

PENNSYLVANIA COMPENSATION RATING BUREAU

Claim Frequencies

The attached exhibits examine historical Workers Compensation claim frequencies in Pennsylvania.

Page 1 shows counts of claims and wages as compiled by the Pennsylvania Department of Labor and Industry along with resulting claim frequencies per \$1 million of payroll. Claim counts are available through the twelve months ending June 30, 2012.

Indicated average annual changes in claim frequency are also shown (column (8)) based on an exponential regression for frequencies during the calendar periods shown in column (7). With the exception of 2004, Labor & Industry claim counts showed increases from 2001 through 2007 due to changes in the types of claims certain carriers were reporting. Some improvements in claim frequency are shown in 2008 and 2009, with claim counts relatively flat since then. The result is that patterns of claim reporting in recent years must be reviewed with great caution.

The second portion of page 1 presents claim frequencies on a fiscal year basis.

The second page shows a graph of the frequencies appearing in column (5) of page 1.

Claim frequencies per \$1 million of expected losses are shown on page 3 based on statistics gathered by the PCRB. For informational purposes, claim frequencies are also shown at constant (1987) wage levels. The data excludes the experience of deductible business.

Staff is proposing an annual change in claim frequency of -5.1%. This is based on a claim frequency trend line of the form $y=a*b^x$ using the most recent seven points.

The fourth page shows a graph of the frequencies appearing in column (5) of page 3.

The fifth and sixth pages are comparable to pages 3 and 4 but include the experience of deductible policies.

The seventh page shows a graph comparing claim frequencies presented on pages 2, 4 and 6, all indexed to a common value of 1.0 at January 1, 1996.

Page 8 presents the Unit Statistical Plan claim frequencies of page 3 by industry group and page 9 shows a graph of those industry group claim frequencies.

Pennsylvania W.C. - Injury Frequencies
per Department of Labor & Industry Statistics

Calendar Year	Fatal & Non-Fatal Claim Counts (1)	% Change Counts (2)	Wages (Excl. Fed. Govt.) (3)	% Change Wages (4)	Claim Frequency (# per \$1million) (5)	% Change Frequency (6)	Period (7)	Annual % Change in Claim Frequency (8) #
1985	135,258		82,424,929,323		1.6410		CY85 - FY end 6/12	-6.1%
1986	138,168	2.2%	87,088,766,188	5.7%	1.5865	-3.3%	CY86 - FY end 6/12	-6.0%
1987	139,706	1.1%	94,082,048,196	8.0%	1.4849	-6.4%	CY87 - FY end 6/12	-6.0%
1988	146,461	4.8%	101,779,435,543	8.2%	1.4390	-3.1%	CY88 - FY end 6/12	-5.9%
1989	148,445	1.4%	108,000,446,952	6.1%	1.3745	-4.5%	CY89 - FY end 6/12	-5.8%
1990	158,030	6.5%	114,126,673,936	5.7%	1.3847	0.7%	CY90 - FY end 6/12	-5.7%
1991	145,667	-7.8%	116,536,044,622	2.1%	1.2500	-9.7%	CY91 - FY end 6/12	-5.4%
1992	143,268	-1.6%	123,163,218,565	5.7%	1.1632	-6.9%	CY92 - FY end 6/12	-5.1%
1993	136,769	-4.5%	126,453,677,063	2.7%	1.0816	-7.0%	CY93 - FY end 6/12	-4.7%
1994	130,093	-4.9%	131,499,113,452	4.0%	0.9893	-8.5%	CY94 - FY end 6/12	-4.2%
1995	118,313	-9.1%	137,992,970,047	4.9%	0.8574	-13.3%	CY95 - FY end 6/12	-3.6%
1996	102,132	-13.7%	144,910,231,319	5.0%	0.7048	-17.8%	CY96 - FY end 6/12	-3.0%
1997	88,451	-13.4%	154,383,264,744	6.5%	0.5729	-18.7%	CY97 - FY end 6/12	-2.6%
1998	85,783	-3.0%	164,800,517,598	6.7%	0.5205	-9.1%	CY98 - FY end 6/12	-2.5%
1999	82,676	-3.6%	173,807,881,592	5.5%	0.4757	-8.6%	CY99 - FY end 6/12	-2.5%
2000	80,133	-3.1%	181,587,857,121 @	4.5%	0.4413	-7.2%	CY00 - FY end 6/12	-2.8%
2001	90,405	12.8%	189,076,552,680	4.1%	0.4781	8.3%	CY01 - FY end 6/12	-3.5%
2002	95,206	5.3%	191,748,691,971	1.4%	0.4965	3.8%	CY02 - FY end 6/12	-4.1%
2003	99,161	4.2%	196,855,782,892	2.7%	0.5037	1.5%	CY03 - FY end 6/12	-4.5%
2004	93,566	-5.6%	206,119,193,715	4.7%	0.4539	-9.9%	CY04 - FY end 6/12	-4.7%
2005	102,259	9.3%	214,210,346,697	3.9%	0.4774	5.2%	CY05 - FY end 6/12	-5.9%
2006	110,657	8.2%	225,612,061,600	5.3%	0.4905	2.7%	CY06 - FY end 6/12	-6.7%
2007	115,845	4.7%	237,997,366,771	5.5%	0.4867	-0.8%	CY07 - FY end 6/12	-6.8%
2008	104,275	-10.0%	244,561,264,552	2.8%	0.4264	-12.4%	CY08 - FY end 6/12	-5.1%
2009	88,973	-14.7%	238,327,258,488	-2.5%	0.3733	-12.5%	CY09 - FY end 6/12	-2.9%
2010	89,951	1.1%	243,186,797,552	2.0%	0.3699	-0.9%		
2011	87,673	-2.5%	253,351,180,050	4.2%	0.3461	-6.4%		
2011.5 *	91,961	4.9% **	261,341,148,352	3.2%	0.3519	1.7%		

Fiscal Year Ending June 30	Fatal & Non-Fatal Claim Counts (1)	% Change Counts (2)	Wages (Excl. Fed. Govt.) (3)	% Change Wages (4)	Claim Frequency (# per \$1million) (5)	% Change Frequency (6)	Period Ending 6/30 (7)	Annual % Change in Claim Frequency (8) #
1996	111,412		141,080,588,470		0.7897		96-12	-3.3%
1997	94,081	-15.6%	148,855,166,710	5.5%	0.6320	-20.0%	97-12	-2.8%
1998	87,339	-7.2%	159,326,932,528	7.0%	0.5482	-13.3%	98-12	-2.5%
1999	83,769	-4.1%	168,545,476,679	5.8%	0.4970	-9.3%	99-12	-2.4%
2000	81,338	-2.9%	178,133,454,425 @	5.7%	0.4566	-8.1%	00-12	-2.5%
2001	82,813	1.8%	188,197,864,473	5.6%	0.4400	-3.6%	01-12	-3.0%
2002	94,215	13.8%	189,850,330,342	0.9%	0.4963	12.8%	02-12	-3.9%
2003	98,042	4.1%	193,398,561,446	1.9%	0.5069	2.1%	03-12	-4.3%
2004	98,041	0.0%	199,943,996,390	3.4%	0.4903	-3.3%	04-12	-4.6%
2005	92,719	-5.4%	209,858,012,135	5.0%	0.4418	-9.9%	05-12	-5.1%
2006	108,979	17.5%	221,752,445,994	5.7%	0.4914	11.2%	06-12	-6.7%
2007	112,910	3.6%	232,096,746,788	4.7%	0.4865	-1.0%	07-12	-7.3%
2008	114,166	1.1%	241,859,079,598	4.2%	0.4720	-3.0%	08-12	-7.2%
2009	97,184	-14.9%	240,364,004,953	-0.6%	0.4043	-14.3%	09-12	-4.7%
2010	87,858	-9.6%	238,144,164,129	-0.9%	0.3689	-8.8%	10-12	-2.3%
2011	85,822	-2.3%	249,507,050,430	4.8%	0.3440	-6.7%		
2012	91,961	7.2%	261,341,148,352	4.7%	0.3519	2.3%		

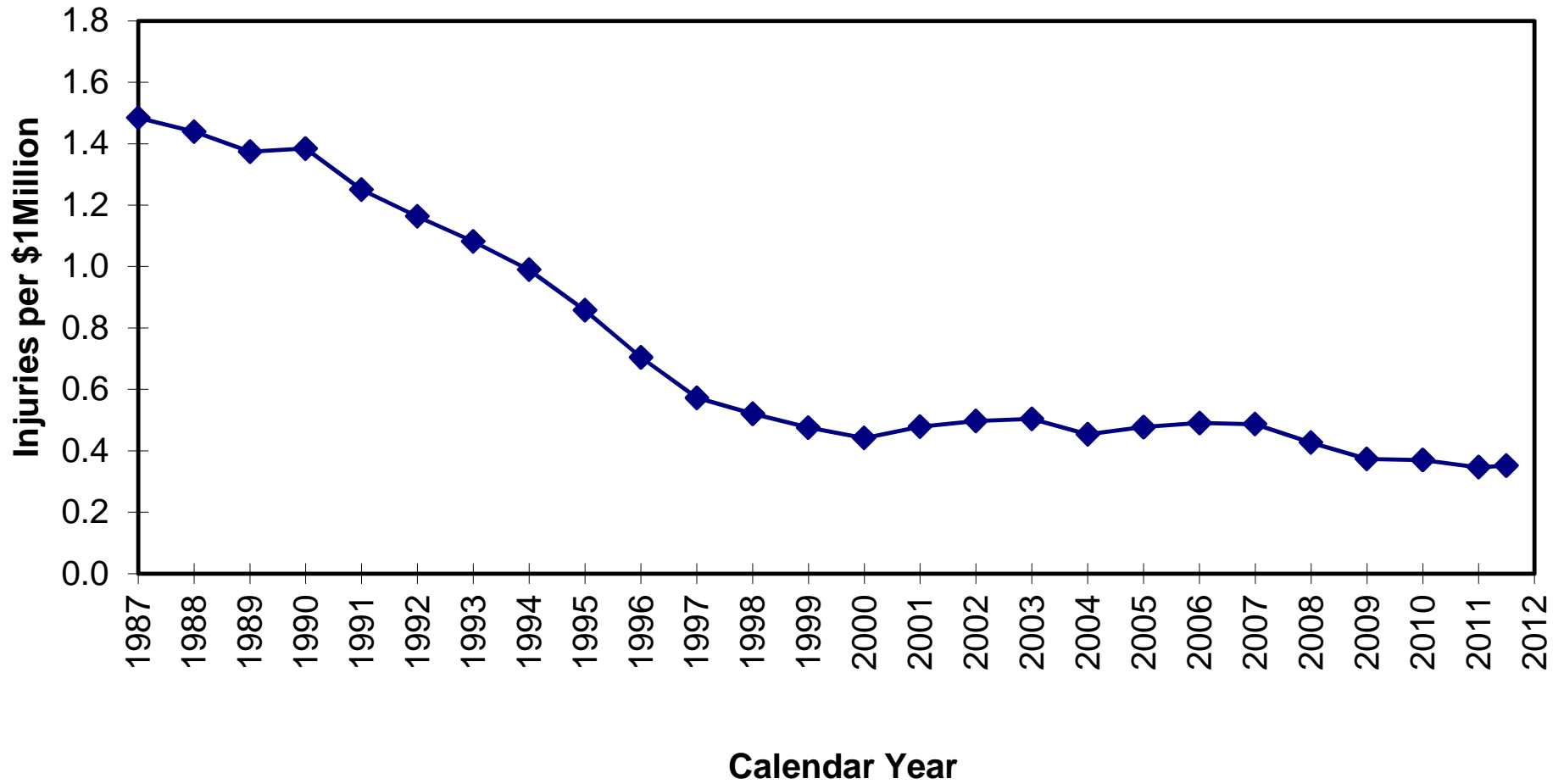
* July 1, 2011 thru June 30, 2012

** Six month change 1/11-12/11 to 7/11-6/12. Annualized changes are +10.0% (Counts), +6.5% (Wages) and +3.4% (Frequency)

Exponential Trend

@ 1ST Quarter 2000 wages have been adjusted (from 45,317,695,400 to 42,864,043,865) for unusually high wage levels during the period

PA W.C. - CLAIM FREQUENCIES per Department of Labor & Industry Statistics



◆ Claim Freq per \$1 Million

Pennsylvania W.C - Claim Frequencies

PCRB Unit Statistical Plan
(Excluding Deductible Business)

Policy Year	# of Claim Indemnity (1)	% Change Counts (2)	Expected Losses (3)	% Change Exp Loss (4)	Claim Frequency (#Claims per \$1 million) (5)	% Change Claim Freq (6)
1996	35,646	-2.4%	1,070,240,160		33.31	
1997	37,288	4.6%	1,180,822,705	10.3%	31.58	-5.2%
1998	36,904	-1.0%	1,263,729,844	7.0%	29.20	-7.5%
1999	37,225	0.9%	1,342,387,757	6.2%	27.73	-5.0%
2000	35,868	-3.6%	1,378,755,626	2.7%	26.01	-6.2%
2001	32,076	-10.6%	1,338,353,616	-2.9%	23.97	-7.8%
2002	29,919	-6.7%	1,300,974,569	-2.8%	23.00	-4.0%
2003	27,812	-7.0%	1,319,061,001	1.4%	21.08	-8.3%
2004	27,382	-1.5%	1,373,351,973	4.1%	19.94	-5.4%
2005	26,710	-2.5%	1,442,867,188	5.1%	18.51	-7.2%
2006	26,723	0.0%	1,498,841,802	3.9%	17.83	-3.7%
2007	26,347	-1.4%	1,568,597,634	4.7%	16.80	-5.8%
2008	23,991	-8.9%	1,547,735,459	-1.3%	15.50	-7.7%
2009	22,285	-7.1%	1,487,392,225	-3.9%	14.98	-3.4%
2010	23,055	3.5%	1,563,275,675	5.1%	14.75	-1.5%

Period	Annual % Change In Claim Frequency	Period	Annual % Change In Claim Frequency
PY96-PY10	-5.9%	PY96-PY09	-6.1%
PY97-PY10	-5.9%	PY97-PY09	-6.1%
PY98-PY10	-5.8%	PY98-PY09	-6.0%
PY99-PY10	-5.8%	PY99-PY09	-6.0%
PY00-PY10	-5.7%	PY00-PY09	-6.0%
PY01-PY10	-5.6%	PY01-PY09	-5.9%
PY02-PY10	-5.5%	PY02-PY09	-5.9%
PY03-PY10	-5.2%	PY03-PY09	-5.6%
PY04-PY10	-5.1%	PY04-PY09	-5.6%
PY05-PY10	-4.8%	PY05-PY09	-5.5%
PY06-PY10	-4.8%	PY06-PY09	-5.9%
PY07-PY10	-4.2%	PY07-PY09	-5.6%
PY08-PY10	-2.4%	PY08-PY09	-3.4%
PY09-PY10	-1.5%		

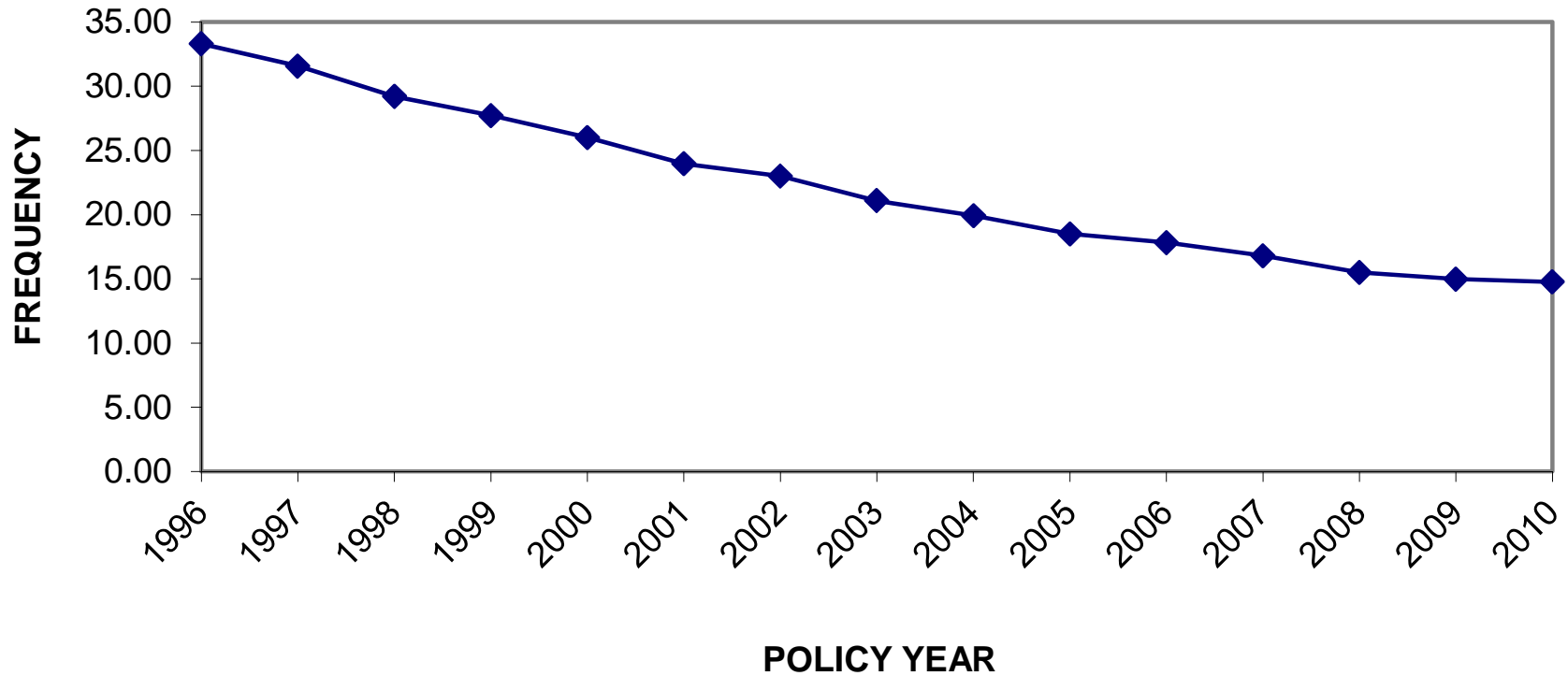
Policy Year	SAWW	% Change SAWW	SAWW Index	Adjusted Claim Frequency * (# Claims per \$1 million)	% Change Adj Claim Frequency
1996	562.0	3.6%	1.4094	46.94	
1997	587.5	4.5%	1.4734	46.53	-0.9%
1998	612.3	4.2%	1.5354	44.84	-3.6%
1999	642.1	4.9%	1.6103	44.65	-0.4%
2000	661.4	3.0%	1.6586	43.15	-3.4%
2001	675.3	2.1%	1.6934	40.59	-5.9%
2002	691.4	2.4%	1.7339	39.88	-1.7%
2003	716.4	3.6%	1.7966	37.88	-5.0%
2004	745.6	4.1%	1.8699	37.28	-1.6%
2005	778.3	4.4%	1.9517	36.13	-3.1%
2006	807.1	3.7%	2.0241	36.09	-0.1%
2007	833.5	3.3%	2.0903	35.11	-2.7%
2008	845.5	1.4%	2.1204	32.87	-6.4%
2009	860.1	1.7%	2.1571	32.32	-1.7%
2010	888.3	3.3%	2.2276	32.85	1.6%

Period	Annual % Change In Adjusted Claim Frequency	Period	Annual % Change in SAWW
PY96-PY10	-2.8%	PY96-PY10	3.3%
PY97-PY10	-2.9%	PY97-PY10	3.2%
PY98-PY10	-2.8%	PY98-PY10	3.2%
PY99-PY10	-2.8%	PY99-PY10	3.1%
PY00-PY10	-2.7%	PY00-PY10	3.2%
PY01-PY10	-2.6%	PY01-PY10	3.2%
PY02-PY10	-2.5%	PY02-PY10	3.2%
PY03-PY10	-2.4%	PY03-PY10	3.0%
PY04-PY10	-2.5%	PY04-PY10	2.8%
PY05-PY10	-2.5%	PY05-PY10	2.5%
PY06-PY10	-2.7%	PY06-PY10	2.3%
PY07-PY10	-2.1%	PY07-PY10	2.1%
PY08-PY10	0.0%	PY08-PY10	2.5%
PY09-PY10	1.6%	PY09-PY10	3.3%

* Adjusted claim frequency is claim frequency per \$1 million expected losses at constant (1987) wage:

Projected Annual Change in Claim Frequency : -5.1% (See PY04-PY10)

PA W.C. - CLAIM FREQUENCIES
PCRB Unit Statistical Plan (Excl. Deductible Business)



—◆— Claim Freq per \$1 Million Expected Losses

Pennsylvania W.C - Claim Frequencies
 PCRB Unit Statistical Plan
 All Business Including Deductible Business

Policy Year	# of Claim Indemnity (1)	% Change Counts (2)	Expected Losses (3)	% Change Exp Loss (4)	Claim Frequency (#Claims per \$1 million) (5)	% Change Claim Freq (6)
1996	49,468	-5.5%	1,527,644,567		32.38	
1997	49,297	-0.3%	1,640,833,051	7.4%	30.04	-7.2%
1998	50,039	1.5%	1,780,186,564	8.5%	28.11	-6.4%
1999	51,213	2.3%	1,924,061,590	8.1%	26.62	-5.3%
2000	50,665	-1.1%	2,002,561,100	4.1%	25.30	-5.0%
2001	47,079	-7.1%	2,025,716,284	1.2%	23.24	-8.1%
2002	44,968	-4.5%	2,014,092,971	-0.6%	22.33	-3.9%
2003	43,376	-3.5%	2,088,317,515	3.7%	20.77	-7.0%
2004	42,312	-2.5%	2,187,802,196	4.8%	19.34	-6.9%
2005	41,233	-2.6%	2,278,019,835	4.1%	18.10	-6.4%
2006	40,213	-2.5%	2,350,660,672	3.2%	17.11	-5.5%
2007	40,364	0.4%	2,501,630,596	6.4%	16.14	-5.7%
2008	36,241	-10.2%	2,439,506,171	-2.5%	14.86	-7.9%
2009	34,124	-5.8%	2,384,654,639	-2.2%	14.31	-3.7%
2010	34,775	1.9%	2,507,039,218	5.1%	13.87	-3.1%

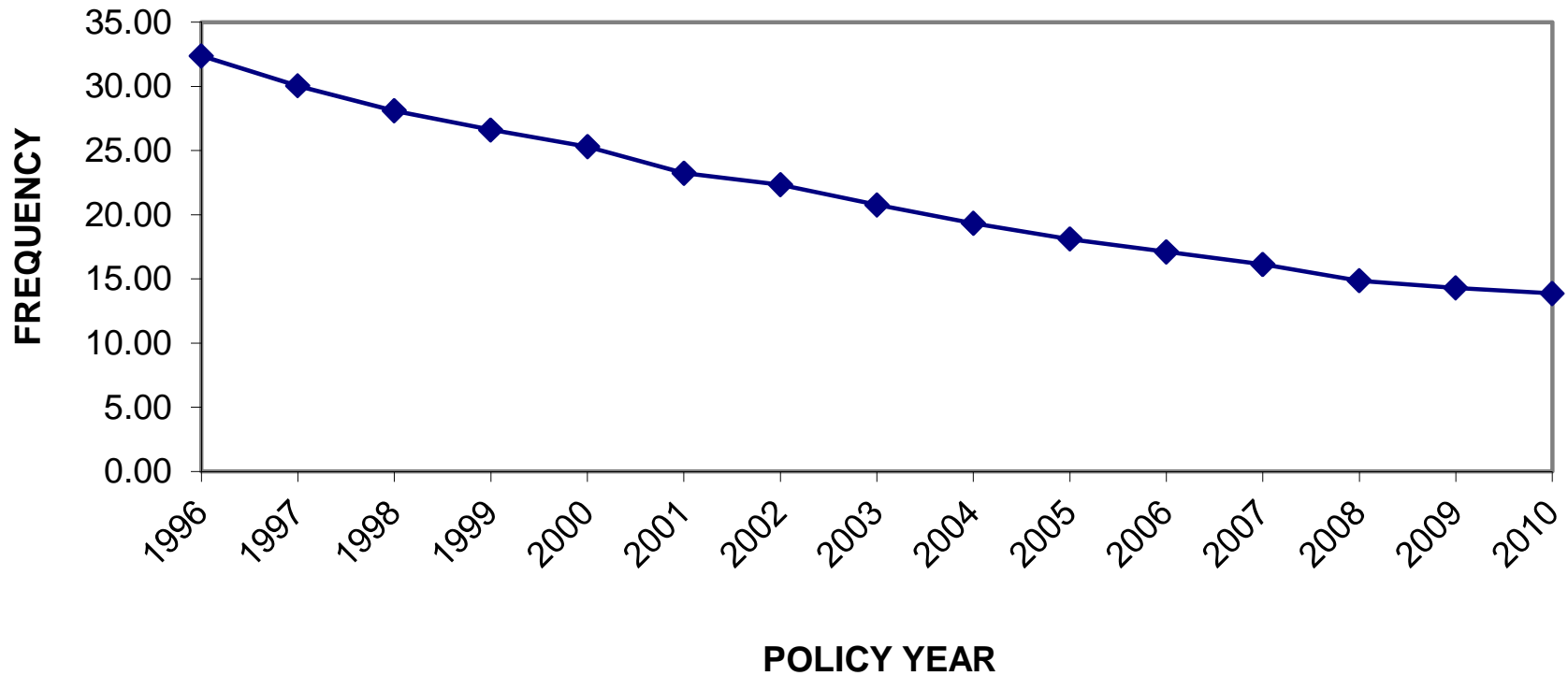
Period	Annual % Change In Claim Frequency	Period	Annual % Change In Claim Frequency
PY96-PY10	-6.0%	PY96-PY09	-6.1%
PY97-PY10	-6.0%	PY97-PY09	-6.1%
PY98-PY10	-6.0%	PY98-PY09	-6.1%
PY99-PY10	-6.0%	PY99-PY09	-6.2%
PY00-PY10	-6.0%	PY00-PY09	-6.2%
PY01-PY10	-5.9%	PY01-PY09	-6.1%
PY02-PY10	-5.9%	PY02-PY09	-6.2%
PY03-PY10	-5.8%	PY03-PY09	-6.1%
PY04-PY10	-5.6%	PY04-PY09	-6.0%
PY05-PY10	-5.4%	PY05-PY09	-5.9%
PY06-PY10	-5.3%	PY06-PY09	-6.0%
PY07-PY10	-4.8%	PY07-PY09	-5.8%
PY08-PY10	-3.4%	PY08-PY09	-3.7%
PY09-PY10	-3.1%		

Policy Year	SAWW	% Change SAWW	SAWW Index	Adjusted Claim Frequency * (# Claims per \$1 million)	% Change Adj Claim Frequency
1996	562.0	3.6%	1.4094	45.64	
1997	587.5	4.5%	1.4734	44.27	-3.0%
1998	612.3	4.2%	1.5354	43.16	-2.5%
1999	642.1	4.9%	1.6103	42.86	-0.7%
2000	661.4	3.0%	1.6586	41.96	-2.1%
2001	675.3	2.1%	1.6934	39.36	-6.2%
2002	691.4	2.4%	1.7339	38.71	-1.7%
2003	716.4	3.6%	1.7966	37.32	-3.6%
2004	745.6	4.1%	1.8699	36.16	-3.1%
2005	778.3	4.4%	1.9517	35.33	-2.3%
2006	807.1	3.7%	2.0241	34.63	-2.0%
2007	833.5	3.3%	2.0903	33.73	-2.6%
2008	845.5	1.4%	2.1204	31.50	-6.6%
2009	860.1	1.7%	2.1571	30.87	-2.0%
2010	888.3	3.3%	2.2276	30.90	0.1%

Period	Annual % Change In Adjusted Claim Frequency	Period	Annual % Change in SAWW
PY96-PY10	-2.9%	PY96-PY10	3.3%
PY97-PY10	-2.9%	PY97-PY10	3.2%
PY98-PY10	-3.0%	PY98-PY10	3.2%
PY99-PY10	-3.0%	PY99-PY10	3.1%
PY00-PY10	-3.0%	PY00-PY10	3.2%
PY01-PY10	-2.9%	PY01-PY10	3.2%
PY02-PY10	-2.9%	PY02-PY10	3.2%
PY03-PY10	-2.9%	PY03-PY10	3.0%
PY04-PY10	-2.9%	PY04-PY10	2.8%
PY05-PY10	-3.0%	PY05-PY10	2.5%
PY06-PY10	-3.1%	PY06-PY10	2.3%
PY07-PY10	-2.8%	PY07-PY10	2.1%
PY08-PY10	-1.0%	PY08-PY10	2.5%
PY09-PY10	0.1%	PY09-PY10	3.3%

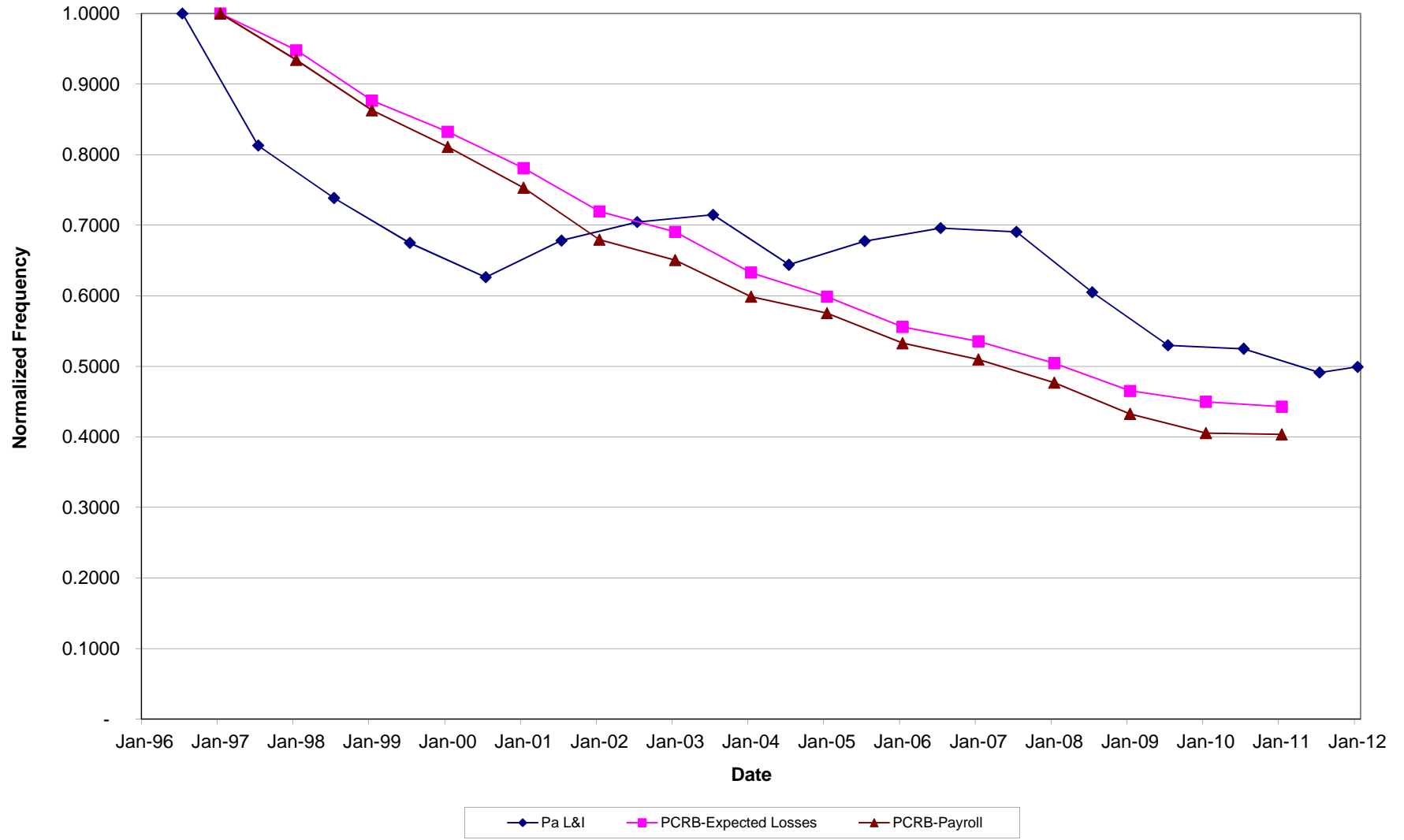
* Adjusted claim frequency is claim frequency per \$1 million expected losses at constant (1987) wages

PA W.C. - CLAIM FREQUENCIES
PCRB Unit Statistical Plan (All Business Incl. Deductible Business)



—◆— Claim Freq per \$1 Million Expected Losses

PA W.C-COMPARISON OF CLAIM FREQUENCIES (PCRB Data Excludes Deductible Business)



Pennsylvania W.C. - Claim Frequencies

PCRB Unit Statistical Plan
(Excluding Deductible Business)

Policy Year	Industry Group	# of Claim Indemnity (1)	% Change Counts (2)	Expected Losses (3)	% Change Exp Loss (4)	Claim Frequency (#Claims per \$1 million) (5)	% Change Frequency (6)
1996	1 (MFG)	9,064	-7.0%	245,516,405		36.92	
1997	1	9,862	8.8%	278,125,225	13.3%	35.46	-4.0%
1998	1	9,582	-2.8%	292,834,671	5.3%	32.72	-7.7%
1999	1	9,099	-5.0%	294,291,997	0.5%	30.92	-5.5%
2000	1	8,343	-8.3%	286,908,209	-2.5%	29.08	-6.0%
2001	1	6,987	-16.3%	261,844,137	-8.7%	26.68	-8.3%
2002	1	6,093	-12.8%	248,254,226	-5.2%	24.54	-8.0%
2003	1	5,798	-4.8%	243,705,346	-1.8%	23.79	-3.1%
2004	1	5,835	0.6%	251,602,128	3.2%	23.19	-2.5%
2005	1	5,511	-5.6%	257,697,623	2.4%	21.39	-7.8%
2006	1	5,686	3.2%	272,282,797	5.7%	20.88	-2.4%
2007	1	5,160	-9.3%	277,391,959	1.9%	18.60	-10.9%
2008	1	4,327	-16.1%	265,895,505	-4.1%	16.27	-12.5%
2009	1	3,748	-13.4%	247,538,395	-6.9%	15.14	-6.9%
2010	1	4,032	7.6%	260,651,688	5.3%	15.47	2.2%

Period	Annual % Change In Claim Frequency
PY96-PY10	-6.3%
PY97-PY10	-6.3%
PY98-PY10	-6.3%
PY99-PY10	-6.4%
PY00-PY10	-6.4%
PY01-PY10	-6.4%
PY02-PY10	-6.5%
PY03-PY10	-7.0%
PY04-PY10	-7.4%
PY05-PY10	-7.5%
PY06-PY10	-7.7%
PY07-PY10	-6.1%
PY08-PY10	-2.5%
PY09-PY10	2.2%

1996	1 (MFG)	6,510	3.9%	236,466,405		27.53	
1997	2	6,548	0.6%	257,774,318	9.0%	25.40	-7.7%
1998	2	6,703	2.4%	284,251,059	10.3%	23.58	-7.2%
1999	2	6,790	1.3%	306,064,168	7.7%	22.18	-5.9%
2000	2	6,824	0.5%	318,182,150	4.0%	21.45	-3.3%
2001	2	6,409	-6.1%	321,534,378	1.1%	19.93	-7.1%
2002	2	5,921	-7.6%	317,161,869	-1.4%	18.67	-6.3%
2003	2	5,573	-5.9%	323,295,640	1.9%	17.24	-7.7%
2004	2	5,464	-2.0%	338,853,428	4.8%	16.12	-6.5%
2005	2	5,588	2.3%	358,940,645	5.9%	15.57	-3.4%
2006	2	5,322	-4.8%	374,861,663	4.4%	14.20	-8.8%
2007	2	5,249	-1.4%	395,505,857	5.5%	13.27	-6.5%
2008	2	4,324	-17.6%	374,846,652	-5.2%	11.54	-13.0%
2009	2	3,703	-14.4%	339,443,185	-9.4%	10.91	-5.5%
2010	2	3,841	3.7%	355,949,378	4.9%	10.79	-1.1%

PY96-PY10	-6.6%
PY97-PY10	-6.6%
PY98-PY10	-6.7%
PY99-PY10	-6.8%
PY00-PY10	-7.0%
PY01-PY10	-7.0%
PY02-PY10	-7.1%
PY03-PY10	-7.1%
PY04-PY10	-7.3%
PY05-PY10	-7.6%
PY06-PY10	-7.2%
PY07-PY10	-6.5%
PY08-PY10	-3.3%
PY09-PY10	-1.1%

1996	1 (MFG)	20,072	-2.1%	588,257,350		34.12	
1997	3	20,878	4.0%	644,923,162	9.6%	32.37	-5.1%
1998	3	20,619	-1.2%	686,644,114	6.5%	30.03	-7.2%
1999	3	21,336	3.5%	742,031,592	8.1%	28.75	-4.3%
2000	3	20,701	-3.0%	773,665,267	4.3%	26.76	-6.9%
2001	3	18,680	-9.8%	754,975,101	-2.4%	24.74	-7.5%
2002	3	17,905	-4.1%	735,558,474	-2.6%	24.34	-1.6%
2003	3	16,441	-8.2%	752,060,015	2.2%	21.86	-10.2%
2004	3	16,083	-2.2%	782,896,417	4.1%	20.54	-6.0%
2005	3	15,611	-2.9%	826,228,920	5.5%	18.89	-8.0%
2006	3	15,715	0.7%	851,697,342	3.1%	18.45	-2.3%
2007	3	15,938	1.4%	895,699,818	5.2%	17.79	-3.6%
2008	3	15,340	-3.8%	906,993,302	1.3%	16.91	-4.9%
2009	3	14,834	-3.3%	900,410,645	-0.7%	16.47	-2.6%
2010	3	15,182	2.3%	946,674,609	5.1%	16.04	-2.6%

PY96-PY10	-5.5%
PY97-PY10	-5.5%
PY98-PY10	-5.4%
PY99-PY10	-5.3%
PY00-PY10	-5.1%
PY01-PY10	-4.9%
PY02-PY10	-4.8%
PY03-PY10	-4.2%
PY04-PY10	-3.9%
PY05-PY10	-3.4%
PY06-PY10	-3.5%
PY07-PY10	-3.3%
PY08-PY10	-2.6%
PY09-PY10	-2.6%

PA W.C. - CLAIM FREQUENCIES BY INDUSTRY GROUP PCRB Unit Statistical Plan (Excl. Deductible Business)

