

PENNSYLVANIA COMPENSATION RATING BUREAU

State and Hazard Group Relativities

The attached exhibit pages present an analysis of Pennsylvania State and Hazard Group relativities.

Page 1 shows the indicated State and Hazard Group Relativities.

Page 2 presents factors by type of injury and policy year which are applied to reported data to project trended ultimate average costs.

Page 3 through 6 calculates average costs by hazard group.

Page 7 relates a countrywide (NCCI states) severity to Pennsylvania severities by hazard group to generate relativities.

<u>Hazard Group</u>	<u>Current</u>	<u>Proposed</u>
I	1.012	1.010
II	0.881	0.885
III	0.687	0.703
IV	0.527	0.516

PENNSYLVANIA
STATE AND HAZARD GROUP RELATIVITIES
PROPOSED EFFECTIVE DATE: 4/1/04

Proposed Relativities

Hazard Group	Factor
I	1.010
II	0.885
III	0.703
IV	0.516

Pennsylvania
 State & Hazard Group Relativities
 Factors to Adjusted Reported Data to Projected Levels

	Indemnity Death	Indemnity PT	Indemnity Major	Indemnity Minor	Indemnity Temp	All Medical
1A Severity Trend Factors						
1996	1.6577	1.6577	1.6577	1.6103	1.6103	1.7447
1997	1.5552	1.5552	1.5552	1.5163	1.5163	1.6263
1998	1.4591	1.4591	1.4591	1.4278	1.4278	1.5159
1999	1.3689	1.3689	1.3689	1.3444	1.3444	1.4130
2000	1.2842	1.2842	1.2842	1.2659	1.2659	1.3171
1B Benefit Level (ACT44 and ACT 57) Factors						
1996	0.9928	0.9332	0.9928	0.9927	0.9928	1.0000
1997	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1C Loss Development Factors						
1996	1.0989	1.6771	1.0270	0.9743	0.9429	1.0000
1997	1.1149	2.9207	1.0863	0.9518	0.9149	1.0074
1998	1.2274	4.2535	1.2730	0.9212	0.8873	1.0168
1999	1.3019	6.9104	1.8233	0.9248	0.8692	1.0340
2000	1.4240	11.4396	4.3237	1.2385	0.9422	1.1009
1D Claim Count Development Factors						
1996	1.0000	1.0000	1.0000	1.0000	1.0000	
1997	1.0097	1.5361	1.0412	0.9961	0.9995	
1998	1.0619	2.4603	1.1622	0.9946	0.9996	
1999	1.1600	3.1034	1.5432	0.9936	1.0052	
2000	1.3093	5.4667	3.3585	1.1390	1.0314	
1E Claim Count Trend Factors						
1996	1.2869	1.1797	1.0077	0.9637	1.1153	
1997	1.2278	1.1256	0.9909	0.9546	1.0834	
1998	1.1797	1.0814	0.9822	0.9487	1.0600	
1999	1.1211	1.0277	0.9639	0.9363	1.0257	
2000	1.0906	1.0906	0.9647	0.9446	1.0160	

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

Hazard Group I

(1) Reported Losses

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	453,799	1,855,886	301,174	1,046,648	2,400,801	6,058,308
1997	-	61,899	1,096,393	206,060	1,060,571	1,751,848	4,176,771
1998	-	-	989,217	302,986	1,144,085	1,607,464	4,043,752
1999	383,754	307,905	1,600,292	392,023	1,510,065	2,917,875	7,111,914
2000	-	-	-	365,651	858,946	1,406,877	2,631,474
Total	383,754	823,603	5,541,788	1,567,894	5,620,315	10,084,865	24,022,219

(2) Reported Claim Counts

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	1	14	19	216	250	250
1997	-	1	8	12	213	234	234
1998	-	-	7	18	183	208	208
1999	1	1	12	14	230	258	258
2000	-	-	-	16	128	144	144
Total	1	3	41	79	970	1,094	1,094

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	453,799	132,563	15,851	4,846	9,603	24,233
1997	-	61,899	137,049	17,172	4,979	7,487	17,849
1998	-	-	141,317	16,833	6,252	7,728	19,441
1999	383,754	307,905	133,358	28,002	6,566	11,310	27,566
2000	-	-	-	22,853	6,711	9,770	18,274
Average	383,754	274,534	135,166	19,847	5,794	9,218	21,958

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	710,227	1,892,272	291,292	979,779	2,400,801	6,274,371
1997	-	180,788	1,191,012	196,128	970,316	1,764,812	4,303,056
1998	-	-	1,259,273	279,111	1,015,147	1,634,469	4,188,000
1999	499,609	2,127,747	2,917,812	362,543	1,312,548	3,017,083	10,237,342
2000	-	-	-	452,859	809,299	1,548,831	2,810,989
Total	499,609	3,018,762	7,260,369	1,581,933	5,087,089	10,365,996	27,813,758

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	1	14	19	216	250	250
1997	-	2	8	12	213	235	235
1998	-	-	8	18	183	209	209
1999	1	3	19	14	231	268	268
2000	-	-	-	18	132	150	150
Total	1	6	49	81	975	1,112	1,112

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	710,227	135,162	15,331	4,536	9,603	25,097
1997	-	90,394	148,877	16,344	4,555	7,510	18,311
1998	-	-	157,409	15,506	5,547	7,820	20,038
1999	499,609	709,249	153,569	25,896	5,682	11,258	38,199
2000	-	-	-	25,159	6,131	10,326	18,740
Average	499,609	503,127	148,171	19,530	5,218	9,322	25,012

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	1,177,343	224,058	24,688	7,304	16,754	1,450,147
1997	-	140,581	231,534	24,782	6,907	12,214	416,018
1998	-	-	229,675	22,139	7,920	11,854	271,588
1999	683,915	970,891	210,221	34,815	7,639	15,908	1,923,389
2000	-	-	-	31,849	7,761	13,600	53,210
Total	683,915	2,288,815	895,488	138,273	37,531	70,330	4,114,352

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	1	14	18	241	274	274
1997	-	2	8	11	231	252	252
1998	-	-	8	17	194	219	219
1999	1	3	18	13	237	272	272
2000	-	-	-	17	134	151	151
Total	1	6	48	76	1,037	1,168	1,168

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	1,177,343	3,136,812	444,384	1,760,264	4,590,596	11,109,399
1997	-	281,162	1,852,272	272,602	1,595,517	3,077,928	7,079,481
1998	-	-	1,837,400	376,363	1,536,480	2,596,026	6,346,269
1999	683,915	2,912,673	3,783,978	452,595	1,810,443	4,326,976	13,970,580
2000	-	-	-	541,433	1,039,974	2,053,600	3,635,007
Total	683,915	4,371,178	10,610,462	2,087,377	7,742,678	16,645,126	42,140,736

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	-	1,177,343	224,058	24,688	7,304	16,754	40,545
1997	-	140,581	231,534	24,782	6,907	12,214	28,093
1998	-	-	229,675	22,139	7,920	11,854	28,978
1999	683,915	970,891	210,221	34,815	7,639	15,908	51,362
2000	-	-	-	31,849	7,761	13,600	24,073
Average	683,915	728,530	221,051	27,465	7,466	14,251	36,079

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

Hazard Group II

(1) Reported Losses

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	6,628,251	17,579,587	193,260,929	61,007,369	119,076,789	320,660,291	718,213,216
1997	4,586,471	11,462,456	179,584,741	61,829,004	131,250,544	342,065,469	730,778,685
1998	5,101,758	6,483,004	166,572,088	68,094,493	140,075,592	350,956,038	737,282,973
1999	6,940,441	4,889,680	121,418,456	71,861,201	162,379,413	357,861,173	725,350,364
2000	3,860,576	5,086,573	47,575,966	52,067,134	153,388,559	339,916,502	601,895,310
Total	27,117,497	45,501,300	708,412,180	314,859,201	706,170,897	1,711,459,473	3,513,520,548

(2) Reported Claim Counts

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	43	67	1,450	2,798	25,371	29,729	29,729
1997	30	44	1,372	2,916	25,466	29,828	29,828
1998	29	26	1,250	3,007	25,567	29,879	29,879
1999	41	22	915	3,066	25,680	29,724	29,724
2000	23	17	370	2,391	24,989	27,790	27,790
Total	166	176	5,357	14,178	127,073	146,950	146,950

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	154,145	262,382	133,283	21,804	4,693	10,786	24,159
1997	152,882	260,510	130,893	21,203	5,154	11,468	24,500
1998	175,923	249,346	133,258	22,645	5,479	11,746	24,676
1999	169,279	222,258	132,698	23,438	6,323	12,039	24,403
2000	167,851	299,210	128,584	21,776	6,138	12,232	21,659
Average	163,358	258,530	132,240	22,208	5,557	11,647	23,910

(4) Ultimate On Reported Losses

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	7,231,342	27,513,279	197,049,925	59,005,571	111,469,106	320,660,291	722,929,514
1997	5,113,457	33,478,395	195,082,904	58,848,846	120,081,123	344,596,753	757,201,478
1998	6,261,898	27,575,458	212,046,268	62,728,647	124,289,073	356,852,099	789,753,443
1999	9,035,760	33,789,645	221,382,271	66,457,239	141,140,186	370,028,453	841,833,554
2000	5,497,460	58,188,360	205,704,204	64,485,145	144,522,700	374,214,077	852,611,946
Total	33,139,917	180,545,137	1,031,265,572	311,525,448	641,502,188	1,766,351,673	3,964,329,935

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	43	67	1,450	2,798	25,371	29,729	29,729
1997	30	68	1,429	2,905	25,453	29,885	29,885
1998	31	64	1,453	2,991	25,557	30,096	30,096
1999	48	68	1,412	3,046	25,814	30,388	30,388
2000	30	93	1,243	2,723	25,774	29,863	29,863
Total	182	360	6,987	14,463	127,969	149,961	149,961

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	168,171	410,646	135,897	21,088	4,394	10,786	24,317
1997	170,449	492,329	136,517	20,258	4,718	11,531	25,337
1998	201,997	430,867	145,937	20,972	4,863	11,857	26,241
1999	188,245	496,907	156,786	21,818	5,468	12,177	27,703
2000	183,249	625,681	165,490	23,682	5,607	12,531	28,551
Average	182,087	501,514	147,598	21,539	5,013	11,779	26,436

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	278,777	680,728	225,276	33,958	7,076	18,818	1,244,633
1997	265,082	765,670	212,311	30,717	7,154	18,753	1,299,687
1998	294,734	628,678	212,937	29,944	6,943	17,974	1,191,210
1999	257,689	680,216	214,624	29,332	7,351	17,206	1,206,418
2000	235,328	803,500	212,522	29,979	7,098	16,505	1,304,932
Total	1,331,610	3,558,792	1,077,670	153,930	35,622	89,256	6,246,880

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	55	79	1,461	2,696	28,296	32,587	32,587
1997	37	77	1,416	2,773	27,576	31,879	31,879
1998	37	69	1,427	2,838	27,090	31,461	31,461
1999	54	70	1,361	2,852	26,477	30,814	30,814
2000	33	101	1,199	2,572	26,186	30,091	30,091
Total	216	396	6,864	13,731	135,625	156,832	156,832

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	15,332,735	53,777,512	329,128,236	91,550,768	200,222,496	613,222,166	1,303,233,913
1997	9,808,034	58,956,590	300,632,376	85,178,241	197,278,704	597,826,887	1,249,680,832
1998	10,905,158	43,378,782	303,861,099	84,981,072	188,085,870	565,480,014	1,196,691,995
1999	13,915,206	47,615,120	292,103,264	83,654,864	194,632,427	530,185,684	1,162,106,565
2000	7,765,824	81,153,500	254,813,878	77,105,988	185,868,228	496,651,955	1,103,359,373
Total	57,726,957	284,881,504	1,480,538,853	422,470,933	966,087,725	2,803,366,706	6,015,072,678

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	278,777	680,728	225,276	33,958	7,076	18,818	39,992
1997	265,082	765,670	212,311	30,717	7,154	18,753	39,201
1998	294,734	628,678	212,937	29,944	6,943	17,974	38,037
1999	257,689	680,216	214,624	29,332	7,351	17,206	37,714
2000	235,328	803,500	212,522	29,979	7,098	16,505	36,667
Average	267,254	719,398	215,696	30,768	7,123	17,875	38,354

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

Hazard Group III

(1) Reported Losses		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	17,448,624	23,332,298	219,363,297	47,822,080	85,041,260	258,945,100	651,952,659	
1997	13,452,951	14,545,642	194,994,222	49,635,499	96,779,324	256,643,328	626,050,966	
1998	12,948,119	12,843,362	183,493,930	52,527,211	108,398,744	284,701,741	654,913,107	
1999	12,287,414	8,842,696	159,241,219	57,453,439	132,749,098	306,255,055	676,828,921	
2000	14,233,711	3,951,737	74,211,247	47,785,903	139,591,292	277,689,763	557,463,653	
Total	70,370,819	63,515,735	831,303,915	255,224,132	562,559,718	1,384,234,987	3,167,209,306	
(2) Reported Claim Counts		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	72	79	1,495	2,074	17,780	21,500	21,500	
1997	69	52	1,312	2,155	17,808	21,396	21,396	
1998	63	34	1,249	2,148	18,703	22,197	22,197	
1999	56	34	1,095	2,221	19,572	22,978	22,978	
2000	71	13	490	1,817	19,982	22,373	22,373	
Total	331	212	5,641	10,415	93,845	110,444	110,444	
(3) Reported Average Cost ((1)/(2))		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	242,342	295,346	146,731	23,058	4,783	12,044	30,323	
1997	194,970	279,724	148,624	23,033	5,435	11,995	29,260	
1998	205,526	377,746	146,913	24,454	5,796	12,826	29,505	
1999	219,418	260,079	145,426	25,868	6,783	13,328	29,456	
2000	200,475	303,980	151,452	26,299	6,986	12,412	24,917	
Average	212,601	299,603	147,368	24,505	5,995	12,533	28,677	
(4) Ultimate On Level Losses((1) * (1B) * (1C))		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	19,036,238	36,516,673	223,664,046	46,252,923	79,608,069	258,945,100	664,023,049	
1997	14,998,695	42,483,457	211,822,223	47,243,068	88,543,404	258,542,489	663,633,336	
1998	15,892,521	54,629,240	233,587,773	48,388,067	96,182,206	289,484,730	738,164,537	
1999	15,996,984	61,106,566	290,344,515	53,132,940	115,385,516	316,667,727	852,634,248	
2000	20,268,804	45,206,291	320,867,169	59,182,841	131,522,915	305,708,660	882,756,680	
Total	86,193,242	239,942,227	1,280,285,726	254,199,839	511,242,110	1,429,348,706	3,801,211,850	
(5) Ultimate Claim Counts ((2) * (1D))		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	72	79	1,495	2,074	17,780	21,500	21,500	
1997	70	80	1,366	2,147	17,799	21,462	21,462	
1998	67	84	1,452	2,136	18,696	22,435	22,435	
1999	65	106	1,690	2,207	19,674	23,742	23,742	
2000	93	71	1,646	2,070	20,609	24,489	24,489	
Total	367	420	7,649	10,634	94,558	113,628	113,628	
(6) Ultimate Average Cost ((4) / (5))		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	264,392	462,236	149,608	22,301	4,477	12,044	30,885	
1997	214,267	531,043	155,068	22,004	4,975	12,047	30,921	
1998	237,202	650,348	160,873	22,654	5,145	12,903	32,902	
1999	246,107	576,477	171,801	24,075	5,865	13,338	35,912	
2000	217,944	636,708	194,938	28,591	6,382	12,484	36,047	
Average	234,859	571,291	167,379	23,904	5,407	12,579	33,453	
(7) Trended Average Cost ((6) * (1A))		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	438,283	766,249	248,005	35,911	7,209	21,013	1,516,670	
1997	333,228	825,878	241,162	33,365	7,544	19,592	1,460,769	
1998	346,101	948,923	234,730	32,345	7,346	19,560	1,589,005	
1999	336,896	789,139	235,178	32,366	7,885	18,847	1,420,311	
2000	279,884	817,660	250,339	36,193	8,079	16,443	1,408,598	
Total	1,734,392	4,147,849	1,209,414	170,180	38,063	95,455	7,395,353	
(8) Trended Claim Count ((5) * (1E))		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	93	93	1,507	1,999	19,830	23,522	23,522	
1997	86	90	1,354	2,050	19,283	22,863	22,863	
1998	79	91	1,426	2,026	19,818	23,440	23,440	
1999	73	109	1,629	2,066	20,180	24,057	24,057	
2000	101	77	1,588	1,955	20,939	24,660	24,660	
Total	432	460	7,504	10,096	100,050	118,542	118,542	
(9) Projected Losses ((7) * (8))		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	40,760,319	71,261,157	373,743,535	71,786,089	142,954,470	494,267,786	1,194,773,356	
1997	28,657,608	74,329,020	326,533,348	68,398,250	145,470,952	447,931,896	1,091,321,074	
1998	27,341,979	86,351,993	334,724,980	65,530,970	145,583,028	458,486,400	1,118,019,350	
1999	24,593,408	86,016,151	383,104,962	66,868,156	159,119,300	453,402,279	1,173,104,256	
2000	28,268,284	62,959,820	397,538,332	70,757,315	169,166,181	405,484,380	1,134,174,312	
Total	149,621,598	380,918,141	1,815,645,157	343,340,780	762,293,931	2,259,572,741	5,711,392,348	
(10) Projected Average Cost ((9) / (8))		Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	438,283	766,249	248,005	35,911	7,209	21,013	50,794	
1997	333,228	825,878	241,162	33,365	7,544	19,592	47,733	
1998	346,101	948,923	234,730	32,345	7,346	19,560	47,697	
1999	336,896	789,139	235,178	32,366	7,885	18,847	48,764	
2000	279,884	817,660	250,339	36,193	8,079	16,443	45,992	
Average	346,346	828,083	241,957	34,008	7,619	19,061	48,180	

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

Hazard Group IV

(1) Reported Losses

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	1,295,499	715,118	6,629,197	1,183,099	1,752,215	11,876,565	23,451,693
1997	1,190,567	-	4,320,463	582,061	1,028,061	3,661,447	10,782,599
1998	1,991,317	1,414,464	3,039,987	796,763	1,608,599	15,201,689	24,052,819
1999	584,635	485,828	2,006,160	1,176,964	1,740,910	4,887,411	10,881,908
2000	1,123,634	-	1,586,100	1,102,042	2,338,599	7,166,503	13,316,878
Total	6,185,652	2,615,410	17,581,907	4,840,929	8,468,384	42,793,615	82,485,897

(2) Reported Claim Counts

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	5	2	44	45	340	436	436
1997	4	-	29	23	239	295	295
1998	5	3	22	33	298	361	361
1999	2	1	14	37	280	334	334
2000	3	-	13	36	324	376	376
Total	19	6	122	174	1,481	1,802	1,802

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	259,100	357,559	150,664	26,291	5,154	27,240	53,788
1997	297,642	-	148,981	25,307	4,302	12,412	36,551
1998	398,263	471,488	138,181	24,144	5,398	42,110	66,628
1999	292,318	485,828	143,297	31,810	6,218	14,633	32,581
2000	374,545	-	122,008	30,612	7,218	19,060	35,417
Average	325,561	435,902	144,114	27,821	5,718	23,748	45,775

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	1,413,374	1,119,210	6,759,166	1,144,279	1,640,268	11,876,565	23,952,862
1997	1,327,363	-	4,693,319	554,006	940,573	3,688,542	11,203,803
1998	2,444,142	6,016,423	3,869,903	733,978	1,427,310	15,457,077	29,948,833
1999	761,136	3,357,266	3,657,832	1,088,456	1,513,199	5,053,583	15,431,472
2000	1,600,055	-	6,857,821	1,364,879	2,203,428	7,889,603	19,915,786
Total	7,546,070	10,492,899	25,838,041	4,885,598	7,724,778	43,965,370	100,452,756

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	5	2	44	45	340	436	436
1997	4	-	30	23	239	296	296
1998	5	7	26	33	298	369	369
1999	2	3	22	37	281	345	345
2000	4	-	44	41	334	423	423
Total	20	12	166	179	1,492	1,869	1,869

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	282,675	559,605	153,617	25,428	4,824	27,240	54,938
1997	331,841	-	156,444	24,087	3,935	12,461	37,851
1998	488,828	859,489	148,842	22,242	4,790	41,889	81,162
1999	380,568	1,119,089	166,265	29,418	5,385	14,648	44,729
2000	400,014	-	155,860	33,290	6,597	18,652	47,082
Average	377,304	874,408	155,651	27,294	5,177	23,523	53,747

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	468,590	927,657	254,651	40,947	7,768	47,526	1,747,139
1997	516,079	-	243,302	36,523	5,967	20,265	822,136
1998	713,249	1,254,080	217,175	31,757	6,839	63,500	2,286,600
1999	520,960	1,531,921	227,600	39,550	7,240	20,698	2,347,969
2000	513,698	-	200,155	42,142	8,351	24,567	788,913
Total	2,732,576	3,713,658	1,142,883	190,919	36,165	176,556	7,992,757

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	6	2	44	43	379	474	474
1997	5	-	30	22	259	316	316
1998	6	8	26	31	316	387	387
1999	2	3	21	35	288	349	349
2000	4	-	42	39	339	424	424
Total	23	13	163	170	1,581	1,950	1,950

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	2,811,540	1,855,314	11,204,644	1,760,721	2,944,072	22,527,324	43,103,615
1997	2,580,395	-	7,299,060	803,506	1,545,453	6,403,740	18,632,154
1998	4,279,494	10,032,640	5,646,550	984,467	2,161,124	24,574,500	47,678,775
1999	1,041,920	4,595,763	4,779,600	1,384,250	2,085,120	7,223,602	21,110,255
2000	2,054,792	-	8,406,510	1,643,538	2,830,989	10,416,408	25,352,237
Total	12,768,141	16,483,717	37,336,364	6,576,482	11,566,758	71,145,574	155,877,036

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
1996	468,590	927,657	254,651	40,947	7,768	47,526	90,936
1997	516,079	-	243,302	36,523	5,967	20,265	58,963
1998	713,249	1,254,080	217,175	31,757	6,839	63,500	123,201
1999	520,960	1,531,921	227,600	39,550	7,240	20,698	60,488
2000	513,698	-	200,155	42,142	8,351	24,567	59,793
Average	555,137	1,267,978	229,057	38,685	7,316	36,485	79,937

PENNSYLVANIA
 State and Hazard Group Relativities
 Policy Years 1996-2000

Calculation of PA Hazard Group Relativities.

Injury	(1) Incurred Losses	(2) # Claims	(3) Average Severity	(4) PA Adjusted Average Severity (Col (F) below)	(5) NCCI Ave Sev +	(6) Penna. Relativity =(5)/(3i)	(7) Selected
(i) Hazard Group I	42,140,736	1,168	36,079	33633		1.010	1.010
(ii) Hazard Group II	6,015,072,678	156,832	38,354	38354		0.885	0.885
(iii) Hazard Group III	5,711,392,348	118,542	48,180	48311		0.703	0.703
(iv) Hazard Group IV	155,877,036	1,950	79,937	65858		0.516	0.516
Total - All Hazard Groups	11,924,482,798	278,492	42,818		33,958		

Calculation of PA Adjusted Average Severities

Injury	(A) PA Current Relativity	(B) PA Current Relativity to HG II =(A) / (Ab)	(C) PA Indicated Relativity to HG II =(3) / (3ii)	(D) Credibility ++	(E) Credibility Weighted Relativity to HG II =(C)x(D) + (B)x(1-(D))	(F) PA Adjusted Average Severity =(E)x(3ii)
(a) Hazard Group I	1.012	0.8706	0.9407	0.09	0.8769	33633
(b) Hazard Group II	0.881	1.0000	1.0000	1.00	1.0000	38354
(c) Hazard Group III	0.687	1.2824	1.2562	0.87	1.2596	48311
(d) Hazard Group IV	0.527	1.6717	2.0842	0.11	1.7171	65858

Notes:

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

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