

PENNSYLVANIA COMPENSATION RATING BUREAU (PCRB)

ANALYSIS OF EXPERIENCE UNDER THE PENNSYLVANIA SCHEDULE RATING PLAN

Act 57 of 1996 contained provisions for schedule rating in pricing workers compensation policies. In response to that statute, the Insurance Department identified the following criteria as conditions for approval of individual carrier schedule rating plans.

- Act 57 allows approval of plans that provide schedule rating plan adjustment of the rate, including the loss portion of the rate, for risks ineligible for experience rating.
- The Department will consider schedule rating plans for risks eligible for experience rating provided that the schedule rating plan modification for these risks is not based on measurement of loss producing characteristics of the individual insured.

Per Act 44 of 1993, the uniform Experience Rating Plan is the exclusive means of providing prospective premium adjustments based on measurements of loss producing characteristics of an individual insured in Pennsylvania. As a means of providing pricing flexibility for experience-rated risks, the PCRB incorporated a schedule rating plan into the approved uniform Experience Rating Plan. By using the PCRB's schedule rating plan, carriers were advised as follows:

- For risks eligible for experience rating, the loss and or expense components of an insured risk's premium may be adjusted to reflect characteristics of the risk which are deemed to be not adequately reflected in prior experience of the insured risk.

The PCRB has compiled and reviewed aggregate statistical data for schedule rating programs covering Policy Years 2006 (Exhibit I) through 2018 (Exhibit XIII) and the total of those years (Exhibit XIV). This data includes application of the PCRB's schedule rating plan by its various member insurers, and application of independently filed carrier programs.

Exhibits I through XIV each present 16 statistics (described in the Appendix below) separately for each of the following four groups of policies:

1. Experience for policies subject to schedule rating and receiving **schedule rating credits** during the indicated 12-month experience period (Column (1)).
2. Experience for policies subject to schedule rating and receiving **schedule rating debits** during the indicated 12-month experience period (Column (2)).
3. Experience for policies **not subject to schedule rating** during the indicated 12-month experience period (Column (3)).
4. Experience for all policies during the indicated 12-month experience period (Column (4)). This represents the sum of all risks identified in columns (1), (2) and (3).

Note that there is a change in this and future Pennsylvania Schedule Rating Plan reports due to the development of a new data management system. Data for Policy Years 2018 and subsequent will come from this system. Because of the system change, the earliest policy year shown in this report is 2006.

The following summary observations are based on a review of Exhibits I through XIV:

- Over the period 2006 to 2018, risks receiving schedule rating credits tended to receive larger credits than were indicated by an after-the-fact assessment of their experience. For those risks receiving schedule rating credits, the average credit applied was 20.1 percent while the average credit indicated for those same risks was only 2.4 percent.
- Risks receiving schedule rating debits tended to receive smaller debits than were indicated by an after-the-fact assessment of their experience. For those risks receiving schedule rating debits, the average debit was 20.1 percent while the average debit indicated for those same risks was 23.4 percent.
- The results above suggest that carriers have tended to correctly identify the risks that should receive either schedule rating credits or debits respectively, but that carriers then have generally overestimated the appropriate level of credits or underestimated the appropriate level of debits to be applied.
- Average schedule rating credits and debits were relatively more stable from year to year than were average indicated adjustments. Risks with schedule rating credits had average indicated credits that were consistently lower than the average actual credits while risks with schedule rating debits had average indicated credits in excess of average actual debits in nine of the 13 years.
- For Policy Years 2011 through 2013, the number of policies for schedule rated risks having debit adjustments was significantly overstated largely due to the cancellation and rewriting of Attendant Care policies within the same year. The extent of the overstatement has not been quantified. For Policy Years 2014 through 2018, the transition to multiple coordinated policies for all clients of professional employer organizations was thought to be an influence regarding the increased number of policies for schedule rated risks having debit adjustments.
- Approximately 60 percent of eligible total standard premium was subject to schedule rating in 2018. This percentage has decreased four points since 2011, which had the 13-year high.
- Risks subject to schedule rating were roughly three times larger than risks not subject to the schedule rating, and schedule rated risks with credits tended to be larger than those risks with debits over the 13-year period.
- Claim frequency for risks not subject to schedule rating is consistently better than the claim frequency for risks with schedule rating credits or debits. Claim frequency for risks with schedule rating credits is very similar to that of risks with schedule rating debits.
- With rare exception, average claim severity is lowest for risks receiving schedule rating credits. For most policy years, risks receiving schedule rating debits have lower average claim severities as compared to risks that are not subject to schedule rating. Over the combined 2006-2018 period, the average cost for risks receiving schedule rating debits is only 24 percent above the average cost for risks receiving schedule rating credits (the lowest group). Also, for risks that are not subject to schedule rating, their average cost is 22 percent above the lowest group in that same period.

APPENDIX

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

- (1) Number of Risks: The number of policies issued to the groups of employers described in each column of Exhibits I through XIV. 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: The product of reported exposures for each group of employers described in each column of Exhibits I through XIV times approved PCRB loss costs times each employer's experience modification (if applicable).
- (3) Average Premium: Computed by dividing total standard premium by the number of policies reported.
- (4) Schedule Rating Adjustment: The total amount of premium credits or debits given under the schedule rating plan to employers included in each column of Exhibits I through XIV.
- (5) Net Premium: The standard premium less any applicable schedule rating credits or debits. For employers not subject to schedule rating, net premium and standard premium are equal because no schedule rating adjustments were applied.
- (6) Number of Indemnity Claims: The number of indemnity claims reported on the policies described in each column of Exhibits I through XIV. 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 XIV. These counts include indemnity claims and medical only claims, those cases involving only payment of medical treatment costs.
- (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 XIV.
- (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 XIV. 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 schedule rating plan.
- (10) Incurred Losses: The reported dollar value of losses incurred on the various groups of policies presented on Exhibits I through XIV 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 schedule rating plan.
- (12) Loss Ratio: The total incurred losses divided by the net premium for each group of policies presented on Exhibits I through XIV. 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 schedule rating plan.

The last four experience statistics are computed only for Columns (1) and (2) in each exhibit, as those columns represent risks subject to schedule rating. These statistics are described below:

- (13) Net Premium to Balance Schedule Rated Employers with Schedule Rating Credits (Column (1)) or Schedule Rated Employers with Schedule Rating Debits (Column (2)) with Non-Schedule Rated Loss Ratios: This is the amount of net premium which would produce the same loss ratio for the schedule rated employers studied in each exhibit's Columns (1) and (2) as was reported for all non-schedule rated employers (Column (3)).
- (14) Indicated Schedule Rating Credits or Debits to Balance: This is the difference between standard premium for the schedule rated employers studied in each exhibit's Columns (1) and (2) and the balancing net premium computed in Item (13).
- (15) Average Schedule Rating Credit or Debit Factor: This is the average ratio of schedule rating credits or debits actually granted to standard premium for the schedule rated employers studied in each exhibit's Columns (1) and (2). This average schedule rating credit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the schedule rating plan.
- (16) Indicated Schedule Rating Credit or Debit Factor: This is the average schedule rating credit or debit ratio that would have resulted in the balancing schedule rating credits or debits computed in Item (14). This indicated schedule rating credit or debit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the schedule rating plan, especially for purposes of comparison to the actual average schedule rating plan credit or debit shown in Item (15).

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2006**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	35,854	9,078	187,092	232,024
(2) Standard Premium	\$1,612,706,783	\$165,636,793	\$1,380,220,829	\$3,158,564,405
(3) Average Premium (2)/(1)	\$44,980	\$18,246	\$7,377	\$13,613
(4) Schedule Rating Credit(Debit)	\$385,068,320	(\$30,489,113)	\$0	\$354,579,207
(5) Net Premium (2)-(4)	\$1,227,638,463	\$196,125,906	\$1,380,220,829	\$2,803,985,198
(6) # of Indemnity Claims	20,824	2,672	17,521	41,017
(7) # of Total Claims	117,960	13,422	87,781	219,163
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0129	0.0161	0.0127	0.0130
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0731</u>	<u>0.0810</u>	<u>0.0636</u>	<u>0.0694</u>
(10) Incurred Losses	\$655,455,008	\$85,535,472	\$614,725,459	\$1,355,715,939
(11) Average Claim (10)/(7)	<u>\$5,557</u>	<u>\$6,373</u>	<u>\$7,003</u>	<u>\$6,186</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.5339</u>	<u>0.4361</u>	<u>0.4454</u>	<u>0.4835</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,471,567,524	\$192,030,776	\$1,380,220,829	
(14) Indicated SR Adjustment to Balance (2)-(13)	\$141,139,259	(\$26,393,983)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2388</u>	<u>(0.1841)</u>	-	<u>0.1123</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0875</u>	<u>(0.1593)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2007**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	46,875	7,266	181,105	235,246
(2) Standard Premium	\$1,816,689,831	\$141,989,673	\$1,313,260,733	\$3,271,940,237
(3) Average Premium (2)/(1)	\$38,756	\$19,542	\$7,251	\$13,909
(4) Schedule Rating Credit(Debit)	\$425,098,401	(\$23,855,096)	\$0	\$401,243,305
(5) Net Premium (2)-(4)	\$1,391,591,430	\$165,844,769	\$1,313,260,733	\$2,870,696,932
(6) # of Indemnity Claims	22,481	2,262	15,897	40,640
(7) # of Total Claims	124,145	11,508	78,284	213,937
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0124	0.0159	0.0121	0.0124
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0683</u>	<u>0.0810</u>	<u>0.0596</u>	<u>0.0654</u>
(10) Incurred Losses	\$804,214,082	\$96,953,625	\$600,646,462	\$1,501,814,169
(11) Average Claim (10)/(7)	<u>\$6,478</u>	<u>\$8,425</u>	<u>\$7,673</u>	<u>\$7,020</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.5779</u>	<u>0.5846</u>	<u>0.4574</u>	<u>0.5232</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,758,200,016	\$211,965,133	\$1,313,260,733	
(14) Indicated SR Adjustment to Balance (2)-(13)	\$58,489,815	(\$69,975,460)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2340</u>	<u>(0.1680)</u>	-	<u>0.1226</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0322</u>	<u>(0.4928)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2008**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	53,932	8,573	176,126	238,631
(2) Standard Premium	\$1,691,411,935	\$134,432,871	\$1,159,921,405	\$2,985,766,211
(3) Average Premium (2)/(1)	\$31,362	\$15,681	\$6,586	\$12,512
(4) Schedule Rating Credit(Debit)	\$391,201,454	(\$21,638,448)	\$0	\$369,563,006
(5) Net Premium (2)-(4)	\$1,300,210,481	\$156,071,319	\$1,159,921,405	\$2,616,203,205
(6) # of Indemnity Claims	20,433	2,041	14,035	36,509
(7) # of Total Claims	112,879	10,180	68,806	191,865
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0121	0.0152	0.0121	0.0122
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0667</u>	<u>0.0757</u>	<u>0.0593</u>	<u>0.0643</u>
(10) Incurred Losses	\$763,304,698	\$77,600,729	\$571,782,766	\$1,412,688,193
(11) Average Claim (10)/(7)	<u>\$6,762</u>	<u>\$7,623</u>	<u>\$8,310</u>	<u>\$7,363</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.5871</u>	<u>0.4972</u>	<u>0.4929</u>	<u>0.5400</u>
(13) Net Premium to Balance SR LR to Non-SR LRs:	\$1,548,698,668	\$157,432,866	\$1,159,921,405	
(14) Indicated SR Adjustment to Balance (2)-(13)	\$142,713,267	(\$22,999,995)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2313</u>	<u>(0.1610)</u>	-	<u>0.1238</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0844</u>	<u>(0.1711)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2009**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	56,114	11,091	181,273	248,478
(2) Standard Premium	\$1,528,658,845	\$155,481,977	\$1,057,357,521	\$2,741,498,343
(3) Average Premium (2)/(1)	\$27,242	\$14,019	\$5,833	\$11,033
(4) Schedule Rating Credit(Debit)	\$358,686,927	(\$27,954,244)	\$0	\$330,732,683
(5) Net Premium (2)-(4)	\$1,169,971,918	\$183,436,221	\$1,057,357,521	\$2,410,765,660
(6) # of Indemnity Claims	19,028	2,419	12,901	34,348
(7) # of Total Claims	104,021	11,473	62,956	178,450
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0124	0.0156	0.0122	0.0125
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0680</u>	<u>0.0738</u>	<u>0.0595</u>	<u>0.0651</u>
(10) Incurred Losses	\$715,456,149	\$94,253,937	\$527,595,045	\$1,337,305,131
(11) Average Claim (10)/(7)	<u>\$6,878</u>	<u>\$8,215</u>	<u>\$8,380</u>	<u>\$7,494</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.6115</u>	<u>0.5138</u>	<u>0.4990</u>	<u>0.5547</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,433,743,142	\$188,876,814	\$1,057,357,521	
(14) Indicated SR Adjustment to Balance (2)-(13)	\$94,915,703	(\$33,394,837)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2346</u>	<u>(0.1798)</u>	-	<u>0.1206</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0621</u>	<u>(0.2148)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2010**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	65,886	11,901	167,628	245,415
(2) Standard Premium	\$1,623,806,751	\$174,328,772	\$1,037,739,802	\$2,835,875,325
(3) Average Premium (2)/(1)	\$24,646	\$14,648	\$6,191	\$11,555
(4) Schedule Rating Credit(Debit)	\$387,733,857	(\$30,114,956)	\$0	\$357,618,901
(5) Net Premium (2)-(4)	\$1,236,072,894	\$204,443,728	\$1,037,739,802	\$2,478,256,424
(6) # of Indemnity Claims	20,045	2,644	12,459	35,148
(7) # of Total Claims	108,095	12,588	60,122	180,805
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0123	0.0152	0.0120	0.0124
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0666</u>	<u>0.0722</u>	<u>0.0579</u>	<u>0.0638</u>
(10) Incurred Losses	\$752,691,471	\$112,678,660	\$514,130,469	\$1,379,500,600
(11) Average Claim (10)/(7)	<u>\$6,963</u>	<u>\$8,951</u>	<u>\$8,551</u>	<u>\$7,630</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.6089</u>	<u>0.5511</u>	<u>0.4954</u>	<u>0.5566</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,519,266,825	\$227,430,235	\$1,037,739,802	
(14) Indicated SR Adjustment to Balance (2)-(13)	\$104,539,926	(\$53,101,463)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2388</u>	<u>(0.1727)</u>	-	<u>0.1261</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0644</u>	<u>(0.3046)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2011**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	73,421	14,972	156,589	244,982
(2) Standard Premium	\$1,727,952,665	\$218,789,555	\$1,108,726,848	\$3,055,469,068
(3) Average Premium (2)/(1)	\$23,535	\$14,613	\$7,080	\$12,472
(4) Schedule Rating Credit(Debit)	\$406,030,864	(\$40,681,654)	\$0	\$365,349,210
(5) Net Premium (2)-(4)	\$1,321,921,801	\$259,471,209	\$1,108,726,848	\$2,690,119,858
(6) # of Indemnity Claims	19,595	3,198	11,986	34,779
(7) # of Total Claims	105,853	15,424	58,369	179,646
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0113	0.0146	0.0108	0.0114
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0613</u>	<u>0.0705</u>	<u>0.0526</u>	<u>0.0588</u>
(10) Incurred Losses	\$784,393,300	\$133,021,868	\$540,243,728	\$1,457,658,896
(11) Average Claim (10)/(7)	<u>\$7,410</u>	<u>\$8,624</u>	<u>\$9,256</u>	<u>\$8,114</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.5934</u>	<u>0.5127</u>	<u>0.4873</u>	<u>0.5419</u>
(13) Net Premium to Balance SR LR to Non-SR LRs:	\$1,609,744,299	\$272,995,873	\$1,108,726,848	
(14) Indicated SR Adjustment to Balance (2)-(13) Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$118,208,366	(\$54,206,318)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2350</u>	<u>(0.1859)</u>	-	<u>0.1196</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0684</u>	<u>(0.2478)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2012**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	66,316	35,204	148,715	250,235
(2) Standard Premium	\$1,522,229,096	\$300,922,818	\$1,123,819,617	\$2,946,971,531
(3) Average Premium (2)/(1)	\$22,954	\$8,548	\$7,557	\$11,777
(4) Schedule Rating Credit(Debit)	\$355,463,049	(\$59,527,571)	\$0	\$295,935,478
(5) Net Premium (2)-(4)	\$1,166,766,047	\$360,450,389	\$1,123,819,617	\$2,651,036,053
(6) # of Indemnity Claims	16,608	3,954	12,054	32,616
(7) # of Total Claims	91,184	19,035	58,462	168,681
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0109	0.0131	0.0107	0.0111
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0599</u>	<u>0.0633</u>	<u>0.0520</u>	<u>0.0572</u>
(10) Incurred Losses	\$655,003,240	\$177,144,754	\$584,126,126	\$1,416,274,120
(11) Average Claim (10)/(7)	<u>\$7,183</u>	<u>\$9,306</u>	<u>\$9,992</u>	<u>\$8,396</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.5614</u>	<u>0.4915</u>	<u>0.5198</u>	<u>0.5342</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,260,143,245	\$340,826,022	\$1,123,819,617	
(14) Indicated SR Adjustment to Balance (2)-(13)	\$262,085,851	(\$39,903,204)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2335</u>	<u>(0.1978)</u>	-	<u>0.1004</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.1722</u>	<u>(0.1326)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2013**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	53,219	40,486	166,596	260,301
(2) Standard Premium	\$1,405,373,146	\$391,141,534	\$1,190,543,390	\$2,987,058,070
(3) Average Premium (2)/(1)	\$26,407	\$9,661	\$7,146	\$11,475
(4) Schedule Rating Credit(Debit)	\$339,345,604	(\$81,650,718)	\$0	\$257,694,886
(5) Net Premium (2)-(4)	\$1,066,027,542	\$472,792,252	\$1,190,543,390	\$2,729,363,184
(6) # of Indemnity Claims	16,515	4,940	12,343	33,798
(7) # of Total Claims	89,892	23,817	57,903	171,612
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0118	0.0126	0.0104	0.0113
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0640</u>	<u>0.0609</u>	<u>0.0486</u>	<u>0.0575</u>
(10) Incurred Losses	\$688,224,407	\$234,974,271	\$592,444,713	\$1,515,643,391
(11) Average Claim (10)/(7)	<u>\$7,656</u>	<u>\$9,866</u>	<u>\$10,232</u>	<u>\$8,832</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.6456</u>	<u>0.4970</u>	<u>0.4976</u>	<u>0.5553</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,383,093,612	\$472,222,165	\$1,190,543,390	
(14) Indicated SR Adjustment to Balance (2)-(13)	\$22,279,534	(\$81,080,631)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2415</u>	<u>(0.2087)</u>	-	<u>0.0863</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0159</u>	<u>(0.2073)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2014**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	52,561	26,233	167,760	246,554
(2) Standard Premium	\$1,344,660,119	\$418,882,831	\$1,183,790,272	\$2,947,333,222
(3) Average Premium (2)/(1)	\$25,583	\$15,968	\$7,056	\$11,954
(4) Schedule Rating Credit(Debit)	\$328,351,163	(\$89,842,948)	\$0	\$238,508,215
(5) Net Premium (2)-(4)	\$1,016,308,956	\$508,725,779	\$1,183,790,272	\$2,708,825,007
(6) # of Indemnity Claims	15,388	5,323	12,089	32,800
(7) # of Total Claims	83,069	25,516	58,598	167,183
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0114	0.0127	0.0102	0.0111
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0618</u>	<u>0.0609</u>	<u>0.0495</u>	<u>0.0567</u>
(10) Incurred Losses	\$682,201,114	\$260,097,792	\$589,000,900	\$1,531,299,806
(11) Average Claim (10)/(7)	<u>\$8,212</u>	<u>\$10,194</u>	<u>\$10,052</u>	<u>\$9,159</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.6713</u>	<u>0.5113</u>	<u>0.4976</u>	<u>0.5653</u>
(13) Net Premium to Balance SR LR to Non-SR LRs:	\$1,371,077,577	\$522,732,096	\$1,183,790,272	
(14) Indicated SR Adjustment to Balance (2)-(13) Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	(\$26,417,458)	(\$103,849,265)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2442</u>	<u>(0.2145)</u>	-	<u>0.0809</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.0196)</u>	<u>(0.2479)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2015**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	53,151	25,926	174,473	253,550
(2) Standard Premium	\$1,298,300,842	\$407,481,233	\$1,177,176,502	\$2,882,958,577
(3) Average Premium (2)/(1)	\$24,427	\$15,717	\$6,747	\$11,370
(4) Schedule Rating Credit(Debit)	\$317,774,684	(\$88,110,657)	\$0	\$229,664,027
(5) Net Premium (2)-(4)	\$980,526,158	\$495,591,890	\$1,177,176,502	\$2,653,294,550
(6) # of Indemnity Claims	14,820	4,961	11,864	31,645
(7) # of Total Claims	78,365	25,097	58,245	161,707
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0114	0.0122	0.0101	0.0110
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0604</u>	<u>0.0616</u>	<u>0.0495</u>	<u>0.0561</u>
(10) Incurred Losses	\$660,817,602	\$225,211,783	\$564,401,971	\$1,450,431,356
(11) Average Claim (10)/(7)	<u>\$8,433</u>	<u>\$8,974</u>	<u>\$9,690</u>	<u>\$8,970</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.6739</u>	<u>0.4544</u>	<u>0.4795</u>	<u>0.5467</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,378,053,343	\$469,649,541	\$1,177,176,502	
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$79,752,501)	(\$62,168,308)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2448</u>	<u>(0.2162)</u>	-	<u>0.0797</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.0614)</u>	<u>(0.1526)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2016**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	54,403	25,330	178,408	258,141
(2) Standard Premium	\$1,288,254,218	\$369,081,701	\$1,201,241,872	\$2,858,577,791
(3) Average Premium (2)/(1)	\$23,680	\$14,571	\$6,733	\$11,074
(4) Schedule Rating Credit(Debit)	\$311,846,843	(\$78,809,794)	\$0	\$233,037,049
(5) Net Premium (2)-(4)	\$976,407,375	\$447,891,495	\$1,201,241,872	\$2,625,540,742
(6) # of Indemnity Claims	14,742	4,587	11,326	30,655
(7) # of Total Claims	76,091	22,686	57,914	156,691
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0114	0.0124	0.0094	0.0107
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0591</u>	<u>0.0615</u>	<u>0.0482</u>	<u>0.0548</u>
(10) Incurred Losses	\$685,549,177	\$216,404,658	\$566,022,051	\$1,467,975,886
(11) Average Claim (10)/(7)	<u>\$9,010</u>	<u>\$9,539</u>	<u>\$9,773</u>	<u>\$9,369</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.7021</u>	<u>0.4832</u>	<u>0.4712</u>	<u>0.5591</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,454,871,855	\$459,297,900	\$1,201,241,872	
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$166,617,637)	(\$90,216,199)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2421</u>	<u>(0.2135)</u>	-	<u>0.0815</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.1293)</u>	<u>(0.2444)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2017**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	58,426	25,936	178,260	262,622
(2) Standard Premium	\$1,324,274,171	\$332,536,518	\$1,203,274,072	\$2,860,084,761
(3) Average Premium (2)/(1)	\$22,666	\$12,821	\$6,750	\$10,890
(4) Schedule Rating Credit(Debit)	\$329,381,068	(\$69,445,228)	\$0	\$259,935,840
(5) Net Premium (2)-(4)	\$994,893,103	\$401,981,746	\$1,203,274,072	\$2,600,148,921
(6) # of Indemnity Claims	15,185	4,025	11,448	30,658
(7) # of Total Claims	79,452	20,115	56,621	156,188
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0115	0.0121	0.0095	0.0107
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0600</u>	<u>0.0605</u>	<u>0.0471</u>	<u>0.0546</u>
(10) Incurred Losses	\$699,141,535	\$200,963,797	\$594,263,363	\$1,494,368,695
(11) Average Claim (10)/(7)	<u>\$8,800</u>	<u>\$9,991</u>	<u>\$10,495</u>	<u>\$9,568</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.7027</u>	<u>0.4999</u>	<u>0.4939</u>	<u>0.5747</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,415,491,767	\$406,865,104	\$1,203,274,072	
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$91,217,596)	(\$74,328,586)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2487</u>	<u>(0.2088)</u>	-	<u>0.0909</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.0689)</u>	<u>(0.2235)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year 2018**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	66,506	24,231	163,664	254,401
(2) Standard Premium	\$1,542,263,611	\$325,697,835	\$1,238,922,079	\$3,106,883,525
(3) Average Premium (2)/(1)	\$23,190	\$13,441	\$7,570	\$12,213
(4) Schedule Rating Credit(Debit)	\$379,000,722	(\$66,864,688)	\$0	\$312,136,034
(5) Net Premium (2)-(4)	\$1,163,262,889	\$392,562,523	\$1,238,922,079	\$2,794,747,491
(6) # of Indemnity Claims	16,021	3,705	11,030	30,756
(7) # of Total Claims	82,447	17,699	54,589	154,735
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0104	0.0114	0.0089	0.0099
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0535</u>	<u>0.0543</u>	<u>0.0441</u>	<u>0.0498</u>
(10) Incurred Losses	\$813,977,185	\$207,834,541	\$620,069,114	\$1,641,880,840
(11) Average Claim (10)/(7)	<u>\$9,873</u>	<u>\$11,743</u>	<u>\$11,359</u>	<u>\$10,611</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.6997</u>	<u>0.5294</u>	<u>0.5005</u>	<u>0.5875</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,626,243,843	\$415,229,969	\$1,238,922,079	
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$83,980,232)	(\$89,532,134)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2457</u>	<u>(0.2053)</u>	-	<u>0.1005</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.0545)</u>	<u>(0.2749)</u>	-	

**Pennsylvania Schedule Rating Plan Analysis
Policy Year (2006 - 2018)**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	736,664	266,227	2,227,689	3,230,580
(2) Standard Premium	\$19,726,582,013	\$3,536,404,111	\$15,375,994,942	\$38,638,981,066
(3) Average Premium (2)/(1)	\$26,778	\$13,283	\$6,902	\$11,960
(4) Schedule Rating Credit(Debit)	3,956,981,512	(708,985,115)	\$0	\$3,247,996,397
(5) Net Premium (2)-(4)	\$15,769,600,501	\$4,245,389,226	\$15,375,994,942	\$35,390,984,669
(6) # of Indemnity Claims	231,685	46,731	166,953	445,369
(7) # of Total Claims	1,253,453	228,560	818,650	2,300,663
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0117	0.0132	0.0109	0.0115
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0635</u>	<u>0.0646</u>	<u>0.0532</u>	<u>0.0595</u>
(10) Incurred Losses	\$9,360,428,968	\$2,122,675,887	\$7,479,452,167	\$2,715,731,393
(11) Average Claim (10)/(7)	<u>\$7,468</u>	<u>\$9,287</u>	<u>\$9,136</u>	<u>\$1,180</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.5936</u>	<u>0.5000</u>	<u>0.4864</u>	<u>0.0767</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$19,245,137,454	\$4,364,092,543	\$15,375,994,942	
(14) Indicated SR Adjustment to Balance (2)-(13)	\$481,444,559	(\$827,688,432)	-	
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2006</u>	<u>(0.2005)</u>	-	<u>0.0841</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0244</u>	<u>(0.2340)</u>	-	