# 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 2019 (Exhibit XIV) and the total of those years (Exhibit XV).

Exhibits I through XV 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)).

The following summary observations are based on a review of Exhibits I through XV.

- Over the period 2006 to 2019, the average credit provided to participating employers of 5.2% while the actual performance of the qualifying employers during the years which the credits applied indicated that a <u>debit</u> of 1.8% 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 12 of the 14 years. For six 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 2019, 3% of eligible risks representing 20% of eligible premiums participated in the program.

- In recent years, the average policy size has generally been between 90,000 and 100,000, prior to 2019. Policy Year 2019 saw a more sizable drop in premium and

claim counts as this year was impacted by the pandemic. The average policy size has declined from the earlier years as the number of participating employers grew. 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 14 years, participating risks showed a 12% higher indemnity claim frequency, a 53% higher medical only frequency, and a 44% higher frequency for all claims.

- Claim severities were consistently more favorable for participating risks on an indemnity and combined basis. Over the 14 years, participating risks showed a 12% lower indemnity claim severity and, on a combined indemnity and medical only basis, participating risks exhibited a 29% lower claim severity than that of non-participating risks. The combined severity differential of 29% primarily reflects the greater incidence of medical only claims for participating risks as cited above. The 14-year overall medical only severity showed 12% 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 XV are based on PCRB loss costs only and are subject to loss volatility. 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 XV.

(1) Number of Risks: The number of policies issued to groups of employers described in each column of Exhibits I through XV. 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 XV 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 XV.

(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 XV. 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 XV. 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 XV.

(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 XV. 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 XV 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 XV. 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).

Exhibit I

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

Exhibit II

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

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (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<br>(2)/(1) | $13,661 | $133,978 | $11,193 |
| (4) | Safety Credits | $32,223,765 | $32,223,765 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0124 | 0.0129 | 0.0123 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0654** | **0.0850** | **0.0606** |
| (10) | Incurred Losses | $1,474,559,112 | $262,180,168 | $1,212,378,944 |
| (11) | Average Claim<br>(10)/(7) | **$7,032** | **$4,885** | **$7,771** |
| (12) | Loss Ratio<br>(10)/(5) | **46.5%** | **43.7%** | **47.1%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $556,330,469 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | $75,508,058 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0510** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **0.1195** | |

Exhibit III

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

Exhibit IV

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

Exhibit V

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

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (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<br>(2)/(1) | $11,457 | $103,555 | $9,235 |
| (4) | Safety Credits | $31,065,188 | $31,065,188 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0124 | 0.0134 | 0.0121 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0637** | **0.0840** | **0.0582** |
| (10) | Incurred Losses | $1,365,813,950 | $284,941,998 | $1,080,871,952 |
| (11) | Average Claim<br>(10)/(7) | **$7,639** | **$5,678** | **$8,404** |
| (12) | Loss Ratio<br>(10)/(5) | **49.2%** | **50.3%** | **48.9%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $582,556,573 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | $14,850,890 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0520** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **0.0249** | |

Exhibit VI

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

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (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<br>(2)/(1) | $12,370 | $105,085 | $10,029 |
| (4) | Safety Credits | $32,584,766 | $32,584,766 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0114 | 0.0127 | 0.0110 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0587** | **0.0784** | **0.0535** |
| (10) | Incurred Losses | $1,445,928,685 | $304,936,754 | $1,140,991,931 |
| (11) | Average Claim<br>(10)/(7) | **$8,149** | **$6,149** | **$8,924** |
| (12) | Loss Ratio<br>(10)/(5) | **48.3%** | **50.8%** | **47.7%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $639,131,232 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | -$6,417,337 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0515** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **-0.0101** | |

Exhibit VII

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

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (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<br>(2)/(1) | $11,819 | $105,260 | $9,504 |
| (4) | Safety Credits | $33,140,085 | $33,140,085 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0110 | 0.0124 | 0.0107 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0572** | **0.0765** | **0.0519** |
| (10) | Incurred Losses | $1,411,923,746 | $300,507,239 | $1,111,416,507 |
| (11) | Average Claim<br>(10)/(7) | **$8,351** | **$6,174** | **$9,231** |
| (12) | Loss Ratio<br>(10)/(5) | **48.3%** | **49.8%** | **47.9%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $626,862,431 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | $9,223,647 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0521** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **0.0145** | |

Exhibit VIII

**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<br>(2)/(1) | $11,354 | $99,236 | $9,196 |
| (4) | Safety Credits | $31,499,837 | $31,499,837 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0113 | 0.0128 | 0.0109 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0573** | **0.0777** | **0.0519** |
| (10) | Incurred Losses | $1,500,689,203 | $305,737,289 | $1,194,951,914 |
| (11) | Average Claim<br>(10)/(7) | **$8,876** | **$6,372** | **$9,868** |
| (12) | Loss Ratio<br>(10)/(5) | **51.4%** | **52.2%** | **51.2%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $597,592,161 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | $20,051,711 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0510** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **0.0325** | |

Exhibit IX

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

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (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<br>(2)/(1) | $11,841 | $96,762 | $9,520 |
| (4) | Safety Credits | $33,053,697 | $33,053,697 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0111 | 0.0124 | 0.0108 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0565** | **0.0772** | **0.0508** |
| (10) | Incurred Losses | $1,516,676,437 | $328,846,841 | $1,187,829,596 |
| (11) | Average Claim<br>(10)/(7) | **$9,212** | **$6,729** | **$10,260** |
| (12) | Loss Ratio<br>(10)/(5) | **52.7%** | **54.8%** | **52.1%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $631,261,171 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | $1,951,413 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0522** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **0.0031** | |

Exhibit X

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

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (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<br>(2)/(1) | $11,260 | $89,174 | $9,124 |
| (4) | Safety Credits | $31,114,793 | $31,114,793 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0109 | 0.0123 | 0.0106 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0559** | **0.0746** | **0.0509** |
| (10) | Incurred Losses | $1,429,884,395 | $324,294,116 | $1,105,590,279 |
| (11) | Average Claim<br>(10)/(7) | **$8,986** | **$7,223** | **$9,678** |
| (12) | Loss Ratio<br>(10)/(5) | **50.8%** | **56.8%** | **49.2%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $658,878,530 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | -$57,045,010 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0517** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **-0.0948** | |

Exhibit XI

**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<br>(2)/(1) | $10,985 | $88,207 | $8,925 |
| (4) | Safety Credits | $30,140,692 | $30,140,692 | $0 |
| (5) | Net Premium<br>(2)-(4) | $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<br>(6)/{(2)/1,000} | 0.0107 | 0.0118 | 0.0104 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0548** | **0.0725** | **0.0501** |
| (10) | Incurred Losses | $1,452,867,882 | $314,487,161 | $1,138,380,721 |
| (11) | Average Claim<br>(10)/(7) | **$9,381** | **$7,357** | **$10,153** |
| (12) | Loss Ratio<br>(10)/(5) | **51.9%** | **56.2%** | **50.9%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $617,975,549 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | -$28,138,141 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0511** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **-0.0477** | |

Exhibit XII

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

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (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<br>(2)/(1) | $10,740 | $84,901 | $8,772 |
| (4) | Safety Credits | $29,173,033 | $29,173,033 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0107 | 0.0119 | 0.0104 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0545** | **0.0740** | **0.0495** |
| (10) | Incurred Losses | $1,467,188,713 | $304,901,440 | $1,162,287,273 |
| (11) | Average Claim<br>(10)/(7) | **$9,583** | **$7,176** | **$10,507** |
| (12) | Loss Ratio<br>(10)/(5) | **52.8%** | **55.9%** | **52.0%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $585,981,724 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | -$11,709,413 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0508** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **-0.0204** | |

Exhibit XIII

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

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (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<br>(2)/(1) | $12,106 | $93,488 | $9,949 |
| (4) | Safety Credits | $32,152,940 | $32,152,940 | $0 |
| (5) | Net Premium<br>(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<br>(6)/{(2)/1,000} | 0.0099 | 0.0112 | 0.0096 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0497** | **0.0682** | **0.0452** |
| (10) | Incurred Losses | $1,632,836,416 | $381,953,903 | $1,250,882,513 |
| (11) | Average Claim<br>(10)/(7) | **$10,687** | **$9,147** | **$11,267** |
| (12) | Loss Ratio<br>(10)/(5) | **53.7%** | **65.8%** | **50.9%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $750,151,029 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | -$137,714,086 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0525** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **-0.2249** | |

Exhibit XIV

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis**
**Safety Program Credit 2019**

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (1) | Number of Risks | 254,408 | 6,715 | 247,693 |
| (2) | Standard Premium | $2,462,996,358 | $498,191,437 | $1,964,804,921 |
| (3) | Average Premium<br>(2)/(1) | $9,681 | $74,191 | $7,932 |
| (4) | Safety Credits | $26,204,870 | $26,204,870 | $0 |
| (5) | Net Premium<br>(2)-(4) | $2,436,791,488 | $471,986,567 | $1,964,804,921 |
| (6) | # of Indemnity Claims | 28,549 | 6,384 | 22,165 |
| (7) | # of Total Claims | 134,535 | 36,584 | 97,951 |
| (8) | Indemnity Claim Frequency<br>(6)/{(2)/1,000} | 0.0116 | 0.0128 | 0.0113 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0546** | **0.0734** | **0.0499** |
| (10) | Incurred Losses | $1,448,513,509 | $326,056,160 | $1,122,457,349 |
| (11) | Average Claim<br>(10)/(7) | **$10,767** | **$8,913** | **$11,459** |
| (12) | Loss Ratio<br>(10)/(5) | **59.4%** | **69.1%** | **57.1%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $571,178,140 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | -$72,986,703 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0526** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **-0.1465** | |

Exhibit XV

**Pennsylvania Certified Safety Committee Program (PCSCP) Analysis**
**Safety Program Credit (2006 - 2019)**

| | Statistic | (1) Eligibles | (2) Participating | (3) Non-Participating |
|---|---|---|---|---|
| (1) | Number of Risks | 3,477,215 | 83,762 | 3,393,453 |
| (2) | Standard Premium | $40,616,931,676 | $8,401,859,085 | $32,215,072,591 |
| (3) | Average Premium<br>(2)/(1) | $11,681 | $100,306 | $9,493 |
| (4) | Safety Credits | $432,823,522 | $432,823,522 | $0 |
| (5) | Net Premium<br>(2)-(4) | $40,184,108,154 | $7,969,035,563 | $32,215,072,591 |
| (6) | # of Indemnity Claims | 468,272 | 105,465 | 362,807 |
| (7) | # of Total Claims | 2,403,207 | 656,216 | 1,746,991 |
| (8) | Indemnity Claim Frequency<br>(6)/{(2)/1,000} | 0.0115 | 0.0126 | 0.0113 |
| (9) | Total Claim Frequency<br>(7)/{(2)/1,000} | **0.0592** | **0.0781** | **0.0542** |
| (10) | Incurred Losses | $20,185,613,732 | $4,228,708,307 | $15,956,905,425 |
| (11) | Average Claim<br>(10)/(7) | **$8,399** | **$6,444** | **$9,134** |
| (12) | Loss Ratio<br>(10)/(5) | **50.2%** | **53.1%** | **49.5%** |
| (13) | Net Premium to Balance CSC & Non-Participating LRs:<br>Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12) | | $8,548,601,786 | |
| (14) | Indicated CSC Credits to Balance<br>(2)-(13) | | -$146,742,701 | |
| (15) | Average CSC Credit Factor<br>(4)/(2) | | **0.0515** | |
| (16) | Indicated CSC Credit Factor<br>(14)/(2) | | **-0.0175** | |