

PENNSYLVANIA COMPENSATION RATING BUREAU

Attendant Care Analysis

Introduction

PCRB filing C-362 April 1, 2013 Loss Cost Filing, approved effective April 1, 2013, introduced a new classification code 972 – Attendant Care Services and a procedure for calculating rating values for that class. This exhibit provides background to the creation of that class and an update to the rating values for the affected classes.

Background to April 1, 2013 Proposal

Attendant care services provided pursuant to the Medicaid Waiver or Pennsylvania Attendant Care Act (Act No.150 of 1986) are generally intended to allow aged and/or otherwise impaired individuals to maintain resident in their home (or the home of another family member) in lieu of being placed in some other residential facility. These services are coordinated through “fiscal agents” who perform a broad spectrum of administrative services needed to establish relationships between clients requiring and workers delivering the necessary services.

Attendant care services present several features which have created a somewhat disjointed classification approach to the industry in Pennsylvania. Some of those relevant features and their respective implications for current classification procedures are as follows:

Whether the fiscal agent or the client is considered to be the employer of staff providing attendant care services for purposes of the Workers Compensation Act

In the event that the fiscal agent is considered to be the employer of attendant care staff (the less common approach) the PCRB has classified attendant care services in Code 943, Home Health Care – nonprofessional staff.

Whether staff engaged in providing attendant care services when the client is considered to be the employer work full-time or part-time

When attendant care staff working in arrangements under which the client is considered to be the employer (the more common approach) the PCRB has classified attendant care services to Code 0908, Domestic Workers – Inside, Occasional when the staff work part time, and to Code 0913, Domestic Workers – Inside when the staff work full time.

Code 943, like most PCRB classifications, uses payroll as the exposure base for workers compensation insurance purposes. Codes 0908 and 0913 are per capita codes, meaning that loss costs and rates are established in amounts applicable to each given employee on a policy period basis.

The existing classification protocols in Pennsylvania have precipitated concerns on a variety of fronts. Home health care agencies also classified in Code 943 have raised objections to attendant care services being included in that class. The rating value differences between Code

0908 and 0913 offer incentives that may skew reporting of staff exposures for some entities, and the per capita exposure base is subject to ambiguities regarding individual performing services for multiple clients, etc. On top of these considerations, the PCRB is aware that some other jurisdictions have created classifications devoted to attendant care services and which carry the traditional payroll exposure base for workers compensation insurance.

In an attempt to improve the classification and pricing structure for attendant care services in Pennsylvania under the uniform classification plan, the PCRB embarked upon a study of this industry.

The study examined attendant care workers from classifications 0908 (Domestic Workers – Inside – Occasional), 0913 (Domestic Workers – Inside) and 943 (Home Health Care – nonprofessional staff). The prospect given particular emphasis in the study was the creation of a new class into which part-time and full-time attendant care workers could be assigned, regardless of whether the fiscal agent(s) or client(s) were considered to be the employer of those workers. It was further intended that the new attendant care classification would be rated using a payroll exposure base. Traditional domestic service will remain in classifications 0908 and 0913 and will continue to be rated on a per-capita basis.

Because Codes 0908 and 0913 do not use payroll to compute workers compensation insurance premiums and do not require the reporting of payroll exposures to the PCRB, the PCRB surveyed known attendant care fiscal agents and requested total payrolls for calendar years 2003 through 2008. Eleven attendant care fiscal agents (including the three largest) representing approximately two-thirds of all attendant care exposures in Codes 0908 and 0913 (measured by number of persons reported) provided total payrolls by calendar year in response to this survey. No splits of payrolls between part-time and full-time workers were available from these fiscal agents.

April 1, 2014 Analysis

The April 1, 2014 analysis proceeds in the same manner as was used in the April 1, 2013 Attendant Care Study.

Exhibit 1 of this analysis shows the calendar year payrolls provided in response to the PCRB's original survey. Because PCRB's classification analysis is based upon policy year statistics, Exhibit 1 also shows the conversion of calendar year payroll to an estimated payroll by policy year where each policy year payroll represents the average of the two calendar year payrolls contributing to that policy year.

Exhibit 2a shows exposures (numbers of persons) separately for fiscal agents that provided payroll information and for those remaining fiscal agents that did not provide payroll data. Exposures are further split between the two relevant classifications, Codes 0908 and 0913.

For fiscal agents that provided payroll data to the PCRB, actual payroll is shown along with the average payroll per person reported. The average payroll per person over the five year period (2003-2007) was \$12,200 per year. Payrolls by policy year were relatively flat, and the average annual change over the five years was a decrease of 0.1 percent based on a least squares regression. By comparison, the average annual change in Pennsylvania's statewide average weekly wage over the same period was an increase of 4.0 percent.

The bottom portion of Exhibit 2a shows estimated average payrolls and estimated total payrolls by policy year for exposures of fiscal agents that did not provide actual payrolls. Estimated average payrolls per person by policy year for these employers were set equal to the comparable figures for those fiscal agents that had provided payroll data to the PCRB. Estimated total payrolls were then calculated as the product of the total exposures (numbers of persons) and the estimated average annual payrolls.

The figures for fiscal agents that had provided payroll data indicate a somewhat larger portion of full-time workers were retained than can be observed for the fiscal agent group from which payroll data was not obtained. Because employers not providing payroll data displayed lower proportions of full-time workers, it might be reasonable to assume that their average payrolls would also be lower than those of employers for which payrolls were available. However, since separate payrolls for full-time and part-time workers were not available, PCRB chose to assign the same average annual earnings per worker as had been derived from the fiscal agents that reported payroll data to the fiscal agents not reporting payrolls. Our estimated payrolls for employers where actual payrolls were not reported may, therefore, be slightly overstated and if that were the case the resulting indicated loss costs would be slightly understated.

Exhibit 2b shows total exposures by policy year for all attendant care workers previously reported in Code 0908 and 0913 on both a persons reported basis and on an estimated payroll basis. The lower portion of Exhibit 2b provides estimates of policy year 2008, 2009 and 2010 payrolls based on the total numbers of attendant care workers and average payrolls over the five policy years 2003 through 2007 for fiscal agents providing payroll (\$12,200) adjusted for observed changes in the Statewide Average Weekly Wage in Pennsylvania. Although (as previously noted) average payrolls over the five years 2003 – 2007 had shown no inflationary growth, the PCRB did not elect to maintain that flat level of payroll for purposes of projecting subsequent years' payrolls.

Exhibit 3 shows the calculation of average weekly wages by policy year using employment and wages figures provided by the Pennsylvania Department of Labor and Industry. The exhibit shows average wage growth for policy years 2008, 2009 and 2010 which is used to measure estimated average wages for those same policy years in Exhibit 2b.

Exhibit 4 shows the classification experience and the calculation of indicated April 1, 2014 loss costs values for attendant care workers originally assigned to class codes 0908, 0913 and 943. Note that the attendant care exposures previously reported in Code 943 were already subject to reporting a payroll exposure base, so that no estimates of payroll exposure units was necessary for that component of the attendant care industry. The calculations and indicated loss costs are thus based in part on payrolls as shown in Exhibit 2b but also include data reported for attendant care operations previously classified in Code 943. Within the Class Book, pages for class codes 943 and 972 appear. Class 943 experience includes payrolls and losses for risks remaining after the removal of attendant care workers. Class 972 experience includes payrolls and losses for attendant care workers that have been reassigned from class 943.

Exhibits 5 and 6 show classification experience and April 1, 2014 indications for those risks remaining in classes 0908 and 0913, respectively, after removal of all attendant care workers.

Pennsylvania Attendant Care Study

Estimated Policy Year Payroll For 11 Fiscal Agents Reporting Payroll Combined Payroll For Classes 0908 & 0913

Total Calendar Year Payroll Reported for 11 Fiscal Agents

Calendar Year	Payroll (whole \$)
2008	133,957,210
2007	114,839,317
2006	110,127,051
2005	90,444,104
2004	59,867,397
2003	26,327,173
Total	535,562,252

Estimated Policy Year Payroll Reported for 11 Fiscal Agents

Policy Year	Estimated * Payroll (whole \$)
2007	124,398,265
2006	112,483,186
2005	100,285,580
2004	75,155,750
2003	43,097,285
Total	455,420,066

* Policy Year X = (Calendar Year X + Calendar Year X+1) / 2

Slight rounding differences may occur because calculations are performed at the Fiscal Agent level.

**Pennsylvania Attendant Care Study
Exposures Within "Client As Employer" Model**

Attendant Care Fiscal Agents - Payroll Provided

Policy Year	# Persons Reported			% of Total # Persons		Payroll Total (\$1,000s)	Average Payroll \$ Payr/ # Rptd
	Part Time	Full Time	Combined	Part Time	Full Time		
	0908	0913	Total	0908	0913		
2003	2,050	1,646	3,696	55%	45%	43,097	11,660
2004	3,287	2,543	5,830	56%	44%	75,156	12,891
2005	4,179	4,027	8,206	51%	49%	100,286	12,221
2006	5,096	3,927	9,023	56%	44%	112,483	12,466
2007	6,065	4,495	10,560	57%	43%	124,398	11,780
2008	6,381	5,246	11,627	55%	45%		
2009	6,770	8,775	15,545	44%	56%		
2010	5,776	7,366	13,142	44%	56%		
TOTAL	39,604	38,025	77,629	51%	49%		
Total 2003-2007	20,677	16,638	37,315	55%	45%	455,420	12,205

Attendant Care Fiscal Agents - No Payroll Provided

Policy Year	# Persons Reported			% of Total # Persons		Payroll Total (\$1,000s)	Estimated * Average Payroll
	Part Time	Full Time	Combined	Part Time	Full Time		
	0908	0913	Total	0908	0913		
2003	1,433	766	2,199	65%	35%	25,640	11,660
2004	2,042	1,087	3,129	65%	35%	40,336	12,891
2005	2,495	1,732	4,227	59%	41%	51,658	12,221
2006	2,573	1,839	4,412	58%	42%	55,000	12,466
2007	2,857	2,100	4,957	58%	42%	58,393	11,780
2008	3,194	2,445	5,639	57%	43%		
2009	3,683	3,774	7,457	49%	51%		
2010	3,015	3,220	6,235	48%	52%		
TOTAL	21,292	16,963	38,255	56%	44%		
Total 2003-2007	11,400	7,524	18,924	60%	40%	231,027	12,208

* Estimated average payrolls for each year for Fiscal Agents not providing payroll information assumed to be equal to actual average payrolls for those reporting

**Pennsylvania Attendant Care Study
Exposures Within "Client As Employer" Model**

Total - All Attendant Care Fiscal Agents

Policy Year	# Persons Reported			% of Total # Persons		Payroll	Average Payroll \$ Payr/ # Rptd
	Part Time 0908	Full Time 0913	Combined Total	Part Time 0908	Full Time 0913	Total (\$1,000s)	
2003	3,483	2,412	5,895	59%	41%	68,737	11,660
2004	5,329	3,630	8,959	59%	41%	115,492	12,891
2005	6,674	5,759	12,433	54%	46%	151,944	12,221
2006	7,669	5,766	13,435	57%	43%	167,483	12,466
2007	8,922	6,595	15,517	57%	43%	182,791	11,780
2008	9,575	7,691	17,266	55%	45%		
2009	10,453	12,549	23,002	45%	55%		
2010	8,791	10,586	19,377	45%	55%		
TOTAL	60,896	54,988	115,884	53%	47%		
Total 2003-2007	32,077	24,162	56,239	57%	43%	686,447	12,206

**Total - All Attendant Care Fiscal Agents
Estimated Payroll For Policy Year 2008 & 2009**

Policy Year	# Persons Reported			% of Total # Persons		Payroll	Estimated * Average Payroll
	Part Time 0908	Full Time 0913	Combined Total	Part Time 0908	Full Time 0913	Total (\$1,000s)	
2008	9,575	7,691	17,266	55%	45%	214,323	12,413
2009	10,453	12,549	23,002	45%	55%	289,825	12,600
2010	8,791	10,586	19,377	45%	55%	250,254	12,915

* Estimated average payroll for policy years 2008, 2009 and 2010 based on five year average (2003-2007) payroll per person for Fiscal Agents reporting payroll adjusted for Pa SAWW (PY 2008 = 1.0170, PY 2009 = 1.0150 and PY 2010 = 1.0250)

**Pennsylvania Compensation Rating Bureau
Calculation of Policy Year Average Weekly Wage**

(1) Calendar Year	(2) Quarter	(3) Avg Quarterly Employment Excl Fed Govt	(4) Total Quarterly Wages Excl Fed Govt	(5) Avg Quarterly Wages (4) / (3)	(6) Policy Year Average Weekly Wage *	(7) Percentage Change
2007	1	5,449,563	59,769,616,092	10,967.78	805.00	
	2	5,586,857	57,692,858,524	10,326.53		
	3	5,547,959	57,321,717,424	10,332.04		
	4	5,612,099	63,213,174,731	11,263.73		
2008	1	5,486,897	61,559,502,430	11,219.37	819.00	1.7%
	2	5,612,581	59,764,685,013	10,648.34		
	3	5,555,205	58,928,076,096	10,607.72		
	4	5,563,578	64,309,001,013	11,558.93		
2009	1	5,350,437	59,508,671,869	11,122.21	831.00	1.5%
	2	5,400,605	57,618,255,975	10,668.85		
	3	5,321,790	56,600,379,357	10,635.59		
	4	5,380,318	64,599,951,287	12,006.72		
2010	1	5,239,269	57,946,032,062	11,059.95	852.00	2.5%
	2	5,397,597	58,997,801,423	10,930.38		
	3	5,365,386	59,481,775,510	11,086.21		
	4	5,448,497	66,761,188,557	12,253.14		
2011	1	5,330,773	61,651,836,854	11,565.27		
	2	5,474,827	61,612,249,509	11,253.73		
	3	5,427,295	63,706,870,556	11,738.24		
	4	5,496,753	66,380,223,131	12,076.26		

* Avg Weekly Wage =
$$\frac{\text{Sum of Quarters 1-8 of Col. (4)}}{108 * \text{Avg of Quarters 1-8 of Col. (3)}}$$

CLASSIFICATION STUDY - PENNSYLVANIA
 INDUSTRY GROUP:
 3

CLASS:
 Attendant Care Services

CODE:
 972

Manual Year	Payroll in Thous.	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Number of Cases					
							Death	P.T.	Major	Minor	Temp	All
2006	185,930	5,983,979	3.218	9,328,102	62,246	0.5002	0	2	9	29	53	93
2007	203,123	6,613,046	3.256	9,453,288	62,933	0.5022	0	1	12	34	55	102
2008	234,754	6,112,832	2.604	8,617,042	49,747	0.4941	0	1	6	27	82	116
2009	311,273	3,701,285	1.189	5,526,856	29,626	0.3791	0	0	1	3	114	118
2010	267,974	2,387,526	0.891	4,859,579	24,165	0.3433	0	0	0	1	91	92
TOTAL	1,203,054	24,798,668	2.061	37,784,867	45,485	0.4331	0	4	28	94	395	521
O.D.		0	0.000				0	0	0	0	0	0

Manual Year	REPORTED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2006	0	351,052	1,501,487	1,553,759	161,761	0	76,231	848,028	974,531	321,990	195,140
2007	0	307,474	2,105,031	1,715,283	177,424	0	325,000	627,793	834,504	326,664	193,873
2008	0	422,715	810,993	1,480,383	920,493	0	300,000	271,002	677,001	888,101	342,144
2009	0	0	113,645	184,640	1,951,925	0	0	57,434	33,051	1,155,177	205,413
2010	0	0	0	99,327	1,170,750	0	0	0	30,000	923,105	164,344
TOTAL	0	1,081,241	4,531,156	5,033,392	4,382,353	0	701,231	1,804,257	2,549,087	3,615,037	1,100,914
O.D.	0	0	0	0	0	0	0	0	0	0	0

Manual Year	TRANSLATED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2006	0	807,771	1,983,464	2,055,623	244,906	0	273,136	1,844,461	1,419,892	504,880	193,969
2007	2,251	543,023	2,902,072	2,154,476	267,506	4,930	325,882	1,425,153	1,154,023	488,629	185,343
2008	1,801	487,374	1,614,813	1,748,721	1,106,651	3,951	370,003	879,361	914,531	1,151,798	338,038
2009	453	29,726	890,819	512,181	2,012,990	155	23,467	359,129	208,987	1,280,660	208,289
2010	939	47,396	1,391,894	639,264	1,007,068	1,105	23,255	545,507	308,844	730,620	163,687
TOTAL	5,444	1,915,290	8,783,062	7,110,265	4,639,121	10,141	1,015,743	5,053,611	4,006,277	4,156,587	1,089,326
O.D.	0	0	0	0	0	0	0	0	0	0	0

	SERIOUS	NON-SER	MED ONLY	TOTAL
TOTAL TRANSLATED LOSSES	16,783,291	19,912,250	1,089,326	
IBNR + FREQ. ADJUSTMENT	(7,219,640)	(2,902,334)	12,277	
TOTAL LOSSES	9,563,651	17,009,916	1,101,603	
EXPECTED LOSSES	20,620,346	14,665,228	2,418,139	
CREDIBILITY	0.21	0.50	0.77	
PURE PREMIUMS				
INDICATED (PRE-TEST)	0.795	1.414	0.092	2.301
INDICATED (POST-TEST)	0.811	1.442	0.094	2.347
PRES. ON LOSS COST LEVEL	1.616	1.150	0.190	2.956
DERIVED BY FORMULA	1.447	1.296	0.116	2.859
UNDERLYING PRES. LOSS COST	1.714	1.219	0.201	3.134
PROPOSED	1.447	1.296	0.116	2.859
YEAR	4-1-13	4-1-14	IND. LOSS COST =	2.836
IND. LOSS COST		2.84		
MAN. LOSS COST	3.18	2.84	ADJ. LOSS COST =	2.84

CLASSIFICATION STUDY - PENNSYLVANIA
 INDUSTRY GROUP:
 3

CLASS:
 DOMESTIC - INSIDE - OCCASIONAL

CODE:
 908 RESIDUAL

Manual Year	Persons Reported	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Number of Cases					
							Death	P.T.	Major	Minor	Temp	All
2006	1,346	10,645	0.791	15,879	9,383	0.7429	0	0	0	0	1	1
2007	1,294	492,450	38.056	729,608	70,060	5.4096	0	0	1	1	5	7
2008	1,149	286,174	24.906	572,940	72,975	2.6110	0	1	0	0	2	3
2009	869	418,971	48.213	696,364	58,520	8.0552	0	0	1	2	4	7
2010	2,919	649,417	22.248	1,039,674	89,994	2.3981	1	0	1	0	5	7
TOTAL	7,577	1,857,657	24.517	3,054,465	70,333	3.2995	1	1	3	3	17	25
O.D.		0	0.000				0	0	0	0	0	0

Manual Year	REPORTED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2006	0	0	0	0	1,625	0	0	0	0	7,758	1,262
2007	0	0	245,559	89,830	22,212	0	0	85,053	2,178	45,586	2,032
2008	0	133,944	0	0	18,763	0	50,000	0	0	16,218	67,249
2009	0	0	135,574	187,860	18,570	0	0	9,436	43,127	15,073	9,331
2010	176,924	0	134,114	0	84,595	66,279	0	135,000	0	33,047	19,458
TOTAL	176,924	133,944	515,247	277,690	145,765	66,279	50,000	229,489	45,305	117,682	99,332
O.D.	0	0	0	0	0	0	0	0	0	0	0

Manual Year	TRANSLATED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2006	0	0	0	0	2,460	0	0	0	0	12,165	1,254
2007	108	4,647	325,553	114,154	32,198	1	1,260	177,700	6,028	66,016	1,943
2008	107	296,789	31,491	2,268	21,740	1,155	121,760	8,336	2,409	20,443	66,442
2009	265	11,049	324,974	195,668	30,739	177	2,626	56,082	45,306	20,016	9,462
2010	219,684	9,987	238,614	53,891	76,792	89,342	17,953	250,436	31,452	32,143	19,380
TOTAL	220,164	322,472	920,632	365,981	163,929	90,675	143,599	492,554	85,195	150,783	98,481
O.D.											

	SERIOUS	NON-SER	MED ONLY	TOTAL
TOTAL TRANSLATED LOSSES	2,190,096	765,888	98,481	
IBNR + FREQ. ADJUSTMENT	(271,403)	(141,185)	288	
TOTAL LOSSES	1,918,693	624,703	98,769	
EXPECTED LOSSES	797,676	743,743	43,916	
CREDIBILITY	0.05	0.13	0.09	
PURE PREMIUMS				
INDICATED (PRE-TEST)	253.226	82.447	13.035	348.708
INDICATED (POST-TEST)	258.291	84.096	13.296	355.683
PRES. ON LOSS COST LEVEL	99.275	92.563	5.466	197.304
DERIVED BY FORMULA	107.226	91.462	6.171	204.859
UNDERLYING PRES. LOSS COST	105.276	98.158	5.796	209.230
PROPOSED	107.226	91.462	6.171	204.859
YEAR	4-1-13	4-1-14	IND. LOSS COST =	203.200
IND. LOSS COST		203.20		
MAN.LOSS COST	212.33	203.20	ADJ. LOSS COST =	203.20

CLASSIFICATION STUDY - PENNSYLVANIA
 INDUSTRY GROUP:
 3

CLASS:
 DOMESTIC WORKERS - INSIDE

CODE:
 913 RESIDUAL

Manual Year	Persons Reported	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Number of Cases					
							Death	P.T.	Major	Minor	Temp	All
2006	1,308	283,721	21.691	365,474	51,080	3.0581	0	0	0	1	3	4
2007	1,323	464,440	35.105	663,936	39,476	8.3144	0	0	1	1	9	11
2008	1,340	133,730	9.980	178,996	16,475	4.4776	0	0	0	1	5	6
2009	1,230	696,112	56.594	1,107,486	134,809	4.0650	0	0	2	3	0	5
2010	3,527	993,975	28.182	2,006,279	48,007	5.6705	0	0	1	3	16	20
TOTAL	8,728	2,571,978	29.468	4,322,171	51,556	5.2704	0	0	4	9	33	46
O.D.		0	0.000				0	0	0	0	0	0

Manual Year	REPORTED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2006	0	0	0	102,440	7,444	0	0	0	75,000	19,437	79,400
2007	0	0	214,834	11,318	65,419	0	0	50,310	6,500	85,850	30,209
2008	0	0	0	28,000	17,747	0	0	0	23,785	29,320	34,878
2009	0	0	423,376	38,865	0	0	0	104,456	107,349	0	22,066
2010	0	0	116,179	97,982	398,196	0	0	9,604	76,191	261,992	33,831
TOTAL	0	0	754,389	278,605	488,806	0	0	164,370	288,825	396,599	200,384
O.D.	0	0	0	0	0	0	0	0	0	0	0

Manual Year	TRANSLATED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2006	0	0	0	135,528	11,270	0	0	0	109,275	30,477	78,924
2007	14	3,950	279,835	17,376	89,808	3	749	107,207	12,260	123,854	28,880
2008	31	289	10,567	32,687	21,144	21	322	10,279	31,263	37,934	34,459
2009	54	19,562	557,045	62,494	10,445	471	13,473	294,925	116,051	10,591	22,375
2010	420	26,108	699,221	278,818	351,398	576	11,972	254,533	135,327	214,210	33,696
TOTAL	519	49,909	1,546,668	526,903	484,065	1,071	26,516	666,944	404,176	417,066	198,334
O.D.											

	SERIOUS	NON-SER	MED ONLY	TOTAL
TOTAL TRANSLATED LOSSES	2,291,627	1,832,210	198,334	
IBNR + FREQ. ADJUSTMENT	(833,718)	(251,375)	733	
TOTAL LOSSES	1,457,909	1,580,835	199,067	
EXPECTED LOSSES	2,524,059	1,366,211	106,848	
CREDIBILITY	0.10	0.19	0.16	
PURE PREMIUMS				
INDICATED (PRE-TEST)	167.038	181.122	22.808	370.968
INDICATED (POST-TEST)	170.379	184.744	23.264	378.387
PRES. ON LOSS COST LEVEL	272.707	147.610	11.544	431.861
DERIVED BY FORMULA	262.474	154.665	13.419	430.558
UNDERLYING PRES. LOSS COST	289.191	156.532	12.242	457.965
PROPOSED	262.474	154.665	13.419	430.558
YEAR	4-1-13	4-1-14	IND. LOSS COST =	427.070
IND. LOSS COST		427.07		
MAN.LOSS COST	464.75	427.07	ADJ. LOSS COST =	427.07