

PENNSYLVANIA COMPENSATION RATING BUREAU

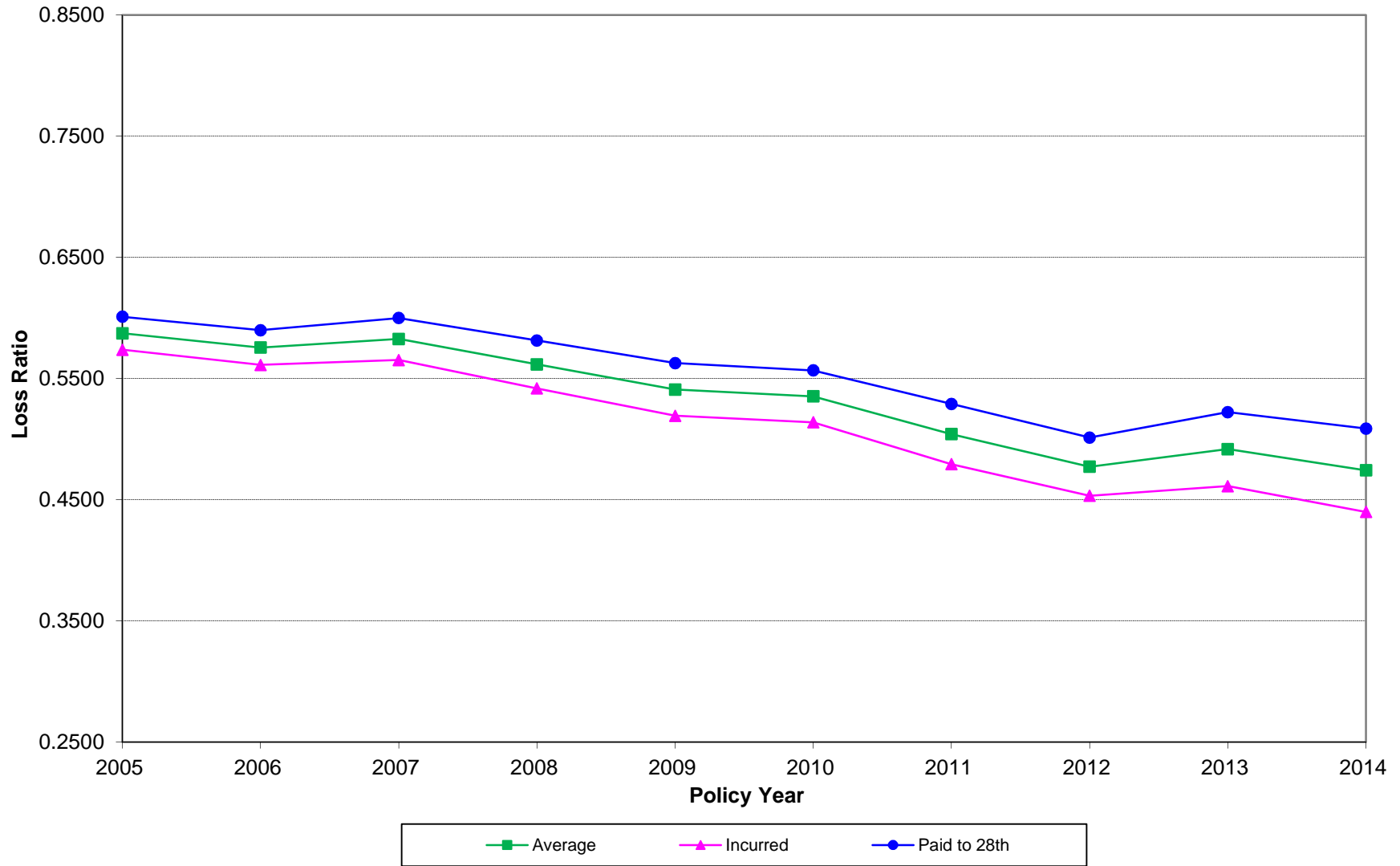
Graphs of Indemnity and Medical Loss Ratios

This exhibit consists of six graphs. Pages 10.1 and 10.2 show graphs of indemnity and medical loss ratios using the paid to twenty-eighth, incurred and the average of the incurred and the paid to twenty-eighth methods. Pages 10.3 and 10.4 are analogous to Pages 10.1 and 10.2 but show severity ratios for indemnity and medical, respectively. These graphs provide a comparison of projected ratios for a range of methods.

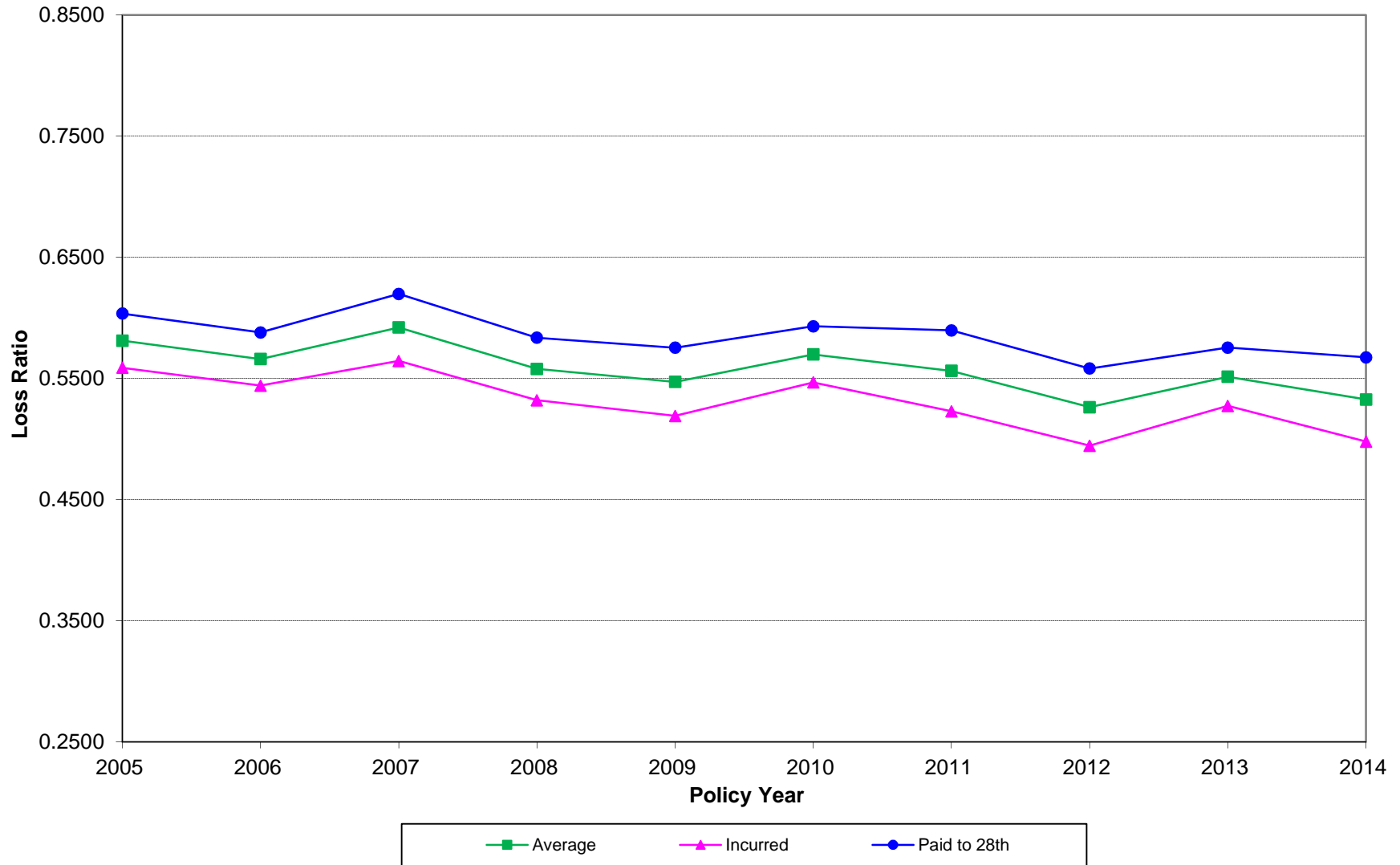
Staff has also included Pages 10.5 and 10.6, which show the trended loss ratios as well as their frequency and severity components. Please note that the frequency, severity and loss ratios are all expressed on a normalized basis with Policy Year 2003 set equal to unity.

Due to the impact of House Bill 1846 of 2014 (HB1846), medical severity trend is separated between pre-HB1846 and post-HB1846 trends. The difference between the two trend rates is a reduction of 0.2 point in medical trend reflecting the evaluation of HB1846's ongoing effect on medical costs after 1/1/2015. (HB1846 became effective on 12/26/2014. The PCRБ used the 1/1/2015 date, for convenience, as an approximation in its evaluation of savings for the law.)

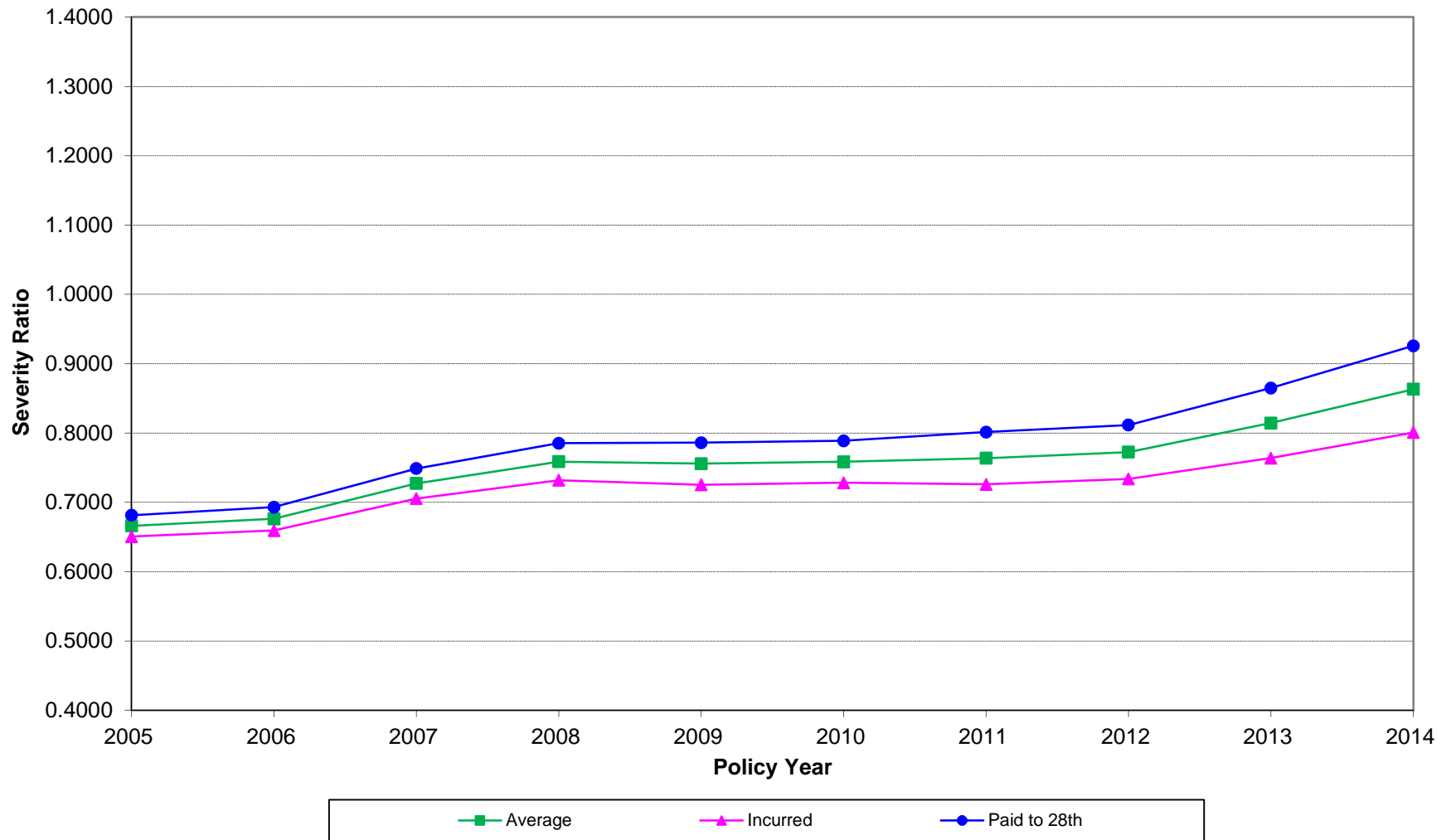
Indemnity Loss Ratios



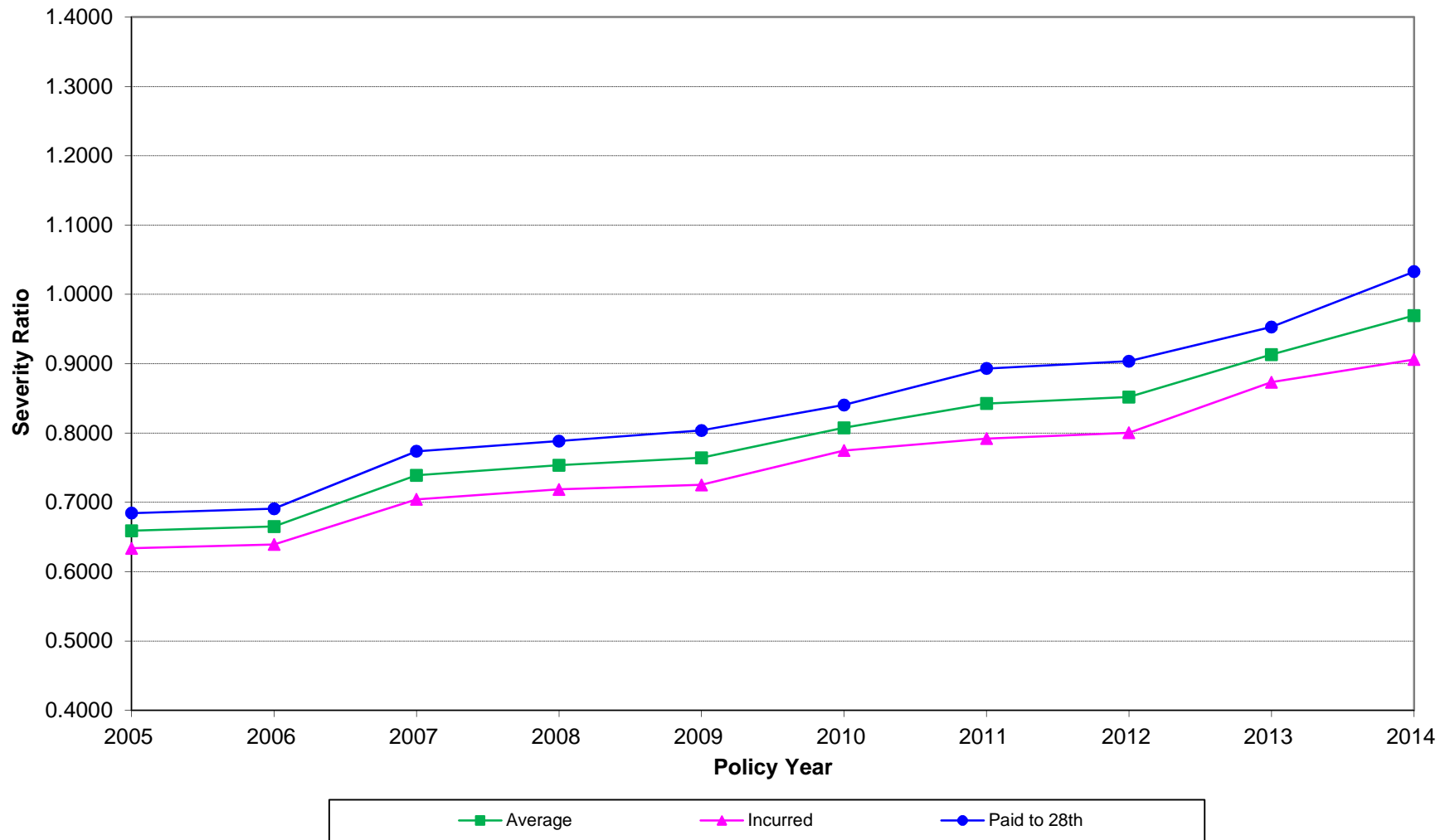
Medical Loss Ratios



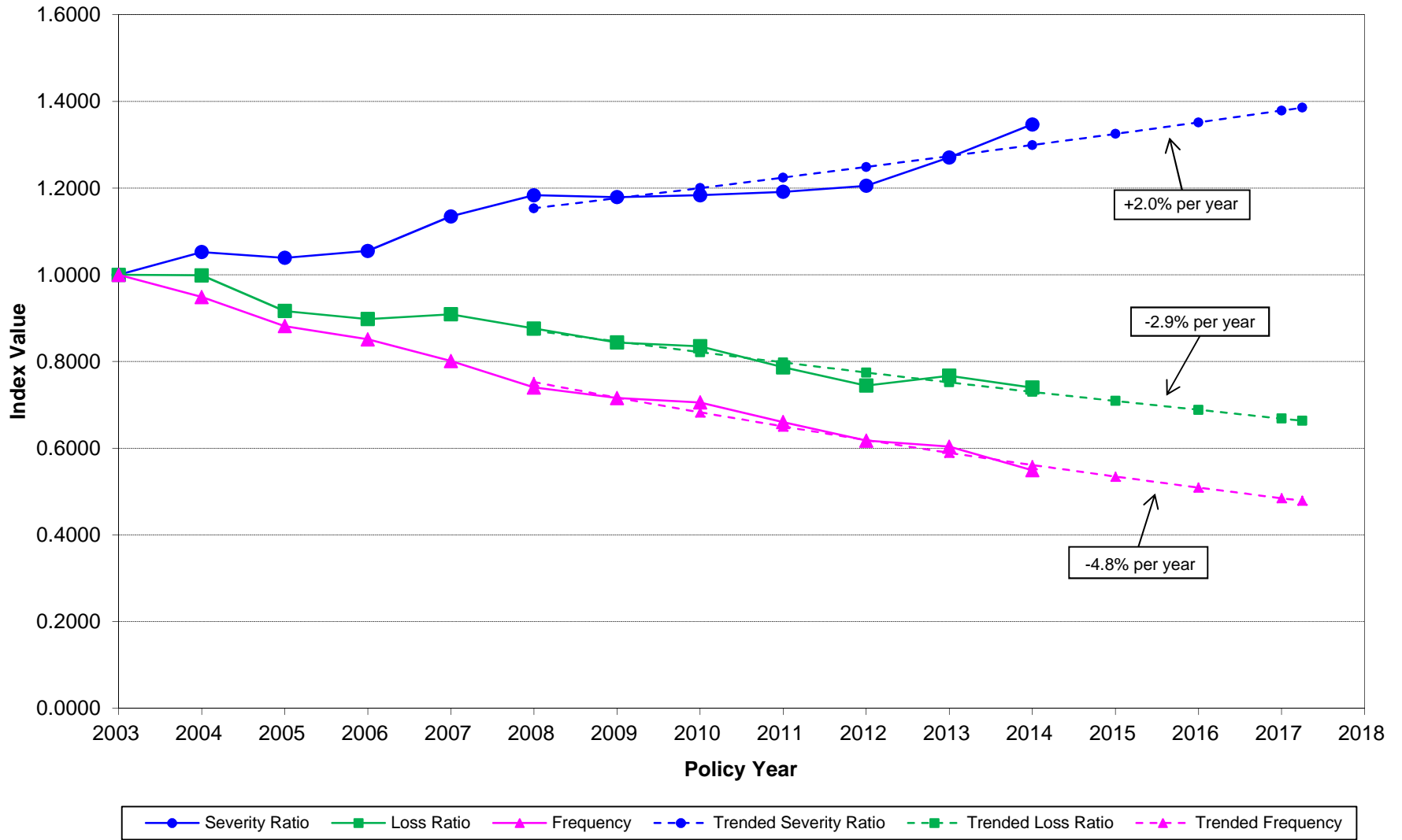
Indemnity Severity Ratios Frequency Indexed to 1.0000 at Policy Year 2003



Medical Severity Ratios Frequency Indexed to 1.0000 at Policy Year 2003



Indemnity Loss Experience Components Indexed to 1.0000 at Policy Year 2003



Medical Loss Experience Components Indexed to 1.0000 at Policy Year 2003

