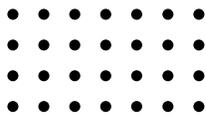


# Pennsylvania Construction Classification Premium Adjustment Program

# 2024

ANALYSIS OF EXPERIENCE



# Executive Summary



The Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) helps level the playing field in the construction industry by providing premium credits to businesses that pay higher wages. The goal is to ensure that these employers are not at a competitive disadvantage due to higher workers' compensation costs. To maintain balance, the program offsets these credits with rate adjustments within construction classifications, ensuring fairness across the board.

Each year, the table of qualifying wages is updated to reflect statewide wage trends. The most recent revision took effect on October 1, 2024, and another update is set for October 1, 2025, pending approval by the Insurance Department.

To assess the impact and effectiveness of the PCCPAP, the Pennsylvania Compensation Rating Bureau (PCRB) has analyzed data spanning 16 years, from 2006 to 2021. This report highlights key trends, participation rates, and financial impacts, providing a clear picture of how the program is evolving and influencing the construction industry.

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# Key Takeaways

The construction industry in Pennsylvania has seen significant shifts over the past decade, and the Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) reflects these evolving dynamics. Designed to reward higher-wage employers with premium credits, the PCCPAP plays a key role in balancing risk and cost. What trends are emerging?

## Steady Participation Decline

Our latest analysis, covering policy years 2006 through 2021, reveals a steady decline in participation, with only **6%** of eligible businesses engaging in 2021—nearly half the participation rate from 2006.

## Credit Remains Stable

Despite this declining participation rate, the average PCCPAP credit has remained stable, hovering around **14.6%**.

## Larger Policies See More Utilization

Larger policies utilize this and other pricing programs more, as they have a **greater net benefit** from reductions.



# 14.6%

AVERAGE PCCPAP  
CREDIT

# Average Credits

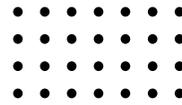
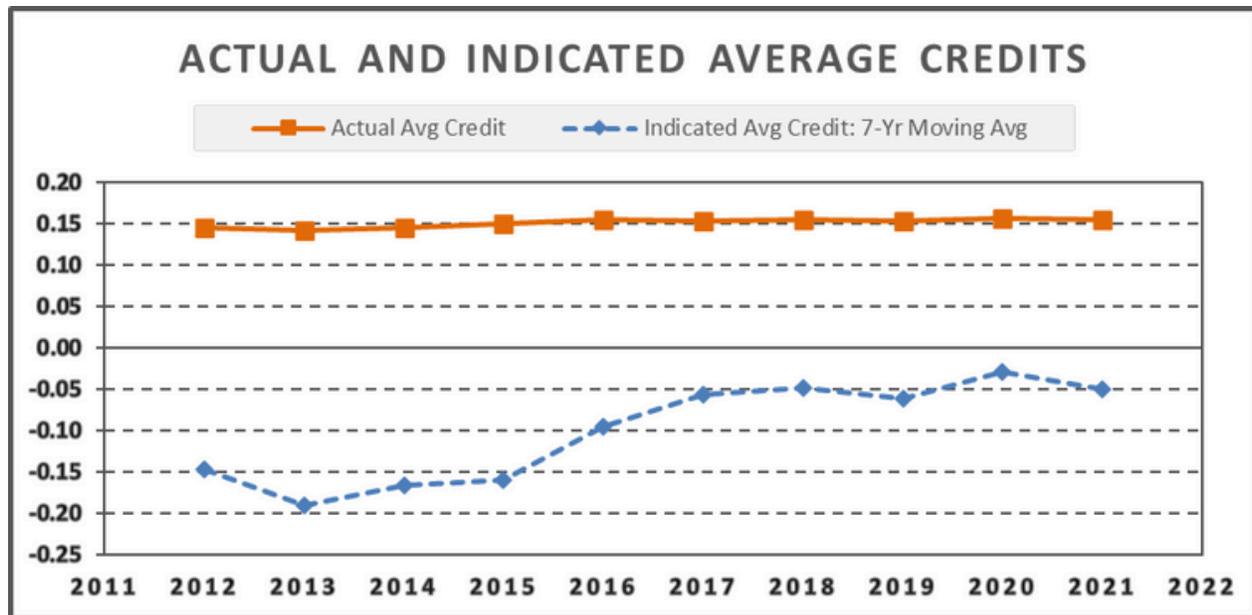
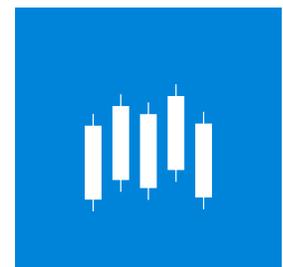


Figure 1



**Figure 1** shows the average PCCPAP credits given to participating businesses have been generally increasing slightly since 2008. The credit shown for 2021, **15.5%**, is comparable to recent years. PCCPAP credits have remained consistent and averaged **14.6%** over the period included in the study.

A 7-year moving average was used to show the indicated average credit over time. This was done to reduce volatility in the indicated values. The 7-year moving average has yet to show an indicated credit despite a trend of shrinking debits. For the full 16-year period, an average debit of **8.9%** was indicated. There was only one year where the indicated credit exceeded the actual credit given.



# Participation

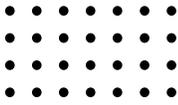


Figure 2

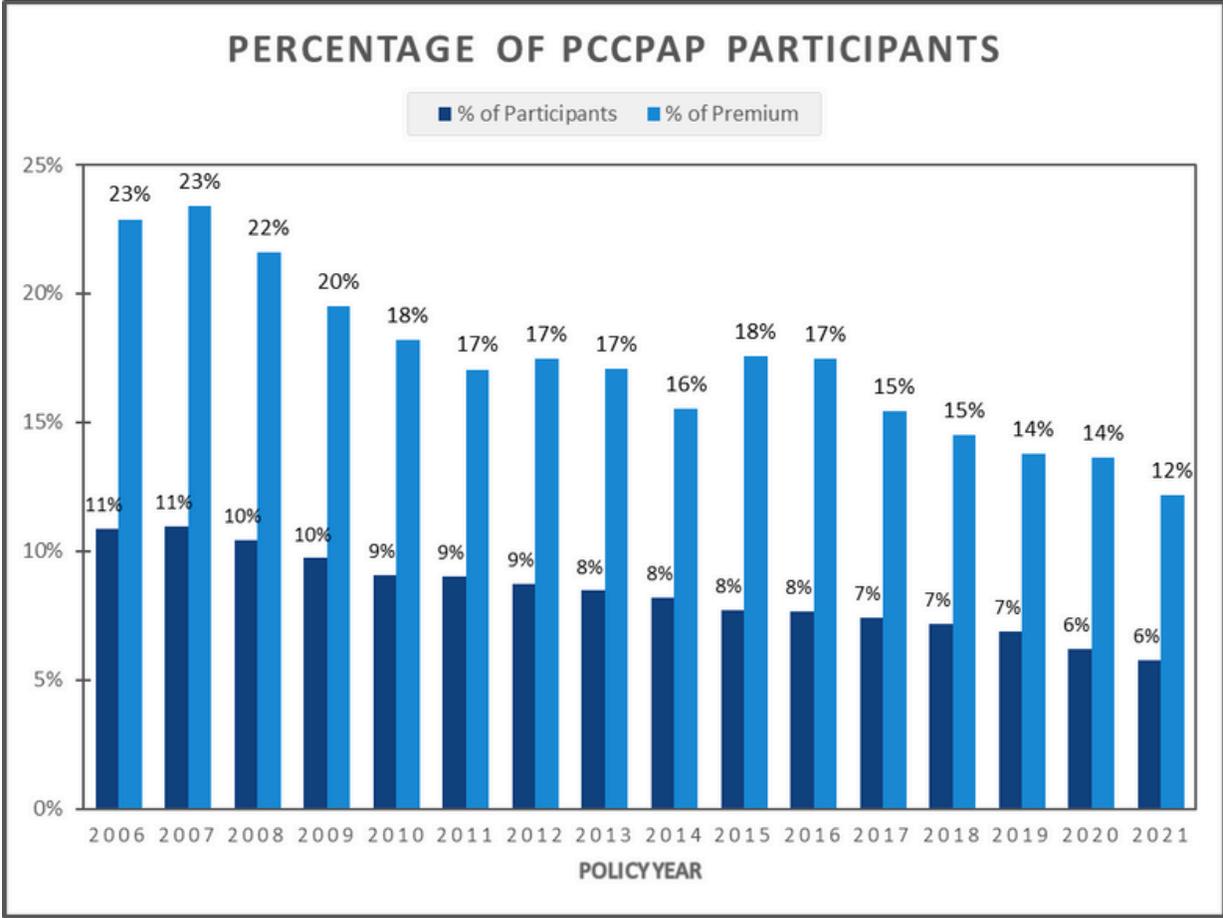


Figure 2 shows for Policy Year 2021, **6%** of eligible businesses participated in the PCCPAP. The premium for participating businesses represented **12%** of total premium on eligible businesses in 2021. The portion of eligible businesses participating and the portion of premium for participating businesses have been steadily declining over the period and are almost **50%** lower than the levels in 2006. Eligible policies has remained relatively flat, whereas participating policies have declined by about **5%** year-over-year since 2006.

In 2021, **6%** of eligible businesses participated in the PCCPAP, representing **12%** of total premium



# Loss Ratios

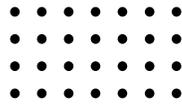
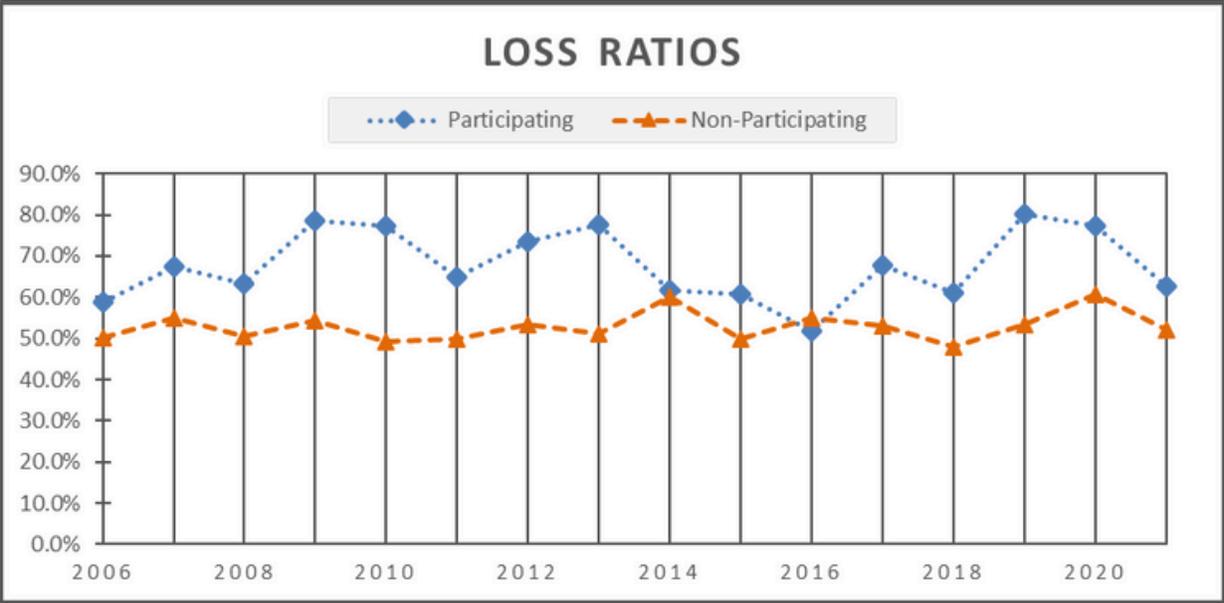
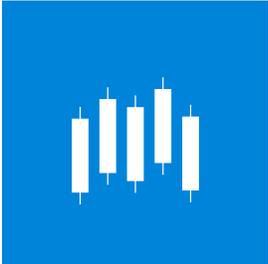


Figure 3



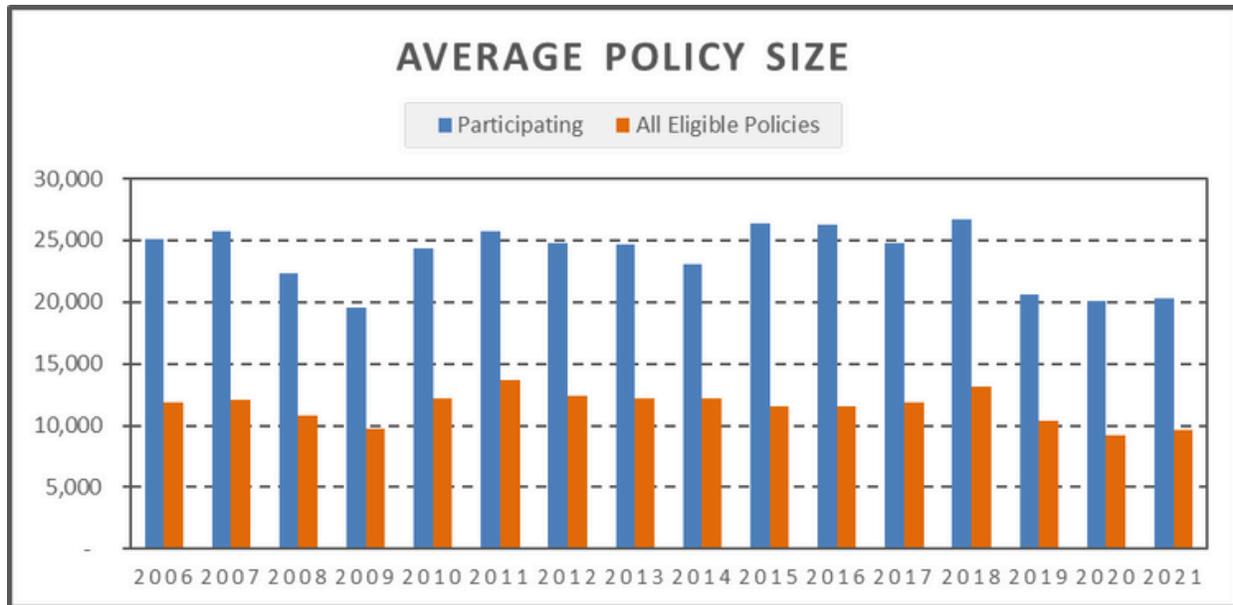
**Figure 3** shows incurred loss ratios are relatively stable for the non-participating businesses, and more volatile for the participating businesses. The extra volatility in the participating businesses is due to the smaller overall risk pool it represents. Participating businesses have an average Loss Ratio of **67%** while non-participating businesses have an average loss ratio of **53%**. The expectation is that these two loss ratios would be closer to support the plan’s average credit of **14.6%**, however the participating loss ratios are consistently higher in most years.



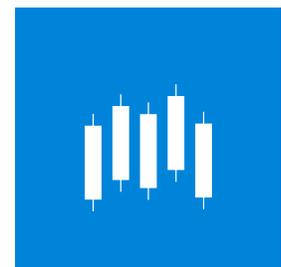
# Policy Size



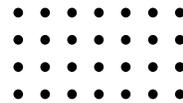
Figure 4



In **Figure 4**, the recent year's average policy size for eligible businesses has generally been between **10,000** and **13,000**, prior to 2020. Policy Year 2020 and 2021 saw more a reduction in premium as these years were impacted by the pandemic. In rough terms, the average policy size for participating businesses are **more than twice the average size** of non-participating businesses. The average policy size between the two groups seem to be correlated and may also impact participation levels as general policy sizes have decreased.



# Conclusion



## Understanding PCCPAP Credits:



### A Complex Picture of Premium Pricing

While some data suggests that PCCPAP participants may receive more credit than strictly indicated, this doesn't necessarily mean they should have paid higher workers' compensation premiums. The reality is that premium pricing is influenced by many factors beyond just the numbers in this report.

The figures presented in this analysis focus only on PCRB loss costs, which provide just one lens on premium calculations. In practice, the actual premiums paid by businesses—both those participating in PCCPAP and those that do not—are shaped by a variety of insurer-specific pricing adjustments.

These adjustments include factors like loss cost multipliers, rating credits and debits, dividend plans, and retrospective rating structures, all of which influence what an employer ultimately pays for coverage.

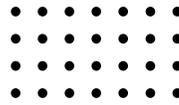
For those looking to dive deeper into the numbers, the following **Appendix** provides a detailed, year-by-year breakdown of all relevant calculations.



QUESTIONS?  
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# Appendix



**Described below are the 16 statistics used in the analysis shown in Exhibits I through XVII:**

**(1) Number of Policies:** The number of policies issued to the groups of employers described in each column of Exhibits I through XVII. Note that some Pennsylvania employers may not have a workers compensation policy (i.e., self-insureds or those not subject to mandatory coverage), and some insured employers may change insurers and, thus, may have different policies in effect during a given year(s).

**(2) Standard Premium:** This is premium at PCRB loss cost level, absent both the tabular PCCPAP credit and the adjustment to experience modifications made where applicable for those policies. The current PCCPAP load on manual rates is omitted from this calculation.

**(3) Average Premium:** Computed by dividing total standard premium by the number of policies reported.

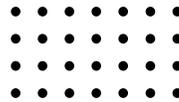
**(4) PCCPAP Net Credits:** These are the total amount of premium credits given under PCCPAP to participating employers included in each column of Exhibits I through XVII.

**(5) Net Premium:** The standard premium less any applicable PCCPAP credits. For non-participating employers, net premium and standard premium are equal because no PCCPAP credits were applied.

**(6) Number of Indemnity Claims:** The number of indemnity claims reported on the policies described in each column of Exhibits I through XVII. Indemnity claims are cases involving some wage loss or other form of benefit payable to the worker or their dependents in addition to any applicable treatment costs.

**(7) Number of Total Claims:** The total number of claims reported on the policies described in each column of Exhibits I through XVII. These counts include indemnity claims and medical only claims, those cases involving only payment of medical treatment costs.

# Appendix



**(8) Indemnity Claim Frequency:** The number of indemnity claims reported per \$1,000 of standard premium in each group of policies presented in Exhibits I through XVII.

**(9) Total Claim Frequency:** The number of total claims reported per \$1,000 of standard premium in each group of policies presented in Exhibits I through XVII. Total claim frequency is shown bold-faced and underlined, as this statistic is one of the key bases of comparison between employer groups used in the PCRB's review of the PCCPAP.

**(10) Incurred Losses:** The reported dollar value of losses incurred on the various groups of policies presented on Exhibits I through XVII for indemnity and medical only claims.

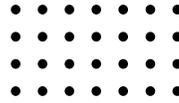
**(11) Average Claim:** Total incurred losses divided by the total number of claims. Average claim amounts are shown bold-faced and underlined, as this statistic is another of the key bases of comparison between employer groups used in the PCRB's review of the PCCPAP.

**(12) Loss Ratio:** The total incurred losses divided by the net premium for each group of policies presented on Exhibits I through XVII. Loss ratios are shown bold-faced and underlined, as this statistic is the third key basis of comparison between employer groups used in the PCRB's review of the PCCPAP.

**The last four experience statistics are computed only for Column (2) in each exhibit, which is the only column exclusively comprised of participants in the PCCPAP. These statistics are described below:**

**(13) Net Premium to Balance PCCPAP and Non-PCCPAP Loss Ratios:** This is the amount of net premium which would produce the same loss ratio for the PCCPAP participants studied in each exhibit's Column (2) as was reported for all non-participating employers.

# Appendix



**(14) Indicated PCCPAP Credits to Balance:** This is the difference between standard premium for the PCCPAP participants studied in each exhibit's Column (2) and the balancing net premium computed in Item (13).

**(15) Average PCCPAP Credit Factor:** This is the average ratio of PCCPAP credits actually granted to standard premium for the PCCPAP participants studied in each exhibit's Column (2). This average PCCPAP credit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the PCCPAP.

**(16) Indicated PCCPAP Credit Factor:** This is the average PCCPAP credit or debit ratio that would have resulted in the balancing PCCPAP credits computed in Item (14). This indicated PCCPAP credit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the PCCPAP, especially for purposes of comparison to the actual average PCCPAP credit shown in Item (15).



**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS**  
**PCCPAP CREDIT (POLICY YEAR 2006)**  
**Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	42,758	4,645	38,113
(2) Standard Premium	\$509,922,625	\$116,682,747	\$393,239,878
(3) Average Premium (2)/(1)	\$11,926	\$25,120	\$10,318
(4) PCCPAP Net Credits	\$16,687,358	\$16,687,358	\$0
(5) Net Premium (2) - (4)	\$493,235,267	\$99,995,389	\$393,239,878
(6) # of Indemnity Claims	5,969	1,228	4,741
(7) # of Total Claims	24,677	5,095	19,582
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0117	0.0105	0.0121
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0484</u></b>	<b><u>0.0437</u></b>	<b><u>0.0498</u></b>
(10) Incurred Losses	\$256,536,447	\$58,829,457	\$197,706,990
(11) Average Claim (10)/(7)	<b><u>\$10,396</u></b>	<b><u>\$11,547</u></b>	<b><u>\$10,096</u></b>
(12) Loss Ratio (10)/(5)	<b><u>52.0%</u></b>	<b><u>58.8%</u></b>	<b><u>50.3%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$116,893,218	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$210,471	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1430</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.0018</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2007)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	43,366	4,755	38,611
(2) Standard Premium	\$522,636,205	\$122,348,265	\$400,287,940
(3) Average Premium (2)/(1)	\$12,052	\$25,730	\$10,367
(4) PCCPAP Net Credits	\$18,107,601	\$18,107,601	\$0
(5) Net Premium (2) - (4)	\$504,528,604	\$104,240,664	\$400,287,940
(6) # of Indemnity Claims	5,847	1,222	4,625
(7) # of Total Claims	23,790	4,997	18,793
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0112	0.0100	0.0116
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0455</u></b>	<b><u>0.0408</u></b>	<b><u>0.0469</u></b>
(10) Incurred Losses	\$289,784,423	\$70,113,399	\$219,671,024
(11) Average Claim (10)/(7)	<b><u>\$12,181</u></b>	<b><u>\$14,031</u></b>	<b><u>\$11,689</u></b>
(12) Loss Ratio (10)/(5)	<b><u>57.4%</u></b>	<b><u>67.3%</u></b>	<b><u>54.9%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$127,785,003	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$5,436,738	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1480</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.0444</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS**  
**PCCPAP CREDIT (POLICY YEAR 2008)**  
**Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	43,148	4,502	38,646
(2) Standard Premium	\$466,095,275	\$100,719,586	\$365,375,689
(3) Average Premium (2)/(1)	\$10,802	\$22,372	\$9,454
(4) PCCPAP Net Credits	\$13,559,371	\$13,559,371	\$0
(5) Net Premium (2) - (4)	\$452,535,904	\$87,160,215	\$365,375,689
(6) # of Indemnity Claims	4,808	923	3,885
(7) # of Total Claims	19,586	3,894	15,692
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0103	0.0092	0.0106
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0420</u></b>	<b><u>0.0387</u></b>	<b><u>0.0429</u></b>
(10) Incurred Losses	\$239,720,646	\$55,144,317	\$184,576,329
(11) Average Claim (10)/(7)	<b><u>\$12,239</u></b>	<b><u>\$14,161</u></b>	<b><u>\$11,762</u></b>
(12) Loss Ratio (10)/(5)	<b><u>53.0%</u></b>	<b><u>63.3%</u></b>	<b><u>50.5%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$109,252,309	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$8,532,723	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1346</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.0847</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2009)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	41,099	4,000	37,099
(2) Standard Premium	\$401,626,564	\$78,317,642	\$323,308,922
(3) Average Premium (2)/(1)	\$9,772	\$19,579	\$8,715
(4) PCCPAP Net Credits	\$10,843,150	\$10,843,150	\$0
(5) Net Premium (2) - (4)	\$390,783,414	\$67,474,492	\$323,308,922
(6) # of Indemnity Claims	4,173	742	3,431
(7) # of Total Claims	16,322	2,899	13,423
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0104	0.0095	0.0106
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0406</u></b>	<b><u>0.0370</u></b>	<b><u>0.0415</u></b>
(10) Incurred Losses	\$229,024,473	\$53,059,966	\$175,964,507
(11) Average Claim (10)/(7)	<b><u>\$14,032</u></b>	<b><u>\$18,303</u></b>	<b><u>\$13,109</u></b>
(12) Loss Ratio (10)/(5)	<b><u>58.6%</u></b>	<b><u>78.6%</u></b>	<b><u>54.4%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$97,490,718	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$19,173,076	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1385</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.2448</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS**  
**PCCPAP CREDIT (POLICY YEAR 2010)**  
**Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	37,725	3,419	34,306
(2) Standard Premium	\$458,410,868	\$83,362,092	\$375,048,776
(3) Average Premium (2)/(1)	\$12,151	\$24,382	\$10,932
(4) PCCPAP Net Credits	\$11,467,911	\$11,467,911	\$0
(5) Net Premium (2) - (4)	\$446,942,957	\$71,894,181	\$375,048,776
(6) # of Indemnity Claims	4,292	714	3,578
(7) # of Total Claims	17,005	2,785	14,220
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0094	0.0086	0.0095
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0371</u></b>	<b><u>0.0334</u></b>	<b><u>0.0379</u></b>
(10) Incurred Losses	\$239,855,403	\$55,608,590	\$184,246,813
(11) Average Claim (10)/(7)	<b><u>\$14,105</u></b>	<b><u>\$19,967</u></b>	<b><u>\$12,957</u></b>
(12) Loss Ratio (10)/(5)	<b><u>53.7%</u></b>	<b><u>77.3%</u></b>	<b><u>49.1%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$113,185,747	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$29,823,655	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1376</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.3578</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2011)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	37,502	3,382	34,120
(2) Standard Premium	\$511,391,578	\$87,210,104	\$424,181,474
(3) Average Premium (2)/(1)	\$13,636	\$25,787	\$12,432
(4) PCCPAP Net Credits	\$12,104,321	\$12,104,321	\$0
(5) Net Premium (2) - (4)	\$499,287,257	\$75,105,783	\$424,181,474
(6) # of Indemnity Claims	4,389	742	3,647
(7) # of Total Claims	16,906	2,805	14,101
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0086	0.0085	0.0086
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0331</u></b>	<b><u>0.0322</u></b>	<b><u>0.0332</u></b>
(10) Incurred Losses	\$260,078,716	\$48,793,732	\$211,284,984
(11) Average Claim (10)/(7)	<b><u>\$15,384</u></b>	<b><u>\$17,395</u></b>	<b><u>\$14,984</u></b>
(12) Loss Ratio (10)/(5)	<b><u>52.1%</u></b>	<b><u>65.0%</u></b>	<b><u>49.8%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$98,029,636	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$10,819,532	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1388</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.1241</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2012)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	37,154	3,249	33,905
(2) Standard Premium	\$460,191,311	\$80,320,596	\$379,870,715
(3) Average Premium (2)/(1)	\$12,386	\$24,722	\$11,204
(4) PCCPAP Net Credits	\$11,641,713	\$11,641,713	\$0
(5) Net Premium (2) - (4)	\$448,549,598	\$68,678,883	\$379,870,715
(6) # of Indemnity Claims	3,896	650	3,246
(7) # of Total Claims	14,793	2,576	12,217
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0085	0.0081	0.0085
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0321</u></b>	<b><u>0.0321</u></b>	<b><u>0.0322</u></b>
(10) Incurred Losses	\$253,739,589	\$50,438,155	\$203,301,434
(11) Average Claim (10)/(7)	<b><u>\$17,153</u></b>	<b><u>\$19,580</u></b>	<b><u>\$16,641</u></b>
(12) Loss Ratio (10)/(5)	<b><u>56.6%</u></b>	<b><u>73.4%</u></b>	<b><u>53.5%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$94,224,860	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$13,904,264	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1449</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.1731</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2013)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	37,061	3,135	33,926
(2) Standard Premium	\$452,456,856	\$77,277,472	\$375,179,384
(3) Average Premium (2)/(1)	\$12,208	\$24,650	\$11,059
(4) PCCPAP Net Credits	\$10,930,686	\$10,930,686	\$0
(5) Net Premium (2) - (4)	\$441,526,170	\$66,346,786	\$375,179,384
(6) # of Indemnity Claims	3,856	572	3,284
(7) # of Total Claims	14,536	2,259	12,277
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0085	0.0074	0.0088
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0321</u></b>	<b><u>0.0292</u></b>	<b><u>0.0327</u></b>
(10) Incurred Losses	\$242,930,213	\$51,582,832	\$191,347,381
(11) Average Claim (10)/(7)	<b><u>\$16,712</u></b>	<b><u>\$22,834</u></b>	<b><u>\$15,586</u></b>
(12) Loss Ratio (10)/(5)	<b><u>55.0%</u></b>	<b><u>77.7%</u></b>	<b><u>51.0%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$101,081,280	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$23,803,808	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1414</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.3080</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2014)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	37,506	3,071	34,435
(2) Standard Premium	\$456,138,520	\$70,849,295	\$385,289,225
(3) Average Premium (2)/(1)	\$12,162	\$23,070	\$11,189
(4) PCCPAP Net Credits	\$10,292,311	\$10,292,311	\$0
(5) Net Premium (2) - (4)	\$445,846,209	\$60,556,984	\$385,289,225
(6) # of Indemnity Claims	3,834	505	3,329
(7) # of Total Claims	14,010	1,902	12,108
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0084	0.0071	0.0086
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0307</u></b>	<b><u>0.0268</u></b>	<b><u>0.0314</u></b>
(10) Incurred Losses	\$269,106,531	\$37,275,767	\$231,830,764
(11) Average Claim (10)/(7)	<b><u>\$19,208</u></b>	<b><u>\$19,598</u></b>	<b><u>\$19,147</u></b>
(12) Loss Ratio (10)/(5)	<b><u>60.4%</u></b>	<b><u>61.6%</u></b>	<b><u>60.2%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$61,965,286	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		\$8,884,009	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1453</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>0.1254</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS**  
**PCCPAP CREDIT (POLICY YEAR 2015)**  
**Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	37,900	2,923	34,977
(2) Standard Premium	\$439,647,767	\$77,235,572	\$362,412,195
(3) Average Premium (2)/(1)	\$11,600	\$26,423	\$10,361
(4) PCCPAP Net Credits	\$11,578,949	\$11,578,949	\$0
(5) Net Premium (2) - (4)	\$428,068,818	\$65,656,623	\$362,412,195
(6) # of Indemnity Claims	3,546	556	2,990
(7) # of Total Claims	13,261	1,987	11,274
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0081	0.0072	0.0083
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0302</u></b>	<b><u>0.0257</u></b>	<b><u>0.0311</u></b>
(10) Incurred Losses	\$220,939,304	\$39,848,286	\$181,091,018
(11) Average Claim (10)/(7)	<b><u>\$16,661</u></b>	<b><u>\$20,054</u></b>	<b><u>\$16,063</u></b>
(12) Loss Ratio (10)/(5)	<b><u>51.6%</u></b>	<b><u>60.7%</u></b>	<b><u>50.0%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$79,707,140	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$2,471,568	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1499</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.0320</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2016)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	38,413	2,949	35,464
(2) Standard Premium	\$443,573,807	\$77,401,515	\$366,172,292
(3) Average Premium (2)/(1)	\$11,547	\$26,247	\$10,325
(4) PCCPAP Net Credits	\$11,938,322	\$11,938,322	\$0
(5) Net Premium (2) - (4)	\$431,635,485	\$65,463,193	\$366,172,292
(6) # of Indemnity Claims	3,396	520	2,876
(7) # of Total Claims	12,849	1,953	10,896
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0077	0.0067	0.0079
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0290</u></b>	<b><u>0.0252</u></b>	<b><u>0.0298</u></b>
(10) Incurred Losses	\$235,741,180	\$33,988,652	\$201,752,528
(11) Average Claim (10)/(7)	<b><u>\$18,347</u></b>	<b><u>\$17,403</u></b>	<b><u>\$18,516</u></b>
(12) Loss Ratio (10)/(5)	<b><u>54.6%</u></b>	<b><u>51.9%</u></b>	<b><u>55.1%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$61,661,338	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		\$15,740,177	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1542</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>0.2034</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2017)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	38,726	2,871	35,855
(2) Standard Premium	\$461,151,876	\$71,093,853	\$390,058,023
(3) Average Premium (2)/(1)	\$11,908	\$24,763	\$10,879
(4) PCCPAP Net Credits	\$10,908,599	\$10,908,599	\$0
(5) Net Premium (2) - (4)	\$450,243,277	\$60,185,254	\$390,058,023
(6) # of Indemnity Claims	3,437	474	2,963
(7) # of Total Claims	12,725	1,757	10,968
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0075	0.0067	0.0076
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0276</u></b>	<b><u>0.0247</u></b>	<b><u>0.0281</u></b>
(10) Incurred Losses	\$247,578,214	\$40,832,262	\$206,745,952
(11) Average Claim (10)/(7)	<b><u>\$19,456</u></b>	<b><u>\$23,240</u></b>	<b><u>\$18,850</u></b>
(12) Loss Ratio (10)/(5)	<b><u>55.0%</u></b>	<b><u>67.8%</u></b>	<b><u>53.0%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$76,991,702	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$5,897,849	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1534</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.0830</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS  
PCCPAP CREDIT (POLICY YEAR 2018)  
Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	39,351	2,825	36,526
(2) Standard Premium	\$519,304,401	\$75,412,876	\$443,891,525
(3) Average Premium (2)/(1)	\$13,197	\$26,695	\$12,153
(4) PCCPAP Net Credits	\$11,703,769	\$11,703,769	\$0
(5) Net Premium (2) - (4)	\$507,600,632	\$63,709,107	\$443,891,525
(6) # of Indemnity Claims	3,334	434	2,900
(7) # of Total Claims	12,998	1,681	11,317
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0064	0.0058	0.0065
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0250</u></b>	<b><u>0.0223</u></b>	<b><u>0.0255</u></b>
(10) Incurred Losses	\$252,024,454	\$38,777,332	\$213,247,122
(11) Average Claim (10)/(7)	<b><u>\$19,389</u></b>	<b><u>\$23,068</u></b>	<b><u>\$18,843</u></b>
(12) Loss Ratio (10)/(5)	<b><u>49.7%</u></b>	<b><u>60.9%</u></b>	<b><u>48.0%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$80,830,930	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$5,418,054	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1552</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.0718</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS**  
**PCCPAP CREDIT (POLICY YEAR 2019)**  
**Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	39,959	2,756	37,203
(2) Standard Premium	\$413,081,630	\$56,831,340	\$356,250,290
(3) Average Premium (2)/(1)	\$10,338	\$20,621	\$9,576
(4) PCCPAP Net Credits	\$8,722,338	\$8,722,338	\$0
(5) Net Premium (2) - (4)	\$404,359,292	\$48,109,002	\$356,250,290
(6) # of Indemnity Claims	3,101	417	2,684
(7) # of Total Claims	11,798	1,489	10,309
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0075	0.0073	0.0075
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0286</u></b>	<b><u>0.0262</u></b>	<b><u>0.0289</u></b>
(10) Incurred Losses	\$228,912,515	\$38,543,692	\$190,368,823
(11) Average Claim (10)/(7)	<b><u>\$19,403</u></b>	<b><u>\$25,886</u></b>	<b><u>\$18,466</u></b>
(12) Loss Ratio (10)/(5)	<b><u>56.6%</u></b>	<b><u>80.1%</u></b>	<b><u>53.4%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$72,163,503	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$15,332,163	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1535</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.2698</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS**  
**PCCPAP CREDIT (POLICY YEAR 2020)**  
**Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

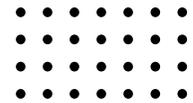
	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	39,427	2,443	36,984
(2) Standard Premium	\$361,112,220	\$49,138,229	\$311,973,991
(3) Average Premium (2)/(1)	\$9,159	\$20,114	\$8,435
(4) PCCPAP Net Credits	\$7,662,930	\$7,662,930	\$0
(5) Net Premium (2) - (4)	\$353,449,290	\$41,475,299	\$311,973,991
(6) # of Indemnity Claims	2,881	373	2,508
(7) # of Total Claims	10,293	1,275	9,018
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0080	0.0076	0.0080
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0285</u></b>	<b><u>0.0259</u></b>	<b><u>0.0289</u></b>
(10) Incurred Losses	\$221,440,450	\$32,105,455	\$189,334,995
(11) Average Claim (10)/(7)	<b><u>\$21,514</u></b>	<b><u>\$25,181</u></b>	<b><u>\$20,995</u></b>
(12) Loss Ratio (10)/(5)	<b><u>62.7%</u></b>	<b><u>77.4%</u></b>	<b><u>60.7%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$52,886,131	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$3,747,902	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1559</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.0763</u></b>	

**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (PCCPAP) ANALYSIS**  
**PCCPAP CREDIT (POLICY YEAR 2021)**  
**Excludes Experience for Non-Construction Classifications on PCCPAP Policies**

	(1) Total All Policies	(2) PCCPAP Participating Policies	(3) Non-PCCPAP Policies
(1) Number of Policies	40,321	2,317	38,004
(2) Standard Premium	\$386,913,321	\$47,114,502	\$339,798,819
(3) Average Premium (2)/(1)	\$9,596	\$20,334	\$8,941
(4) PCCPAP Net Credits	\$7,289,832	\$7,289,832	\$0
(5) Net Premium (2) - (4)	\$379,623,489	\$39,824,670	\$339,798,819
(6) # of Indemnity Claims	2,869	338	2,531
(7) # of Total Claims	10,583	1,076	9,507
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0074	0.0072	0.0074
(9) Total Claim Frequency (7)/{(2)/1,000}	<b><u>0.0274</u></b>	<b><u>0.0228</u></b>	<b><u>0.0280</u></b>
(10) Incurred Losses	\$201,952,292	\$24,975,394	\$176,976,898
(11) Average Claim (10)/(7)	<b><u>\$19,083</u></b>	<b><u>\$23,211</u></b>	<b><u>\$18,615</u></b>
(12) Loss Ratio (10)/(5)	<b><u>53.2%</u></b>	<b><u>62.7%</u></b>	<b><u>52.1%</u></b>
(13) Net Premium to Balance PCCPAP & Non-PCCPAP LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$47,927,194	
(14) Indicated PCCPAP Credits to Balance (2)-(13)		-\$812,692	
(15) Average PCCPAP Credit Factor (4)/(2)		<b><u>0.1547</u></b>	
(16) Indicated PCCPAP Credit Factor (14)/(2)		<b><u>-0.0172</u></b>	



# TRUSTED ESSENTIAL OBJECTIVE



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