

PENNSYLVANIA COMPENSATION RATING BUREAU

Claim Frequencies

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

Claim frequencies per \$1 million of expected losses are shown on page 1 based on statistics gathered by the PCRB. For informational purposes, claim frequencies are also shown at constant (1999) wage levels. The data excludes the experience of deductible business.

Staff is proposing an annual change in claim frequency of -4.5%. This is based on a claim frequency trend line of the form $y=a*b^x$ using the most recent seven points.

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

The third and fourth pages are comparable to pages 1 and 2 but include the experience of deductible policies.

The fifth page shows a graph comparing claim frequencies presented on pages 2 and 4, all indexed to a common value of 1.0 at January 1, 1999.

Page 6 presents the Unit Statistical Plan claim frequencies of page 1 by industry group and page 7 shows a graph of those industry group claim frequencies.

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)
1999	35,901		1,121,052,419		32.02	
2000	35,257	-1.8%	1,171,845,825	4.5%	30.09	-6.0%
2001	32,073	-9.0%	1,159,592,233	-1.0%	27.66	-8.1%
2002	29,916	-6.7%	1,127,099,626	-2.8%	26.54	-4.0%
2003	27,808	-7.0%	1,142,310,447	1.3%	24.34	-8.3%
2004	27,374	-1.6%	1,185,366,995	3.8%	23.09	-5.1%
2005	26,704	-2.4%	1,245,239,112	5.1%	21.44	-7.1%
2006	26,726	0.1%	1,290,674,590	3.6%	20.71	-3.4%
2007	26,363	-1.4%	1,351,967,426	4.7%	19.50	-5.8%
2008	23,960	-9.1%	1,330,896,060	-1.6%	18.00	-7.7%
2009	22,249	-7.1%	1,279,645,411	-3.9%	17.39	-3.4%
2010	23,119	3.9%	1,348,970,329	5.4%	17.14	-1.4%
2011	22,824	-1.3%	1,425,595,963	5.7%	16.01	-6.6%
2012	21,092	-7.6%	1,406,846,627	-1.3%	14.99	-6.4%
2013	21,065	-0.1%	1,435,877,715	2.1%	14.67	-2.1%

Period	Annual % Change In Claim Frequency	Period	Annual % Change In Claim Frequency
PY99-PY13	-5.5%	PY99-PY12	-5.6%
PY00-PY13	-5.4%	PY00-PY12	-5.5%
PY01-PY13	-5.2%	PY01-PY12	-5.4%
PY02-PY13	-5.2%	PY02-PY12	-5.3%
PY03-PY13	-5.0%	PY03-PY12	-5.1%
PY04-PY13	-4.9%	PY04-PY12	-5.0%
PY05-PY13	-4.8%	PY05-PY12	-4.9%
PY06-PY13	-4.8%	PY06-PY12	-4.9%
PY07-PY13	-4.5%	PY07-PY12	-4.7%
PY08-PY13	-4.3%	PY08-PY12	-4.4%
PY09-PY13	-4.6%	PY09-PY12	-5.0%
PY10-PY13	-5.2%	PY10-PY12	-6.5%
PY11-PY13	-4.3%	PY11-PY12	-6.4%
PY12-PY13	-2.1%		

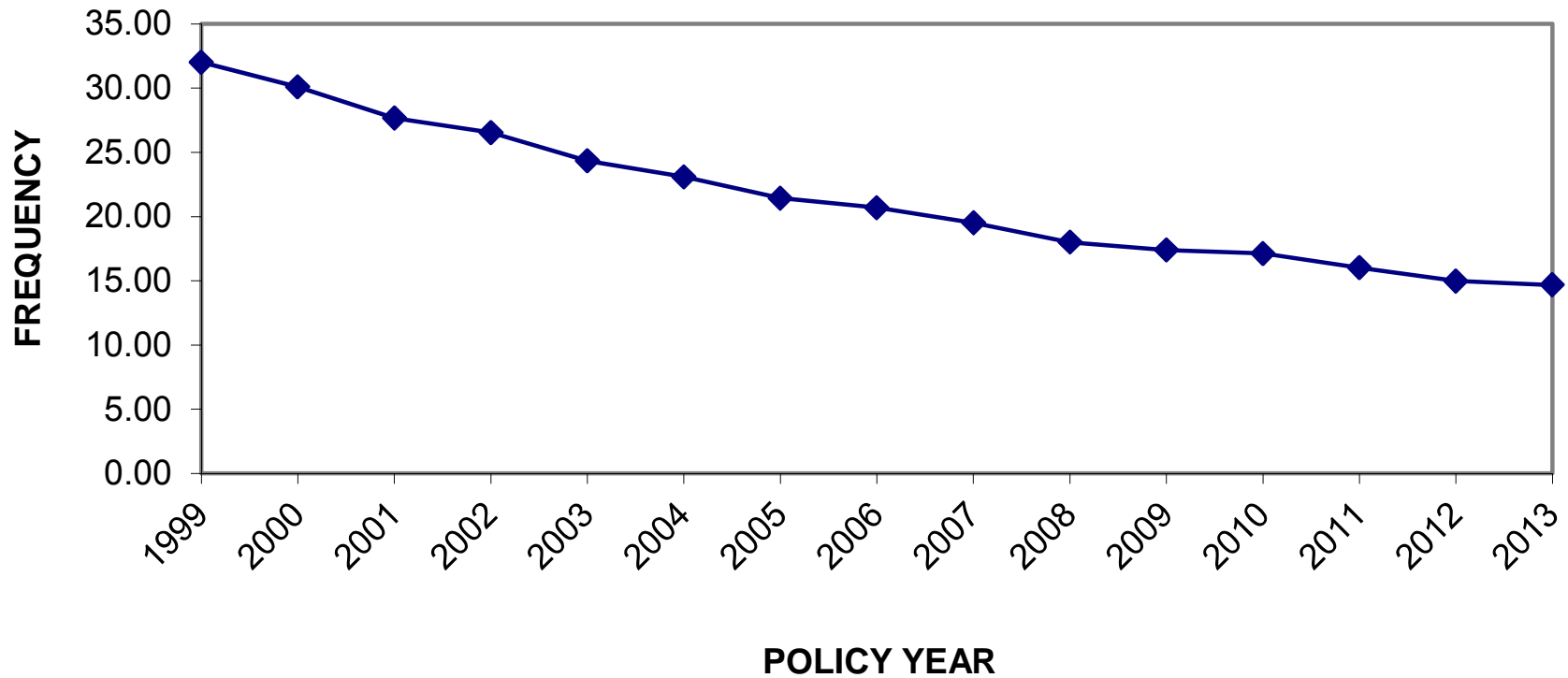
Policy Year	SAWW	% Change SAWW	SAWW Index	Adjusted Claim Frequency * (# Claims per \$1 million)	% Change Adj Claim Frequency
1999	642.1		1.0000	32.02	
2000	661.4	3.0%	1.0300	30.99	-3.2%
2001	675.3	2.1%	1.0516	29.09	-6.1%
2002	691.4	2.4%	1.0767	28.58	-1.8%
2003	716.4	3.6%	1.1156	27.16	-5.0%
2004	745.6	4.1%	1.1612	26.82	-1.3%
2005	778.3	4.4%	1.2120	25.99	-3.1%
2006	807.1	3.7%	1.2570	26.03	0.2%
2007	833.5	3.3%	1.2980	25.31	-2.8%
2008	845.5	1.4%	1.3167	23.70	-6.4%
2009	860.1	1.7%	1.3395	23.29	-1.7%
2010	887.9	3.2%	1.3827	23.70	1.8%
2011	915.3	3.1%	1.4253	22.82	-3.7%
2012	932.5	1.9%	1.4522	21.77	-4.6%
2013	952.0	2.1%	1.4826	21.75	-0.1%

Period	Annual % Change In Adjusted Claim Frequency	Period	Annual % Change in SAWW
PY99-PY13	-2.7%	PY99-PY13	3.0%
PY00-PY13	-2.6%	PY00-PY13	3.0%
PY01-PY13	-2.4%	PY01-PY13	3.0%
PY02-PY13	-2.4%	PY02-PY13	2.9%
PY03-PY13	-2.3%	PY03-PY13	2.8%
PY04-PY13	-2.4%	PY04-PY13	2.6%
PY05-PY13	-2.4%	PY05-PY13	2.5%
PY06-PY13	-2.5%	PY06-PY13	2.4%
PY07-PY13	-2.3%	PY07-PY13	2.4%
PY08-PY13	-1.9%	PY08-PY13	2.5%
PY09-PY13	-2.2%	PY09-PY13	2.6%
PY10-PY13	-3.0%	PY10-PY13	2.3%
PY11-PY13	-2.4%	PY11-PY13	2.0%
PY12-PY13	-0.1%	PY12-PY13	2.1%

* Adjusted claim frequency is claim frequency per \$1 million expected losses at constant (1999) wages

Projected Annual Change in Claim Frequency : -4.5% (See PY07-PY13)

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)
1999	51,214		1,658,617,252		30.88	
2000	50,662	-1.1%	1,726,683,280	4.1%	29.34	-5.0%
2001	47,080	-7.1%	1,748,196,379	1.2%	26.93	-8.2%
2002	44,964	-4.5%	1,737,281,353	-0.6%	25.88	-3.9%
2003	43,372	-3.5%	1,798,607,951	3.5%	24.11	-6.8%
2004	42,299	-2.5%	1,879,114,710	4.5%	22.51	-6.6%
2005	41,242	-2.5%	1,957,139,290	4.2%	21.07	-6.4%
2006	40,232	-2.4%	2,015,844,161	3.0%	19.96	-5.3%
2007	40,368	0.3%	2,141,695,469	6.2%	18.85	-5.6%
2008	36,199	-10.3%	2,087,048,903	-2.6%	17.34	-8.0%
2009	34,057	-5.9%	2,036,295,405	-2.4%	16.72	-3.6%
2010	34,910	2.5%	2,156,275,874	5.9%	16.19	-3.2%
2011	34,494	-1.2%	2,315,314,694	7.4%	14.90	-8.0%
2012	32,801	-4.9%	2,342,210,803	1.2%	14.00	-6.0%
2013	32,949	0.5%	2,377,406,224	1.5%	13.86	-1.0%

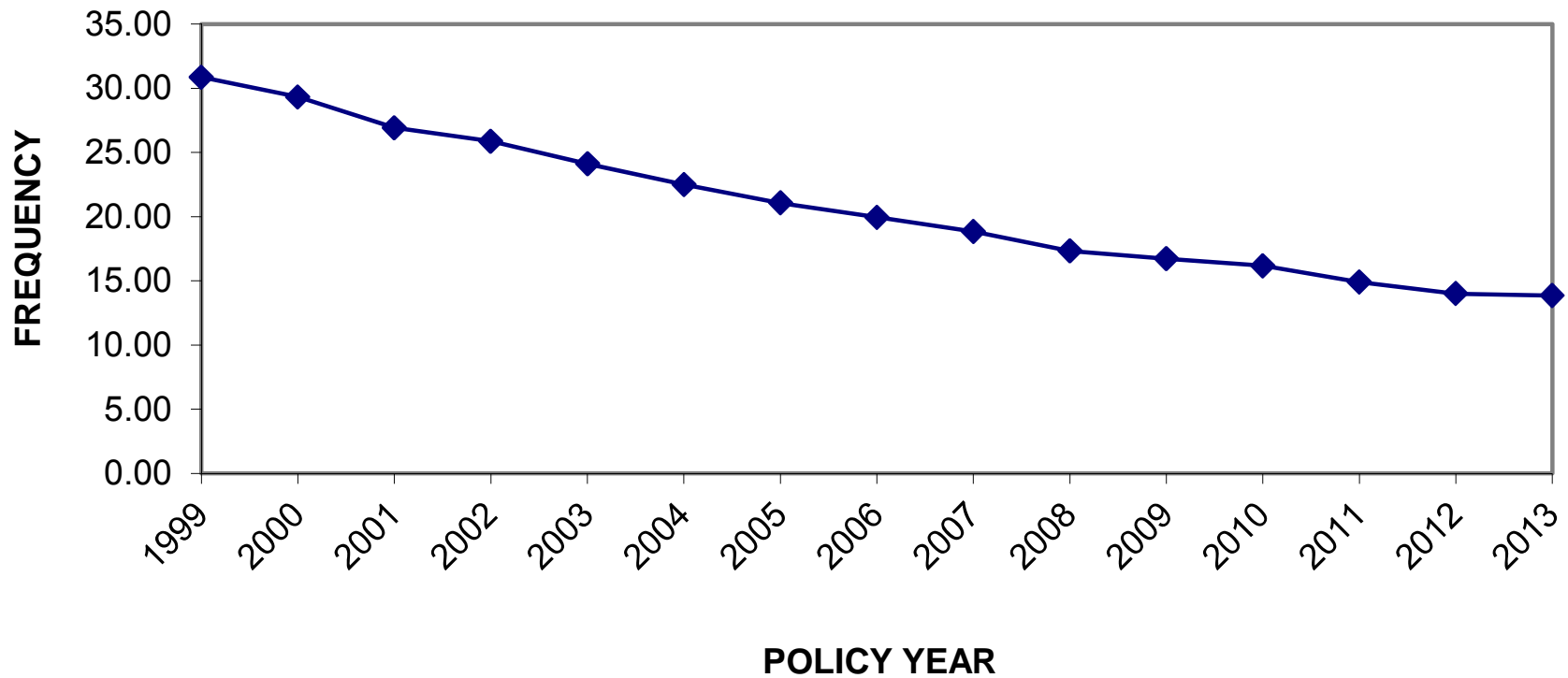
Period	Annual % Change In Claim Frequency	Period	Annual % Change In Claim Frequency
PY99-PY13	-5.8%	PY99-PY12	-5.9%
PY00-PY13	-5.7%	PY00-PY12	-5.9%
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PY03-PY13	-5.5%	PY03-PY12	-5.7%
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PY07-PY13	-5.1%	PY07-PY12	-5.5%
PY08-PY13	-4.8%	PY08-PY12	-5.3%
PY09-PY13	-5.1%	PY09-PY12	-6.0%
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PY11-PY13	-3.6%	PY11-PY12	-6.0%
PY12-PY13	-1.0%		

Policy Year	SAWW	% Change SAWW	SAWW Index	Adjusted Claim Frequency * # Claims per \$1 million	% Change Adj Claim Frequency
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2000	661.4	3.0%	1.0300	30.22	-2.1%
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2008	845.5	1.4%	1.3167	22.84	-6.7%
2009	860.1	1.7%	1.3395	22.40	-1.9%
2010	887.9	3.2%	1.3827	22.39	0.0%
2011	915.3	3.1%	1.4253	21.23	-5.2%
2012	932.5	1.9%	1.4522	20.34	-4.2%
2013	952.0	2.1%	1.4826	20.55	1.0%

Period	Annual % Change In Adjusted Claim Frequency	Period	Annual % Change in SAWW
PY99-PY13	-3.0%	PY99-PY13	3.0%
PY00-PY13	-2.9%	PY00-PY13	3.0%
PY01-PY13	-2.9%	PY01-PY13	3.0%
PY02-PY13	-2.9%	PY02-PY13	2.9%
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PY09-PY13	-2.6%	PY09-PY13	2.6%
PY10-PY13	-3.0%	PY10-PY13	2.3%
PY11-PY13	-1.6%	PY11-PY13	2.0%
PY12-PY13	1.0%	PY12-PY13	2.1%

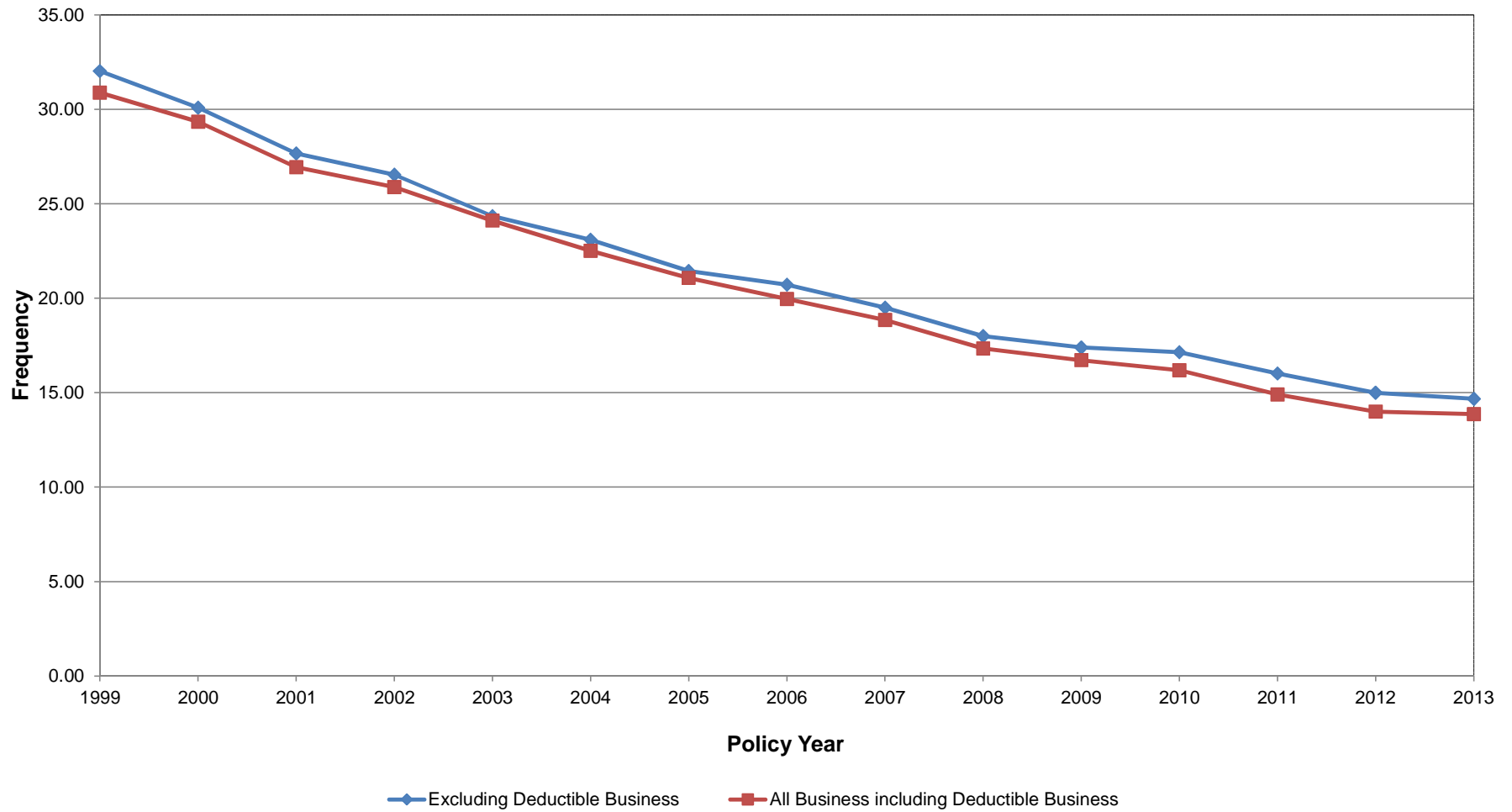
* Adjusted claim frequency is claim frequency per \$1 million expected losses at constant (1999) wages

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 (Claim Frequencies per \$1 Million Expected Losses)



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)
1999	1 (MFG)	8,814		249,094,062		35.38	
2000	1	8,266	-6.2%	247,048,563	-0.8%	33.46	-5.4%
2001	1	6,982	-15.5%	228,860,028	-7.4%	30.51	-8.8%
2002	1	6,084	-12.9%	216,901,291	-5.2%	28.05	-8.1%
2003	1	5,793	-4.8%	212,400,410	-2.1%	27.27	-2.8%
2004	1	5,826	0.6%	215,955,317	1.7%	26.98	-1.1%
2005	1	5,512	-5.4%	220,661,497	2.2%	24.98	-7.4%
2006	1	5,666	2.8%	231,334,826	4.8%	24.49	-2.0%
2007	1	5,149	-9.1%	236,419,631	2.2%	21.78	-11.1%
2008	1	4,306	-16.4%	225,393,789	-4.7%	19.10	-12.3%
2009	1	3,733	-13.3%	210,243,490	-6.7%	17.76	-7.0%
2010	1	4,012	7.5%	222,530,962	5.8%	18.03	1.5%
2011	1	4,197	4.6%	238,384,486	7.1%	17.61	-2.3%
2012	1	3,637	-13.3%	227,200,085	-4.7%	16.01	-9.1%
2013	1	3,534	-2.8%	232,700,559	2.4%	15.19	-5.1%

Period	Annual % Change In Claim Frequency
PY99-PY13	-5.9%
PY00-PY13	-5.9%
PY01-PY13	-5.8%
PY02-PY13	-5.9%
PY03-PY13	-6.1%
PY04-PY13	-6.2%
PY05-PY13	-6.1%
PY06-PY13	-5.9%
PY07-PY13	-5.0%
PY08-PY13	-4.1%
PY09-PY13	-4.2%
PY10-PY13	-5.9%
PY11-PY13	-7.1%
PY12-PY13	-5.1%

1999	2 (Contracting)	6,597		265,293,362		24.87	
2000	2	6,696	1.5%	280,419,440	5.7%	23.88	-4.0%
2001	2	6,403	-4.4%	288,794,967	3.0%	22.17	-7.2%
2002	2	5,915	-7.6%	285,006,498	-1.3%	20.75	-6.4%
2003	2	5,569	-5.8%	290,249,164	1.8%	19.19	-7.5%
2004	2	5,450	-2.1%	303,897,368	4.7%	17.93	-6.6%
2005	2	5,571	2.2%	321,859,677	5.9%	17.31	-3.5%
2006	2	5,312	-4.6%	335,382,399	4.2%	15.84	-8.5%
2007	2	5,245	-1.3%	354,640,565	5.7%	14.79	-6.6%
2008	2	4,321	-17.6%	334,617,211	-5.6%	12.91	-12.7%
2009	2	3,732	-13.6%	302,026,231	-9.7%	12.36	-4.3%
2010	2	3,839	2.9%	316,265,747	4.7%	12.14	-1.8%
2011	2	3,839	0.0%	339,911,438	7.5%	11.29	-7.0%
2012	2	3,483	-9.3%	339,689,255	-0.1%	10.25	-9.2%
2013	2	3,403	-2.3%	344,562,115	1.4%	9.88	-3.6%

PY99-PY13	-6.6%
PY00-PY13	-6.7%
PY01-PY13	-6.7%
PY02-PY13	-6.7%
PY03-PY13	-6.6%
PY04-PY13	-6.7%
PY05-PY13	-6.7%
PY06-PY13	-6.4%
PY07-PY13	-6.1%
PY08-PY13	-5.5%
PY09-PY13	-6.0%
PY10-PY13	-6.9%
PY11-PY13	-6.5%
PY12-PY13	-3.6%

1999	3 (Other)	20,490		606,664,995		33.77	
2000	3	20,295	-1.0%	644,377,822	6.2%	31.50	-6.7%
2001	3	18,688	-7.9%	641,937,238	-0.4%	29.11	-7.6%
2002	3	17,917	-4.1%	625,191,837	-2.6%	28.66	-1.5%
2003	3	16,446	-8.2%	639,660,873	2.3%	25.71	-10.3%
2004	3	16,098	-2.1%	665,514,310	4.0%	24.19	-5.9%
2005	3	15,621	-3.0%	702,717,938	5.6%	22.23	-8.1%
2006	3	15,748	0.8%	723,957,365	3.0%	21.75	-2.2%
2007	3	15,969	1.4%	760,907,230	5.1%	20.99	-3.5%
2008	3	15,333	-4.0%	770,885,060	1.3%	19.89	-5.2%
2009	3	14,784	-3.6%	767,375,690	-0.5%	19.27	-3.1%
2010	3	15,268	3.3%	810,173,620	5.6%	18.85	-2.2%
2011	3	14,788	-3.1%	847,300,039	4.6%	17.45	-7.4%
2012	3	13,972	-5.5%	839,957,287	-0.9%	16.63	-4.7%
2013	3	14,128	1.1%	858,615,041	2.2%	16.45	-1.1%

PY99-PY13	-5.0%
PY00-PY13	-4.9%
PY01-PY13	-4.7%
PY02-PY13	-4.6%
PY03-PY13	-4.3%
PY04-PY13	-4.1%
PY05-PY13	-4.0%
PY06-PY13	-4.1%
PY07-PY13	-4.2%
PY08-PY13	-4.1%
PY09-PY13	-4.3%
PY10-PY13	-4.5%
PY11-PY13	-2.9%
PY12-PY13	-1.1%

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

