

PENNSYLVANIA COMPENSATION RATING BUREAU

Hepatitis C Surcharge

In response to H.B. 1633, legislation dealing with Hepatitis C as an occupational disease, the Bureau has made adjustments to proposed class indications based on current experience that does not reflect the increased exposure to the Hepatitis C virus.

Page 1 shows an indemnity and medical cost per HCV claim. Page 2 shows the HCV surcharge and proposed loss cost for the four classifications subject to this exposure.

Please note, classes 993 and 996 are combined for ratemaking purposes and are assigned the same loss cost. However, code 996 is not subject to this exposure and will not receive this surcharge, resulting in different loss costs for these classes.

**PENNSYLVANIA COMPENSATION RATING BUREAU
HCV COST PER CLAIM**

Indemnity

(1)	PA SAWW @ 4/1/04	\$	711.11
(2) = 2/3 * (1)	Benefit (2/3 SAWW)	\$	474.07
(3)	M & R Est. SAWW	\$	480.00
(4) = 2/3 * (3)	Benefit (2/3 SAWW)	\$	320.00
(5) = (2) / (4)	PA Max Benefit/ Est. Max Benefit		1.48
(6)	M & R Est. Cost per claim		\$310,000.00
(7) = (5) * (6)	PA Indemnity Cost per claim		\$458,800.00

Medical

(8)	M & R Est. Medical Cost per claim (CY 2001)		\$164,000.00
(9)	PA Annual Medical Trend Factor		1.0771
(10)	Trend Period = 3.75 years		3.75
(11) = (8) * (9) ^ (10)	PA Medical Cost per claim		\$216,672.58
(12) = (7) + (11)	TOTAL HCV COST PER CLAIM		\$675,472.58

**PENNSYLVANIA COMPENSATION RATING BUREAU
HCV SURCHARGE PER CLASS**

Class		807	985
Class Description		Ambulance Service Non Volunteer	Police or Firefighters Salaried
(1)	2000 Reported Payroll (00)	1,158,420.00	4,431,600.00
(2)	2000 SAWW	611.00	611.00
(3) = [(1) * 100] / [(2) * 52]	# of Workers	3,646.00	13,948.00
(4)	% HCV	0.000018	0.000018
(5a) = (3) * (4)	Projected # of Claims	0.065628	0.251064
(5b)	Selected # of Claims	0.065628	0.251064
(6)	4/1/04 Indicated loss cost (before LBA, Merit, CSCP)	6.50	3.69
(7) = (1) * 1.0104 * 1.0742	Trended & Developed Payroll (00)	1,257,316.26	4,809,933.14
(8) = (6) * (7)	Expected Losses	8,172,555.70	17,748,653.28
(9)	Total \$HCV Cost Per Claim	675,472.58	675,472.58
(10a) = (5a) * (9)	Projected \$HCV Cost for Class	44,329.91	169,586.85
(10b) = (5b) * (9)	Selected \$HCV Cost for Class	44,329.91	169,586.85
(11a) = (10a) / (8)	Projected HCV Surcharge	0.54%	0.96%
(11b) = (10b) / (8)	Selected HCV Surcharge	0.54%	0.96%
(11c)	Capped HCV Surcharge **	0.54%	0.96%
(12) = (6) * [1 + (11c)]	Proposed Loss Cost (before LBA, Merit, CSCP)	6.54	3.73
(13) = (12) * 1.0092	Proposed Loss Cost (incl LBA, Merit, CSCP)	6.60	3.76

Class		993	994
Class Description		Volunteer Ambulance Corps	Firefighter - Volunteer Fire Co.
(1)	Reported # of Companies (993) or Population (994)	585.00	6,877,218.00
(2)	# of Volunteers	15,819.00	35,143.00
(3)	% HCV	0.000018	0.000018
(4a) = (2) * (3)	Projected # of Claims	0.284742	0.632574
(4b)	Selected # of Claims *	0.284742	0.632574
(5)	4/1/04 Indicated loss cost (before LBA, Merit, CSCP)	1,319.08	0.87
(6) = (1) * (5)	Expected Losses	771,661.80	5,983,179.66
(7)	Total HCV Cost Per Claim	675,472.58	675,472.58
(8a) = (4a) * (7)	Projected \$HCV Cost for Class	192,335.41	427,286.39
(8b) = (4b) * (7)	Selected \$HCV Cost for Class	192,335.41	427,286.39
(9a) = (8a) / (6)	Projected HCV Surcharge	24.92%	7.14%
(9b) = (8b) / (6)	Selected HCV Surcharge	24.92%	7.14%
(9c)	Capped HCV Surcharge **	24.92%	7.14%
(10) = (5) * [1 + (9c)]	Proposed Loss Cost Pre-surcharge	1,647.79	0.93
(11) = (10) * 1.0092	Proposed Loss Cost Post-surcharge	1,662.95	0.94

994 - 31,687 = 1,170 insured companies (DR) * 27.083 volunteer firefighters per company

** HCV surcharge capped at +25.00%