

PENNSYLVANIA COMPENSATION RATING BUREAU

Hepatitis C Surcharge

In response to H.B. 1633, legislation dealing with Hepatitis C as an occupational disease, the Bureau has made adjustments to proposed class indications based on current experience that does not reflect the increased exposure to the Hepatitis C virus.

Page 1 shows an indemnity and medical cost per HCV claim. Page 2 shows the HCV surcharge and proposed loss cost for the four classifications subject to this exposure.

Please note, classes 993 and 996 are combined for ratemaking purposes and are assigned the same loss cost. However, code 996 is not subject to this exposure and will not receive this surcharge, resulting in different loss costs for these classes.

**PENNSYLVANIA COMPENSATION RATING BUREAU
HCV COST PER CLAIM**

Indemnity

(1)	PA SAWW @ 4/1/03	\$ 698.73
(2) = 2/3 * (1)	Benefit (2/3 SAWW)	\$ 465.82
(3)	M & R Est. SAWW	\$ 480.00
(4) = 2/3 * (3)	Benefit (2/3 SAWW)	\$ 320.00
(5) = (2) / (4)	PA Max Benefit/ Est. Max Benefit	1.46
(6)	M & R Est. Cost per claim	\$310,000.00
(7) = (5) * (6)	PA Indemnity Cost per claim	\$452,600.00

Medical

(8)	M & R Est. Medical Cost per claim (CY 2001)	\$164,000.00
(9)	PA Annual Medical Trend Factor	1.0857
(10)	Trend Period = 2.75 years	2.75
(11) = (8) * (9) ^ (10)	PA Medical Cost per claim	\$205,610.79
(12) = (7) + (11)	TOTAL HCV COST PER CLAIM	\$658,210.79

**PENNSYLVANIA COMPENSATION RATING BUREAU
HCV SURCHARGE PER CLASS**

Class		807	985
Class Description		Ambulance Service Non Volunteer	Police or Firefighters Salaried
(1)	1999 Reported Payroll (00)	1,125,450.00	4,178,230.00
(2)	1999 SAWW	588.00	588.00
(3) = [(1) * 100] / [(2) * 52]	# of Workers	3,681.00	13,665.00
(4)	% HCV	0.000018	0.000018
(5a) = (3) * (4)	Projected # of Claims	0.066258	0.245970
(5b)	Selected # of Claims *	1.000000	1.000000
(6)	4/1/03 Indicated loss cost (before LBA, Merit, CSCP)	6.52	4.01
(7) = (1) * 1.014 * 1.085	Trended & Developed Payroll (00)	1,238,208.84	4,596,846.86
(8) = (6) * (7)	Expected Losses	8,073,121.61	18,433,355.92
(9)	Total \$HCV Cost Per Claim	658,210.79	658,210.79
(10a) = (5a) * (9)	Projected \$HCV Cost for Class	43,611.73	161,900.11
(10b) = (5b) * (9)	Selected \$HCV Cost for Class *	658,210.79	658,210.79
(11a) = (10a) / (8)	Projected HCV Surcharge	0.54%	0.88%
(11b) = (10b) / (8)	Selected HCV Surcharge *	8.15%	3.57%
(11c)	Capped HCV Surcharge **	8.15%	3.57%
(12) = (6) * [1 + (11c)]	Proposed Loss Cost (before LBA, Merit, CSCP)	7.05	4.15
(13) = (12) * 1.0065	Proposed Loss Cost (incl LBA, Merit, CSCP)	7.10	4.18

Class		993	994
Class Description		Volunteer Ambulance Corps	Firefighter - Volunteer Fire Co.
(1)	Reported # of Companies (993) or Population (994)	669.00	6,730,329.00
(2)	# of Volunteers	18,091.00	31,687.00
(3)	% HCV	0.000018	0.000018
(4a) = (2) * (3)	Projected # of Claims	0.325638	0.570366
(4b)	Selected # of Claims *	1.000000	1.000000
(5)	4/1/03 Indicated loss cost (before LBA, Merit, CSCP)	1,691.13	0.75
(6) = (1) * (5)	Expected Losses	1,131,365.97	5,047,746.75
(7)	Total HCV Cost Per Claim	658,210.79	658,210.79
(8a) = (4a) * (7)	Projected \$HCV Cost for Class	214,338.45	375,421.06
(8b) = (4b) * (7)	Selected \$HCV Cost for Class *	658,210.79	658,210.79
(9a) = (8a) / (6)	Projected HCV Surcharge	18.95%	7.44%
(9b) = (8b) / (6)	Selected HCV Surcharge *	58.18%	13.04%
(9c)	Capped HCV Surcharge **	25.00%	13.04%
(10) = (5) * [1 + (9c)]	Proposed Loss Cost Pre-surcharge	2,113.91	0.85
(11) = (10) * 1.0065	Proposed Loss Cost Post-surcharge	2,127.65	0.86

994 - 31,687 = 1,170 insured companies (DR) * 27.083 volunteer firefighters per company

* Minimum 1 worker or volunteer

** HCV surcharge capped at +25.00%