

PENNSYLVANIA COMPENSATION RATING BUREAU  
F CLASS FILING

U. S. Longshore and Harbor Workers' Coverage Factor

In support of a modification to the United States Longshore and Harbor Workers' Compensation Coverage Percentage, which represents a load factor applied to state act coverage rates, the Bureau presents the following exhibits. In these exhibits, we compare benefit levels as prescribed under Pennsylvania law to those given by the Federal law. For brevity, we will use PA and USL when referring to the respective jurisdictions.

Exhibit I outlines the essential features of current USL and PA workers' compensation laws. Note that in footnotes on page 2 are the national and statewide average weekly wages that were used in developing the exhibits that follow.

Exhibit II summarizes the Bureau's findings. The ratios in column 2 are drawn from the subsequent exhibits. The weights representing the distribution of losses by type of injury are the same as those used in the Bureau's estimate of the effect of Act 57. We propose that the USL percentage be decreased from 79.3% to 79.1%.

Starting with Exhibit III and proceeding through Exhibit XII, we develop the factors that are used in Exhibit II. For each type of injury, we develop first the benefit level under the state act, then the corresponding benefit under the USL act. The respective ratios of these benefits are carried forward to Exhibit II.

The distribution of dependents in Exhibits III-A and III-B and of cases in Exhibits V-A and V-B are from the Workers Compensation Injury Table. The distribution of widows on Exhibits III-C and III-D were compiled from the Bureau's own data for the eight most recent policy years. All annuity values are derived from the 1999 United States Life Tables.

Please note that the USL&H loading factor does not include the Federal Assessment, which is shown in the Expense Loading.

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EXHIBIT I

COMPARISON OF U.S.L. AND PENNSYLVANIA BENEFITS

<u>Fatal</u>	<u>U.S.L.</u>	<u>Pennsylvania</u>
% Rate of Compensation		
Widow Alone	50%	51%
Widow and Children	66 2/3%	60% w/1 child, 66 2/3% for 2 or more
One Orphan	50%	32%
Two or more Orphans	66 2/3%	42% for 2, 52% for 3, 62% for 4 64% for 5, 66 2/3% for 6 or more
One Parent	25%	52%
Two Parents	50%	52%
Brother / Sister / Other dependent	20% for each	22% + 5% for each additional up to 32%
Maximum % Rate of Compensation	66 2/3%	66 2/3%
Wage for Minimum Weekly Benefit	NAWW (a)	50% SAWW (b)
Maximum Weekly Benefit	200% NAWW (a)	SAWW (b)
Duration	Life or Remarriage; Age 18 for Child, or 23 if student	Life or Remarriage; Age 18 for Child, or 23 if student
Burial Expense	\$3,000	\$3,000
Remarriage Award	2 years lump sum	2 years lump sum
Special Fund (Non-dependency cases)	\$5,000	None
Escalation (e)	4.0%	None
<u>Permanent Total Disability</u>		
% Rate of Compensation	66 2/3%	66 2/3%
Minimum Weekly Benefit	Minimum of AWW (c) or 50% NAWW (a)	Minimum of 90% of AWW (c) or 50% SAWW (b)
Maximum Weekly Benefit	200% NAWW (a)	100% SAWW (b)
Duration	Length of Disability	Length of Disability
Escalation (e)	4.0%	None

EXHIBIT I (CONTINUED)

COMPARISON OF U.S.L. AND PENNSYLVANIA BENEFITS

<u>Temporary Total Disability</u>	<u>U.S.L.</u>	<u>Pennsylvania</u>
% Rate of Compensation	66 2/3 %	66 2/3 %
Minimum Weekly Benefit	Minimum of AWW (c) or 50% NAWW (a)	Minimum of 90% of AWW (c) or 50% SAWW (b)
Maximum Weekly Benefit	200% NAWW (a)	100% SAWW (b)
Duration	Length of Disability	Length of Disability
Waiting Period/ Retroactive after, days	3 / 14	7 / 13
 <u>Permanent Partial Disability</u>		
<u>Scheduled Injuries :</u>		
% Rate of Compensation	66 2/3 %	66 2/3 %
Minimum / Maximum Weekly Benefit	- / 200% NAWW (a)	50% SAWW (b) / 100% SAWW (b)
Duration	As per Schedule	As per Schedule
<u>Non-Scheduled Injuries :</u>		
% Rate of Compensation	66 2/3 % LOEC (d)	66 2/3 % LOEC (d)
Minimum / Maximum Weekly Benefit	- / 200% NAWW (a)	- / 100% SAWW (b)
Duration	Length of Disability	Length of Disability, with maximum of 500 weeks in addition to healing period

(a) NAWW, Effective 10/1/03 \$ 515.39  
 50% NAWW \$ 257.70  
 200% NAWW \$ 1,030.78

(b) SAWW, Effective 1/1/04 \$ 690.00

(c) AWW = Average Workers' Wage

(d) LOEC = Loss of Earning Capacity,  
 Assumed to be equal to Wage Loss

(e) Adjusted annually each October 1 by increase in NAWW,  
 limited to 5%.

EXHIBIT II

OVERALL DIFFERENCE IN BENEFITS

<u>Type of Injury</u>	<u>Losses</u>	<u>Post Act 57 Weights</u>	<u>Act 57 Factors</u>	<u>Pre Act 57 Weights</u>	(1)	(2)	(3)	(4)	(5)	
					<u>Weight State Act Benefit Level Pre-Act 57</u>	<u>Ratio</u>	<u>(1) * (2)</u>	<u>Benefit Level Reflecting Federal Act</u>	<u>Act 57 Factors</u>	<u>State Act Benefit Level Post Act 57</u>
Death	1,667,594	0.0148	0.9383	0.0158	0.0144	1.883	0.0271	0.9383	0.0135	
Permanent Total	5,685,205	0.0504	0.4310	0.1169	0.1067	1.926	0.2055	0.4310	0.0460	
Major Permanent Partial	27,915,312	0.2477	0.9383	0.2640	0.2409	1.989	0.4792	0.9383	0.2260	
Minor Permanent Partial	6,505,969	0.0577	0.9382	0.0615	0.0561	2.576	0.1445	0.9382	0.0526	
Temporary Total	14,649,650	0.1300	0.9383	0.1385	0.1264	1.064	0.1345	0.9383	0.1186	
Medical	56,291,151	0.4994	1.0000	0.4994	0.4555	1.412 *	0.6432	1.0000	0.4555	
Total Effect	112,714,881	1.0000		1.0961	1.0000		1.6340		0.9122	
OVERALL BENEFIT CHANGE (3 Total) / (5 Total)									1.7913	

\* 1.412 = 1/0.7082; reflects savings due to Act 44 Medical Fee Schedule.

EXHIBIT III

CALCULATION OF DIFFERENCE IN BENEFITS FOR FATAL CASES

	Pennsylvania	U.S.L.
1. Cost of Dependency (Exhibits III-A, III-B)	265,515,440	503,599,096
2. Remarriage Award (a), (b)	3,734,499	5,416,649
3. Burial Cost (Allowance * 1,000 Cases)	3,000,000	3,000,000
4. Second Injury Fund (147 Cases * \$5,000)	-	735,000
5. Total Cost { (1)+(2)+(3)+(4) }	272,249,939	512,750,745
6. Ratio U.S.L. to Pennsylvania		1.883

(a) Calculation of Remarriage Award	Pennsylvania	U.S.L.
1. Number of Cases, Widow Alone	356	356
2. Remarriage Value (Exhibit III-C, III-D)	0.0795	0.1097
3. Number of Cases, Widow w/ children	427	427
4. Remarriage Value (Exhibit III-C, III-D)	0.1745	0.2428
5. Average Weekly Benefit (Exhibit VII, VIII)	349.26	364.91
6. Award: ((#1 * #2) + (#3 * #4)) * #5 * 104 weeks	3,734,499	5,416,649

(a) US L& H Includes 4.0% escalation

(b) From 1999 US Life Tables for Total Female Population.

Remarriage Values from 1982 Remarriage Table, PCAS Vol. LXIX, pg. 56

EXHIBIT III-A

VALUATION OF PENNSYLVANIA FATAL BENEFITS LAW

(1) # Of Cases	(2) Person Receiving Compensation	(3) # Of Dependents	(4) Average Pension Age	(5) Annuity Symbol	(6) Annuity Value	(7) Average Weekly Benefit (b)	(8) Monetary Cost (1)x(6)x(7)
147	None	None	xxx	xxx	xxx	xxx	xxx
356	Widow alone	1	52	$\bar{a} \text{ '52:life}$	879.16	349.26	109,311,730
136	Widow	1	41	$10.5   \bar{a} \text{ '41:life}$	435.34	349.26	20,678,371
	with child	1	9	$a \text{ '546}$	458.41	402.12	25,069,673
129	Widow	1	41	$10.5   \bar{a} \text{ '41:life}$	435.34	349.26	19,614,043
	with children	2	9	$a \text{ '546}$	458.41	437.23	25,855,548
82	Widow	1	41	$10.5   \bar{a} \text{ '41:life}$	435.34	349.26	12,467,842
	with children	3	9	$a \text{ '546}$	458.41	437.23	16,435,310
42	Widow	1	41	$10.5   \bar{a} \text{ '41:life}$	435.34	349.26	6,385,968
	with children	4	9	$a \text{ '546}$	458.41	437.23	8,418,085
22	Widow	1	41	$10.5   \bar{a} \text{ '41:life}$	435.34	349.26	3,345,031
	with children	5	9	$a \text{ '546}$	458.41	437.23	4,409,473
16	Widow	1	41	$10.5   \bar{a} \text{ '41:life}$	435.34	349.26	2,432,750
	with children (>5)	7 (a)	9	$a \text{ '546}$	458.41	437.23	3,206,890
16	Orphan	1	11	$a \text{ '442}$	383.37	222.88	1,367,128
10	Orphans	2	11	$a \text{ '442}$	383.37	291.08	1,115,913
7	Orphans	3	11	$a \text{ '442}$	383.37	355.39	953,721
3	Orphans	4	11	$a \text{ '442}$	383.37	413.04	475,041
1	Orphans (more than 4)	5 (a)	11	$a \text{ '442}$	383.37	423.63	162,407
13	Parent	1	58	$\bar{a} \text{ 58:400}$	337.74	355.39	1,560,382
17	Parents	2	48	$\bar{a} \text{ 48:400}$	345.59	355.39	2,087,927
1	Brother or Sister	1	23	$\bar{a} \text{ 23:400}$	350.12	154.43	54,069
2	Other Dependents	1 (a)	21	$\bar{a} \text{ 21:400}$	350.12	154.43	108,138
1000	Total						265,515,440

(a) Average  
(b) Exhibit VII

EXHIBIT III-B

VALUATION OF U.S.L. FATAL BENEFITS LAW

(1) # Of Cases	(2) Person Receiving Compensation	(3) # Of Dependents	(4) Average Pension Age	(5) Annuity Symbol	(6) Annuity Value (b)	(7) Average Weekly Benefit (c)	(8) Monetary Cost (1)x(6)x(7)
147	None	None	xxx	xxx	xxx	xxx	xxx
356	Widow alone	1	52	$\bar{a}'_{52:\overline{\text{life}}}$	1,583.82	364.91	205,750,825
136	Widow	1	41	$10.5   \bar{a}'_{41:\overline{\text{life}}}$	1,031.99	364.91	51,215,352
	with child	1	9	$a_{\overline{546}}$	560.02	477.39	36,359,321
129	Widow	1	41	$10.5   \bar{a}'_{41:\overline{\text{life}}}$	1,031.99	364.91	48,579,268
	with children	2	9	$a_{\overline{546}}$	560.02	477.39	34,487,885
82	Widow	1	41	$10.5   \bar{a}'_{41:\overline{\text{life}}}$	1,031.99	364.91	30,879,845
	with children	3	9	$a_{\overline{546}}$	560.02	477.39	21,922,532
42	Widow	1	41	$10.5   \bar{a}'_{41:\overline{\text{life}}}$	1,031.99	364.91	15,816,506
	with children	4	9	$a_{\overline{546}}$	560.02	477.39	11,228,614
22	Widow	1	41	$10.5   \bar{a}'_{41:\overline{\text{life}}}$	1,031.99	364.91	8,284,836
	with children	5	9	$a_{\overline{546}}$	560.02	477.39	5,881,655
16	Widow	1	41	$10.5   \bar{a}'_{41:\overline{\text{life}}}$	1,031.99	364.91	6,025,336
	with children (>5)	7 (a)	9	$a_{\overline{546}}$	560.02	477.39	4,277,567
16	Orphan	1	11	$a_{\overline{442}}$	451.16	364.91	2,634,125
10	Orphans	2	11	$a_{\overline{442}}$	451.16	477.39	2,153,793
7	Orphans	3	11	$a_{\overline{442}}$	451.16	477.39	1,507,655
3	Orphans	4	11	$a_{\overline{442}}$	451.16	477.39	646,138
1	Orphans (more than 4)	5 (a)	11	$a_{\overline{442}}$	451.16	477.39	215,379
13	Parent	1	58	$\bar{a}'_{58:\overline{\text{life}}}$	1,283.81	185.65	3,098,411
17	Parents	2	48	$\bar{a}'_{48:\overline{\text{life}}}$	1,793.45	364.91	11,125,613
1	Brother or Sister	1	23	$\bar{a}'_{23:\overline{\text{life}}}$	3,298.31	148.54	489,931
2	Other Dependents	1 (a)	21	$\bar{a}'_{21:\overline{\text{life}}}$	3,428.40	148.54	1,018,509
1000	Total						503,599,096

(a) Average

(b) Includes 4.0% escalation

(c) Exhibit VIII



EXHIBIT III-C

CALCULATION OF REMARRIAGE VALUES - PENNSYLVANIA

(1) Average Age x	(2) # of Cases		(3)	(4) $\frac{R[x]}{D[x]}$	(5) (2)x(4)	(6) (3)x(4)
	Widow Alone	Widow w/ children				
17	-	-		0.77082	-	-
22	3	2		0.53632	1.60896	1.07264
27	3	21		0.39234	1.17702	8.23914
32	9	26		0.27335	2.46015	7.10710
37	15	45		0.18346	2.75190	8.25570
42	22	39		0.12013	2.64286	4.68507
47	39	26		0.07735	3.01665	2.01110
52	40	19		0.04883	1.95320	0.92777
57	35	3		0.02998	1.04930	0.08994
62	27	3		0.01769	0.47763	0.05307
67	16	2		0.00985	0.15760	0.01970
72	5	-		0.00510	0.02550	-
77	3	-		0.00245	0.00735	-
82	1	-		0.00107	0.00107	-
87	-	-		0.00043	-	-
Total	218	186		2.46917	17.32919	32.46123

Remarriage Values (a)

$$\begin{aligned} \text{Widow alone} &= (5 \text{ Total}) / (2 \text{ Total}) = && 0.0795 \\ \text{Widow with children} &= (6 \text{ Total}) / (3 \text{ Total}) = && 0.1745 \end{aligned}$$

(a) Present value of percent of distribution remarrying

(b) From 1999 US Life Tables for Total Female Population.

Remarriage Values from 1982 Remarriage Table, PCAS Vol. LXIX, pg. 56

EXHIBIT III-D

CALCULATION OF REMARRIAGE VALUES - U.S.L. LAW

(1) Average Age x	(2) # of Cases		(3)	(4) $\frac{R[x]}{D[x]}$	(5) (2)x(4)	(6) (3)x(4)
	Widow Alone	Widow w/ children				
17	-	-		0.97180	-	-
22	3	2		0.71734	2.15202	1.43468
27	3	21		0.53990	1.61970	11.33790
32	9	26		0.38206	3.43854	9.93356
37	15	45		0.25798	3.86970	11.60910
42	22	39		0.16855	3.70810	6.57345
47	39	26		0.10740	4.18860	2.79240
52	40	19		0.06664	2.66560	1.26616
57	35	3		0.04000	1.40000	0.12000
62	27	3		0.02300	0.62100	0.06900
67	16	2		0.01246	0.19936	0.02492
72	5	-		0.00628	0.03140	-
77	3	-		0.00294	0.00882	-
82	1	-		0.00125	0.00125	-
87	-	-		0.00049	-	-
Total	218	186		3.29809	23.90409	45.16117

Remarriage Values (a)

Widow alone = (5 Total) / (2 Total) =	0.1097
Widow with children = (6 Total) / (3 Total) =	0.2428

(a) Present value of percent of distribution remarrying, includes 4.0% escalation

(b) From 1999 US Life Tables for Total Female Population.

Remarriage Values from 1982 Remarriage Table, PCAS Vol. LXIX, pg. 56

EXHIBIT IV

CALCULATION OF DIFFERENCE IN BENEFITS  
PERMANENT TOTAL DISABILITY CASES

	Pennsylvania	U.S.L.	
1. Annuity Symbol	$\bar{a}_{48:\overline{\text{life}}}$	$\bar{a}_{48:\overline{\text{life}}}$	(a)
2. Annuity Value	955.39	1,793.45	
3. Average Weekly Benefit (Exhibits IX, X)	449.56	461.24	
4. Cost of 1,000 Cases { (2)x(3)x1,000 }	429,505,128	827,210,878	
5. Ratio U.S.L. to Pennsylvania		1.926	

(a) Includes 4.0% escalation per annum

(b) From 1999 US Life Tables for Total Population

EXHIBIT V

COMPARISON OF PENNSYLVANIA & U.S.L. BENEFITS  
MAJOR & MINOR PERMANENT PARTIAL

Type	(1) Number (a)	(2) Duration (a)	(3) (1)*(2)	(4) Average Weekly Benefit	(5) Total Cost (3)*(4)
<u>A. Major Permanent</u>					
Pennsylvania Benefit Level:					
Dismemberment	27	352.22	9,510	466.08 (b)	4,432,421
Healing Period	146	21.32	3,113	449.56 (c)	1,399,480
Other (Loss of Use)	119	352.87	41,992	466.08	19,571,631
Non-Schedule	497 (d)	500.00	248,500	182.83 (f)	45,433,255
Total Cost					70,836,787
U.S.L. Benefit Level:					
Dismemberment	27	245.85	6,638	452.87 (b)	3,006,151
Healing Period	503	25.76	12,957	461.24 (e)	5,976,287
Other (Loss of Use)	476	141.87	67,530	452.87	30,582,311
Non-Schedule	497 (d)	1,108.31 (g)	550,830	184.02 (f)	101,363,737
Total Cost					140,928,486
Ratio U.S.L. to Pennsylvania					1.989

B. Minor Permanent

Pennsylvania Benefit Level:					
Dismemberment	204	32.02	6,532	466.08	3,044,435
Healing Period	204	6.83	1,393	449.56	626,237
Non-Schedule	1,120 (d)	500.00	560,000	115.02 (f)	64,411,200
Total Cost					68,081,872
U.S.L. Benefit Level:					
Dismemberment	194	24.69	4,790	452.87	2,169,247
Healing Period	2,196	7.30	16,031	461.24	7,394,138
Other (Loss of Use)	2,002	25.38	50,811	452.87	23,010,778
Non-Schedule	1,120 (d)	1,108.31 (g)	1,241,307	115.02 (f)	142,775,131
Total Cost					175,349,294
Ratio U.S.L. to Pennsylvania					2.576

(a) Exhibits V-A, V-B

(b) Exhibit XI

(c) Exhibit IX

(d) "Workers' Compensation Injury Table,"

Published by the National Council on Compensation Insurance, Inc.

(e) Exhibit X

(f) Exhibit XII

(g)  $(\bar{N}_{37} / D_{37}) * 52$ , no escalation, from 1999

US Life Table for Total Population (est for 100+)

EXHIBIT V-A

SCHEDULE BENEFIT PROVISIONS - PENNSYLVANIA LAW  
MAJOR & MINOR PERMANENT DISABILITY

Type of Benefit	(1) # of Cases (a)	(2) Avg. % Loss	(3) Schedule at 100%	(4) (2) * (3) Duration	(5) Healing Period
<b>I. Major Permanent</b>					
<b>A. Dismemberment Cases</b>					
Arm (at or above elbow)	4	100	410	410	20
Arm (below elbow)	3	100	370	370	20
Hand	5	100	335	335	20
Leg (at or above knee)	6	100	410	410	25
Leg (below knee)	3	100	350	350	25
Foot	3	100	250	250	25
Eye (enucleation)	3	100	275	275	10
Total or Average (c)	27			352.22	21.11
<b>B. Other Than Dismemberment (b)</b>					
Arm (loss of use)	20.25	100	410	410	20
Hand (loss of use)	34.75	100	335	335	20
Leg (loss of use)	36.25	100	410	410	25
Foot (loss of use)	17.25	100	250	250	25
Eye (loss of use)	9.5	100	275	275	10
Hearing (loss of hearing)	1	100	260	260	10
Total or Average (c)	119			352.87	21.37
Average Healing Period (c)					21.32
<b>II. Minor Permanent</b>					
Thumb - 1st phalange	23	100	50	50	10
Thumb - 2nd phalange	5	100	100	100	10
Index Finger - 1st phalange	48	100	25	25	6
Index Finger - 2nd phalange	18	100	50	50	6
Middle Finger - 1st phalange	32	100	20	20	6
Middle Finger - 2nd phalange	11	100	40	40	6
Ring Finger - 1st phalange	19	100	15	15	6
Ring Finger - 2nd phalange	8	100	30	30	6
Little Finger - 1st phalange	15	100	14	14	6
Little Finger - 2nd phalange	8	100	28	28	6
Great Toe - 1st phalange	2	100	20	20	12
Great Toe - 2nd phalange	1	100	40	40	12
Other Toes	4	100	16	16	6
Hearing - One ear	10	100	60	60	10
Total or Average (c)	204			32.02	6.83

(a) From the "Workers' Compensation Injury Table," published by National Council on Compensation Insurance, Inc.

(b) Assumed 25% of loss of use cases are considered 100% loss of use.

(c) Total for column (1), Average for columns (4) and (5) using column (1) as weights.

EXHIBIT V-B

SCHEDULE BENEFIT PROVISIONS - U.S.L. LAW  
MAJOR & MINOR PERMANENT DISABILITY

Type of Benefit	(1) # of Cases (a)	(2) Avg. % Loss	(3) Schedule at 100%	(4) (2) * (3) Duration	(5) Healing Period
<b>I. Major Permanent</b>					
<b>A. Dismemberment Cases</b>					
Arm (at or above elbow)	4	100	312	312	33
Arm (below elbow)	3	100	244	244	18
Hand	5	100	244	244	29
Leg (at or above knee)	6	100	288	288	34
Leg (below knee)	3	100	205	205	39
Foot	3	100	205	205	26
Eye (enucleation)	3	100	160	160	20
Total or Average (b)	27			245.85	29.26
<b>B. Other Than Dismemberment</b>					
Arm (loss of use)	81	53	312	165	27
Hand (loss of use)	139	56	244	137	20
Leg (loss of use)	145	53	288	153	34
Foot (loss of use)	69	51	205	105	25
Eye (loss of use)	38	88	160	141	14
Hearing (loss of hearing)	4	56	200	112	3
Total or Average (b)	476			141.87	25.56
Average Major Member Healing Period (b)					25.76
<b>II. Minor Permanent</b>					
<b>A. Dismemberment Cases</b>					
Thumb - 1st phalange	23	100	37.50	37.50	6
Thumb - 2nd phalange	5	100	75.00	75.00	6
Index Finger - 1st phalange	48	100	23.00	23.00	5
Index Finger - 2nd phalange	18	100	46.00	46.00	8
Middle Finger - 1st phalange	32	100	15.00	15.00	3
Middle Finger - 2nd phalange	11	100	30.00	30.00	7
Ring Finger - 1st phalange	19	100	12.50	12.50	4
Ring Finger - 2nd phalange	8	100	25.00	25.00	4
Little Finger - 1st phalange	15	100	7.50	7.50	2
Little Finger - 2nd phalange	8	100	15.00	15.00	5
Great Toe - 1st phalange	2	100	19.00	19.00	6
Great Toe - 2nd phalange	1	100	38.00	38.00	12
Other Toes	4	100	16.00	16.00	9
Total or Average (b)	194			24.69	4.96
<b>B. Other Than Dismemberment Cases</b>					
Hearing - One ear	10	37	52	19.24	3
Thumb (loss of use)	164	25	75	18.75	4
Index Finger (loss of use)	216	32	46	14.72	4
Middle Finger (loss of use)	152	29	30	8.70	3
Ring Finger (loss of use)	98	31	25	7.75	3
Little Finger (loss of use)	95	36	15	5.40	3
Great Toe (loss of use)	50	26	38	9.88	4
Other Toes (loss of use)	21	29	16	4.64	2
Other Major Members (loss of use)	1,196			34.43	10.24
Total or Average (b)	2,002			25.38	7.53
Average Major Member Healing Period (b)					7.30

(a) From the "Workers' Compensation Injury Table" published by the National Council on Compensation Insurance, Inc.

(b) Total for column (1), Average for columns (4) and (5) using column (1) as weights.

EXHIBIT VI

CALCULATION OF DIFFERENCE IN BENEFITS  
TEMPORARY TOTAL DISABILITY CASES

	Pennsylvania	U.S.L.
1. Waiting Period	7	3
2. Retroactive After	13	14
3. Total Days Disability Based on #1 (a)	2,495,765	2,776,360
4. Additional Days Disability Based on #2 (a)	294,735 (b)	117,735 (b)
5. Cost in Units of Weeks Wages $[(\#3+\#4)/7]$	398,643	413,442
6. Average Weekly Benefit (Exhibits IX,X)	449.56	461.24
7. Total Monetary Cost $(\#5*\#6)$	179,213,947	190,695,988
8. Ratio U.S.L. to Pennsylvania		1.064

(a) Exhibit VI-A

(b) #1 \* Value from Exhibit VI-A based on #2

EXHIBIT VI-A

WORKERS COMPENSATION INJURY TABLE\*  
TEMPORARY TOTAL DISABILITY

(1) Duration (Days)	(2) # of Cases	(3) Summa. of (2) Upward	(4) Total Disability (Days)	(1) Duration (Days)	(2) # of Cases	(3) Summa. of (2) Upward	(4) Total Disability (Days)
1	8,973	103,371	3,060,329	22	854	28,879	1,909,602
2	8,198	94,398	2,956,958	23	910	28,025	1,880,723
3	6,236	86,200	2,862,560	24	961	27,115	1,852,698
4	7,077	79,964	2,776,360	25	762	26,154	1,825,583
5	6,437	72,887	2,696,396	26	590	25,392	1,799,429
6	5,156	66,450	2,623,509	27	467	24,802	1,774,037
7	4,854	61,294	2,557,059	28	1,480	24,335	1,749,235
8	2,351	56,440	2,495,765	29	532	22,855	1,724,900
9	2,407	54,089	2,439,325	30	604	22,323	1,702,045
10	2,865	51,682	2,385,236	31	655	21,719	1,679,722
11	2,665	48,817	2,333,554	32	603	21,064	1,658,003
12	2,156	46,152	2,284,737	33	437	20,461	1,636,939
13	1,891	43,996	2,238,585	34	376	20,024	1,616,478
14	2,860	42,105	2,194,589	35	894	19,648	1,596,454
15	1,563	39,245	2,152,484	36	389	18,754	1,576,806
16	1,621	37,682	2,113,239	37	390	18,365	1,558,052
17	1,703	36,061	2,075,557	38	442	17,975	1,539,687
18	1,486	34,358	2,039,496	39	424	17,533	1,521,712
19	1,096	32,872	2,005,138	40	287	17,109	1,504,179
20	888	31,776	1,972,266	41	274	16,822	1,487,070
21	2,009	30,888	1,940,490	42	1,160	16,548	1,470,248

\*Excerpt from National Council on Compensation Insurance, Inc. 1976 Injury Table



EXHIBIT VII

CALCULATION OF AVERAGE WEEKLY BENEFIT - FATAL  
PENNSYLVANIA ACT

1. Effective Date of Comp Law			1/1/04		
2. Rate of Compensation (a)	0.2200	0.3200	0.4200	0.5100	0.5200
3. Minimum Weekly Benefit (SAWW * #2)	75.90	110.40	144.90	175.95	179.40
4. Maximum Weekly Benefit (SAWW)	690.00	690.00	690.00	690.00	690.00
5. Effective Wage for #3 (#3 / #2)	345.00	345.00	345.00	345.00	345.00
6. Effective Wage for #4 (#4 / #2)	3,136.36	2,156.25	1,642.86	1,352.94	1,326.92
7. Average Weekly Wage	690.00	690.00	690.00	690.00	690.00
8. Ratio to Average for #5 (#5 / #7)	0.500	0.500	0.500	0.500	0.500
9. Ratio to Average for #6 (#6 / #7)	4.545	3.125	2.381	1.961	1.923
10. Line #8 Adjusted to Nearest .05	0.50	0.50	0.50	0.50	0.50
11. Line #9 Adjusted to Nearest .05	4.55	3.15	2.40	1.95	1.90
12. B for #10	7.10	7.10	7.10	7.10	7.10
13. B for #11	100.00	98.49	96.21	90.03	88.76
14. #13 - #12	92.90	91.39	89.11	82.93	81.66
15. A for #10	17.66	17.66	17.66	17.66	17.66
16. A for #11	100.00	99.77	98.95	96.18	95.55
17. #8 * #15	8.83	8.83	8.83	8.83	8.83
18. #9 * (100 - #16)	0.00	0.72	2.50	7.49	8.56
19. Limit Factor as % (#14 + #17 + #18)	101.73	100.94	100.44	99.25	99.05
20. Effective Average Weekly Wage (#19 * #7 / 100)	701.94	696.49	693.04	684.83	683.45
21. Average Weekly Benefit (#20 * #2)	154.43	222.88	291.08	349.26	355.39

1. Effective Date of Comp Law			1/1/04	
2. Rate of Compensation (a)	0.6000	0.6200	0.6400	0.6667
3. Minimum Weekly Benefit (SAWW * #2)	207.00	213.90	220.80	230.00
4. Maximum Weekly Benefit (SAWW)	690.00	690.00	690.00	690.00
5. Effective Wage for #3 (#3/#2)	345.00	345.00	345.00	345.00
6. Effective Wage for #4 (#4/#2)	1,150.00	1,112.90	1,078.13	1,035.00
7. Average Weekly Wage	690.00	690.00	690.00	690.00
8. Ratio to Average for #5 (#5/#7)	0.500	0.500	0.500	0.500
9. Ratio to Average for #6 (#6/#7)	1.667	1.613	1.563	1.500
10. Line #8 Adjusted to Nearest .05	0.50	0.50	0.50	0.50
11. Line #9 Adjusted to Nearest .05	1.65	1.60	1.55	1.50
12. B for #10	7.10	7.10	7.10	7.10
13. B for #11	80.91	78.84	76.49	74.12
14. #13 - #12	73.81	71.74	69.39	67.02
15. A for #10	17.66	17.66	17.66	17.66
16. A for #11	91.31	90.09	88.67	87.20
17. #8 * #15	8.83	8.83	8.83	8.83
18. #9 * (100-#16)	14.49	15.98	17.71	19.20
19. Limit Factor as % (#14+#17+#18)	97.13	96.55	95.93	95.05
20. Effective Average Weekly Wage (#19*#7/100)	670.20	666.20	661.92	655.85
21. Average Weekly Benefit (#20*#2)	402.12	413.04	423.63	437.23

(a) From Fatal Benefit Levels, Exhibit I

EXHIBIT VIII

CALCULATION OF AVERAGE WEEKLY BENEFIT - FATAL  
U.S.L. ACT

1. Effective Date of Comp Law		10/1/03		
2. Rate of Compensation (a)	0.2000	0.2500	0.5000	0.6667
3. Minimum Weekly Benefit	xx	xx	xx	xx
4. Maximum Weekly Benefit (2 * NAWW)	1,030.78	1,030.78	1,030.78	1,030.78
5. Effective Wage for #3 (NAWW)	515.39	515.39	515.39	515.39
6. Effective Wage for #4 (#4 / #2)	5,153.90	4,123.12	2,061.56	1,546.17
7. Average Weekly Wage	690.00	690.00	690.00	690.00
8. Ratio to Average for #3 (#2 * #5 / #7)	0.149	0.187	0.373	0.498
9. Ratio to Average for #5 (#5 / #7)	0.747	0.747	0.747	0.747
10. Ratio to Average for #6 (#6 / #7)	7.469	5.976	2.988	2.241
11. Line #8 Adjusted to Nearest .05	0.15	0.20	0.35	0.50
12. Line #9 Adjusted to Nearest .05	0.75	0.75	0.75	0.75
13. Line #10 Adjusted to Nearest .05	7.45	6.00	3.00	2.25
14. B for #11	0.06	0.19	1.61	7.10
15. B for #12	24.03	24.03	24.03	24.03
16. B for #13	100.00	100.00	98.26	95.00
17. #16 - #15	75.97	75.97	74.23	70.97
18. #14 / #2	0.30	0.76	3.22	10.65
19. A for #11	0.71	1.36	6.00	17.66
20. A for #12	42.71	42.71	42.71	42.71
21. A for #13	100.00	100.00	99.70	98.46
22. #9 * (#20 - #19)	31.37	30.89	27.42	18.71
23. #10 * (100 - #21)	0.00	0.00	0.90	3.45
24. Limit Factor as % (#17 + #18 + #22 + #23)	107.64	107.62	105.77	103.78
25. Effective Average Weekly Wage (#24 * #7 / 100)	742.72	742.58	729.81	716.08
26. Average Weekly Benefit (#25 * #2)	148.54	185.65	364.91	477.39

(a) From Fatal Benefit Levels, Exhibit I

EXHIBIT IX

CALCULATION OF AVERAGE WEEKLY BENEFIT - TOTAL DISABILITY  
PENNSYLVANIA ACT

<hr/>	
(I) Workers at Maximum	
1. Maximum Weekly Compensation	690.00
2. Statewide Average Weekly Wage	690.00
3. Minimum Wage to Receive Maximum Benefits	1,035.01
4. Ratio #3 / #2	1.500
5. #4 to Nearest 0.05	1.50
6. A for #5	87.20
7. 100 - #6	12.80
8. #1 * #7 / 100	88.3200
<hr/>	
(II) Workers at 2/3 Wages	
9. Maximum Wage	1,035.00
10. Minimum Wage	517.51
11. #9 / #2	1.500
12. #10 / #2	0.750
13. #11 to Nearest 0.05	1.50
14. #12 to Nearest 0.05	0.75
15. B for #13	74.12
16. B for #14	24.03
17. #15 - #16	50.09
18. (2/3 * #17 * #2) / 100	230.4140
<hr/>	
(III) Workers at 1/2 Maximum	
19. Maximum Wage	517.50
20. Minimum Wage	383.34
21. #19 / #2	0.750
22. #20 / #2	0.556
23. #21 to Nearest 0.05	0.75
24. #22 to Nearest 0.05	0.55
25. A for #23	42.71
26. A for #24	22.41
27. #25 - #26	20.30
28. #27 * 1/2 * #1 / 100	70.0350
<hr/>	
(IV) Workers at 90% of Wages	
29. Maximum Wage	383.33
30. #29 / #2	0.556
31. #30 to Nearest 0.05	0.55
32. B for #31	9.79
33. #32 * #2 * 0.90 / 100	60.7959
34. #8 + #18 + #28 + #33	449.56
<hr/>	

EXHIBIT X

CALCULATION OF AVERAGE WEEKLY BENEFIT - TOTAL DISABILITY  
U. S. L. ACT

(I) Workers at Maximum	
1. Maximum Weekly Compensation	1,030.78
2. Statewide Average Weekly Wage	690.00
3. Minimum Wage to Receive Maximum Benefits	1,546.18
4. Ratio #3 / #2	2.241
5. #4 to Nearest 0.05	2.25
6. A for #5	98.46
7. 100 - #6	1.54
8. #1 * #7 / 100	15.8740
(II) Workers at 2/3 Wages	
9. Maximum Wage	1,546.17
10. Minimum Wage	386.55
11. #9 / #2	2.241
12. #10 / #2	0.560
13. #11 to Nearest 0.05	2.25
14. #12 to Nearest 0.05	0.55
15. B for #13	95.00
16. B for #14	9.79
17. #15 - #16	85.21
18. (2/3 * #17 * #2) / 100	391.9660
(III) Workers at 1/2 NAWW	
19. Maximum Wage	386.54
20. Minimum Wage	257.70
21. #19 / #2	0.560
22. #20 / #2	0.373
23. #21 to Nearest 0.05	0.55
24. #22 to Nearest 0.05	0.35
25. A for #23	22.41
26. A for #24	6.00
27. #25 - #26	16.41
28. #27 * 1/2 NAWW / 100	42.2877
(IV) Workers at 100% of Wages	
29. Maximum Wage	257.69
30. #29 / #2	0.373
31. #30 to Nearest 0.05	0.35
32. B for #31	1.61
33. #32 * #2 / 100	11.1090
34. #8 + #18 + #28 + #33	461.24

EXHIBIT XI

CALCULATION OF AVERAGE WEEKLY BENEFIT - SCHEDULE PERMANENT PARTIAL DISABILITY

Pennsylvania

	(1) <u>Wage Interval</u>		(2) % of Avg. Wage <u>(1) / AWW</u>	(3) <u>% in Wage Bracket</u> <u>Workers</u>	(4) <u>Wages</u>	(5) Avg. Wage <u>AWW*((4)/(3))</u>	(6) <u>Avg. Weekly</u> <u>Benefit</u>	
Under	517.50 (a)		0.00 - 0.75	42.71	24.03	388.22	345.00	(Min)
Between	517.50 and	1,035.00 (b)	0.75 - 1.50	44.49	50.09	776.85	517.90	[(5)*.6667]
Over	1,035.00		Over 1.50	12.80	25.88	1395.09	690.00	(Max)
$\frac{\text{SUM OF } ((3) * (6))}{100} = 466.08$								

(a)  $1/2 \text{ AWW} / (.6667) = 345.00 / 0.6667 = 517.50$   
 (b)  $\text{AWW} / (.6667) = 690.00 / 0.6667 = 1,035.00$

U. S. L.

	(1) <u>Wage Interval</u>		(2) % of Avg. Wage <u>(1) / AWW</u>	(3) <u>% in Wage Bracket</u> <u>Workers</u>	(4) <u>Wages</u>	(5) Avg. Wage <u>AWW*((4)/(3))</u>	(6) <u>Avg. Weekly</u> <u>Benefit</u>	
Under	1,546.17 (a)		0.00 - 2.24	98.46	95.00	665.75	443.83	[(5)*.6667]
Over	1,546.17		Over - 2.24	1.54	5.00	2240.26	1030.78	(Max)
$2.25$								
$\frac{\text{SUM OF } ((3) * (6))}{100} = 452.87$								

(a)  $2 \text{ NAWW} / (.6667) = 1,030.78 / 0.6667 = 1,546.17$

EXHIBIT XII

CALCULATION OF AVERAGE WEEKLY BENEFIT  
NON-SCHEDULE PERMANENT PARTIAL

	<u>Pennsylvania</u>		<u>U. S. L.</u>	
	Major	Minor	Major	Minor
1. Class of Injury				
2. Effective Date of Comp Law	1/1/04		10/1/03	
3. Rate of Compensation	0.2667	0.1667	0.2667	0.1667
4. Minimum Weekly Benefit	0.00	0.00	0.00	0.00
5. Maximum Weekly Benefit	690.00	690.00	1,030.78	1,030.78
6. Effective Weekly Wage for Min. (#4 / #3)	0.00	0.00	0.00	0.00
7. Effective Weekly Wage for Max. (#5 / #3)	2,587.18	4,139.17	3,864.94	6,183.44
8. Average Weekly Wage	690.00	690.00	690.00	690.00
9. Ratio to AWW for Min. (#6 / #8)	0.000	0.000	0.000	0.000
10. Ratio to AWW for Max. (#7 / #8)	3.750	5.999	5.601	8.962
11. Line #9 Adjusted to Nearest .05	0.00	0.00	0.00	0.00
12. Line #10 Adjusted to Nearest .05	3.75	6.00	5.60	8.95
13. B for #11	0.00	0.00	0.00	0.00
14. B for #12	98.90	100.00	100.00	100.00
15. #14 - #13	98.90	100.00	100.00	100.00
16. A for #11	0.00	0.00	0.00	0.00
17. A for #12	99.88	100.00	100.00	100.00
18. 100 - #17	0.12	0.00	0.00	0.00
19. #9 * #16	0.00	0.00	0.00	0.00
20. #10 * #18	0.45	0.00	0.00	0.00
21. Limit Factor as % (#15 + #19 + #20)	99.35	100.00	100.00	100.00
22. Effective Average Weekly Wage (#21 * #8 / 100)	685.52	690.00	690.00	690.00
23. Average Weekly Benefit (#22 * #3)	182.83	115.02	184.02	115.02

## EXHIBIT XIII

STANDARD WAGE DISTRIBUTION TABLE  
(1991 DCI STATES)

R = Ratio to Average Wage

A = Percentage of workers receiving not more than the percentage of the average  
wage indicated by Column R

B = Percentage of wages received by the percentage of workers in Column A

R	A	B	R	A	B	R	A	B
0.05	0.2400	0.0100	2.40	98.9500	96.2100	4.75	100.0000	100.0000
0.10	0.3900	0.0200	2.45	99.0800	96.5400	4.80	100.0000	100.0000
0.15	0.7100	0.0600	2.50	99.1800	96.7900	4.85	100.0000	100.0000
0.20	1.3600	0.1900	2.55	99.2700	97.0400	4.90	100.0000	100.0000
0.25	2.6100	0.4900	2.60	99.3500	97.2500	4.95	100.0000	100.0000
0.30	4.0800	0.9300	2.65	99.4100	97.4100	5.00	100.0000	100.0000
0.35	6.0000	1.6100	2.70	99.4800	97.6000	5.05	100.0000	100.0000
0.40	8.8000	2.7600	2.75	99.5200	97.7100	5.10	100.0000	100.0000
0.45	13.1000	4.7400	2.80	99.5700	97.8700	5.15	100.0000	100.0000
0.50	17.6600	7.1000	2.85	99.6100	97.9900	5.20	100.0000	100.0000
0.55	22.4100	9.7900	2.90	99.6400	98.0800	5.25	100.0000	100.0000
0.60	27.6600	13.0700	2.95	99.6700	98.1700	5.30	100.0000	100.0000
0.65	32.7900	16.5200	3.00	99.7000	98.2600	5.35	100.0000	100.0000
0.70	37.8200	20.2000	3.05	99.7300	98.3500	5.40	100.0000	100.0000
0.75	42.7100	24.0300	3.10	99.7600	98.4300	5.45	100.0000	100.0000
0.80	47.4600	28.0000	3.15	99.7700	98.4900	5.50	100.0000	100.0000
0.85	52.0300	32.0700	3.20	99.7900	98.5700	5.55	100.0000	100.0000
0.90	56.2400	36.0400	3.25	99.8000	98.6100	5.60	100.0000	100.0000
0.95	60.0300	39.8100	3.30	99.8100	98.6500	5.65	100.0000	100.0000
1.00	63.5500	43.4800	3.35	99.8200	98.6800	5.70	100.0000	100.0000
1.05	66.8200	47.0500	3.40	99.8400	98.7300	5.75	100.0000	100.0000
1.10	69.7500	50.3900	3.45	99.8400	98.7500	5.80	100.0000	100.0000
1.15	72.5100	53.7300	3.50	99.8500	98.7800	5.85	100.0000	100.0000
1.20	75.1200	56.9900	3.55	99.8600	98.8000	5.90	100.0000	100.0000
1.25	77.6400	60.2900	3.60	99.8600	98.8200	5.95	100.0000	100.0000
1.30	79.9700	63.4400	3.65	99.8700	98.8500	6.00	100.0000	100.0000
1.35	82.0200	66.3300	3.70	99.8800	98.8900	6.05	100.0000	100.0000
1.40	83.9600	69.1500	3.75	99.8800	98.9000	6.10	100.0000	100.0000
1.45	85.6300	71.6700	3.80	99.8900	98.9200	6.15	100.0000	100.0000
1.50	87.2000	74.1200	3.85	99.8900	98.9400	6.20	100.0000	100.0000
1.55	88.6700	76.4900	3.90	99.8900	98.9400	6.25	100.0000	100.0000
1.60	90.0900	78.8400	3.95	99.8900	98.9500	6.30	100.0000	100.0000
1.65	91.3100	80.9100	4.00	99.9000	98.9600	6.35	100.0000	100.0000
1.70	92.4600	82.9400	4.05	100.0000	100.0000	6.40	100.0000	100.0000
1.75	93.3900	84.6300	4.10	100.0000	100.0000	6.45	100.0000	100.0000
1.80	94.2200	86.1800	4.15	100.0000	100.0000	6.50	100.0000	100.0000
1.85	94.9000	87.4900	4.20	100.0000	100.0000	6.55	100.0000	100.0000
1.90	95.5500	88.7600	4.25	100.0000	100.0000	6.60	100.0000	100.0000
1.95	96.1800	90.0300	4.30	100.0000	100.0000	6.65	100.0000	100.0000
2.00	96.6900	91.1000	4.35	100.0000	100.0000	6.70	100.0000	100.0000
2.05	97.1700	92.1000	4.40	100.0000	100.0000	6.75	100.0000	100.0000
2.10	97.5500	92.9400	4.45	100.0000	100.0000	6.80	100.0000	100.0000
2.15	97.9300	93.7700	4.50	100.0000	100.0000	6.85	100.0000	100.0000
2.20	98.2200	94.4400	4.55	100.0000	100.0000	6.90	100.0000	100.0000
2.25	98.4600	95.0000	4.60	100.0000	100.0000	6.95	100.0000	100.0000
2.30	98.6600	95.4800	4.65	100.0000	100.0000	7.00	100.0000	100.0000
2.35	98.8300	95.9000	4.70	100.0000	100.0000			