

PENNSYLVANIA COMPENSATION RATING BUREAU (PCRB)

ANALYSIS OF EXPERIENCE UNDER THE PENNSYLVANIA CERTIFIED SAFETY COMMITTEE PROGRAM (PCSCP)

The PCSCP provides for premium credits to employers certified by the Department of Labor & Industry as having a safety committee and associated procedures which comply with statutory requirements of the Commonwealth. Characteristics of this program that may be of interest to a variety of constituencies within the Pennsylvania workers compensation system include employer participation in the plan, magnitude of credits granted and the extent to which those credits are consistent with loss experience of employers receiving them.

The PCRB has compiled and reviewed aggregate statistical data for the Certified Safety Committee Programs covering Policy Years 2006 (Exhibit I) through 2018 (Exhibit XIII) and the total of those years (Exhibit XIV).

Exhibits I through XIV show 16 experience statistics (described in the Appendix below) separately for each of three groups of policies:

1. Experience for policies eligible for participation in the PCSCP during the indicated 12-month experience period (Column (1)).
2. Experience for policies qualifying for, and participating in, the PCSCP during the indicated 12-month experience period (Column (2)).
3. Experience for policies not qualifying for, and participating in, the PCSCP during the indicated 12-month experience period (Column (3)).

Note that there is a change in this and future Pennsylvania Certified Safety Committee Program reports due to the development of a new data management system. Data for Policy Years 2018 and subsequent will come from this system. Also, 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, the average credit provided to participating employers of 5.1 percent while the actual performance of the qualifying employers during the years which the credits applied indicated that a debit of 0.1 percent was necessary to balance the experience of participating employers with that of all other eligible employers.
- The PCSCP credits provided to qualifying employers were greater than the indicated credits for 11 of the 13 years. For five of those years, results show that the indicated credits were negative, suggesting that a debit would have been required to balance the experience of participating risks with that of all other eligible risks.
- In December, 2002, the cap on the number of years risks may receive credits was lifted and, since then, employers can qualify for the program every year. In response to that legislation, both the number and percentage of risks participating and the

premiums and market share of those risks increased significantly. Since 2016, however, participation has levelled off. During 2018, 3% of eligible risks representing 20% of eligible premiums participated in the program.

- Average policy size has generally tended to decline as the number of participating employers has grown. In rough terms, average policy size for participating risks is more than ten times the average size of non-participating risks.
- Total claim frequency has been consistently higher for participating risks than for non-participating risks. Most of this difference is attributable to a higher incidence of medical only claims for participating risks. Indemnity claim frequency is similar for the two groups. Over the 13 years, participating risks showed a 11 percent higher indemnity claim frequency, a 52 percent higher medical only frequency, and a 44 percent higher frequency for all claims.
- Claim severities were consistently more favorable for participating risks on an indemnity and combined basis. Over the 13 years, participating risks showed a 13 percent lower indemnity claim severity and, on a combined indemnity and medical only basis, participating risks exhibited a 30 percent lower claim severity than that of non-participating risks. The combined severity differential of 30 percent primarily reflects the greater incidence of medical only claims for participating risks as cited above. The 13-year overall medical only severity showed 13 percent lower for participating risks than for non-participating risks.
- The fact that indicated credits may be higher (or lower) than actual credits provided does not mean that the employers in question should have paid lower (or higher) workers compensation premiums than they, in fact, did. The comparisons done in Exhibits I through XIV are based on PCRB loss costs only. Actual workers compensation premiums paid by both qualified and non-qualified employers in those years were affected by many pricing parameters, programs and considerations not reflected in those loss costs. Such additional pricing factors would include, but not be limited to, individual insurers' respective loss cost multipliers, schedule rating credits or debits, dividend plans, retrospective rating plans and subclassifications.

APPENDIX

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

- (1) Number of Risks: The number of policies issued to 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) Safety Credits: The total amount of loss cost credits given under the PCSCP to participating employers included in each column of Exhibits I through XIV.
- (5) Net Premium: The standard premium less any applicable PCSCP credits. For non-participating employers, net premium and standard premium are equal, because no PCSCP credits were applied.
- (6) Number of Indemnity Claims: The number of indemnity claims reported on the policies described in each column of Exhibits I through 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 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 PCSCP.
- (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 PCSCP.
- (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 PCSCP.

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

- (13) Net Premium to Balance PCSCP and Non-Participating Loss Ratios: This is the amount of net premium which would produce the same loss ratio for the PCSCP participants studied in each exhibit's column (2) as was reported for all non-participating employers.
- (14) Indicated PCSCP Credits to Balance: This is the difference between standard premium for the PCSCP participants studied in each exhibit's column (2) and the balancing net premium computed in item (13).
- (15) Average PCSCP Credit Factor: This is the average ratio of PCSCP credits actually granted to standard premium for the PCSCP participants studied in each exhibit's column (2). The average PCSCP credit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the PCSCP.
- (16) Indicated PCSCP Credit Factor: This is the average PCSCP credit or debit ratio, which would have resulted in the balancing PCSCP credits, computed in item (14). This indicated PCSCP credit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the PCSCP, especially for purposes of comparison to the actual average PCSCP credit shown in item (15).

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2006**

	Statistic	(1) Eligibles	(2) Participating	(3) Non-Participating
(1)	Number of Risks	231,436	4,311	227,125
(2)	Standard Premium	\$3,097,319,984	\$617,071,757	\$2,480,248,227
(3)	Average Premium	\$13,383	\$143,139	\$10,920
	(2)/(1)			
(4)	Safety Credits	\$30,483,345	\$30,483,345	\$0
(5)	Net Premium	\$3,066,836,639	\$586,588,412	\$2,480,248,227
	(2)-(4)			
(6)	# of Indemnity Claims	40,323	8,001	32,322
(7)	# of Total Claims	214,855	52,510	162,345
(8)	Indemnity Claim Frequency	0.0130	0.0130	0.0130
	(6)/{(2)/1,000}			
(9)	Total Claim Frequency	<u>0.0694</u>	<u>0.0851</u>	<u>0.0655</u>
	(7)/{(2)/1,000}			
(10)	Incurred Losses	\$1,334,058,245	\$244,070,036	\$1,089,988,209
(11)	Average Claim	<u>\$6,209</u>	<u>\$4,648</u>	<u>\$6,714</u>
	(10)/(7)			
(12)	Loss Ratio	<u>43.5%</u>	<u>41.6%</u>	<u>43.9%</u>
	(10)/(5)			
(13)	Net Premium to Balance CSC & Non-Participating LR: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$555,855,990	
(14)	Indicated CSC Credits to Balance		\$61,215,767	
	(2)-(13)			
(15)	Average CSC Credit Factor		<u>0.0494</u>	
	(4)/(2)			
(16)	Indicated CSC Credit Factor		<u>0.0992</u>	
	(14)/(2)			

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2007**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	234,664	4,716	229,948
(2) Standard Premium	\$3,205,688,892	\$631,838,527	\$2,573,850,365
(3) Average Premium (2)/(1)	\$13,661	\$133,978	\$11,193
(4) Safety Credits	\$32,223,765	\$32,223,765	\$0
(5) Net Premium (2)-(4)	\$3,173,465,127	\$599,614,762	\$2,573,850,365
(6) # of Indemnity Claims	39,869	8,172	31,697
(7) # of Total Claims	209,680	53,675	156,005
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0124	0.0129	0.0123
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0654</u>	<u>0.0850</u>	<u>0.0606</u>
(10) Incurred Losses	\$1,474,559,112	\$262,180,168	\$1,212,378,944
(11) Average Claim (10)/(7)	<u>\$7,032</u>	<u>\$4,885</u>	<u>\$7,771</u>
(12) Loss Ratio (10)/(5)	<u>46.5%</u>	<u>43.7%</u>	<u>47.1%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$556,330,469	
(14) Indicated CSC Credits to Balance (2)-(13)		\$75,508,058	
(15) Average CSC Credit Factor (4)/(2)		<u>0.0510</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.1195</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2008**

	Statistic	(1) Eligibles	(2) Participating	(3) Non-Participating
(1)	Number of Risks	238,043	5,233	232,810
(2)	Standard Premium	\$2,943,969,665	\$591,016,785	\$2,352,952,880
(3)	Average Premium	\$12,367	\$112,940	\$10,107
	(2)/(1)			
(4)	Safety Credits	\$30,378,263	\$30,378,263	\$0
(5)	Net Premium	\$2,913,591,402	\$560,638,522	\$2,352,952,880
	(2)-(4)			
(6)	# of Indemnity Claims	35,948	7,726	28,222
(7)	# of Total Claims	189,231	49,314	139,917
(8)	Indemnity Claim Frequency	0.0122	0.0131	0.0120
	(6)/{(2)/1,000}			
(9)	Total Claim Frequency	<u>0.0643</u>	<u>0.0834</u>	<u>0.0595</u>
	(7)/{(2)/1,000}			
(10)	Incurred Losses	\$1,390,526,641	\$273,864,485	\$1,116,662,156
(11)	Average Claim	<u>\$7,348</u>	<u>\$5,553</u>	<u>\$7,981</u>
	(10)/(7)			
(12)	Loss Ratio	<u>47.7%</u>	<u>48.8%</u>	<u>47.5%</u>
	(10)/(5)			
(13)	Net Premium to Balance CSC & Non-Participating LR: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$575,982,313	
(14)	Indicated CSC Credits to Balance		\$15,034,472	
	(2)-(13)			
(15)	Average CSC Credit Factor		<u>0.0514</u>	
	(4)/(2)			
(16)	Indicated CSC Credit Factor		<u>0.0254</u>	
	(14)/(2)			

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2009**

	Statistic	(1) Eligibles	(2) Participating	(3) Non-Participating
(1)	Number of Risks	247,955	5,435	242,520
(2)	Standard Premium	\$2,704,410,748	\$568,296,505	\$2,136,114,243
(3)	Average Premium	\$10,907	\$104,562	\$8,808
(4)	(2)/(1) Safety Credits	\$29,608,248	\$29,608,248	\$0
(5)	Net Premium	\$2,674,802,500	\$538,688,257	\$2,136,114,243
(6)	(2)-(4) # of Indemnity Claims	33,857	7,455	26,402
(7)	# of Total Claims	175,982	46,945	129,037
(8)	Indemnity Claim Frequency	0.0125	0.0131	0.0124
(9)	(6)/{(2)/1,000} Total Claim Frequency	<u>0.0651</u>	<u>0.0826</u>	<u>0.0604</u>
(10)	(7)/{(2)/1,000} Incurred Losses	\$1,314,146,798	\$271,930,717	\$1,042,216,081
(11)	Average Claim	<u>\$7,468</u>	<u>\$5,793</u>	<u>\$8,077</u>
(12)	(10)/(7) Loss Ratio	<u>49.1%</u>	<u>50.5%</u>	<u>48.8%</u>
(13)	(10)/(5) Net Premium to Balance CSC & Non-Participating LRs:		\$557,454,036	
(14)	Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) Indicated CSC Credits to Balance		\$10,842,469	
(15)	(2)-(13) Average CSC Credit Factor		<u>0.0521</u>	
(16)	(4)/(2) Indicated CSC Credit Factor		<u>0.0191</u>	
	(14)/(2)			

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2010**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	244,866	5,769	239,097
(2) Standard Premium	\$2,805,549,021	\$597,407,463	\$2,208,141,558
(3) Average Premium (2)/(1)	\$11,457	\$103,555	\$9,235
(4) Safety Credits	\$31,065,188	\$31,065,188	\$0
(5) Net Premium (2)-(4)	\$2,774,483,833	\$566,342,275	\$2,208,141,558
(6) # of Indemnity Claims	34,785	8,003	26,782
(7) # of Total Claims	178,797	50,185	128,612
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0124	0.0134	0.0121
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0637</u>	<u>0.0840</u>	<u>0.0582</u>
(10) Incurred Losses	\$1,365,813,950	\$284,941,998	\$1,080,871,952
(11) Average Claim (10)/(7)	<u>\$7,639</u>	<u>\$5,678</u>	<u>\$8,404</u>
(12) Loss Ratio (10)/(5)	<u>49.2%</u>	<u>50.3%</u>	<u>48.9%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$582,556,573	
(14) Indicated CSC Credits to Balance (2)-(13)		\$14,850,890	
(15) Average CSC Credit Factor (4)/(2)		<u>0.0520</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.0249</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2011**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	244,423	6,021	238,402
(2) Standard Premium	\$3,023,604,945	\$632,713,895	\$2,390,891,050
(3) Average Premium (2)/(1)	\$12,370	\$105,085	\$10,029
(4) Safety Credits	\$32,584,766	\$32,584,766	\$0
(5) Net Premium (2)-(4)	\$2,991,020,179	\$600,129,129	\$2,390,891,050
(6) # of Indemnity Claims	34,405	8,011	26,394
(7) # of Total Claims	177,446	49,589	127,857
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0114	0.0127	0.0110
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0587</u>	<u>0.0784</u>	<u>0.0535</u>
(10) Incurred Losses	\$1,445,928,685	\$304,936,754	\$1,140,991,931
(11) Average Claim (10)/(7)	<u>\$8,149</u>	<u>\$6,149</u>	<u>\$8,924</u>
(12) Loss Ratio (10)/(5)	<u>48.3%</u>	<u>50.8%</u>	<u>47.7%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$639,131,232	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$6,417,337	
(15) Average CSC Credit Factor (4)/(2)		<u>0.0515</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.0101</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2012**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	250,015	6,043	243,972
(2) Standard Premium	\$2,954,856,471	\$636,086,078	\$2,318,770,393
(3) Average Premium (2)/(1)	\$11,819	\$105,260	\$9,504
(4) Safety Credits	\$33,140,085	\$33,140,085	\$0
(5) Net Premium (2)-(4)	\$2,921,716,386	\$602,945,993	\$2,318,770,393
(6) # of Indemnity Claims	32,651	7,856	24,795
(7) # of Total Claims	169,072	48,674	120,398
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0110	0.0124	0.0107
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0572</u>	<u>0.0765</u>	<u>0.0519</u>
(10) Incurred Losses	\$1,411,923,746	\$300,507,239	\$1,111,416,507
(11) Average Claim (10)/(7)	<u>\$8,351</u>	<u>\$6,174</u>	<u>\$9,231</u>
(12) Loss Ratio (10)/(5)	<u>48.3%</u>	<u>49.8%</u>	<u>47.9%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$626,862,431	
(14) Indicated CSC Credits to Balance (2)-(13)		\$9,223,647	
(15) Average CSC Credit Factor (4)/(2)		<u>0.0521</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.0145</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2013**

	Statistic	(1) Eligibles	(2) Participating	(3) Non-Participating
(1)	Number of Risks	259,765	6,224	253,541
(2)	Standard Premium	\$2,949,314,975	\$617,643,872	\$2,331,671,103
(3)	Average Premium (2)/(1)	\$11,354	\$99,236	\$9,196
(4)	Safety Credits	\$31,499,837	\$31,499,837	\$0
(5)	Net Premium (2)-(4)	\$2,917,815,138	\$586,144,035	\$2,331,671,103
(6)	# of Indemnity Claims	33,414	7,898	25,516
(7)	# of Total Claims	169,077	47,979	121,098
(8)	Indemnity Claim Frequency (6)/{(2)/1,000}	0.0113	0.0128	0.0109
(9)	Total Claim Frequency (7)/{(2)/1,000}	<u>0.0573</u>	<u>0.0777</u>	<u>0.0519</u>
(10)	Incurred Losses	\$1,500,689,203	\$305,737,289	\$1,194,951,914
(11)	Average Claim (10)/(7)	<u>\$8,876</u>	<u>\$6,372</u>	<u>\$9,868</u>
(12)	Loss Ratio (10)/(5)	<u>51.4%</u>	<u>52.2%</u>	<u>51.2%</u>
(13)	Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$597,592,161	
(14)	Indicated CSC Credits to Balance (2)-(13)		\$20,051,711	
(15)	Average CSC Credit Factor (4)/(2)		<u>0.0510</u>	
(16)	Indicated CSC Credit Factor (14)/(2)		<u>0.0325</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2014**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	246,015	6,544	239,471
(2) Standard Premium	\$2,913,084,056	\$633,212,584	\$2,279,871,472
(3) Average Premium (2)/(1)	\$11,841	\$96,762	\$9,520
(4) Safety Credits	\$33,053,697	\$33,053,697	\$0
(5) Net Premium (2)-(4)	\$2,880,030,359	\$600,158,887	\$2,279,871,472
(6) # of Indemnity Claims	32,419	7,867	24,552
(7) # of Total Claims	164,637	48,867	115,770
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0111	0.0124	0.0108
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0565</u>	<u>0.0772</u>	<u>0.0508</u>
(10) Incurred Losses	\$1,516,676,437	\$328,846,841	\$1,187,829,596
(11) Average Claim (10)/(7)	<u>\$9,212</u>	<u>\$6,729</u>	<u>\$10,260</u>
(12) Loss Ratio (10)/(5)	<u>52.7%</u>	<u>54.8%</u>	<u>52.1%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$631,261,171	
(14) Indicated CSC Credits to Balance (2)-(13)		\$1,951,413	
(15) Average CSC Credit Factor (4)/(2)		<u>0.0522</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.0031</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2015**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	252,939	6,749	246,190
(2) Standard Premium	\$2,847,978,592	\$601,833,520	\$2,246,145,072
(3) Average Premium (2)/(1)	\$11,260	\$89,174	\$9,124
(4) Safety Credits	\$31,114,793	\$31,114,793	\$0
(5) Net Premium (2)-(4)	\$2,816,863,799	\$570,718,727	\$2,246,145,072
(6) # of Indemnity Claims	31,180	7,395	23,785
(7) # of Total Claims	159,132	44,896	114,236
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0109	0.0123	0.0106
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0559</u>	<u>0.0746</u>	<u>0.0509</u>
(10) Incurred Losses	\$1,429,884,395	\$324,294,116	\$1,105,590,279
(11) Average Claim (10)/(7)	<u>\$8,986</u>	<u>\$7,223</u>	<u>\$9,678</u>
(12) Loss Ratio (10)/(5)	<u>50.8%</u>	<u>56.8%</u>	<u>49.2%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$658,878,530	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$57,045,010	
(15) Average CSC Credit Factor (4)/(2)		<u>0.0517</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.0948</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2016**

	Statistic	(1) Eligibles	(2) Participating	(3) Non-Participating
(1)	Number of Risks	257,341	6,687	250,654
(2)	Standard Premium	\$2,826,815,965	\$589,837,408	\$2,236,978,557
(3)	Average Premium	\$10,985	\$88,207	\$8,925
(4)	Safety Credits	\$30,140,692	\$30,140,692	\$0
(5)	Net Premium	\$2,796,675,273	\$559,696,716	\$2,236,978,557
(6)	# of Indemnity Claims	30,319	6,988	23,331
(7)	# of Total Claims	154,873	42,748	112,125
(8)	Indemnity Claim Frequency	0.0107	0.0118	0.0104
(9)	Total Claim Frequency	<u>0.0548</u>	<u>0.0725</u>	<u>0.0501</u>
(10)	Incurred Losses	\$1,452,867,882	\$314,487,161	\$1,138,380,721
(11)	Average Claim	<u>\$9,381</u>	<u>\$7,357</u>	<u>\$10,153</u>
(12)	Loss Ratio	<u>51.9%</u>	<u>56.2%</u>	<u>50.9%</u>
(13)	Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$617,975,549	
(14)	Indicated CSC Credits to Balance		-\$28,138,141	
(15)	Average CSC Credit Factor		<u>0.0511</u>	
(16)	Indicated CSC Credit Factor		<u>-0.0477</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2017**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	261,636	6,764	254,872
(2) Standard Premium	\$2,810,012,204	\$574,272,311	\$2,235,739,893
(3) Average Premium (2)/(1)	\$10,740	\$84,901	\$8,772
(4) Safety Credits	\$29,173,033	\$29,173,033	\$0
(5) Net Premium (2)-(4)	\$2,780,839,171	\$545,099,278	\$2,235,739,893
(6) # of Indemnity Claims	30,126	6,832	23,294
(7) # of Total Claims	153,109	42,492	110,617
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0107	0.0119	0.0104
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0545</u>	<u>0.0740</u>	<u>0.0495</u>
(10) Incurred Losses	\$1,467,188,713	\$304,901,440	\$1,162,287,273
(11) Average Claim (10)/(7)	<u>\$9,583</u>	<u>\$7,176</u>	<u>\$10,507</u>
(12) Loss Ratio (10)/(5)	<u>52.8%</u>	<u>55.9%</u>	<u>52.0%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$585,981,724	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$11,709,413	
(15) Average CSC Credit Factor (4)/(2)		<u>0.0508</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.0204</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis
Safety Program Credit 2018**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	253,709	6,551	247,158
(2) Standard Premium	\$3,071,329,800	\$612,436,943	\$2,458,892,857
(3) Average Premium (2)/(1)	\$12,106	\$93,488	\$9,949
(4) Safety Credits	\$32,152,940	\$32,152,940	\$0
(5) Net Premium (2)-(4)	\$3,039,176,860	\$580,284,003	\$2,458,892,857
(6) # of Indemnity Claims	30,427	6,877	23,550
(7) # of Total Claims	152,781	41,758	111,023
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0099	0.0112	0.0096
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0497</u>	<u>0.0682</u>	<u>0.0452</u>
(10) Incurred Losses	\$1,632,836,416	\$381,953,903	\$1,250,882,513
(11) Average Claim (10)/(7)	<u>\$10,687</u>	<u>\$9,147</u>	<u>\$11,267</u>
(12) Loss Ratio (10)/(5)	<u>53.7%</u>	<u>65.8%</u>	<u>50.9%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$750,151,029	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$137,714,086	
(15) Average CSC Credit Factor (4)/(2)		<u>0.0525</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.2249</u>	

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis:
Safety Program Credit (2006 - 2018)**

	Statistic	(1) Eligibles	(2) Participating	(3) Non-Participating
(1)	Number of Risks	3,222,807	77,047	3,145,760
(2)	Standard Premium	\$38,153,935,318	\$7,903,667,648	\$30,250,267,670
(3)	Average Premium (2)/(1)	\$11,839	\$102,582	\$9,616
(4)	Safety Credits	\$406,618,652	\$406,618,652	\$0
(5)	Net Premium (2)-(4)	\$37,747,316,666	\$7,497,048,996	\$30,250,267,670
(6)	# of Indemnity Claims	439,723	99,081	340,642
(7)	# of Total Claims	2,268,672	619,632	1,649,040
(8)	Indemnity Claim Frequency (6)/{(2)/1,000}	0.0115	0.0125	0.0113
(9)	Total Claim Frequency (7)/{(2)/1,000}	<u>0.0595</u>	<u>0.0784</u>	<u>0.0545</u>
(10)	Incurred Losses	\$18,737,100,223	\$3,902,652,147	\$14,834,448,076
(11)	Average Claim (10)/(7)	<u>\$8,259</u>	<u>\$6,298</u>	<u>\$8,996</u>
(12)	Loss Ratio (10)/(5)	<u>49.6%</u>	<u>52.1%</u>	<u>49.0%</u>
(13)	Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$7,971,352,096	
(14)	Indicated CSC Credits to Balance (2)-(13)		-\$67,684,448	
(15)	Average CSC Credit Factor (4)/(2)		<u>0.0514</u>	
(16)	Indicated CSC Credit Factor (14)/(2)		<u>-0.0086</u>	