000		28	25	581	341	2,730	3,705	3,705
2001		16	23	632	371	2,684	3,726	3,726
2002		21	9	613	454	2,668	3,765	3,765
<b>Total</b>		<b>101</b>	<b>96</b>	<b>2,821</b>	<b>1,921</b>	<b>13,302</b>	<b>18,241</b>	<b>18,241</b>
<b>(9) Projected Losses ((7) * (8))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		7,451,008	28,454,400	106,099,175	14,890,336	23,411,382	126,856,572	307,162,873
1999		6,033,320	27,656,853	123,745,860	13,182,525	22,493,115	126,521,490	319,633,163
2000		11,418,148	31,301,625	137,432,064	13,226,026	25,225,200	151,964,280	370,567,343
2001		5,851,296	34,890,264	146,299,784	13,676,173	22,580,492	123,311,970	346,609,979
2002		7,537,152	12,171,663	137,478,736	17,677,398	24,540,264	110,005,770	309,410,983
<b>Total</b>		<b>38,290,924</b>	<b>134,474,805</b>	<b>651,055,619</b>	<b>72,652,458</b>	<b>118,250,453</b>	<b>638,660,082</b>	<b>1,653,384,341</b>
<b>(10) Projected Average Cost ((9) / (8))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
1998		465,688	1,580,800	233,185	38,576	8,994	36,474	88,316
1999		301,666	1,316,993	229,159	35,725	8,595	35,470	89,608
2000		407,791	1,252,065	236,544	38,786	9,240	41,016	100,018
2001		365,706	1,516,968	231,487	36,863	8,413	33,095	93,025
2002		358,912	1,352,407	224,272	38,937	9,198	29,218	82,181
<b>Average</b>		<b>379,118</b>	<b>1,400,779</b>	<b>230,789</b>	<b>37,820</b>	<b>8,890</b>	<b>35,012</b>	<b>90,641</b>

**Calculation of PA Hazard Group Relativities.**

Injury	(1) Incurred Losses	(2) # Claims	(3) Average Severity	(4) PA Adjusted Average Severity ( Col (F) below)	(5) NCCI Ave Sev +	(6) Penna. Relativity =(5)/(4)	(7) Selected
(i) Hazard Group I	551,743,638	17,021	32,415	39,436		1.127	1.127
(ii) Hazard Group II	6,427,326,567	127,579	50,379	50,379		0.882	0.882
(iii) Hazard Group III	5,930,529,510	97,132	61,056	61,535		0.722	0.722
(iv) Hazard Group IV	1,653,384,341	18,241	90,641	87,799		0.506	0.506
Total - All Hazard Groups	14,562,984,056	259,973	56,017		44,457		

**Calculation of PA Adjusted Average Severities**

Injury	(A) PA Current Relativity	(B) PA Current Ratio to HG II =(A) / (Ab)	(C) PA Indicated Ratio to HG II =(3ii) / (3)	(D) Credibility ++	(E) Credibility Weighted Ratio to HG II =(C)x(D) + (B)x(1-(D))	(F) PA Adjusted Average Severity =(3ii)/(E)
(a) Hazard Group I	1.010	1.1412	1.5542	0.33	1.2775	39,436
(b) Hazard Group II	0.885	1.0000	1.0000	1.00	1.0000	50,379
(c) Hazard Group III	0.703	0.7944	0.8251	0.79	0.8187	61,535
(d) Hazard Group IV	0.516	0.5831	0.5558	0.34	0.5738	87,799

Notes:

+ Average Severity of NCCI states underlying Table M expected loss group ranges.

++ Full credibility equals 155,000 claims for each Hazard Group.  $Z = (\text{calculated \# claims} / 155,000)^{0.5}$



**PENNSYLVANIA COMPENSATION RATING BUREAU**  
**APRIL 1, 2006 LOSS COST FILING**  
**PROPOSED HAZARD GROUP ASSIGNMENTS**

Class	Description	Current Hazard Group	Revised Hazard Group
0016	Orchard	2	1
323	Furniture Mfg - Wood	2	1
459	Eyelet Mfg	1	2
502	Plaster Statuary Mfg	1	2
513	Potteries, NOC	2	1
551	Chemical Mfg, NOC	4	3
602	Road/Street Subsurface Construction	3	4
603	Sewer Construction	3	4
608	Flat Cement Work	3	4
609	Excavation	3	4
611	Pile Driving	3	4
617	Gas/Steam/Water Main Construction	3	4
645	Wallboard Installation	3	4
651	Carpentry, NOC	3	4
654	Concrete Construction	3	4
656	Electric Line Construction	3	4
659	Roofing	3	4
665	Painting	3	4
669	Plastering	3	4
675	Machinery or Equipment Erection	3	4
676	Sheet Metal Installation	3	4
691	Excavation - Temporary Staffing Class	3	4
693	Carpentry, NOC - Temporary Staffing Class	3	4
721	Railroad Operation, NOC	3	4
877	Department Stores - Temporary Staffing Class	2	1
897	Fast Food Restaurant	2	1
908	Inservants - Occasional	1	2
914	Department Stores	2	1
917	Grocery Store - Retail	2	1
945	Hotel Restaurant	2	1
964	Sheltered Workshops	2	1
975	Restaurant	2	1
977	Barber Shops	1	2