

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	1.330	1.496
II	0.992	1.086
III	0.810	0.872
IV	0.567	0.619

PENNSYLVANIA  
STATE AND HAZARD GROUP RELATIVITIES  
PROPOSED EFFECTIVE DATE: 4/1/08

Proposed Relativities

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Hazard Group	Factor
I	1.496
II	1.086
III	0.872
IV	0.619

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

	Indemnity Death	Indemnity PT	Indemnity Major	Indemnity Minor	Indemnity Temp	All Medical
<b>1A Severity Trend Factors</b>						
2000	1.1238	1.1238	1.1238	1.0975	1.0975	1.3760
2001	1.1076	1.1076	1.1076	1.0848	1.0848	1.3221
2002	1.0915	1.0915	1.0915	1.0723	1.0723	1.2704
2003	1.0757	1.0757	1.0757	1.0599	1.0599	1.2208
2004	1.0601	1.0601	1.0601	1.0476	1.0476	1.1730
<b>1B Benefit Level (ACT44 and ACT 57) Factors</b>						
2000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2001	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2002	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2004	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
<b>1C Loss Development Factors</b>						
2000	1.0953	2.3485	1.0856	0.9906	0.9836	1.4341
2001	1.1279	3.2648	1.1628	0.9744	0.9583	1.4550
2002	1.1674	4.2645	1.3389	0.9144	0.9255	1.5316
2003	1.2009	7.0671	1.9657	0.8212	0.8724	1.6547
2004	1.2605	9.7729	5.8714	0.9825	0.8580	1.9328
<b>1D Claim Count Development Factors</b>						
2000	1.0000	1.0000	1.0000	1.0000	1.0000	
2001	1.0096	1.2373	1.0394	1.0006	1.0002	
2002	1.0388	1.7174	1.1499	0.9884	1.0006	
2003	1.0500	2.7000	1.6255	0.9391	1.0009	
2004	1.0980	3.3600	4.8034	1.0055	1.0146	
<b>1E Claim Count Trend Factors</b>						
2000	1.3169	1.6461	1.3933	1.8639	0.9122	
2001	1.2915	1.6144	1.3603	1.7473	0.9366	
2002	1.2598	1.5748	1.3154	1.6324	0.9563	
2003	1.2176	1.5220	1.2601	1.5137	0.9680	
2004	1.1702	1.4628	1.2058	1.3936	0.9740	

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

**Hazard Group I**

**(1) Reported Losses**

	Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
2000	752,821	617,272	17,362,178	6,660,511	13,805,686	31,715,285	70,913,753
2001	471,771	331,310	18,085,414	8,666,813	14,657,249	29,731,351	71,943,908
2002	423,223	378,872	13,731,910	10,830,378	11,639,188	29,449,698	66,453,269
2003	248,194	-	7,946,421	9,731,499	10,446,085	26,040,681	54,412,880
2004	434,547	-	2,619,388	6,855,618	11,570,798	24,337,698	45,818,049
Total	2,330,556	1,327,454	59,745,311	42,744,819	62,119,006	141,274,713	309,541,859

**(2) Reported Claim Counts**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	4	1	128	272	2,903	3,308	3,308
2001	4	2	130	270	2,909	3,315	3,315
2002	5	2	102	310	2,741	3,160	3,160
2003	3	-	61	327	2,381	2,772	2,772
2004	5	-	20	251	2,577	2,853	2,853
Total	21	5	441	1,430	13,511	15,408	15,408

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	188,205	617,272	135,642	24,487	4,756	9,587	21,437
2001	117,943	165,655	139,119	32,099	5,039	8,969	21,703
2002	84,645	189,436	134,627	34,937	4,246	9,320	21,030
2003	82,731	-	130,269	29,760	4,387	9,394	19,629
2004	86,909	-	130,969	27,313	4,490	8,531	16,060
Average	110,979	265,491	135,477	29,891	4,598	9,169	20,090

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	824,565	1,449,663	18,848,380	6,597,902	13,579,273	45,482,890	86,782,673
2001	532,108	1,081,648	21,029,969	8,444,788	14,046,622	43,259,116	88,394,251
2002	494,075	1,615,686	18,385,962	9,903,490	10,772,569	45,105,157	86,276,939
2003	298,047	-	15,620,026	7,991,831	9,113,193	43,089,515	76,112,612
2004	547,750	-	15,379,465	6,735,585	9,928,302	47,039,903	79,631,005
Total	2,696,545	4,146,997	89,263,802	39,673,596	57,439,959	223,976,581	417,197,480

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	4	1	128	272	2,903	3,308	3,308
2001	4	2	135	270	2,910	3,321	3,321
2002	5	3	117	306	2,743	3,174	3,174
2003	3	-	99	307	2,383	2,792	2,792
2004	5	-	96	252	2,615	2,968	2,968
Total	21	6	575	1,407	13,554	15,563	15,563

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	206,141	1,449,663	147,253	24,257	4,678	13,749	26,234
2001	133,027	540,824	155,778	31,277	4,827	13,026	26,617
2002	98,815	538,562	157,145	32,364	3,927	14,211	27,182
2003	99,349	-	157,778	26,032	3,824	15,433	27,261
2004	109,550	-	160,203	26,729	3,797	15,849	26,830
Average	128,407	691,166	155,241	28,197	4,238	14,392	26,807

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	231,661	1,629,131	165,483	26,622	5,134	18,919	37,172
2001	147,341	599,017	172,540	33,929	5,236	17,222	36,269
2002	107,857	587,840	171,524	34,704	4,211	18,054	35,815
2003	106,870	-	169,722	27,591	4,053	18,841	33,947
2004	116,134	-	169,831	28,001	3,978	18,591	31,954
Total	141,017	799,451	169,793	30,293	4,544	18,303	35,124

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	5	2	178	507	2,648	3,340	3,340
2001	5	3	184	472	2,726	3,390	3,390
2002	6	5	154	500	2,623	3,288	3,288
2003	4	-	125	465	2,307	2,901	2,901
2004	6	-	116	351	2,547	3,020	3,020
Total	26	10	757	2,295	12,851	15,939	15,939

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	1,158,305	3,258,262	29,455,974	13,497,354	13,594,832	63,189,460	124,154,187
2001	736,705	1,797,051	31,747,360	16,014,488	14,273,336	58,382,580	122,951,520
2002	647,142	2,939,200	26,414,696	17,352,000	11,045,453	59,361,552	117,760,043
2003	427,480	-	21,215,250	12,829,815	9,350,271	54,657,741	98,480,557
2004	696,804	-	19,700,396	9,828,351	10,131,966	56,144,820	96,502,337
Total	3,666,436	7,994,513	128,533,676	69,522,008	58,395,858	291,736,153	559,848,644

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	231,661	1,629,131	165,483	26,622	5,134	18,919	37,172
2001	147,341	599,017	172,540	33,929	5,236	17,222	36,269
2002	107,857	587,840	171,524	34,704	4,211	18,054	35,815
2003	106,870	-	169,722	27,591	4,053	18,841	33,947
2004	116,134	-	169,831	28,001	3,978	18,591	31,954
Average	141,017	799,451	169,793	30,293	4,544	18,303	35,124

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

**Hazard Group II**

**(1) Reported Losses**

	Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
2000	4,150,129	11,406,830	266,843,298	63,600,012	136,272,424	302,413,726	784,686,419
2001	5,644,929	5,114,268	251,630,213	71,684,045	124,070,405	282,760,965	740,904,825
2002	5,459,450	5,763,258	228,551,478	85,216,504	114,727,692	280,086,731	719,805,113
2003	6,249,114	4,301,585	157,148,364	95,777,657	115,660,368	277,537,724	656,674,812
2004	4,563,191	1,114,553	45,263,317	71,417,201	119,203,846	239,928,430	481,490,538
Total	26,066,813	27,700,494	949,436,670	387,695,419	609,934,735	1,382,727,576	3,383,561,707

**(2) Reported Claim Counts**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	25	38	1,760	2,437	21,746	26,006	26,006
2001	35	19	1,650	2,510	19,612	23,826	23,826
2002	33	19	1,550	2,864	18,935	23,401	23,401
2003	27	14	1,101	3,179	18,450	22,771	22,771
2004	21	4	312	2,768	18,551	21,656	21,656
Total	141	94	6,373	13,758	97,294	117,660	117,660

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	166,005	300,180	151,616	26,098	6,267	11,629	30,173
2001	161,284	269,172	152,503	28,559	6,326	11,868	31,096
2002	165,438	303,329	147,453	29,754	6,059	11,969	30,760
2003	231,449	307,256	142,732	30,128	6,269	12,188	28,838
2004	217,295	278,638	145,075	25,801	6,426	11,079	22,234
Average	184,871	294,686	148,978	28,180	6,269	11,752	28,757

**(4) Ultimate On Reported Losses**

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	4,545,636	26,788,940	289,685,084	63,002,172	134,037,556	433,691,524	951,750,912
2001	6,366,891	16,696,863	292,599,084	69,847,655	118,901,580	411,417,204	915,829,277
2002	6,373,415	24,577,210	306,012,687	77,923,485	106,185,411	428,980,837	950,053,045
2003	7,504,322	30,399,551	308,901,522	78,655,804	100,902,424	459,241,672	985,605,295
2004	5,751,936	10,892,376	265,758,873	70,166,775	102,282,646	463,733,670	918,586,276
Total	30,542,200	109,354,940	1,462,957,250	359,595,891	562,309,617	2,197,064,907	4,721,824,805

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	25	38	1,760	2,437	21,746	26,006	26,006
2001	35	24	1,715	2,512	19,617	23,903	23,903
2002	34	33	1,782	2,831	18,947	23,627	23,627
2003	28	38	1,790	2,985	18,466	23,307	23,307
2004	23	13	1,499	2,783	18,823	23,141	23,141
Total	145	146	8,546	13,548	97,599	119,984	119,984

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	181,825	704,972	164,594	25,852	6,164	16,677	36,597
2001	181,911	695,703	170,612	27,806	6,061	17,212	38,314
2002	187,453	744,764	171,724	27,525	5,604	18,156	40,210
2003	268,012	799,988	172,571	26,350	5,464	19,704	42,288
2004	250,084	837,875	177,291	25,213	5,434	20,039	39,695
Average	210,636	749,006	171,186	26,542	5,761	18,311	39,354

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	204,335	792,248	184,971	28,373	6,765	22,948	51,665
2001	201,485	770,561	188,970	30,164	6,575	22,756	51,875
2002	204,605	812,910	187,437	29,515	6,009	23,065	52,283
2003	288,301	860,547	185,635	27,928	5,791	24,055	52,680
2004	265,114	888,231	187,946	26,413	5,693	23,506	47,211
Total	228,397	818,281	186,935	28,534	6,179	23,257	51,179

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	33	63	2,452	4,542	19,837	26,927	26,927
2001	45	39	2,333	4,389	18,373	25,179	25,179
2002	43	52	2,344	4,621	18,119	25,179	25,179
2003	34	58	2,256	4,518	17,875	24,741	24,741
2004	27	19	1,807	3,878	18,334	24,065	24,065
Total	182	231	11,192	21,948	92,538	126,091	126,091

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	6,743,055	49,911,624	453,548,892	128,870,166	134,197,305	617,920,796	1,391,191,838
2001	9,066,825	30,051,879	440,867,010	132,389,796	120,802,475	572,973,324	1,306,151,309
2002	8,798,015	42,271,320	439,352,328	136,388,815	108,877,071	580,753,635	1,316,441,184
2003	9,802,234	49,911,726	418,792,560	126,178,704	103,514,125	595,144,755	1,303,344,104
2004	7,158,078	16,876,389	339,618,422	102,429,614	104,375,462	565,671,890	1,136,129,855
Total	41,568,207	189,022,938	2,092,179,212	626,257,095	571,766,438	2,932,464,400	6,453,258,290

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

	Death	P.T	Major	Minor	Temp	Med	Grand Total
2000	204,335	792,248	184,971	28,373	6,765	22,948	51,665
2001	201,485	770,561	188,970	30,164	6,575	22,756	51,875
2002	204,605	812,910	187,437	29,515	6,009	23,065	52,283
2003	288,301	860,547	185,635	27,928	5,791	24,055	52,680
2004	265,114	888,231	187,946	26,413	5,693	23,506	47,211
Average	228,397	818,281	186,935	28,534	6,179	23,257	51,179

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

**Hazard Group III**

								Hazard Group III
<b>(1) Reported Losses</b>		Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
	2000	12,241,910	13,170,496	264,122,771	42,408,034	98,096,089	246,651,409	676,690,709
	2001	14,321,005	9,972,611	267,205,257	47,382,888	93,016,693	246,579,116	678,477,570
	2002	12,131,335	10,250,835	241,730,514	51,296,842	84,661,724	249,274,934	649,346,184
	2003	9,810,239	4,604,595	166,928,597	66,181,772	85,591,612	235,298,230	568,415,045
	2004	18,648,210	5,394,078	62,177,538	61,281,585	93,030,163	234,778,971	475,310,545
	<b>Total</b>	<b>67,152,699</b>	<b>43,392,615</b>	<b>1,002,164,677</b>	<b>268,551,121</b>	<b>454,396,281</b>	<b>1,212,582,660</b>	<b>3,048,240,053</b>
<b>(2) Reported Claim Counts</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	52	36	1,560	1,529	16,735	19,912	19,912
	2001	56	29	1,595	1,562	15,490	18,732	18,732
	2002	49	24	1,504	1,697	14,370	17,644	17,644
	2003	34	13	1,071	1,982	13,801	16,901	16,901
	2004	61	17	393	1,866	13,723	16,060	16,060
	<b>Total</b>	<b>252</b>	<b>119</b>	<b>6,123</b>	<b>8,636</b>	<b>74,119</b>	<b>89,249</b>	<b>89,249</b>
<b>(3) Reported Average Cost ((1)/(2))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	235,421	365,847	169,309	27,736	5,862	12,387	33,984
	2001	255,732	343,883	167,527	30,335	6,005	13,164	36,220
	2002	247,578	427,118	160,725	30,228	5,892	14,128	36,803
	2003	288,536	354,200	155,862	33,391	6,202	13,922	33,632
	2004	305,708	317,299	158,213	32,841	6,779	14,619	29,596
	<b>Average</b>	<b>266,479</b>	<b>364,644</b>	<b>163,672</b>	<b>31,097</b>	<b>6,131</b>	<b>13,587</b>	<b>34,154</b>
<b>(4) Ultimate On Level Losses((1) * (1B) * (1C))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	13,408,564	30,930,910	286,731,680	42,009,398	96,487,313	353,722,786	823,290,651
	2001	16,152,598	32,558,192	310,709,960	46,169,041	89,141,579	358,772,614	853,503,984
	2002	14,162,238	43,714,323	323,658,393	46,906,744	78,358,065	381,789,489	888,589,252
	2003	11,780,740	32,540,940	328,126,214	54,350,677	74,670,358	389,347,981	890,816,910
	2004	23,506,206	52,715,598	365,068,968	60,208,621	79,824,364	453,780,795	1,035,104,552
	<b>Total</b>	<b>79,010,346</b>	<b>192,459,963</b>	<b>1,614,295,215</b>	<b>249,644,481</b>	<b>418,481,679</b>	<b>1,937,413,665</b>	<b>4,491,305,349</b>
<b>(5) Ultimate Claim Counts ((2) * (1D))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	52	36	1,560	1,529	16,735	19,912	19,912
	2001	57	36	1,658	1,563	15,494	18,808	18,808
	2002	51	41	1,729	1,677	14,379	17,877	17,877
	2003	36	35	1,741	1,861	13,813	17,486	17,486
	2004	67	57	1,888	1,876	13,924	17,812	17,812
	<b>Total</b>	<b>263</b>	<b>205</b>	<b>8,576</b>	<b>8,506</b>	<b>74,345</b>	<b>91,895</b>	<b>91,895</b>
<b>(6) Ultimate Average Cost ((4) / (5))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	257,857	859,192	183,802	27,475	5,766	17,764	41,346
	2001	283,379	904,394	187,400	29,539	5,753	19,076	45,380
	2002	277,691	1,066,203	187,194	27,971	5,449	21,356	49,706
	2003	327,243	929,741	188,470	29,205	5,406	22,266	50,945
	2004	350,839	924,835	193,363	32,094	5,733	25,476	58,113
	<b>Average</b>	<b>300,420</b>	<b>938,829</b>	<b>188,234</b>	<b>29,349</b>	<b>5,629</b>	<b>21,083</b>	<b>48,874</b>
<b>(7) Trended Average Cost ( (6) * (1A) )</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	289,780	965,560	206,557	30,154	6,328	24,443	59,133
	2001	313,871	1,001,707	207,564	32,044	6,241	25,220	62,279
	2002	303,100	1,163,761	204,322	29,993	5,843	27,131	65,356
	2003	352,015	1,000,122	202,737	30,954	5,730	27,182	63,824
	2004	371,924	980,418	204,984	33,622	6,006	29,883	69,986
	<b>Total</b>	<b>325,697</b>	<b>1,022,304</b>	<b>205,235</b>	<b>31,321</b>	<b>6,040</b>	<b>26,712</b>	<b>64,007</b>
<b>(8) Trended Claim Count ((5) * (1E))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	68	59	2,174	2,850	15,266	20,417	20,417
	2001	74	58	2,255	2,731	14,512	19,630	19,630
	2002	64	65	2,274	2,738	13,751	18,892	18,892
	2003	44	53	2,194	2,817	13,371	18,479	18,479
	2004	78	83	2,277	2,614	13,562	18,614	18,614
	<b>Total</b>	<b>328</b>	<b>318</b>	<b>11,174</b>	<b>13,750</b>	<b>70,462</b>	<b>96,032</b>	<b>96,032</b>
<b>(9) Projected Losses ((7) * (8))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	19,705,040	56,968,040	449,054,918	85,938,900	96,603,248	499,052,731	1,207,322,877
	2001	23,226,454	58,099,006	468,056,820	87,512,164	90,569,392	495,068,600	1,222,532,436
	2002	19,398,400	75,644,465	464,628,228	82,120,834	80,347,093	512,558,852	1,234,697,872
	2003	15,488,660	53,006,466	444,804,978	87,197,418	76,615,830	502,296,178	1,179,409,530
	2004	29,010,072	81,374,694	466,748,568	87,887,908	81,453,372	556,242,162	1,302,716,776
	<b>Total</b>	<b>106,828,626</b>	<b>325,092,671</b>	<b>2,293,293,512</b>	<b>430,657,224</b>	<b>425,588,935</b>	<b>2,565,218,523</b>	<b>6,146,679,491</b>
<b>(10) Projected Average Cost ((9) / (8))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	289,780	965,560	206,557	30,154	6,328	24,443	59,133
	2001	313,871	1,001,707	207,564	32,044	6,241	25,220	62,279
	2002	303,100	1,163,761	204,322	29,993	5,843	27,131	65,356
	2003	352,015	1,000,122	202,737	30,954	5,730	27,182	63,824
	2004	371,924	980,418	204,984	33,622	6,006	29,883	69,986
	<b>Average</b>	<b>325,697</b>	<b>1,022,304</b>	<b>205,235</b>	<b>31,321</b>	<b>6,040</b>	<b>26,712</b>	<b>64,007</b>

								Hazard Group IV
<b>(1) Reported Losses</b>		Death	P.T	Major	Minor	Temp	Med-MedOnly	Grand Total
	2000	6,051,355	4,697,364	73,625,526	7,503,409	18,875,457	78,104,194	188,857,305
	2001	2,237,399	3,979,568	71,295,905	7,994,138	17,656,063	58,730,974	161,894,047
	2002	4,639,375	361,753	65,285,881	9,614,600	16,190,281	49,219,693	145,311,583
	2003	2,524,771	1,050,778	43,175,084	12,216,140	15,108,724	51,262,918	125,338,415
	2004	4,134,435	1,060,030	16,749,826	12,833,316	17,426,352	50,655,229	102,859,188
	Total	19,587,335	11,149,493	270,132,222	50,161,603	85,256,877	287,973,008	724,260,538
<b>(2) Reported Claim Counts</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	24	12	420	272	2,657	3,385	3,385
	2001	9	9	409	293	2,501	3,221	3,221
	2002	16	1	387	306	2,254	2,964	2,964
	2003	16	3	277	342	2,032	2,670	2,670
	2004	15	4	109	361	2,168	2,657	2,657
	Total	80	29	1,602	1,574	11,612	14,897	14,897
<b>(3) Reported Average Cost ((1)/(2))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	252,140	391,447	175,299	27,586	7,104	23,074	55,792
	2001	248,600	442,174	174,318	27,284	7,060	18,234	50,262
	2002	289,961	361,753	168,697	31,420	7,183	16,606	49,026
	2003	157,798	350,259	155,867	35,720	7,435	19,200	46,943
	2004	275,629	265,008	153,668	35,549	8,038	19,065	38,713
	Average	244,842	384,465	168,622	31,869	7,342	19,331	48,618
<b>(4) Ultimate On Level Losses((1) * (1B) * (1C))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	6,628,049	11,031,759	79,927,871	7,432,877	18,565,900	112,009,225	235,595,681
	2001	2,523,552	12,992,338	82,903,862	7,789,346	16,920,504	85,453,567	208,583,169
	2002	5,416,051	1,542,683	87,412,727	8,791,761	14,984,801	75,384,882	193,532,905
	2003	3,031,901	7,425,909	84,867,884	10,032,301	13,180,892	84,824,750	203,363,637
	2004	5,211,486	10,359,531	98,344,867	12,608,621	14,952,650	97,906,427	239,383,582
	Total	22,811,039	43,352,220	433,457,211	46,654,906	78,604,747	455,578,851	1,080,458,974
<b>(5) Ultimate Claim Counts ((2) * (1D))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	24	12	420	272	2,657	3,385	3,385
	2001	9	11	425	293	2,502	3,240	3,240
	2002	17	2	445	302	2,255	3,021	3,021
	2003	17	8	450	321	2,034	2,830	2,830
	2004	16	13	524	363	2,200	3,116	3,116
	Total	83	46	2,264	1,551	11,648	15,592	15,592
<b>(6) Ultimate Average Cost ((4) / (5))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	276,169	919,313	190,304	27,327	6,988	33,090	69,600
	2001	280,395	1,181,122	195,068	26,585	6,763	26,375	64,378
	2002	318,591	771,342	196,433	29,112	6,645	24,954	64,063
	2003	178,347	928,239	188,595	31,253	6,480	29,973	71,860
	2004	325,718	796,887	187,681	34,734	6,797	31,421	76,824
	Average	274,832	942,440	191,456	30,081	6,748	29,219	69,296
<b>(7) Trended Average Cost ( (6) * (1A) )</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	310,359	1,033,124	213,864	29,991	7,669	45,532	98,643
	2001	310,566	1,308,211	216,057	28,839	7,337	34,870	88,035
	2002	347,742	841,920	214,407	31,217	7,125	31,702	82,656
	2003	191,848	998,507	202,872	33,125	6,868	36,591	89,181
	2004	345,294	844,780	198,961	36,387	7,121	36,857	91,701
	Total	300,479	1,038,458	209,091	31,898	7,243	37,245	90,195
<b>(8) Trended Claim Count ((5) * (1E))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	32	20	585	507	2,424	3,568	3,568
	2001	12	18	578	512	2,343	3,463	3,463
	2002	21	3	585	493	2,156	3,258	3,258
	2003	21	12	567	486	1,969	3,055	3,055
	2004	19	19	632	506	2,143	3,319	3,319
	Total	105	72	2,947	2,504	11,035	16,663	16,663
<b>(9) Projected Losses ((7) * (8))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	9,931,488	20,662,480	125,110,440	15,205,437	18,589,656	162,458,176	351,957,677
	2001	3,726,792	23,547,798	124,880,946	14,765,568	17,190,591	120,754,810	304,866,505
	2002	7,302,582	2,525,760	125,428,095	15,389,981	15,361,500	103,285,116	269,293,034
	2003	4,028,808	11,982,084	115,028,424	16,098,750	13,523,092	111,785,505	272,446,663
	2004	6,560,586	16,050,820	125,743,352	18,411,822	15,260,303	122,328,383	304,355,266
	Total	31,550,256	74,768,942	616,191,257	79,871,558	79,925,142	620,611,990	1,502,919,145
<b>(10) Projected Average Cost ((9) / (8))</b>		Death	P.T	Major	Minor	Temp	Med	Grand Total
	2000	310,359	1,033,124	213,864	29,991	7,669	45,532	98,643
	2001	310,566	1,308,211	216,057	28,839	7,337	34,870	88,035
	2002	347,742	841,920	214,407	31,217	7,125	31,702	82,656
	2003	191,848	998,507	202,872	33,125	6,868	36,591	89,181
	2004	345,294	844,780	198,961	36,387	7,121	36,857	91,701
	Average	300,479	1,038,458	209,091	31,898	7,243	37,245	90,195

PENNSYLVANIA  
 State and Hazard Group Relativities  
 Policy Years 1998-2003

**Calculation of PA Hazard Group Relativities.**

Injury	(1) Incurred Losses	(2) # Claims	(3) Average Severity	(4) PA Adjusted Average Severity ( Col (F) below)	(5) NCCI Ave Sev +	(6) Penna. Relativity =(5)/(4)	(7) Selected
(i) Hazard Group I	559,848,644	15,939	35,124	37,143		1.496	1.496
(ii) Hazard Group II	6,453,258,290	126,091	51,179	51,179		1.086	1.086
(iii) Hazard Group III	6,146,679,491	96,032	64,007	63,727		0.872	0.872
(iv) Hazard Group IV	1,502,919,145	16,663	90,195	89,756		0.619	0.619
Total - All Hazard Groups	14,662,705,570	254,725	57,563		55,578		

**Calculation of PA Adjusted Average Severities**

Injury	(A) PA Current Relativity	(B) PA Current Ratio to HG II =(A) / (Ab)	(C) PA Indicated Ratio to HG II =(3ii) / (3)	(D) Credibility ++	(E) Credibility Weighted Ratio to HG II =(C)x(D) + (B)x(1-(D))	(F) PA Adjusted Average Severity =(3ii)/(E)
(a) Hazard Group I	1.330	1.3407	1.4571	0.32	1.3779	37,143
(b) Hazard Group II	0.992	1.0000	1.0000	0.90	1.0000	51,179
(c) Hazard Group III	0.810	0.8165	0.7996	0.79	0.8031	63,727
(d) Hazard Group IV	0.567	0.5716	0.5674	0.33	0.5702	89,756

Notes:

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

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