



Annual Report

2019

Pennsylvania Compensation Rating Bureau

PCRB

PENNSYLVANIA COMPENSATION RATING BUREAU

30 South 17th Street
Suite 1500
Philadelphia, Pennsylvania 19103-4007

ANNUAL REPORT 2019

Submitted to the Membership of the
Pennsylvania Compensation Rating Bureau
by William V. Taylor, President

ANNUAL REPORT 2019

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PRESIDENT'S MESSAGE

At the conclusion of 2019, the Pennsylvania Workers Compensation marketplace was steadying, following a few years of profound loss cost decrease adjustments to the system. The marketplace is generally healthy for injured workers, employers and insurers. The WC benefit environment for injured workers remains stable. Employers generally saw improvements in the overall cost of this product due to reduced overall underlying loss costs in recent years. Insurers are dealing with a competitive landscape, but one that remains profitable with three years running of combined ratios at or below 100.

This moment presents an opportunity to look back at how the Pennsylvania Compensation Rating Bureau (PCRB) has served this system and its members. During this evolving period, the PCRB was busy in servicing membership in the midst of this significant change. This report summarizes a few of PCRB's 2019 accomplishments and a view of what we see ahead.

The annual April 1, 2020 Loss Cost Filing, No. C-377 was submitted on December 10, 2019; it was approved by the Pennsylvania Insurance Department on February 5, 2020 and announced by PCRB Circular No. 1733. This resulted in a decrease of 10.08 percent in overall loss costs for the Pennsylvania Workers Compensation system. Collectively, the past three years demonstrate an uncharacteristic marketplace change from stability; yet it is still not clear or certain how long this statewide and national downward trend will continue. There is a growing sense by PCRB's actuarial team, and other jurisdictions, that the market is beginning to stabilize due to slower frequency trend improvements along with a continued anticipated increases in the severity trends.

As indicated last year, nationally, workers compensation rates and/or loss costs have shown similar declines. Analysis on the reasons behind this has been done by the PCRB and virtually all states. The reasons previously given for the declines remain the same. There is a continued decline in lost-time claim frequency and a slower increase in claim severity as one of the contributing factors. Average lost-time claim frequency improved again in Pennsylvania, while both medical and indemnity severity trends decreased from the prior level. It is also still felt that with continued health, profitability and competitiveness in the Pennsylvania Workers Compensation marketplace, there is downward pressure on ultimate rates. These factors continue to compare similarly with the rest of the country.

We continue to observe and study the effects of medical costs, utilization changes and trends. There is belief that preventative care is a factor in reducing claims and medical costs. There is also growing evidence emerging that in today's workplace automation and the use of robotics is greatly improving safety and having a significant impact.

We remain committed to studying these significant trends and changes within the marketplace. These industry trends have already demonstrated the effect it has on premiums. Knowing that the competitive marketplace will remain, we recognize the necessity for study and research on these emerging trends. We are defining actuarial and analytical research projects in order to better understand and report on these issues and to provide valuable and relevant products and services for all members and stakeholders.

As indicated in recent years, there is continued progression with the organization's technology framework, with a project known as our enterprise wide System Reengineering Project (SRP). This project is transitioning the organization from a mainframe environment. We continue to introduce and implement measurable procedural and processing enhancements to our staff in all facets of our organization. We are now seeing evidence internally of this transformation, with new system modules and features coming online. As the excitement grows internally with our

developing environment, it reinforces our confidence as the established thought leader and reliable source of quantitative information for the Pennsylvania Workers Compensation marketplace. Refer to last year's President's Message for more commentary on the SRP project. The project will continue through the year.

The following are a few of the other notable achievements made by the PCRB during 2019:

- Release of Medical Data Manager (MDM), which is an updated version of our existing web-based application for submission tracking and data quality management of Pennsylvania Medical Data Call information;
- Completed external operational review, which identified procedural and operational improvements, focused on new or enhanced internal controls;
- Operational enhancements - implementation steps are underway for internal operational refinements, following internally and externally identified procedural improvements. The improvements are enhanced escalation guidelines, including the identification of new systems, edits and automated controls;
- Deployment of enhanced PDM and UDM features;
- Enhancement release to existing WCUnderwriting Web services;
- Release of enhancements to WC Data Pro;
- Strides towards completion of the SRP.

2019 ACHIEVEMENTS AND INITIATIVES

The PCRB is committed to providing the highest possible levels of service to its members, those members' insureds, regulators, legislators, other governmental offices and the workers of Pennsylvania covered under the Workers Compensation Act. During 2019, the PCRB and its membership engaged in the following efforts and accomplishments:

PCRB FILINGS

There were ten separate filings made in 2019, including one Loss Cost filing. Please refer to the PCRB website for the following notable circulars from approved filings:

- Basic Manual Revisions to Sections 1 and 2
 - Manual Housekeeping Revisions
 - Revisions to Designated Auditable Payrolls and Concurrent Manual Amendments
- Classification Items
 - Classification Procedural Change: Fence Erection Contractors
 - Classification Procedural Change: Kitchenware
 - Revised Classification: Scope of Code 676, Sheet Metal Installation
 - Revised Classification assignment of Codes 894 and 965 - Schools
- Miscellaneous Items
 - Pennsylvania Construction Classification Premium Adjustment Program, Manual Rule Revisions, for Qualifying Wages and Premium Credits
 - Updated Forms for Executive Officer Exceptions and Declaration.
 - Revisions to the Notification of Change in Ownership Endorsement and corresponding language to the Experience Rating Plan.

PCRB ACTUARIAL INITIATIVES

In conjunction with the PCRB Actuarial Committee, staff is continuing efforts on various special projects. The actuarial project list outlines a series of research analyses, reports, and special projects. This project list also defines and prioritizes the projects for purposes of tracking and oversight. This was revised from the prior plan to provide more short-term focus on a more limited list of critical projects and research being targeted in the first 3-9 months of 2020. This will be expanded to include other projects as the year progresses including implementing various Baker Tilly recommendations and the SRP. A few key projects include tail factor methodology review as related to the divergence between the paid and incurred methods, impacts of faster claim closure patterns, review of AY vs. PY trend fits, finalization of the new temporary staffing methodology in both states, and experience rating methodology changes.

PCRB INFORMATIONAL INITIATIVES

The PCRB continued its outreach and educational programs in 2019, for all members and other stakeholders. These topics and seminars are varied and range from basic to advanced. All programs are customized describing PCRB operations and functions. Topics include the Test Audit Program, Unit Statistical Reporting, and WC Experience Rating Plans, to name a few. In order to enhance these ongoing efforts by the PCRB, new online training programs are in development for 2020 and beyond.

BUDGET AND ASSESSMENT EXPERIENCE

For 2019 expenditures were in keeping with the PCRB's budgetary plan. Expenditures for the year were approximately 96.8 percent of budget. Quarterly assessments were imposed throughout the year consistent with the 2019 Budget. An operating surplus generated for the year will be applied according to Governing Board direction as part of the annual adjustment of assessment process which will take place in mid-2020 for the 2019 Year.

DATA COLLECTION ACTIVITIES

The timely, accurate and comprehensive collection of data and statistical information is a fundamental obligation of the PCRB for its members and the WC marketplace. In 2019, existing programs and incentives applicable to the reporting and collection of financial and unit statistical data, and monitoring of carrier audits, continued to be actively managed by PCRB staff. The 2019 data collection program experience follows:

Financial Data – Members were able to use the Financial Data Reporting Application (FDRA) during the reporting season for 2018 Calls in 2019, FDRA Program assessments of \$137,769 associated with those reports were assessed in late 2019 and \$33,833 were assessed in early 2020. The FDRA used in 2019 included all Financial Calls and Pennsylvania Special Schedule W for 2018 reports. This internet-based application allows reporting entities to view results of applying PCRB and Insurance Department edits prior to submission of entered data and expedites the exchange of criticisms and corrected data, if needed. The FDRA helps to accelerate availability of financial data and to mitigate incentive charges incurred by carriers experiencing difficulty in successfully passing edits applicable to the PCRB's Financial Calls and/or the Pennsylvania Special Schedule W.

Unit Statistical Plan Fines - PCRB members continued their successful compliance with reporting requirements for the Unit Statistical Plan. Incentive charges incurred in 2019 approximately \$332,170, higher as compared to 2018 charges of approximately \$139,000. The reason fines were at a lower level in 2018 was a result from a fining moratorium in the fourth quarter due to the announcement and release of the Unit Data Manager (UDM) product in

October 2018. We have experienced improved overall data transmission quality and in the error handling of unit statistical data transactions as a result of UDM

Indemnity Data Call – PCRB continued in its preparation for the implementation of the collection of Indemnity Data Call transactions. This enterprise is intended to benefit the industry by providing increased detail pertaining to the payment of workers compensation benefits using a standard protocol across jurisdictions. The PCRB's endeavors in this area are benefitted by continuing close cooperation and communication with the National Council on Compensation Insurance, Inc. (NCCI) as well as other independent rating bureaus. PCRB continued to publish information related to the reporting layout, general rules, participation requirements, business exclusions, reporting frequencies and responsibilities, and other essential information needed for carrier members to begin preparations for this endeavor.

Medical Data Call - The PCRB's expertise in the collection of Medical Data Call information continued in 2019. This important and developing expertise and capability is intended to benefit the industry by providing increased detail pertaining to the treatment of workers' compensation injuries using a standard protocol across jurisdictions. For thirty-eight quarters (transactions received for the Third Quarter 2010 through the Fourth Quarter 2019), the PCRB processed approximately 67 million records accounting for \$7.0 billion in paid medical benefits. Ongoing initiatives related to this effort are focused on report automation, publication of several reference reports, eligibility, data quality and analytical processes, procedures and tools.

Test Audit Program – The four-quarter difference ratio adjusted for carriers opting out of the program was 12.7 percent for 2019 compared to 13.9 percent for 2018, 17.0 percent for 2017 and 16.0 percent for 2016. The difference ratios are consistent but substantially below (better than) the prevailing program standard of 20 percent.

WORKERS COMPENSATION RESEARCH INSTITUTE (WCRI) BENCHMARKING STUDIES

The PCRB, via our members, provides the funding for the inclusion of Pennsylvania in a series of multi-state benchmarking studies conducted by the Workers Compensation Research Institute. This past year marks the 20th Edition of the Pennsylvania WCRI CompScope™ and Medical Benchmark reports. With the release of these reports, the PCRB continues its participation on the bi-annual WCRI Advisory Council for Pennsylvania.

LEGISLATIVE INITIATIVES

Following a few active years of approved WC related bills by the Pennsylvania Legislature, in 2019 the most notable WC legislation was the passage of Senate Bill 432, which expands post-traumatic stress injury benefits for first responders.

At the conclusion of the year, there were a few other WC related bills still under consideration, entering 2020, they were:

- HB1234 – WC coverage amendment definition change regarding latent occupational disease, beyond the current 300 weeks. The change would provide 300 weeks from diagnosis to file a claim and would be the exclusive remedy.
- SB94 - amends the Workers' Compensation Act to expand the definition of employee to include volunteers performing duties at a fire company, ambulance corps or rescue squad member.
- SB922 – a bill regarding Workers' Compensation and Third-Party Lawsuits – known as the Whitmoyer Remedy case. This is a medical payment recoupment issue when there are installments, following a Third Party recovery verdict lawsuit.

Additionally, the PCRB was engaged in discussions and provided input to the legislature on proposed or drafted bills dealing with apprenticeship regulations, and Independent Contractor considerations. Topics surrounding the use of Medical Marijuana and Opioids were also continued points of discussion.

As provided in recent years, in addition to this Annual Report, please also take time to review the release of this year's companion Pennsylvania Workers Compensation reports:

- "State Activity" – an online, flip-book style report, reflecting various metrics and analytics for Pennsylvania.
- "Medical Activity" – reflecting the injuries, medical services, and trends on average medical costs in the system.
- "State of the Line" – an online report that presents actuarial insights for the WC system.

In last year's message, I expressed the sentiment about the PCRB navigating through prevailing winds of change within the marketplace, which followed on the implications of an error found that impacted a prior Loss Cost filing. I'm pleased to report, by evidence of efforts and activities noted above, that we are progressing well amidst those winds and positioned for even greater improvements in delivering quality products and services for our membership.

Following what I view as a successful and transitional year for the PCRB, I again wish to reassert to our membership, the Governing Board, our regulator and workers in the Commonwealth of Pennsylvania that the PCRB is intrinsically sound and strong as a Rating Bureau. For more than 100 years to today, the PCRB remains committed and dedicated to our mission of delivering trusted service and objective reporting in safeguarding the Pennsylvania Workers Compensation system.

Next year promises to be another year of proactive and progressive change at the PCRB. We anticipate near completion of our System Reengineering Project, the release and utilization of a new Financial Data Reporting Application (FDRA), introduction of a new website and other planned analytical reporting enhancements. As part of PCRB's business transformational efforts, there are also planned improvements in our data quality oversight and refinements in organizational structure. All of these efforts are to further improve on our operational efficiencies, quality, value and delivery on our core mission.

It is with abundant gratitude and appreciation of you and your support that we submit this report. I am also grateful for our experienced staff and the extraordinary efforts they continue to demonstrate day by day. Once more, thank you for your continued support and involvement in the PCRB.

Respectfully yours,

William V. Taylor
President

COMMITTEE ACTIVITIES

The Governing Board and various other committees and subcommittees, as provided for by the PCRB By-laws, met 11 times during the course of 2019 and participated in 7 teleconferences.

GOVERNING BOARD

The Governing Board has general charge and management of the affairs of the PCRB. It is responsible for appointing other committees as may be necessary or advisable. This Board met five times and participated in two teleconferences during 2019. In addition, a Budget Subcommittee comprised of three Board members participated in five teleconferences.

<u>Members</u>	<u>Term Expiring</u>
American Home Assurance Company	2020
Department of Labor & Industry (Chair)	Permanent
Donegal Mutual Insurance Company	2021
Eastern Alliance Insurance Company	2022
Liberty Mutual Insurance Company (Chair)	2021
National Federation of Independent Business	2020
Pennsylvania Chamber of Business & Industry	2021
PMA Insurance Company (Vice Chair)	2022
State Workers' Insurance Fund	Permanent
Travelers Property and Casualty Company	2022
Zenith Insurance Company	2021
Zurich Insurance Company	2020

CLASSIFICATION & RATING COMMITTEE

The Classification & Rating Committee is responsible for review and evaluation of the efficacy and equity of the underwriting, classification and rating procedures as required by the Manual, as well as the administration of these rules in its role as the technical committee designed to hear appeals of parties aggrieved by decisions of the PCRB staff.

The Classification & Rating Committee reviews the recommendations of PCRB staff relative to loss cost filings, classification and underwriting rules.

The Classification & Rating Committee met one time during 2019.

<u>Members</u>	<u>Term Expiring</u>
Ace American Insurance Company	2020
American Home Assurance Company	2021
Liberty Mutual Insurance Company	2021
Nationwide Insurance Company	2020
Pennsylvania Automotive Association	2020
Pennsylvania Food Merchants Association	2021
Pennsylvania News Media Association	2019
Pennsylvania Retailers' Association	2020
Penn National Insurance Company	2020
XL Insurance Company	2020
Zenith Insurance Company	2019

ACTUARIAL COMMITTEE

The Actuarial Committee is responsible for reviewing and advising PCRB staff with respect to matters which might affect recommended loss cost levels and/or other PCRB filing components. This Committee plays an integral part in recommending pertinent data and analytical techniques to be presented in support of PCRB filings. The Committee met two times during 2019.

<u>Members</u>	<u>Term Expiring</u>
American Home Assurance Company	2022
Donegal Mutual Insurance Company	2021
Hartford Accident & Indemnity Company	2020
Liberty Mutual Insurance Company	2022
Nationwide Mutual Insurance Company	2021
PMA Insurance Company	2020
Selective Insurance Company	2020
Travelers Property and Casualty Company	2021
Wesco Insurance Company	2022

AUDIT COMMITTEE

The Audit Committee is responsible for monitoring, updating and supervising the PCRB's Test Audit Program. This Committee establishes the test audit guidelines, reviews carrier performance and hears appeals. The Audit Committee met one time during 2019.

<u>Members</u>	<u>Term Expiring</u>
Ace America Insurance Company	2022
American Home Assurance Company	2021
Eastern Alliance Insurance Company	2022
Liberty Mutual Insurance Company	2020
Travelers Property & Casualty	2021
WR Berkley/Starnet	2020

AUDIT SUBCOMMITTEE

Audit Subcommittee assists the Governing Board in fulfilling its responsibility for the oversight of the quality and integrity of the financial statements and the accounting and auditing practices of the PCRB. The Subcommittee's responsibilities include oversight of:

- The accounting and financial statement processes and systems of internal accounting and financial controls of the PCRB,
- The integrity of the PCRB's financial statements, and;
- The annual independent audit of the PCRB's financial statements, the engagement of the independent auditor, the evaluation of the independent auditor's function, qualifications, services, performance and independence.

The Audit Subcommittee met one time with the Auditors in 2019.

<u>Members</u>	<u>Term Expiring</u>
National Federation of Indep. Business	2020
Liberty Mutual Insurance Company	2021
State Workers' Insurance Fund	Permanent
Zenith Insurance Company	2021

NOMINATING COMMITTEE

Prior to each Annual Meeting of the PCRB the Nominating Committee proposes a slate of candidates selected from the nominations made by all PCRB members and other eligible organizations for vacancies on the Governing Board and its Committees. The Nominating Committee met one time during 2019.

<u>Members</u>	<u>Term Expiring</u>
American Home Assurance Company	2021
Nationwide Insurance Company	2020
PMA Insurance Company	2021
Travelers Property & Casualty Company	2020
Zenith Insurance Company	2022

OPERATIONAL REPORTS

CLASSIFICATION

The classification function monitors and authorizes classifications for employers to make certain that the loss costs applied reflect the exposure(s) present in each business enterprise. The unit is also responsible for maintaining a continuous effort to update the classification system, responding to requests for analysis of classifications from employers, trade associations and the industry and reviewing individual case reports for proper classification. In 2019 the Classification Department responded to 3,835 outside inquiries.

FIELD SURVEY PROGRAM

In order to assure that operations of employers are properly classified the PCRB devotes a significant portion of its resources to on-site surveys of employer facilities. A PCRB field representative will visit the employer's place of business, interview the employer or another appropriate representative and observe the operations being conducted. A written report is prepared for review by a PCRB classification analyst, after which the insurer will be notified of the PCRB classification assignment and, if required, directed to correct erroneous assignments. During 2019 the PCRB issued 1,366 surveys.

TEST AUDIT PROGRAM

The purpose of the PCRB's Test Audit Program (which includes Delaware) is to monitor insurer audit performance and promote high standards for the conduct of premium audits. In conducting a test audit the PCRB premium auditor will examine the employer's payroll records and other books of account to determine the proper payroll totals and correct allocation of payrolls and losses to the appropriate classification(s). A physical survey is conducted in conjunction with the test audit. A review is conducted by the PCRB internal staff to verify the accuracy of the test audit report and to confirm any differences from the insurer audit. The test audit results of each carrier are summarized quarterly, and carrier performance is evaluated based on aggregate results of each consecutive four-quarter period. A comparison of test audit results conducted for the last five years indicates the following:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Number of test audits completed	2,973	3,301	3,461	3,307	3,553
Number of test audits with differences	387	480	601	562	547
Percentage of test audits with differences	13.0	14.5	17.4	17.0	15.4

POLICY EXAMINATION (POLICY REPORTING)

An important activity of policy reporting is the capture of policy coverage data. As the records repository for proof of insurance, this area maintains records of all insured Pennsylvania employers through an alphabetical index system. This function provides information for claims adjudication and enforcement of statutory coverage requirements to the Bureau of Workers Compensation of the Department of Labor & Industry.

Each year the policy reporting area typically processes over 900,000 documents consisting of policies, endorsements, and cancellation and reinstatement notices. This function is necessary to monitor employer compliance with coverage requirements, assure insurance company compliance with Insurance Department regulations and statutory requirements, and to facilitate data collection. As part of the review process, carrier representatives send inquiries to PCRB members when probable errors in the reported information are detected. During 2019, policy reporting examined 1,071,330 documents for proper application of experience modifications, merit rating adjustments, carrier rating values, employer classifications, duplicate coverage and proper use of approved forms. The policy reporting area continues its commitment to the accurate and timely collection of data.

EXPERIENCE RATING (RATING RULES)

Experience rating is an important element of the workers compensation pricing mechanism and adjusts the manual premium for eligible employers to reflect their previous loss experience. The basic objectives of experience rating are to distribute the cost of workers compensation equitably among the employers assigned to an industry classification and to provide a direct financial incentive for employers to reduce work-related accidents and control the costs of accidents that do occur.

The rating rules area's responsibilities include timely issuance of experience rating modifications and implementing and providing explanation of experience rating rules, including investigating and administering changes in ownership, entity status, and determining which entities may contribute data to a risk's rating. Staff within this unit has full knowledge of the Pennsylvania Experience Rating Plan. The rating rules area continues to maintain a qualified staff of individuals providing professional assistance pertaining to experience rating rules and procedures.

Timely issuance of experience ratings remains a PCRB objective. Overall departmental production in all areas increases yearly.

MERIT RATING PROGRAM

The Merit Rating Program was implemented on August 23, 1996. This plan grants premium discounts or assesses premium surcharges to most employers who do not qualify under the uniform Experience Rating Plan, based on the number of lost-time claims they have incurred.

PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

The Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) was implemented on January 1, 1991. During 2019, the PCRB mailed approximately 14,015 PCCPAP notifications to employers. Of that number, 1,643 applications were returned to the PCRB for processing and approval. Almost 40% of the credits applied for in 2019 fell within the 21 to 30 percent range.

PENNSYLVANIA CERTIFIED SAFETY COMMITTEE CREDIT PROGRAM

The Workers' Compensation Act provides for a five percent Certified Safety Committee discount for employers that establish a safety committee in their workplace for the purpose of hazard detection and accident prevention. During 2019, 8,282 employers received renewal certification and 477 were granted new certification.

UNIT STATISTICAL REPORTING

The unit statistical reporting system is the central mechanism used to collect policy experience for use in ratemaking and calculation of experience modifications and merit rating adjustments for individual employers. The PCRB utilizes the most sophisticated data processing techniques along with a complement of statistical technicians to review the data for accuracy and completeness. Data reporters use Unit Statistical Data Report Manager (UDM) is a web application for the entry, edit, submission and management of unit statistical information. UDM performs edits in real time and has improved data submission quality and timeliness since its launch in 2018.

The PCRB applies comprehensive controls over the submission of required unit statistical reports using an automated data quality system. This includes monitoring unit data for accuracy, advising carriers of units and individual case reports not received and issuing criticism letters when warranted. The quality control section continues to monitor all serious claims. Questionable injury codes and indemnity and medical amounts reported on individual case reports are analyzed. Also, classification codes are compared to occupations to check the accuracy of classification assignments.

Data quality review programs are continually being updated and expanded to make the processing of unit statistical report information more efficient. These programs have consistently produced an accurate and sophisticated individual risk data base, allowing the PCRB to adopt significant and unique improvements in data collection and analytical techniques for ratemaking.

During 2019, the PCRB processed 314,938 unit statistical reports electronically.

PERSONNEL

The PCRB operated in 2019 with a staff of 109 full-time employees and one part-time employee. Five employees transferred into a position providing them with new responsibilities within the PCRB. This level of staff was adequate to handle all responsibilities and provide quality service to the membership as well as the industry.

The following six employees retired from the PCRB in 2019:

- John Murphy, with 41 years of PCRB service.
- Deborah Bratcher, with 21 years of PCRB service.
- Ronald Kramzer, with 28 years of PCRB service.
- Yanna Anisovich, with 18 years of PCRB service.
- Gene Bratcher, with 6 years of PCRB service.
- Vincent Dean, with 38 years of PCRB Service.

Twelve employees were recognized for the following quinquennial anniversaries.

5 years of service	3 employees
10 years of service	2 employees
20 years of service	3 employees
25 years of service	2 employees
40 years of service	2 employees

PCRB MEMBERSHIP

As of December 31, 2019 there were 448 members in the PCRB. During the year, twenty carriers joined. The new members are as follows:

SFM Mutual Insurance Company
West Bend Insurance Company
Service American Insurance Company
Central Mutual Insurance Company
All America Insurance Company
United Fire & Casualty Company
Nutmeg Insurance Company
Lancer Indemnity Insurance Company
Worth Casualty Company
Sequoia Insurance Company
Nationwide General Insurance Company
Nationwide Assurance Company
Nationwide Insurance Company of America
Illinois Casualty Company
ARI Insurance Company
Employers Insurance Company of Nevada
FCCI Insurance Company
National Trust Insurance Company
Monroe Guaranty Insurance Company
American Liberty Insurance Company

FINANCIAL

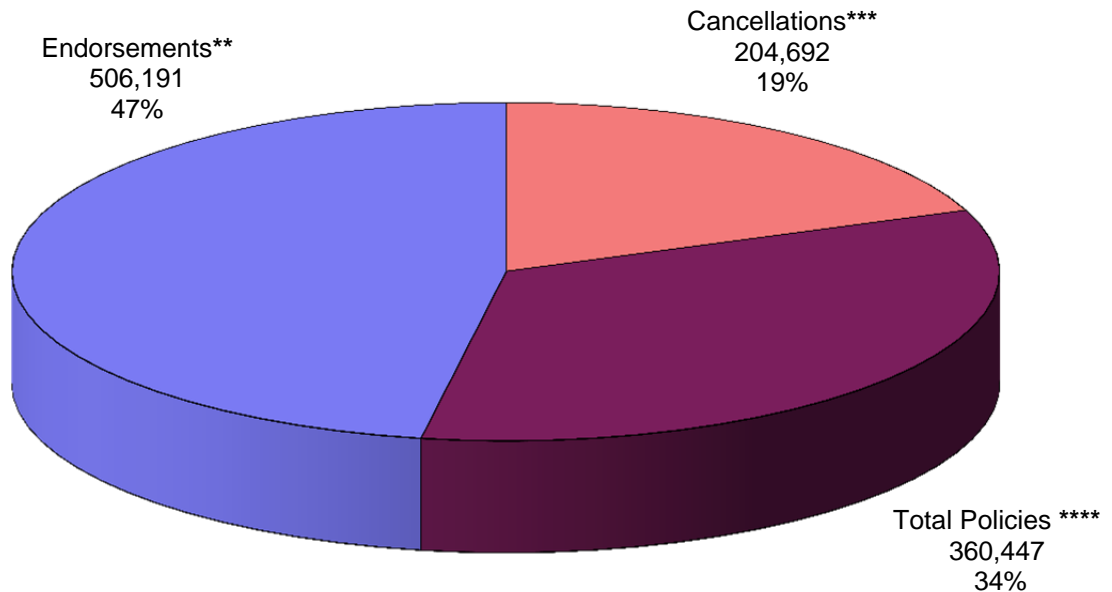
Final expenditures for 2019 were not available at the time of publication.

	<u>2018 Expenditures</u>
Salaries	\$ 8,398,437
Group Insurance	1,338,010
Pensions and Savings Plan	1,560,354
Data Processing	982,723
Rent and Electric	580,199
Payroll Taxes	589,008
WCRI Benchmarking Study	195,000
Travel	204,059
Consultant	279,669
Document Processing, Postage and Telephone	76,253
Depreciation	87,966
Insurance and Bonds	64,090
Equipment and Furnishings	53,910
Employee Overhead and Education	67,589
Legal	135,542
Accounting	61,400
Office Expense	55,594
Supplies	36,968
Total Expenditures	\$14,766,711
Allocation of Expenditures to DCRB	(2,707,659)
TOTAL EXPENDITURES	\$12,059,052

PENNSYLVANIA
TOTAL POLICIES, ENDORSEMENTS AND CANCELLATIONS/REINSTATEMENTS PROCESSED
JANUARY 1, 2019 TO DECEMBER 31, 2019

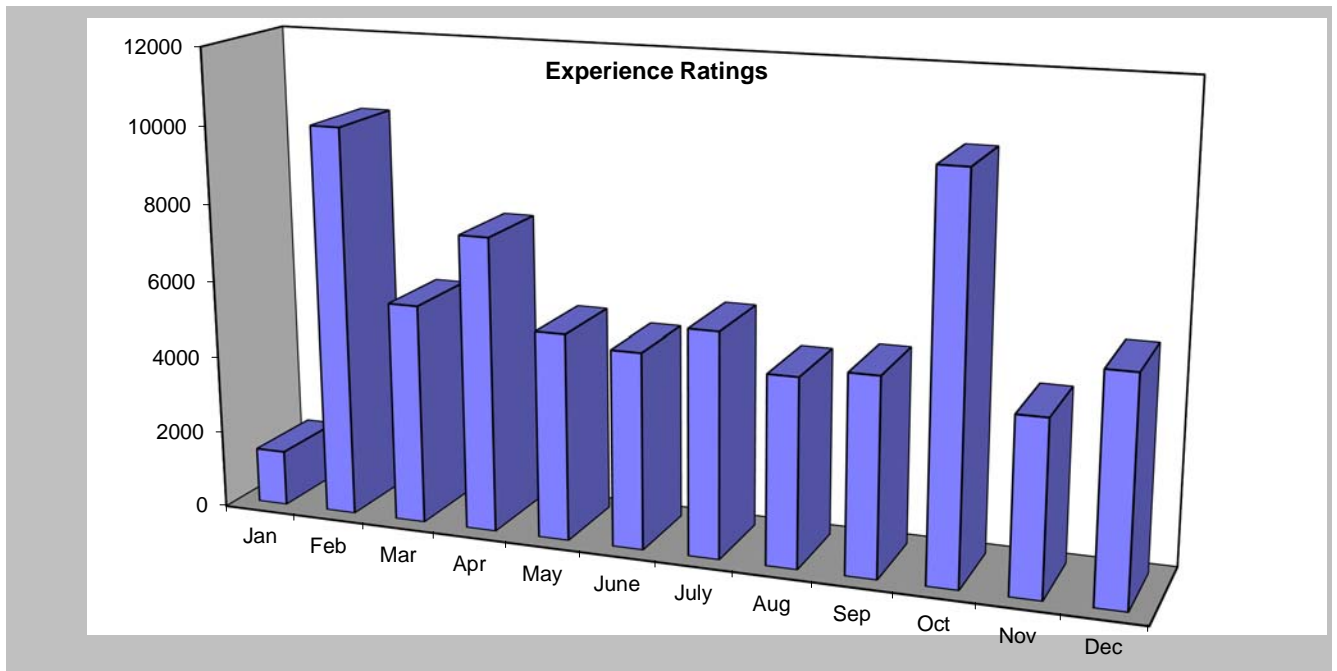
Month of Process (1)	One-Year			Three-Year	
	Policies* (2)	Endorsements** (3)	Cancellations*** (4)	Fixed Rate (5)	Annual Anniversary (6)
Total	360,440	506,191	204,692	0	7
January	60,763	67,224	18,165	0	0
February	18,919	44,007	13,988	0	0
March	26,628	45,026	14,263	0	0
April	31,671	44,381	15,378	0	1
May	25,901	34,918	15,210	0	1
June	26,844	39,637	13,597	0	1
July	26,357	67,060	15,424	0	0
August	21,107	38,684	13,067	0	0
September	25,216	34,964	42,657	0	0
October	26,120	31,225	15,045	0	1
November	24,699	28,637	13,081	0	1
December	46,215	30,428	14,817	0	2

- * Policy documents received, including not taken, duplicate coverage, replacements, etc.
- ** Separately filed endorsements
- *** Includes reinstatements
- **** Total of one year and fixed rate/annual 3 year policies



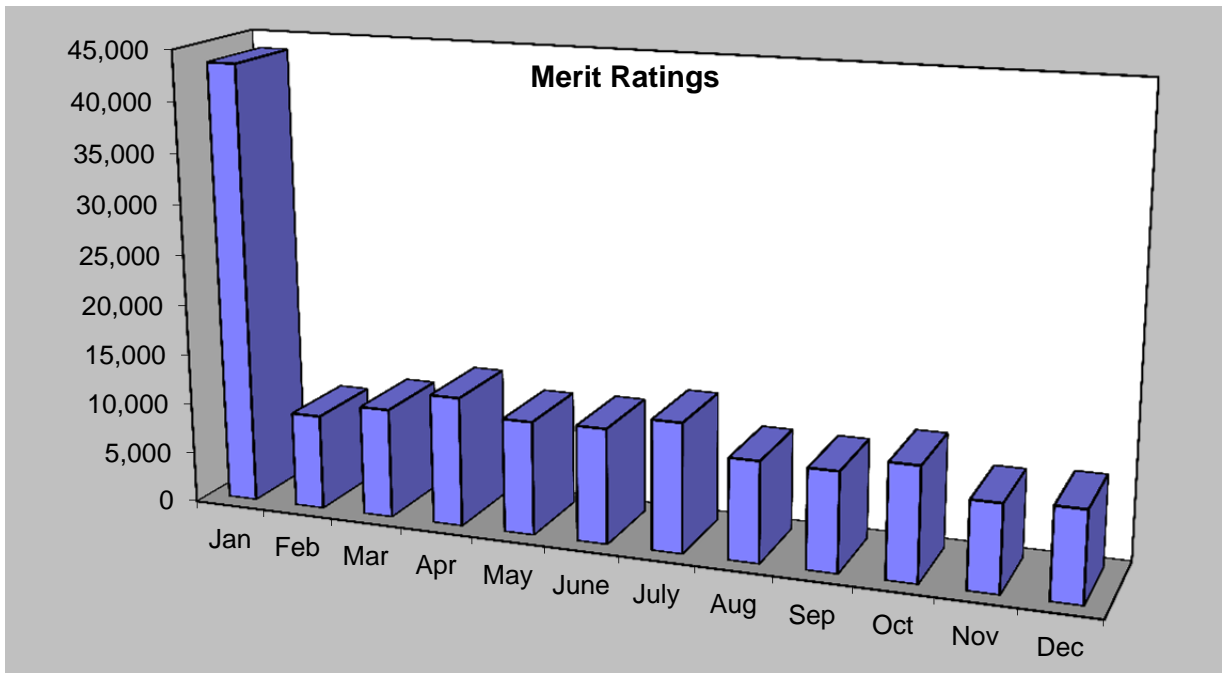
PENNSYLVANIA
EXPERIENCE RATINGS - JANUARY 1, 2019 TO DECEMBER 31, 2019

<u>Month of Issuance</u>	<u>Total Ratings</u>	<u>Percentage</u>
January	1,433	2.01
February	10,073	14.14
March	5,677	7.97
April	7,590	10.65
May	5,326	7.48
June	5,053	7.09
July	5,767	8.09
August	4,848	6.80
September	5,081	7.13
October	10,157	14.27
November	4,483	6.29
December	5,759	8.08
TOTALS	71,247	100.00

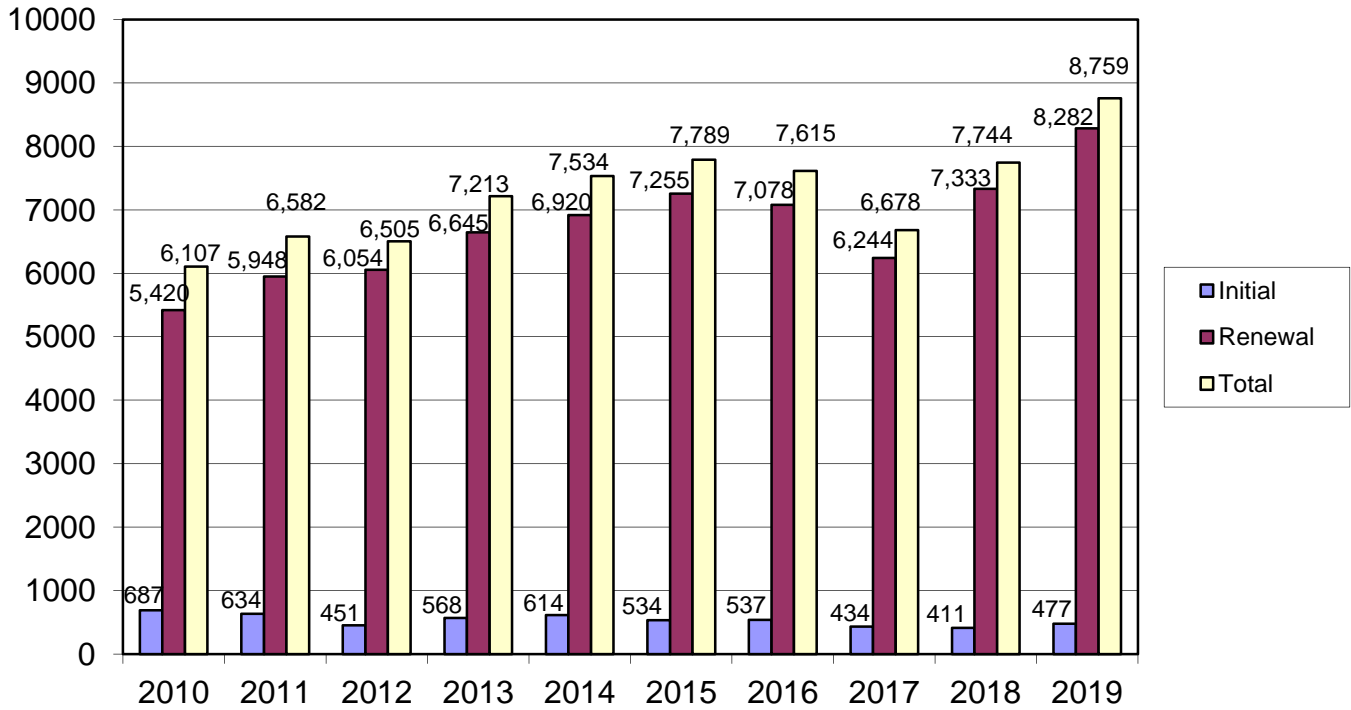


**PENNSYLVANIA
MERIT RATINGS - JANUARY 1, 2019 TO DECEMBER 31, 2019**

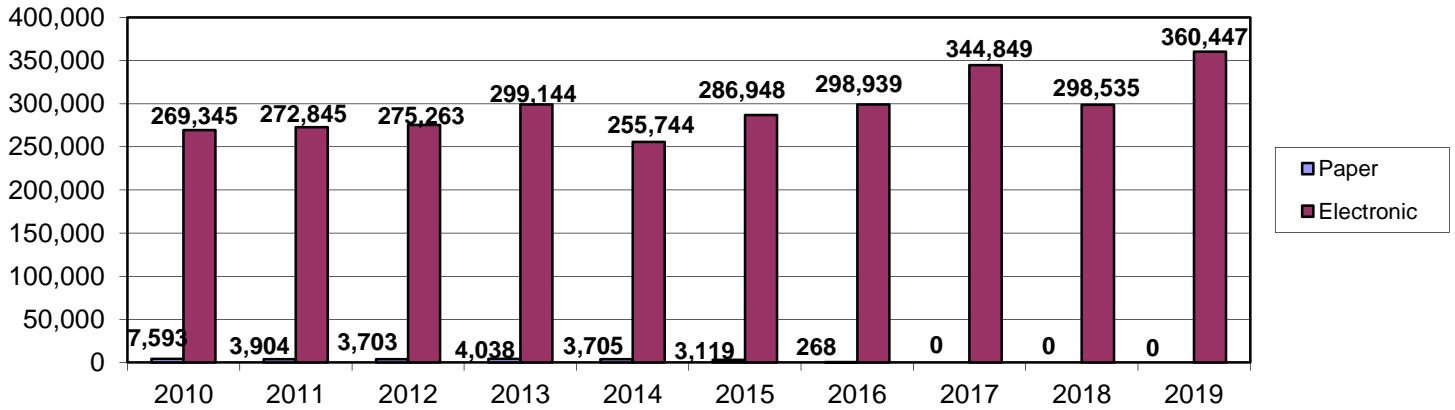
<u>Effective Month</u>	<u>Total Ratings</u>	<u>Percentage</u>
January	43,581	27.10
February	9,426	5.86
March	10,867	6.76
April	12,832	7.97
May	11,255	7.00
June	11,404	7.09
July	12,802	7.96
August	9,968	6.20
September	9,855	6.13
October	11,253	7.00
November	8,629	5.36
December	8,965	5.57
TOTALS	160,837	100.00



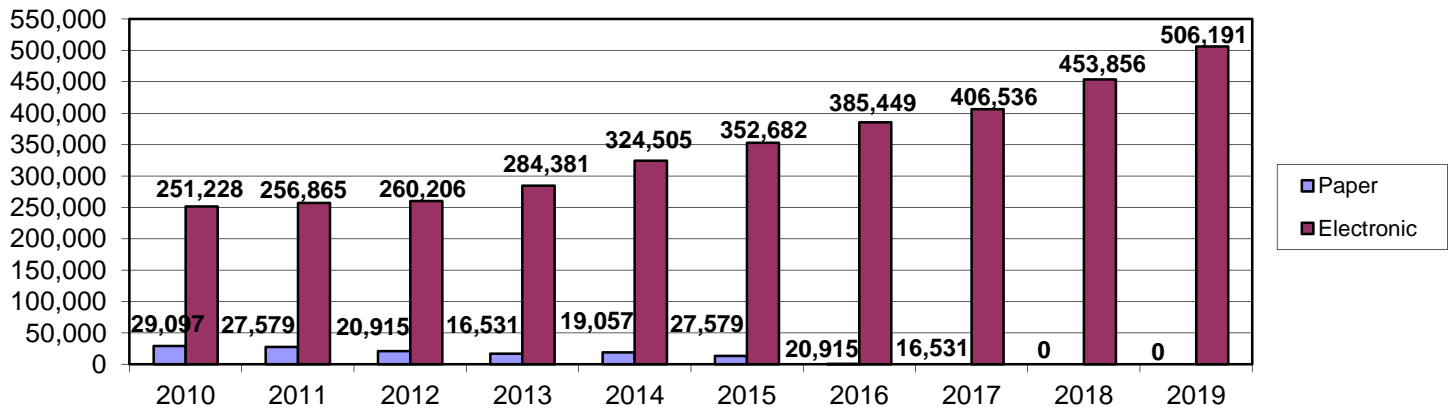
Certified Safety Committee Credit Program Number of Employers Receiving Credits by Year



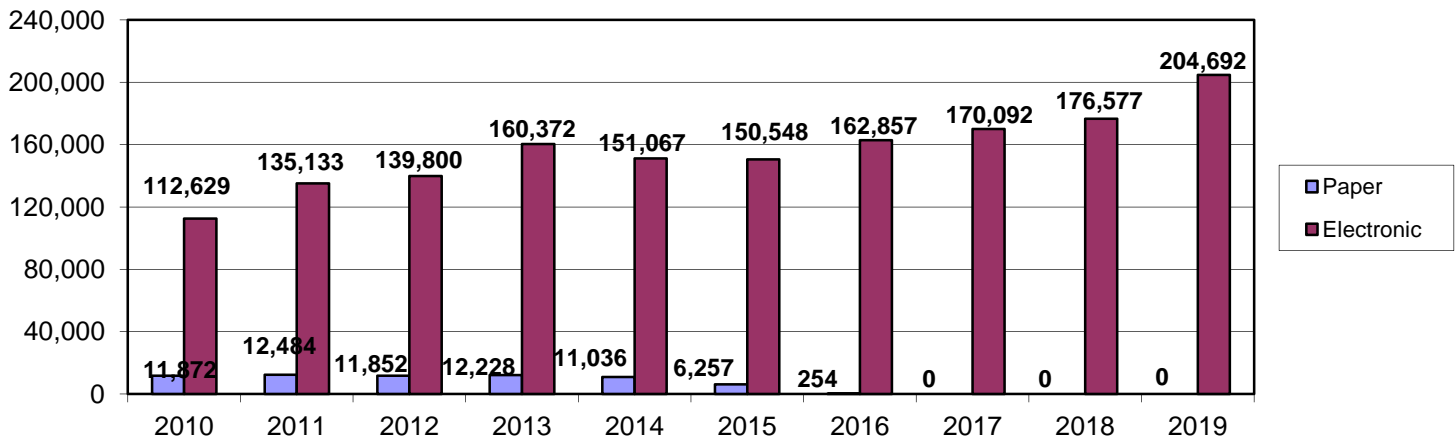
Pennsylvania Policies Processed



Pennsylvania Endorsements Processed



Pennsylvania Cancellations/Reinstatements Processed



PENNSYLVANIA RECEIPTS BY POLICY YEAR AND TYPE OF REPORT

Electronic Media

Type of Report	Total Report	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
First	273,734	71	67	73	99	154	222	356	1,713	133,553	137,426
Second	15,744	54	60	84	100	160	314	639	8,158	6,175	-
Third	8,653	41	47	73	89	169	450	4,460	3,324	-	-
Fourth	5,687	35	35	60	90	273	2,994	2,200	-	-	-
Fifth	3,812	27	32	54	136	1,931	1,632	-	-	-	-
Sixth	2,459	20	37	94	1,270	1,038	-	-	-	-	-
Seven	1,806	26	73	1,010	697	-	-	-	-	-	-
Eighth	1,426	54	816	556	-	-	-	-	-	-	-
Ninth	1,223	689	534	-	-	-	-	-	-	-	-
Tenth	394	394	-	-	-	-	-	-	-	-	-
Total	314,938	1,411	1,701	2,004	2,481	3,725	5,612	7,655	13,195	139,728	137,426

Hard Copy

Type of Report	Total Report	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
First	0	0	0	0	0	0	0	0	0	0	0
Second	0	0	0	0	0	0	0	0	0	0	0
Third	0	0	0	0	0	0	0	0	0	0	0
Fourth	0	0	0	0	0	0	0	0	0	0	0
Fifth	0	0	0	0	0	0	0	0	0	0	0
Sixth	0	0	0	0	0	0	0	0	0	0	0
Seven	0	0	0	0	0	0	0	0	0	0	0
Eighth	0	0	0	0	0	0	0	0	0	0	0
Ninth	0	0	0	0	0	0	0	0	0	0	0
Tenth	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0