

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	1.127	1.330
II	0.882	0.992
III	0.722	0.810
IV	0.506	0.567

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: 4/1/07

Proposed Relativities

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Hazard Group	Factor
I	1.330
II	0.992
III	0.810
IV	0.567

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>						
1999	1.1561	1.1561	1.1561	1.2089	1.2089	1.3414
2000	1.1354	1.1354	1.1354	1.1806	1.1806	1.2931
2001	1.1149	1.1149	1.1149	1.1529	1.1529	1.2465
2002	1.0949	1.0949	1.0949	1.1259	1.1259	1.2015
2003	1.0752	1.0752	1.0752	1.0995	1.0995	1.1582
<b>1B Benefit Level (ACT44 and ACT 57) Factors</b>						
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
2003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
<b>1C Loss Development Factors</b>						
1999	1.1087	2.3893	1.1150	1.0045	0.9812	1.4120
2000	1.1464	3.1723	1.2029	0.9906	0.9593	1.4980
2001	1.2003	4.8811	1.3947	0.9356	0.9307	1.5615
2002	1.2560	8.3019	2.0118	0.8485	0.8878	1.6825
2003	1.3172	15.1830	5.4808	0.9728	0.9181	2.0046
<b>1D Claim Count Development Factors</b>						
1999	1.0000	1.0000	1.0000	1.0000	1.0000	
2000	1.0097	1.1928	1.0393	0.9989	1.0007	
2001	1.0388	1.7255	1.1453	0.9861	1.0033	
2002	1.0722	2.7500	1.5663	0.9447	1.0069	
2003	1.1184	5.0556	4.1867	0.9810	1.0323	
<b>1E Claim Count Trend Factors</b>						
1999	1.3017	1.3017	1.4630	1.5503	0.8621	
2000	1.2663	1.2663	1.3984	1.4804	0.8779	
2001	1.2419	1.2419	1.3538	1.4206	0.9012	
2002	1.2114	1.2114	1.2983	1.3613	0.9203	
2003	1.1708	1.1708	1.2391	1.2882	0.9315	

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

**Hazard Group I**

**(1) Reported Losses**

	Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
1999	315,041	315,305	15,552,234	7,692,186	13,386,578	27,266,476	64,527,820
2000	352,821	618,821	15,725,298	6,571,623	14,470,573	31,770,542	69,509,678
2001	764,549	332,221	14,898,556	8,933,101	15,198,056	28,813,747	68,940,230
2002	464,651	367,595	7,540,664	10,296,602	12,781,113	28,075,118	59,525,743
2003	353,471	-	2,991,688	6,013,057	10,961,950	24,105,663	44,425,829
Total	2,250,533	1,633,942	56,708,440	39,506,569	66,798,270	140,031,546	306,929,300

**(2) Reported Claim Counts**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	2	3	121	310	2,987	3,423	3,423
2000	4	1	118	270	2,891	3,284	3,284
2001	5	2	107	268	2,932	3,314	3,314
2002	5	2	60	294	2,789	3,150	3,150
2003	3	-	23	245	2,464	2,735	2,735
Total	19	8	429	1,387	14,063	15,906	15,906

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	157,521	105,102	128,531	24,814	4,482	7,966	18,851
2000	88,205	618,821	133,265	24,339	5,005	9,674	21,166
2001	152,910	166,111	139,239	33,332	5,184	8,695	20,803
2002	92,930	183,798	125,678	35,022	4,583	8,913	18,897
2003	117,824	-	130,073	24,543	4,449	8,814	16,243
Average	118,449	204,243	132,188	28,483	4,750	8,804	19,296

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	349,286	753,358	17,340,741	7,726,801	13,134,910	38,500,264	77,805,360
2000	404,459	1,963,113	18,915,906	6,509,991	13,881,398	47,592,272	89,267,139
2001	917,716	1,621,604	20,779,254	8,358,107	14,144,155	44,992,666	90,813,502
2002	583,582	3,051,733	15,170,128	8,736,704	11,347,146	47,236,386	86,125,679
2003	465,597	-	16,396,952	5,849,610	10,064,311	48,322,212	81,098,682
Total	2,720,640	7,389,808	88,602,981	37,181,213	62,571,920	226,643,800	425,110,362

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	2	3	121	310	2,987	3,423	3,423
2000	4	1	123	270	2,893	3,291	3,291
2001	5	3	123	264	2,942	3,337	3,337
2002	5	6	94	278	2,808	3,191	3,191
2003	3	-	96	240	2,543	2,882	2,882
Total	19	13	557	1,362	14,173	16,124	16,124

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	174,643	251,119	143,312	24,925	4,397	11,248	22,730
2000	101,115	1,963,113	153,788	24,111	4,798	14,461	27,125
2001	183,543	540,535	168,937	31,659	4,808	13,483	27,214
2002	116,716	508,622	161,384	31,427	4,041	14,803	26,990
2003	155,199	-	170,802	24,373	3,958	16,767	28,140
Average	143,192	568,447	159,072	27,299	4,415	14,056	26,365

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	201,905	290,319	165,683	30,132	5,316	15,088	33,383
2000	114,806	2,228,919	174,611	28,465	5,665	18,700	37,498
2001	204,632	602,642	188,348	36,500	5,543	16,807	36,624
2002	127,792	556,890	176,699	35,384	4,550	17,786	34,368
2003	166,870	-	183,646	26,798	4,352	19,420	34,098
Total	160,074	606,187	177,311	31,509	5,098	17,498	35,211

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	3	4	177	481	2,575	3,240	3,240
2000	5	1	172	400	2,540	3,118	3,118
2001	6	4	167	375	2,651	3,203	3,203
2002	6	7	122	378	2,584	3,097	3,097
2003	4	-	119	309	2,369	2,801	2,801
Total	24	16	757	1,943	12,719	15,459	15,459

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	605,715	1,161,276	29,325,891	14,493,492	13,688,700	48,885,120	108,160,194
2000	574,030	2,228,919	30,033,092	11,386,000	14,389,100	58,306,600	116,917,741
2001	1,227,792	2,410,568	31,454,116	13,687,500	14,694,493	53,832,821	117,307,290
2002	766,752	3,898,230	21,557,278	13,375,152	11,757,200	55,083,242	106,437,854
2003	667,480	-	21,853,874	8,280,582	10,309,888	54,395,420	95,507,244
Total	3,841,769	9,698,993	134,224,251	61,222,726	64,839,381	270,503,203	544,330,323

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	201,905	290,319	165,683	30,132	5,316	15,088	33,383
2000	114,806	2,228,919	174,611	28,465	5,665	18,700	37,498
2001	204,632	602,642	188,348	36,500	5,543	16,807	36,624
2002	127,792	556,890	176,699	35,384	4,550	17,786	34,368
2003	166,870	-	183,646	26,798	4,352	19,420	34,098
Average	160,074	606,187	177,311	31,509	5,098	17,498	35,211

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

**Hazard Group II**

**(1) Reported Losses**

	Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
1999	7,113,998	11,412,407	251,538,419	53,146,734	127,769,678	272,386,258	723,367,494
2000	5,748,410	12,041,138	249,411,633	62,933,305	140,871,286	300,675,538	771,681,310
2001	5,350,243	4,714,945	219,072,998	72,332,299	130,851,180	272,175,015	704,496,680
2002	4,688,100	4,535,674	149,823,696	83,410,874	128,474,858	263,275,009	634,208,211
2003	4,507,541	1,994,207	51,984,939	68,870,749	119,446,156	243,000,437	489,804,029
Total	27,408,292	34,698,371	921,831,685	340,693,961	647,413,158	1,351,512,257	3,323,557,724

**(2) Reported Claim Counts**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	42	33	1,659	2,242	21,640	25,616	25,616
2000	24	38	1,667	2,404	21,890	26,023	26,023
2001	34	17	1,483	2,468	19,892	23,894	23,894
2002	31	16	1,065	2,796	19,407	23,315	23,315
2003	25	7	365	2,689	19,110	22,196	22,196
Total	156	111	6,239	12,599	101,939	121,044	121,044

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	169,381	345,831	151,621	23,705	5,904	10,633	28,239
2000	239,517	316,872	149,617	26,179	6,435	11,554	29,654
2001	157,360	277,350	147,723	29,308	6,578	11,391	29,484
2002	151,229	283,480	140,680	29,832	6,620	11,292	27,202
2003	180,302	284,887	142,424	25,612	6,250	10,948	22,067
Average	175,694	312,598	147,753	27,041	6,351	11,165	27,457

**(4) Ultimate On Reported Losses**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	7,887,290	27,267,664	280,465,337	53,385,894	125,367,608	384,609,396	878,983,189
2000	6,589,736	38,198,639	300,016,378	62,343,089	135,135,660	450,411,956	992,695,458
2001	6,422,088	23,014,119	305,544,608	67,676,509	121,777,372	425,001,286	949,435,982
2002	5,888,059	37,654,662	301,411,743	70,774,428	114,060,717	442,960,203	972,749,812
2003	5,937,393	30,277,978	284,920,942	66,998,704	109,665,091	487,118,676	984,918,784
Total	32,724,566	156,413,062	1,472,359,008	321,178,624	606,006,448	2,190,101,517	4,778,783,225

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	42	33	1,659	2,242	21,640	25,616	25,616
2000	24	45	1,733	2,401	21,906	26,109	26,109
2001	35	29	1,698	2,434	19,958	24,154	24,154
2002	33	44	1,668	2,641	19,540	23,926	23,926
2003	28	35	1,528	2,638	19,726	23,955	23,955
Total	162	186	8,286	12,356	102,770	123,760	123,760

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	187,793	826,293	169,057	23,812	5,793	15,014	34,314
2000	274,572	848,859	173,120	25,965	6,169	17,251	38,021
2001	183,488	793,590	179,944	27,805	6,102	17,595	39,308
2002	178,426	855,788	180,702	26,798	5,837	18,514	40,657
2003	212,050	865,085	186,467	25,398	5,559	20,335	41,115
Average	202,003	840,930	177,692	25,994	5,897	17,696	38,613

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	217,107	955,277	195,447	28,786	7,003	20,140	50,885
2000	311,749	963,795	196,560	30,654	7,283	22,307	53,521
2001	204,571	884,773	200,620	32,056	7,035	21,932	52,964
2002	195,359	937,002	197,851	30,172	6,572	22,245	52,143
2003	227,996	930,139	200,489	27,925	6,112	23,552	50,190
Total	226,011	937,660	198,065	29,930	6,806	22,024	51,954

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	55	43	2,427	3,476	18,656	24,657	24,657
2000	30	57	2,423	3,554	19,231	25,295	25,295
2001	43	36	2,299	3,458	17,986	23,822	23,822
2002	40	53	2,166	3,595	17,983	23,837	23,837
2003	33	41	1,893	3,398	18,375	23,740	23,740
Total	201	230	11,208	17,481	92,231	121,351	121,351

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	11,940,885	41,076,911	474,349,869	100,060,136	130,647,968	496,591,980	1,254,667,749
2000	9,352,470	54,936,315	476,264,880	108,944,316	140,059,373	564,255,565	1,353,812,919
2001	8,796,553	31,851,828	461,225,380	110,849,648	126,531,510	522,464,104	1,261,719,023
2002	7,814,360	49,661,106	428,545,266	108,468,340	118,184,276	530,254,065	1,242,927,413
2003	7,523,868	38,135,699	379,525,677	94,889,150	112,308,000	559,124,480	1,191,506,874
Total	45,428,136	215,661,859	2,219,911,072	523,211,590	627,731,127	2,672,690,194	6,304,633,978

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	217,107	955,277	195,447	28,786	7,003	20,140	50,885
2000	311,749	963,795	196,560	30,654	7,283	22,307	53,521
2001	204,571	884,773	200,620	32,056	7,035	21,932	52,964
2002	195,359	937,002	197,851	30,172	6,572	22,245	52,143
2003	227,996	930,139	200,489	27,925	6,112	23,552	50,190
Average	226,011	937,660	198,065	29,930	6,806	22,024	51,954

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

**Hazard Group III**

(1) Reported Losses	Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
1999	10,439,418	13,623,358	238,165,299	39,045,850	92,201,788	236,753,362	630,229,075
2000	11,711,940	12,289,407	253,443,314	41,791,757	101,337,249	238,810,909	659,384,576
2001	13,482,089	8,829,573	241,406,990	47,828,376	98,230,163	242,317,408	652,094,599
2002	12,206,682	5,093,299	179,295,686	56,632,540	93,613,780	231,365,708	578,207,695
2003	7,328,894	2,633,475	68,190,376	54,924,212	96,211,338	203,437,793	432,726,088
Total	55,169,023	42,469,112	980,501,665	240,222,735	481,594,318	1,152,685,180	2,952,642,033
(2) Reported Claim Counts	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	46	35	1,439	1,570	16,035	19,125	19,125
2000	52	35	1,520	1,502	16,836	19,945	19,945
2001	54	25	1,478	1,537	15,650	18,744	18,744
2002	46	14	1,162	1,726	14,577	17,525	17,525
2003	33	8	451	1,798	14,235	16,525	16,525
Total	231	117	6,050	8,133	77,333	91,864	91,864
(3) Reported Average Cost ((1)/(2))	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	226,944	389,239	165,508	24,870	5,750	12,379	32,953
2000	225,230	351,126	166,739	27,824	6,019	11,973	33,060
2001	249,668	353,183	163,334	31,118	6,277	12,928	34,790
2002	265,363	363,807	154,299	32,811	6,422	13,202	32,993
2003	222,088	329,184	151,198	30,547	6,759	12,311	26,186
Average	238,827	362,984	162,066	29,537	6,228	12,548	32,141
(4) Ultimate On Level Losses((1) * (1B) * (1C))	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	11,574,183	32,550,289	265,554,308	39,221,556	90,468,394	334,295,747	773,664,477
2000	13,426,077	38,986,234	304,866,073	41,399,816	97,211,266	357,738,742	853,628,208
2001	16,183,034	43,098,030	336,694,183	44,749,822	91,418,442	378,378,633	910,522,144
2002	15,331,087	42,284,003	360,702,791	48,052,915	83,110,852	389,272,804	938,754,452
2003	9,653,716	39,983,962	373,740,290	53,431,262	88,332,898	407,811,400	972,953,528
Total	66,168,097	196,902,518	1,641,557,645	226,855,371	450,541,852	1,867,497,326	4,449,522,809
(5) Ultimate Claim Counts ((2) * (1D))	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	46	35	1,439	1,570	16,035	19,125	19,125
2000	53	42	1,580	1,500	16,849	20,024	20,024
2001	56	43	1,693	1,516	15,702	19,010	19,010
2002	49	39	1,820	1,631	14,677	18,216	18,216
2003	37	40	1,888	1,764	14,694	18,423	18,423
Total	241	199	8,420	7,981	77,957	94,798	94,798
(6) Ultimate Average Cost ((4) / (5))	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	251,613	930,008	184,541	24,982	5,642	17,480	40,453
2000	253,322	928,244	192,953	27,600	5,770	17,865	42,630
2001	288,983	1,002,280	198,874	29,518	5,822	19,904	47,897
2002	312,879	1,084,205	198,188	29,462	5,663	21,370	51,535
2003	260,911	999,599	197,956	30,290	6,011	22,136	52,812
Average	274,556	989,460	194,959	28,424	5,779	19,700	46,937
(7) Trended Average Cost ( (6) * (1A) )	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	290,890	1,075,182	213,348	30,201	6,821	23,448	60,473
2000	287,622	1,053,928	219,079	32,585	6,812	23,101	60,957
2001	322,187	1,117,442	221,725	34,031	6,712	24,810	65,315
2002	342,571	1,187,096	216,996	33,171	6,376	25,676	66,813
2003	280,532	1,074,769	212,842	33,304	6,609	25,638	65,150
Total	306,193	1,101,011	216,823	32,607	6,670	24,518	63,709
(8) Trended Claim Count ((5) * (1E))	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	60	46	2,105	2,434	13,824	18,469	18,469
2000	67	53	2,209	2,221	14,792	19,342	19,342
2001	70	53	2,292	2,154	14,151	18,720	18,720
2002	59	47	2,363	2,220	13,507	18,196	18,196
2003	43	47	2,339	2,272	13,687	18,388	18,388
Total	299	246	11,308	11,301	69,961	93,115	93,115
(9) Projected Losses ((7) * (8))	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	17,453,400	49,458,372	449,097,540	73,509,234	94,293,504	433,061,112	1,116,873,162
2000	19,270,674	55,858,184	483,945,511	72,371,285	100,763,104	446,819,542	1,179,028,300
2001	22,553,090	59,224,426	508,193,700	73,302,774	94,981,512	464,443,200	1,222,698,702
2002	20,211,689	55,793,512	512,761,548	73,639,620	86,120,632	467,200,496	1,215,727,497
2003	12,062,876	50,514,143	497,837,438	75,666,688	90,457,383	471,431,544	1,197,970,072
Total	91,551,729	270,848,637	2,451,835,737	368,489,601	466,616,135	2,282,955,894	5,932,297,733
(10) Projected Average Cost ((9) / (8))	Death	P.T	Major	Minor	Temp	Med	Grand Total
1999	290,890	1,075,182	213,348	30,201	6,821	23,448	60,473
2000	287,622	1,053,928	219,079	32,585	6,812	23,101	60,957
2001	322,187	1,117,442	221,725	34,031	6,712	24,810	65,315
2002	342,571	1,187,096	216,996	33,171	6,376	25,676	66,813
2003	280,532	1,074,769	212,842	33,304	6,609	25,638	65,150
Average	306,193	1,101,011	216,823	32,607	6,670	24,518	63,709

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

**Hazard Group IV**

		Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
<b>(1) Reported Losses</b>								
	1999	3,091,000	3,259,170	63,463,522	7,456,124	17,375,608	62,094,991	156,740,415
	2000	6,240,285	3,550,027	69,578,451	7,498,114	19,525,339	75,054,418	181,446,634
	2001	3,053,631	3,023,147	65,347,232	7,778,363	19,168,957	56,685,563	155,056,893
	2002	4,993,998	-	49,755,666	11,217,551	17,648,219	46,031,229	129,646,663
	2003	2,611,461	923,336	17,044,185	12,667,908	17,335,195	46,000,627	96,582,712
	<b>Total</b>	<b>19,990,375</b>	<b>10,755,680</b>	<b>265,189,056</b>	<b>46,618,060</b>	<b>91,053,318</b>	<b>285,866,828</b>	<b>719,473,317</b>
<b>(2) Reported Claim Counts</b>								
	1999	15	8	370	285	2,582	3,260	3,260
	2000	23	9	407	260	2,665	3,364	3,364
	2001	10	7	388	271	2,567	3,243	3,243
	2002	15	-	316	322	2,284	2,937	2,937
	2003	15	3	120	364	2,106	2,608	2,608
	<b>Total</b>	<b>78</b>	<b>27</b>	<b>1,601</b>	<b>1,502</b>	<b>12,204</b>	<b>15,412</b>	<b>15,412</b>
<b>(3) Reported Average Cost ((1)/(2))</b>								
	1999	206,067	407,396	171,523	26,162	6,730	19,048	48,080
	2000	271,317	394,447	170,954	28,839	7,327	22,311	53,938
	2001	305,363	431,878	168,421	28,702	7,467	17,479	47,813
	2002	332,933	-	157,455	34,837	7,727	15,673	44,143
	2003	174,097	307,779	142,035	34,802	8,231	17,638	37,033
	<b>Average</b>	<b>256,287</b>	<b>398,359</b>	<b>165,640</b>	<b>31,037</b>	<b>7,461</b>	<b>18,548</b>	<b>46,683</b>
<b>(4) Ultimate On Level Losses((1) * (1B) * (1C))</b>								
	1999	3,426,992	7,787,135	70,761,827	7,489,677	17,048,947	87,678,127	194,192,705
	2000	7,153,601	11,261,909	83,695,675	7,427,793	18,730,358	112,431,518	240,700,854
	2001	3,665,383	14,756,283	91,140,828	7,277,696	17,839,695	88,514,507	223,194,392
	2002	6,272,255	-	100,097,264	9,518,132	15,668,190	77,447,543	209,003,384
	2003	3,439,851	14,018,979	93,416,388	12,323,569	15,915,671	92,212,857	231,327,315
	<b>Total</b>	<b>23,958,082</b>	<b>47,824,306</b>	<b>439,111,982</b>	<b>44,036,867</b>	<b>85,202,861</b>	<b>458,284,552</b>	<b>1,098,418,650</b>
<b>(5) Ultimate Claim Counts ((2) * (1D))</b>								
	1999	15	8	370	285	2,582	3,260	3,260
	2000	23	11	423	260	2,667	3,384	3,384
	2001	10	12	444	267	2,576	3,309	3,309
	2002	16	-	495	304	2,300	3,115	3,115
	2003	17	15	502	357	2,174	3,065	3,065
	<b>Total</b>	<b>81</b>	<b>46</b>	<b>2,234</b>	<b>1,473</b>	<b>12,299</b>	<b>16,133</b>	<b>16,133</b>
<b>(6) Ultimate Average Cost ((4) / (5))</b>								
	1999	228,466	973,392	191,248	26,280	6,603	26,895	59,568
	2000	311,026	1,023,810	197,862	28,568	7,023	33,224	71,129
	2001	366,538	1,229,690	205,272	27,257	6,925	26,750	67,451
	2002	392,016	-	202,217	31,310	6,812	24,863	67,096
	2003	202,344	934,599	186,088	34,520	7,321	30,086	75,474
	<b>Average</b>	<b>295,779</b>	<b>1,039,659</b>	<b>196,559</b>	<b>29,896</b>	<b>6,928</b>	<b>28,407</b>	<b>68,085</b>
<b>(7) Trended Average Cost ((6) * (1A) )</b>								
	1999	264,130	1,125,338	221,102	31,770	7,982	36,077	87,933
	2000	353,139	1,162,434	224,653	33,727	8,291	42,962	100,059
	2001	408,653	1,370,981	228,858	31,425	7,984	33,344	91,473
	2002	429,218	-	221,407	35,252	7,670	29,873	86,670
	2003	217,560	1,004,881	200,082	37,955	8,049	34,846	92,286
	<b>Total</b>	<b>329,338</b>	<b>1,161,053</b>	<b>219,063</b>	<b>34,130</b>	<b>8,000</b>	<b>35,485</b>	<b>91,757</b>
<b>(8) Trended Claim Count ((5) * (1E))</b>								
	1999	20	10	541	442	2,226	3,239	3,239
	2000	29	14	592	385	2,341	3,361	3,361
	2001	12	15	601	379	2,321	3,328	3,328
	2002	19	-	643	414	2,117	3,193	3,193
	2003	20	18	622	460	2,025	3,145	3,145
	<b>Total</b>	<b>100</b>	<b>57</b>	<b>2,999</b>	<b>2,080</b>	<b>11,030</b>	<b>16,266</b>	<b>16,266</b>
<b>(9) Projected Losses ((7) * (8))</b>								
	1999	5,282,600	11,253,380	119,616,182	14,042,340	17,767,932	116,853,403	284,815,837
	2000	10,241,031	16,274,076	132,994,576	12,984,895	19,409,231	144,395,282	336,299,091
	2001	4,903,836	20,564,715	137,543,658	11,910,075	18,530,864	110,968,832	304,421,980
	2002	8,155,142	-	142,364,701	14,594,328	16,237,390	95,384,489	276,736,050
	2003	4,351,200	18,087,858	124,451,004	17,459,300	16,299,225	109,590,670	290,239,257
	<b>Total</b>	<b>32,933,809</b>	<b>66,180,029</b>	<b>656,970,121</b>	<b>70,990,938</b>	<b>88,244,642</b>	<b>577,192,676</b>	<b>1,492,512,215</b>
<b>(10) Projected Average Cost ((9) / (8))</b>								
	1999	264,130	1,125,338	221,102	31,770	7,982	36,077	87,933
	2000	353,139	1,162,434	224,653	33,727	8,291	42,962	100,059
	2001	408,653	1,370,981	228,858	31,425	7,984	33,344	91,473
	2002	429,218	-	221,407	35,252	7,670	29,873	86,670
	2003	217,560	1,004,881	200,082	37,955	8,049	34,846	92,286
	<b>Average</b>	<b>329,338</b>	<b>1,161,053</b>	<b>219,063</b>	<b>34,130</b>	<b>8,000</b>	<b>35,485</b>	<b>91,757</b>

PENNSYLVANIA  
 State and Hazard Group Relativities  
 Policy Years 1998-2003

**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	544,330,323	15,459	35,211	38,740		1.330	1.330
(ii) Hazard Group II	6,304,633,978	121,351	51,954	51,954		0.992	0.992
(iii) Hazard Group III	5,932,297,733	93,115	63,709	63,654		0.810	0.810
(iv) Hazard Group IV	1,492,512,215	16,266	91,757	90,940		0.567	0.567
Total - All Hazard Groups	14,273,774,249	246,191	57,978		51,533		

**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	1.127	1.2778	1.4755	0.32	1.3411	38,740
(b) Hazard Group II	0.882	1.0000	1.0000	0.88	1.0000	51,954
(c) Hazard Group III	0.722	0.8186	0.8155	0.78	0.8162	63,654
(d) Hazard Group IV	0.506	0.5737	0.5662	0.32	0.5713	90,940

Notes:

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

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