

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 @ 4/1/07	\$ 812.80
(2) = 2/3 * (1)	Benefit (2/3 SAWW)	\$ 541.87
(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	1.69
(6)	M & R Est. Cost per claim	\$310,000.00
(7) = (5) * (6)	PA Indemnity Cost per claim	\$523,900.00

Medical

(8)	M & R Est. Medical Cost per claim (CY 2001)	\$164,000.00
(9)	PA Annual Medical Trend Factor	1.0731
(10)	Trend Period = 6.75 years	6.75
(11) = (8) * (9) ^ (10)	PA Medical Cost per claim	\$264,037.23
(12) = (7) + (11)	TOTAL HCV COST PER CLAIM	\$787,937.23

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

Class		807	985
Class Description		Ambulance Service Non Volunteer	Police or Firefighters Salaried
(1)	2003 Reported Payroll (00)	148,239.00	395,464.00
(2)	2003 SAWW	675.00	675.00
(3) = [(1) * 100] / [(2) * 52]	# of Workers	422.00	1,127.00
(4)	% HCV	0.000018	0.000018
(5a) = (3) * (4)	Projected # of Claims	0.007596	0.020286
(5b)	Selected # of Claims	0.007596	0.020286
(6)	4/1/07 Indicated loss cost (before LBA, Merit, CSCP)	6.02	3.77
(7) = (1) * 1.0094 * 1.1352	Trended & Developed Payroll (00)	169,862.75	453,150.68
(8) = (6) * (7)	Expected Losses	1,022,573.78	1,708,378.07
(9)	Total \$HCV Cost Per Claim	787,937.23	787,937.23
(10a) = (5a) * (9)	Projected \$HCV Cost for Class	5,985.17	15,984.09
(10b) = (5b) * (9)	Selected \$HCV Cost for Class	5,985.17	15,984.09
(11a) = (10a) / (8)	Projected HCV Surcharge	0.59%	0.94%
(11b) = (10b) / (8)	Selected HCV Surcharge	0.59%	0.94%
(11c)	Capped HCV Surcharge **	0.59%	0.94%
(12) = (6) * [1 + (11c)]	Proposed Loss Cost (before LBA, Merit, CSCP)	6.06	3.81
(13) = (12) * 1.0136	Proposed Loss Cost (incl LBA, Merit, CSCP)	6.14	3.86

Class		993	994
Class Description		Volunteer Ambulance Corps	Firefighter - Volunteer Fire Co.
(1)	Reported # of Companies (993) or Population (994)	521.00	5,910,014.00
(2)	# of Volunteers	14,089.00	29,641.00
(3)	% HCV	0.000018	0.000018
(4a) = (2) * (3)	Projected # of Claims	0.253602	0.533538
(4b)	Selected # of Claims *	0.253602	0.533538
(5)	4/1/07 Indicated loss cost (before LBA, Merit, CSCP)	987.65	1.19
(6) = (1) * (5)	Expected Losses	514,565.65	7,032,916.66
(7)	Total HCV Cost Per Claim	787,937.23	787,937.23
(8a) = (4a) * (7)	Projected \$HCV Cost for Class	199,822.46	420,394.45
(8b) = (4b) * (7)	Selected \$HCV Cost for Class	199,822.46	420,394.45
(9a) = (8a) / (6)	Projected HCV Surcharge	38.83%	5.98%
(9b) = (8b) / (6)	Selected HCV Surcharge	38.83%	5.98%
(9c)	Capped HCV Surcharge **	25.00%	5.98%
(10) = (5) * [1 + (9c)]	Proposed Loss Cost Pre-surcharge	1,234.56	1.26
(11) = (10) * 1.0136	Proposed Loss Cost Post-surcharge	1,251.35	1.28

994 - 32,921 = 1,255 insured companies (DR) * 27.083 volunteer firefighters per company

** HCV surcharge capped at +25.00%