Exhibit 1
As Filed

PENNSYLVANIA COMPENSATION RATING BUREAU

Indicated Change in Loss Costs

Page 1 presents the overall indicated change in loss costs.

For this filing, loss costs resulting from PCRB Filing No. C-377 were used to calculate expected losses on Page 1 and actual loss ratios on Page 2.

Derivation of the indemnity and medical trend factors and trended loss ratios shown on Page 1 is presented on Page 2. Severity ratios, defined as loss ratios adjusted by dividing out the frequency component, for both indemnity and medical, have been fitted using a seven-point exponential curve. Severity trend factors are calculated by fitting severity ratios to curves using a least squares regression analysis and comparing the fitted values at 4/1/22 to the fitted values at the midpoints of the latest three available policy years. Frequency trend factors are derived on Page 3. The resulting severity and frequency trend factors are then applied to the latest three available policy year loss ratios to generate projected ultimate trended loss ratios.

As described in Exhibit 8, staff has selected an annual frequency trend of -6.3%. Page 3 shows the derivation of overall frequency trend factors for each of the latest three available policy years.

INDICATED CHANGE IN LOSS COSTS

		Indemnity	Medical	Total
(1)	Policy Year 2016 Ratio of Loss to Expected Loss	0.5585	0.5902	1.1487
(2)	Policy Year 2017 Ratio of Loss to Expected Loss	0.5526	0.5911	1.1437
(3)	Policy Year 2018 Ratio of Loss to Expected Loss	0.5553	0.6322	1.1875
(4)	Average (Midpoint = 1/1/2018)	0.5555	0.6045	1.1600
(5)	Policy Year 2016 Ratio Trended to 4/1/2022 +	0.4362	0.4830	0.9192
(6)	Policy Year 2017 Ratio Trended to 4/1/2022 +	0.4525	0.5026	0.9551
(7)	Policy Year 2018 Ratio Trended to 4/1/2022 +	0.4766	0.5584	1.0350
(8)	Average at 4/1/2022	0.4551	0.5147	0.9698
(9)	Indicated Change in Loss Costs	0.4551	0.5147	0.9698
				-3.02%

CHANGES IN MANUAL LOSS COST LEVEL BY INDUSTRY GROUP

		Mfg.	Cont.	Other	Total
(10)	Current Collectible Premium Ratio	1.0427	1.1287	0.9928	
(11)	Anticipated Collectible Premium Ratio	1.0426	1.1272	0.9955	
(12)	Final Indicated Change in Manual Loss Cost Level (9T) * (11) / (10)	0.9697	0.9685	0.9724	0.9710

+ Refer to pages 1.2 and 1.3

DETERMINATION OF TREND

INDEMNITY

Policy Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Actual Loss Ratio	0.7001	0.6927	0.6621	0.5996	0.5585	0.5526	0.5553
Normalized Frequency	0.8396	0.8224	0.7513	0.6936	0.6491	0.6139	0.5863
Severity Loss Ratio	0.8338	0.8423	0.8812	0.8645	0.8604	0.9001	0.9471
x	1	2	3	4	5	6	7
y	0.8338	0.8423	0.8812	0.8645	0.8604	0.9001	0.9471

7 Point Exponential Regression: y = 0.815637 * 1.017693 ^ x

Selected Annual Severity Trend Factor = | 1.77% |

Policy Year	Annual Severity Trend Factor (1)	Trend Period # of Years to 4/1/22 (2)	Severity Trend Factor (3) = (1) ^ (2)	Frequency Trend Factor (4) #
2016	1.0177	5.2500	1.0965	0.7124
2017	1.0177	4.2500	1.0774	0.7600
2018	1.0177	3.2500	1.0587	0.8107

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3) * (4)	Trended Loss Ratio (7) = (5) * (6)
2016	0.5585	0.7811	0.4362
2017	0.5526	0.8188	0.4525
2018	0.5553	0.8583	0.4766

MEDICAL

Policy Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Actual Loss Ratio	0.7318	0.7356	0.7157	0.6199	0.5902	0.5911	0.6322
Normalized Frequency	0.8396	0.8224	0.7513	0.6936	0.6491	0.6139	0.5863
Severity Loss Ratio	0.8716	0.8945	0.9526	0.8938	0.9093	0.9628	1.0783
x	1	2	3	4	5	6	7
y	0.8716	0.8945	0.9526	0.8938	0.9093	0.9628	1.0783

7 Point Exponential Regression: y = 0.841687 * 1.026747 ^ x

Selected Annual Severity Trend Factor = | 2.67% |

Policy Year	Annual Severity Trend Factor (1)	Trend Period # of Years to 4/1/22 (2)	Severity Trend Factor (3) = (1) ^ (2)	Frequency Trend Factor (4) #
2016	1.0267	5.2500	1.1486	0.7124
2017	1.0267	4.2500	1.1187	0.7600
2018	1.0267	3.2500	1.0896	0.8107

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3) * (4)	Trended Loss Ratio (7) = (5) * (6)
2016	0.5902	0.8183	0.4830
2017	0.5911	0.8502	0.5026
2018	0.6322	0.8833	0.5584

\# See page 1.3

DETERMINATION OF TREND

CLAIM FREQUENCY
Policy Year Frequency per $1 million of Expected Losses
{1 = PY 2008, 12 = PY 2018}

Policy Year	Claim Frequency	Normalized Frequency
2008	27.87	1.0000
2009	27.18	0.9752
2010	26.66	0.9566
2011	24.97	0.8959
2012	23.40	0.8396
2013	22.92	0.8224
2014	20.94	0.7513
2015	19.33	0.6936
2016	18.09	0.6491
2017	17.11	0.6139
2018	16.34	0.5863

Policy Year	2012	2013	2014	2015	2016	2017	2018
x	1	2	3	4	5	6	7
y	0.8396	0.8224	0.7513	0.6936	0.6491	0.6139	0.5863

7 Point Exponential Regression: y = 0.909010 * 0.937457 ^ x

Selected Annual Frequency Trend Factor = **-6.3%**

Policy Year	Annual Frequency Trend Factor (1)	Trend Period # of Years to 4/1/22 (2)	Frequency Trend Factor (3) = (1) ^ (2)
2016	0.9375	5.2500	0.7124
2017	0.9375	4.2500	0.7600
2018	0.9375	3.2500	0.8107