

**2011  
ANNUAL  
REPORT**

**PENNSYLVANIA  
COMPENSATION  
RATING  
BUREAU**



# **PENNSYLVANIA COMPENSATION RATING BUREAU**

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Philadelphia, Pennsylvania 19103-4007

## **ANNUAL REPORT 2011**

Submitted to the Membership of the  
Pennsylvania Compensation Rating Bureau  
by Timothy L. Wisecarver, President

# ANNUAL REPORT 2011

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## PRESIDENT'S MESSAGE

The following narrative reflects key issues, activities and accomplishments for the PCRB and its members during the Year 2011.

The April 1, 2010 Loss Cost Filing was approved by the Pennsylvania Insurance Department as filed, and that approval was announced by PCRB circular on February 1, 2011.

Continuing annual updates to parameters of the Pennsylvania Construction Classification Premium Adjustment Program, a revised qualifying wage and table of premium credits, were filed and approved in 2011, with the announcement of changes effective October 1, 2011 being made on April 6, 2011.

Classification studies continued the ongoing work of maintaining the approved uniform classification system during 2011. In response to membership comments concerning the implementation of annual rating value filings and interim classification and Manual rule filings, the PCRB elected to make the changes in classification procedures and other Manual rules submitted as Bureau Filing No. 244 in September of 2011, effective concurrent with the effective date for the next annual loss cost revision, April 1, 2012. Bureau Filing No. 244 included the following subject matters:

Classification 601, Road or Street Construction: Paving or Repaving, was reviewed as respects the treatment of seasonal businesses principally-to-exclusively engaged in snow plowing for unrelated customers and specialist contractors principally-to-exclusively engaged in providing flagging services for unrelated businesses. Such operations were determined to be appropriately assigned to Classification 601. In addition, clarification of the scope of this classification was accomplished through the addition of a new Underwriting Guide entry which addressed safety grooving of road surfaces by contractor.

A variety of housekeeping changes intended to make the Manual clearer and less ambiguous with respect to classification procedures, update class language to bring it into alignment with other Manual provisions or recognize technological or industrial change were also included in Bureau Filing No. 244. Subjects addressed included revision of directions on classifying payroll of an employee interchanging between duties directly related to more than one classification and clarification of the classification assignment of power washing of building exterior walls by specialist contractors. The following amendments to specific classification procedures were also incorporated into Bureau Filing No. 244:

- Clarification of Code 855, Lumber and/or Building Material Dealer, as including sales of door hardware and metal door frame fabrication operations.
- Work done in installing metal doors was reassigned from Code 658, Iron Erection or Installation, to Code 651, Carpentry – Commercial.

- Fire Door Mfg. was reclassified from Code 413, Iron Work – Shop, to Code 456, Metal Furniture Manufacturing.
- Secondhand building material dealers were reclassified from Code 860, Junk Dealer, to Code 855, Lumber and/or Building Material Dealer.
- Classification procedure assigning all county (non-state) prison personnel excepting only persons whose job duties may qualify them for assignment to Codes 951, Salesperson – Outside, or 953, Office, to Code 985, Police or Firefighters, Salaried, was clarified.
- Authorization was given for assignment of Code 007, Farm Machinery Operation, to any business that applies fertilizer onto customers' fields.
- The Code 663, Plumbing, Underwriting Guide entry was focused on solar water heater installation with concurrent solar panel and storage tank installation, and a new Code 661, Electrical Wiring Within Buildings, Underwriting Guide entry was established for installation of the solar electric systems, also known as photovoltaic systems.

The PCRB continues to enhance its ability to provide and exchange information with key constituencies electronically. Over 95 percent of policies, endorsements, cancellations and reinstatements were submitted to the PCRB electronically in 2011, and virtually all unit statistical reports (excluding Individual Case Reports) were provided electronically. Experience rating and merit rating worksheets continue to be transmitted electronically to all PCRB members. Based on work completed in 2011, PCRB looks forward to providing machine-to-machine access to experience modifications, merit ratings and a variety of other pricing metrics to its membership in 2012.

The PCRB continued collection of Medical Data Call information during 2011. This enterprise is intended to benefit the industry by providing increased detail pertaining to the treatment of workers compensation injuries using a standard protocol across jurisdictions. The PCRB's endeavors in this area are benefitted by continuing close cooperation and communication with the National Council on Compensation Insurance, Inc. (NCCI). For the first five quarters (transactions received for the Third Quarter 2010 through the Third Quarter 2011) the PCRB collected 10,300,267 records accounting for \$905,222,566 in paid medical benefits. Ongoing initiatives related to this effort are focused on data quality, analytics and tools.

The PCRB continues to aspire to provide the highest possible levels of service to its members, those members' insureds, regulators, legislators, other governmental offices and the workers of Pennsylvania covered under the Workers Compensation Act.

Some additional specific areas of PCRB activity during 2011 are highlighted following.

## **RATING VALUE FILINGS**

Effective April 1, 2011, revised loss costs were implemented in Pennsylvania. The PCRB's filing had proposed an overall average increase in collectible loss costs of 0.87 percent. After review and consideration of public comment and PCRB responses to those comments, the Insurance Department approved the April 1, 2011 rating values as filed. That approval was announced by PCRB circular on February 1, 2011.

On November 21, 2011 a joint meeting of the Actuarial Committee and Classification and Rating Committee was conducted to review the PCRB's analysis in support of a loss cost filing to be effective April 1, 2012. On November 29, 2011 that filing, Bureau Filing No. C-361, was submitted to the Insurance Commissioner, proposing an overall average decrease in collectible loss costs of 5.66 percent. On January 31, 2012 the Pennsylvania Insurance Department approved Bureau Filing No. C-361 as filed.

## **PCRB INFORMATIONAL INITIATIVES**

The PCRB continued to provide the insurance industry with educational programs in 2011. Subjects addressed in these seminars range from basic programs describing PCRB operations and functions to more advanced and detailed classes covering specific topics, such as the Test Audit Program, unit statistical reporting, and workers compensation rating plans. Delivery of much of this content was made available in On Demand format during 2011, augmenting the initial offering of the introductory seminar in 2010.

## **BUDGET AND ASSESSMENT EXPERIENCE**

Expenditures for the Year 2011 were managed within the PCRB's budgetary plan. For the year, expenditures were less than 97 percent of budget. Quarterly assessments were imposed throughout the year consistent with the 2011 Budget. An operating surplus generated for the year will be applied according to Governing Board direction as part of the annual adjustment of assessment process which will take place in mid-2012 for the 2011 Year.

## **DATA COLLECTION ISSUES**

Collection of timely, accurate and complete statistical information remains a key issue for the PCRB and its members. In 2011 existing programs and incentives applicable to the reporting and collection of financial and unit statistical data, as well as the monitoring of carrier audits, continued to be actively monitored and managed by PCRB staff. An overview of 2011 data collection program experience follows:

Financial Data – Financial Data Incentive Program (FDIP) charges for 2010 Calls reported in 2011 were approximately \$178,000. During 2011 the PCRB continued to use and improve upon its Financial Data Reporting Application (FDRA) to collect the 2010 Calls that were subject to the Financial Data Incentive Program and Pennsylvania Special Schedule W.

The FDRA used in 2011 included ALL Financial Calls and Pennsylvania Special Schedule W for 2010 reports collected in 2011. This internet-based application allows reporting entities to view results of applying PCRB and Insurance Department edits prior to submission of entered data and will expedite the exchange of criticisms and corrected data, if needed. The FDRA helps to accelerate availability of financial data and to mitigate incentive charges previously encountered by carriers experiencing difficulty in successfully passing edits applicable to the PCRB's Financial Calls and/or the Pennsylvania Special Schedule W.

Unit Statistical Plan Fines - Most PCRB members continued their successful compliance with reporting requirements for the Unit Statistical Plan. Incentive charges incurred in 2011 (approximately \$1,204,000) were slightly lower than the comparable 2010 charges (approximately \$1,232,000).

A portion of the Unit Statistical Plan incentive charges incurred in 2011 was again attributable to a small number of carriers in various stages of supervision, rehabilitation and/or liquidation by various Insurance Departments. As a consequence, approximately \$1,073,000 of the Unit Statistical Plan incentive charges incurred for the year proved uncollectible.

Test Audit Program – The four-quarter difference ratio adjusted for carriers opting out of the program was 13.1 for 2011, compared to 14.0 for 2010. Both of those difference ratios are substantially below (better than) the prevailing program standard of 20 percent.

## **WORKERS COMPENSATION RESEARCH INSTITUTE (WCRI) BENCHMARKING STUDIES**

The PCRB continues to provide substantial funding for the inclusion of Pennsylvania in a series of multi-state studies conducted by the Workers Compensation Research Institute. The 11th multi-state report, CompScope™ Benchmarks, including the 14 jurisdictions of California, Florida, Illinois, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, North Carolina, Pennsylvania, Tennessee, Texas and Wisconsin, was published in January of 2011. The CompScope™ Medical Benchmarks Report, 11th Edition, was released in draft form in January of 2011 and was published in May of 2011. The 12th multi-state report, CompScope™ Benchmarks, including the 14 jurisdictions of California, Florida, Illinois, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, North Carolina, Pennsylvania, Texas, Virginia and Wisconsin, was released in draft form in September of 2011 and was published in December of 2011.

## **LEGISLATIVE INITIATIVES**

The PCRB strives to provide objective and credible input to public policy debates involving the workers compensation system. During 2011 discussions were held in a variety of forums, and action took place in the Pennsylvania legislature regarding workers compensation coverage for sole proprietors, partners or members of limited liability companies. House Bill 440, ultimately Act 20 of 2011, provides for the issuance of workers compensation policies to cover such individuals. Draft legislation pertaining to professional employer organizations, initiated prior to 2011, continued to be discussed and refined during 2011 but was not enacted.

Across the spectrum of our endeavors, the PCRB continues to enjoy the support and counsel of our membership, the fraternity of other similarly-situated organizations across the country through the auspices of the Workers Compensation Insurance Organizations, and the dedication, expertise and productivity of our valued employees. These resources have allowed the PCRB to attain continuing successes and accomplishments for the workers compensation market in the Commonwealth. I am privileged and honored to serve our membership, be associated with our counterpart rating organizations through the WCIO, and to partner with our staff in their ongoing efforts to support an effective, efficient and equitable Pennsylvania workers compensation market.

Timothy L. Wisecarver  
President

## COMMITTEE ACTIVITIES

The Governing Board and the various other committees as provided for by the PCRB By-laws met ten times during the course of 2011, participated in seven teleconferences and responded to two e-mail votes/advisories.

### GOVERNING BOARD

The Governing Board has general charge and management of the affairs of the PCRB. It is responsible for appointing other committees as may be necessary or advisable. This Board met six times during 2011 in the process of reviewing the PCRB operations, including budget and administrative affairs. In addition a Budget Subcommittee comprised of three Board members held one meeting and participated in four teleconferences, and a Compensation Subcommittee comprised of four Board members had one meeting and participated in two teleconferences during 2011.

<u>Members</u>	<u>Term Expiring</u>
American Home Assurance Company	2014
Harleysville Mutual Insurance Company	2012
Hartford Accident & Indemnity Company	2014
Insurance Company Of North America	2013
Department of Labor & Industry	Permanent
Liberty Mutual Insurance Company (Chair)	2012
National Federation of Independent Business	2014
Pennsylvania Chamber of Business & Industry	2012
PMA Insurance Company	2013
Selective Insurance Company (Vice Chair)	2013
State Workers' Insurance Fund	Permanent
Travelers Property & Casualty Company	2012

### CLASSIFICATION & RATING COMMITTEE

The Classification & Rating Committee is responsible for review and evaluation of the efficacy and equity of the underwriting, classification and rating procedures as required by the Manual, as well as the administration of these rules in its role as the technical committee designed to hear appeals of parties aggrieved by decisions of the PCRB staff.

The Classification & Rating Committee reviews the recommendations of PCRB staff relative to loss cost filings, classification and underwriting rules.

## CLASSIFICATION & RATING COMMITTEE (continued)

The Classification & Rating Committee met once jointly with the Actuarial Committee and participated in two e-mail advisories this year.

<u>Members</u>	<u>Term Expiring</u>
Crum & Forster Insurance Company	2013
Graphic Arts Association	2013
Harleysville Mutual Insurance Company	2014
Insurance Company Of North America	2014
Malt Beverage Distributors Association	2012
National Federation of Independent Business	2014
Pennsylvania Automotive Association	2014
Pennsylvania Food Merchants Association	2012
Pennsylvania Newspaper Association	2013
Pennsylvania Retailers' Association	2014
PMA Insurance Company	2012
Westfield Insurance Company	2013
XL Insurance Company	2014
Zurich Insurance Company	2012

## ACTUARIAL COMMITTEE

The Actuarial Committee is responsible for reviewing and advising PCRB staff with respect to matters which might affect recommended loss cost levels and/or other PCRB filing components. This Committee plays an integral part in recommending pertinent data and analytical techniques to be presented in support of PCRB filings.

The Committee met once jointly with the Classification & Rating Committee to consider the April 1, 2012 Loss Cost Filing.

<u>Members</u>	<u>Term Expiring</u>
American Home Assurance Company	2013
Amguard Insurance Company	2012
Donegal Mutual Insurance Company	2012
Fireman's Insurance Company of Washington, DC	2013
Harleysville Mutual Insurance Company	2014
Hartford Accident & Indemnity Company	2014
Insurance Company Of North America	2012
Liberty Mutual Insurance Company	2013
PMA Insurance Company	2014

## **AUDIT COMMITTEE**

The Audit Committee is responsible for monitoring, updating and supervising the PCRB's Test Audit Program. This Committee establishes the test audit guidelines, reviews carrier performance and hears appeals. The Audit Committee met once this year.

<u>Members</u>	<u>Term Expiring</u>
Amguard Insurance Company	2012
Hartford Accident & Indemnity Company	2014
Insurance Company Of North America	2013
Liberty Mutual Insurance Company	2012
Travelers Property & Casualty Company	2013
Zurich Insurance Company	2014

## **NOMINATING COMMITTEE**

Prior to each Annual Meeting of the PCRB the Nominating Committee proposes a slate of candidates selected from the nominations made by all PCRB members and other eligible organizations for vacancies on the Governing Board and its Committees. The Nominating Committee conducted one teleconference in 2011.

<u>Members</u>	<u>Term Expiring</u>
American Home Assurance Company	2012
Insurance Company Of North America	2014
Liberty Mutual Insurance Company	2014
PMA Insurance Company	2012
Zenith Insurance Company	2013

## OPERATIONAL REPORTS

### CLASSIFICATION

The classification function monitors and authorizes classifications for employers to make certain that the loss costs applied reflect the exposure(s) present in each business enterprise. The unit is also responsible for maintaining a continuous effort to update the classification system, responding to requests for analysis of classifications from employers, trade associations and the industry and reviewing individual case reports for proper classification. In 2011 the Classification Department responded to 4,117 outside inquiries.

### FIELD SURVEY PROGRAM

In order to assure that operations of employers are properly classified the PCRB devotes a significant portion of its resources to on-site surveys of employer facilities. A PCRB field representative will visit the employer's place of business, interview the employer or another appropriate representative and observe the operations being conducted. A written report is prepared for review by a PCRB classification analyst, after which the insurer will be notified of the PCRB classification assignment and, if required, directed to correct erroneous assignments. During 2011 the PCRB issued more than 2,300 surveys.

### TEST AUDIT PROGRAM

The purpose of the PCRB's Test Audit Program (which includes Delaware) is to monitor insurer audit performance and promote high standards for the conduct of premium audits. In conducting a test audit the PCRB premium auditor will examine the employer's payroll records and other books of account to determine the proper payroll totals and correct allocation of payrolls and losses to the appropriate classification(s). A physical survey is conducted in conjunction with the test audit. A review is conducted by the PCRB internal staff to verify the accuracy of the test audit report and to confirm any differences from the insurer audit. The test audit results of each carrier are summarized quarterly, and carrier performance is evaluated based on aggregate results of each consecutive four-quarter period. A comparison of test audit results conducted for the last five years indicates the following:

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Number of test audits completed	3,129	2,966	2,996	3,105	3,260
Number of test audits with differences	445	449	462	510	596
Percentage of test audits with differences	14.2	15.1	15.4	16.4	18.3

## **POLICY EXAMINATION (POLICY REPORTING)**

An important activity of policy reporting is the capture of policy coverage data. As the records repository for proof of insurance, this area maintains records of all insured Pennsylvania employers through an alphabetical index system. This function provides information for claims adjudication and enforcement of statutory coverage requirements to the Bureau of Workers Compensation of the Department of Labor & Industry.

Each year the policy reporting area typically processes over 700,000 documents consisting of policies, endorsements, and cancellation and reinstatement notices. This function is necessary to monitor employer compliance with coverage requirements, assure insurance company compliance with Insurance Department regulations and statutory requirements, and to facilitate data collection. As part of the review process, carrier representatives send inquiries to PCRB members when probable errors in the reported information are detected. During 2011, policy reporting examined 708,810 documents for proper application of experience modification, merit rating adjustments, carrier rating values, employer classifications, anniversary rating dates, duplicate coverage and proper use of approved forms. The policy reporting area sent out 57,371 criticism letters to insurance carriers and reviewed 3,782 pieces of mail in regards to these inquiries. The policy reporting area continues its commitment to the accurate and timely collection of data.

## **EXPERIENCE RATING (RATING RULES)**

Experience rating is an important element of the workers compensation pricing mechanism and adjusts the manual premium for eligible employers to reflect their previous loss experience. The basic objectives of experience rating are to distribute the cost of workers compensation equitably among the employers assigned to an industry classification and to provide a direct financial incentive for employers to reduce work-related accidents and control the costs of accidents that do occur.

The rating rules area's responsibilities include timely issuance of experience rating modifications and implementing and providing explanation of experience rating rules, including investigating and administering changes in ownership, entity status, and determining which entities may contribute data to a risk's rating. Staff within this unit has full knowledge of the Pennsylvania Experience Rating Plan. The rating rules area continues to maintain a qualified staff of individuals providing professional assistance pertaining to experience rating rules and procedures.

Timely issuance of experience ratings remains a PCRB objective. Overall departmental production in all areas increases yearly.

## **MERIT RATING PROGRAM**

The Merit Rating Program was implemented on August 23, 1996. This plan grants premium discounts or assesses premium surcharges to most employers who do not qualify under the uniform Experience Rating Plan, based on the number of lost-time claims they have incurred.

## **PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM**

The Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) was implemented on January 1, 1991. During 2011, the PCRB mailed approximately 30,656 PCCPAP notifications to employers. Of that number, 2,368 applications were returned to the PCRB for processing and approval. The majority of the credits applied for 2011 fell within the 21 to 30 percent range.

## **PENNSYLVANIA CERTIFIED SAFETY COMMITTEE CREDIT PROGRAM**

The Workers' Compensation Act provides for a five percent Certified Safety Committee discount for employers that establish a safety committee in their workplace for the purpose of hazard detection and accident prevention. Effective December 9, 2002, a law change made these credits, previously available to employers for up to five annual periods upon re-certification by the Department of Labor and Industry, renewable each year regardless of the number of previous years in which an employer received a credit. During 2011, 5,948 employers received renewal certification, and 634 were granted new certification.

## **UNIT STATISTICAL REPORTING**

The unit statistical reporting system is the central mechanism used to collect policy experience for use in ratemaking and calculation of experience modifications and merit rating adjustments for individual employers. The PCRB utilizes the most sophisticated data processing techniques along with a complement of statistical technicians to review the data for accuracy and completeness.

The PCRB applies comprehensive controls over the submission of required unit statistical reports using an automated data quality system. This includes monitoring unit data for accuracy, advising carriers of units and individual case reports not received and issuing criticism letters when warranted. The quality control section continues to monitor all serious claims. Questionable injury codes and indemnity and medical amounts reported on individual case reports are analyzed. Also, class codes are compared to occupations to check the accuracy of class assignments.

Data quality review programs are continually being updated and expanded to make the processing of unit statistical report information more efficient. These programs have consistently produced an accurate and sophisticated individual risk data base, allowing the PCRB to adopt significant and unique improvements in data collection and analytical techniques for ratemaking.

The PCRB encourages the submission of statistical reports via electronic transmission; however, paper copy reports continue to be processed. During 2011, the PCRB processed **307,467** unit statistical reports.

## **PUBLIC INFORMATION**

During 2011 PCRB executives and staff made presentations to many different groups statewide on a variety of subjects pertaining to PCRB activities. The groups requesting presentations included member carriers, industry associations, employer groups and employer trade associations.

The PCRB continued to conduct several seminars in our PCRB Educational Series. "Personal Training," launched in 2004 continues to be well received. These seminars were held in the PCRB offices, as well as numerous other locations. The PCRB continued to offer its "PCRB 101" as an "On Demand" product on its website. Advanced seminars included material specifically related to the actuarial, classification, Test Audit Program, experience rating and unit statistical reporting functions.

## **PERSONNEL**

The PCRB operated in 2011 with a staff of 114 full-time employees and one part-time employee. One employee transferred into a position providing them with new responsibilities within the PCRB. This level of staff was adequate to handle all responsibilities and provide quality service to the membership as well as the industry.

The following four employees retired from the PCRB in 2011:

- Sarah Goldenberg, with 21 years of service
- Ida MacCarter, with 30 years of service
- Mary Jane Ward, with 11 years of service
- William Werksman, with 23 years of service

Seventeen employees were recognized for the following quinquennial anniversaries.

10 years of service	1 employee
15 years of service	4 employees
20 years of service	4 employees
25 years of service	4 employees
30 years of service	2 employees
40 years of service	2 employees

## PCRB MEMBERSHIP

As of December 31, 2011 there were 393 members in the PCRB. During the year, 11 carriers joined and two withdrew. The new members are as follows:

BrickStreet Mutual Insurance Company  
Frank Winston Crum Insurance, Inc.  
The Gray Insurance Company  
HDI-Gerling America Insurance Company  
Key Risk Insurance Company  
Lion Insurance Company  
New York Marine and General Insurance Company  
RLI Insurance Company  
Samsung Fire & Marine Insurance Company, LTD US Branch  
Starr Indemnity & Liability Company  
Tri-State Insurance Company of Minnesota

The following companies withdrew:

Liberty Insurance Underwriters, Inc.  
Westchester Fire Insurance Company  
*(merged into ACE Indemnity Insurance Company)*

The following carrier name changes were noted:

<b>FROM</b>	ACE Indemnity Insurance Company
<b>TO</b>	Westchester Fire Insurance Company
<b>FROM:</b>	American Hardware Mutual Insurance Company
<b>TO:</b>	Motorists Commercial Mutual Insurance Company
<b>FROM:</b>	Chrysler Insurance Company
<b>TO:</b>	CorePointe Insurance Company
<b>FROM:</b>	Cornhusker Casualty Company
<b>TO:</b>	Berkshire Hathaway Homestate Insurance Company
<b>FROM:</b>	Delos Insurance Company
<b>TO:</b>	Imperium Insurance Company
<b>FROM:</b>	Lebanon Mutual Insurance Company
<b>TO:</b>	Lebanon Valley Insurance Company

## FINANCIAL

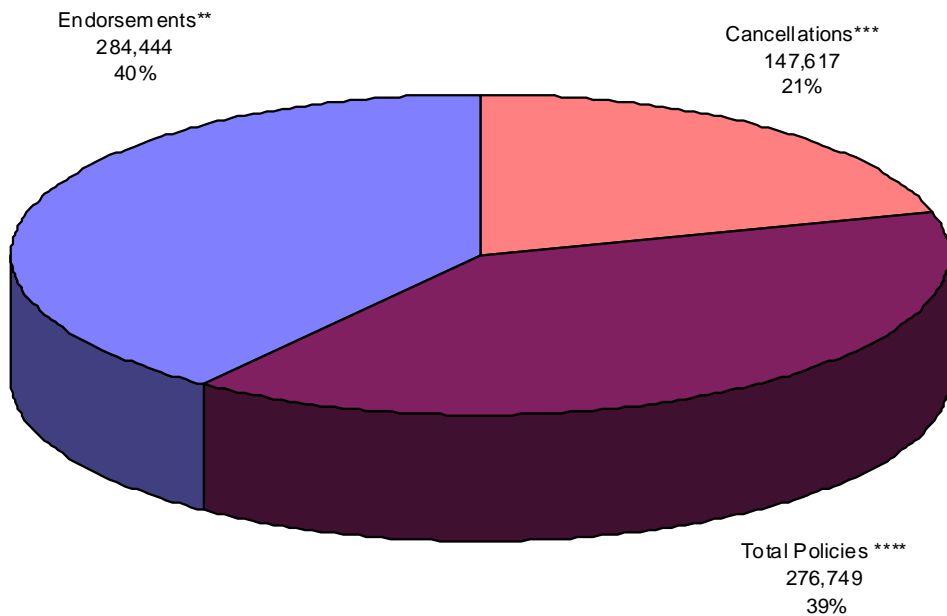
Final expenditures for 2011 were not available at the time of publication.

	<u>2010 Expenditures</u>
Salaries	\$ 6,931,077
Group Insurance	1,163,707
Pensions and Savings Plan	1,162,887
Rent and Electric	538,417
Data Processing	678,439
Payroll Taxes	508,844
Consultant	163,817
WCRI Benchmarking Study	195,000
Travel	155,058
Document Processing, Postage and Telephone	95,922
Legal	57,723
Insurance and Bonds	62,754
Depreciation	68,552
Equipment and Furnishings	54,644
Employee Overhead and Education	53,498
Supplies	39,833
Accounting	41,025
Office Expense	38,473
Total Expenditures	\$12,009,670
Allocation of Expenditures to DCRB	(658,074)
<b>TOTAL EXPENDITURES</b>	<b>\$11,351,596</b>

**PENNSYLVANIA**  
**TOTAL POLICIES, ENDORSEMENTS AND CANCELLATIONS/REINSTATEMENTS PROCESSED**  
**JANUARY 1, 2011 TO DECEMBER 31, 2011**

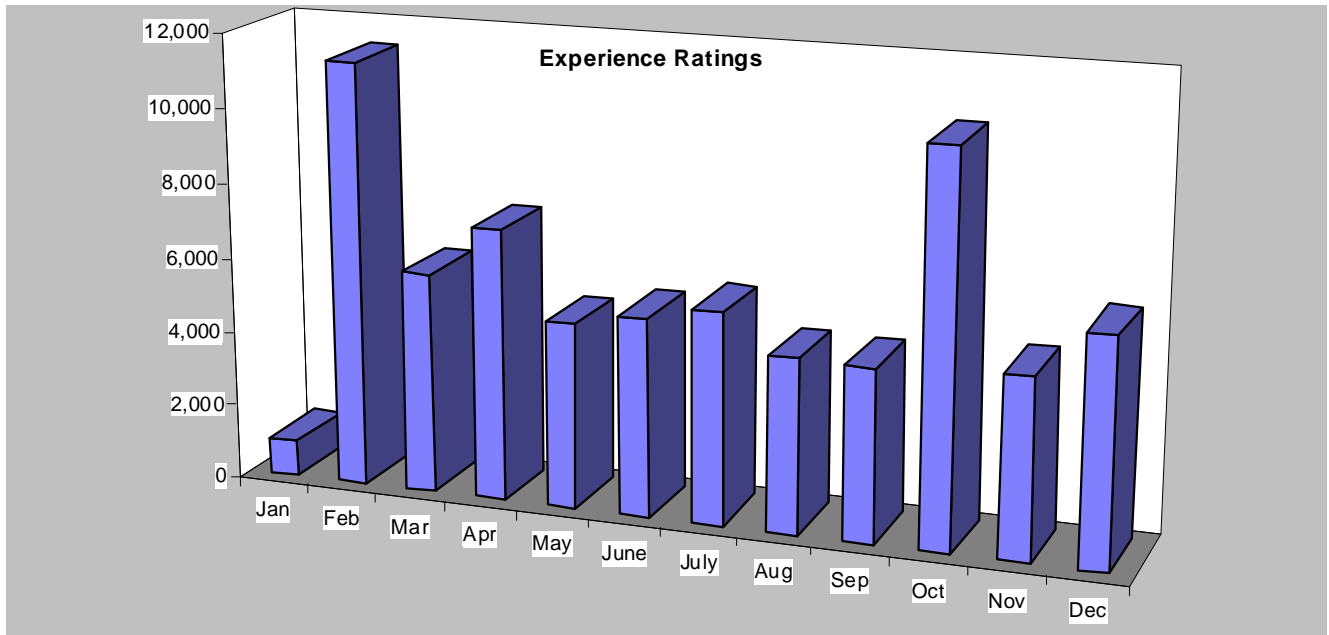
Month of Process (1)	One-Year			Three-Year	
	Policies* (2)	Endorsements** (3)	Cancellations*** (4)	Fixed Rate (5)	Annual Anniversary (6)
<b>Total</b>	<b>275,430</b>	<b>284,844</b>	<b>147,617</b>	<b>14</b>	<b>1,305</b>
January	22,597	18,835	12,310	0	101
February	19,841	24,920	11,534	1	99
March	39,051	32,303	13,349	0	147
April	28,952	26,395	11,617	0	97
May	21,189	23,979	10,889	1	93
June	20,225	23,144	11,503	0	101
July	21,995	24,079	13,143	0	107
August	19,671	23,833	11,145	9	134
September	18,842	23,226	12,750	0	86
October	18,451	22,628	12,289	1	90
November	20,599	20,290	11,081	1	111
December	24,017	20,812	16,007	1	139

- \* Policy documents received, including not taken, duplicate coverage, replacements, etc.
- \*\* Separately filed endorsements
- \*\*\* Includes reinstatements
- \*\*\*\* Total of one year and fixed rate/annual 3 year policies



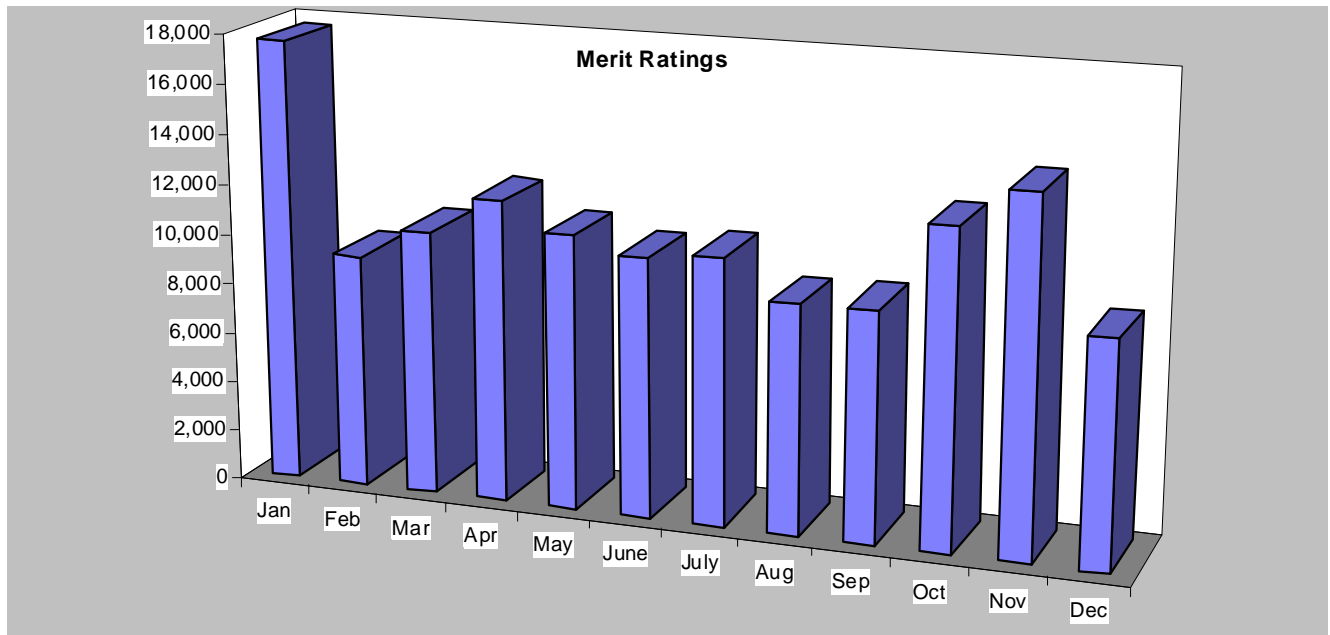
**PENNSYLVANIA**  
**EXPERIENCE RATINGS - JANUARY 1, 2011 TO DECEMBER 31, 2011**

<u>Month of Issuance</u>	<u>Total Ratings</u>	<u>Percentage</u>
January	953	1.33
February	11,297	15.75
March	5,889	8.21
April	7,265	10.13
May	4,953	6.90
June	5,289	7.37
July	5,652	7.88
August	4,649	6.48
September	4,590	6.39
October	10,375	14.46
November	4,797	6.69
December	6,037	8.41
<b>TOTALS</b>	<b>71,746</b>	<b>100.00</b>

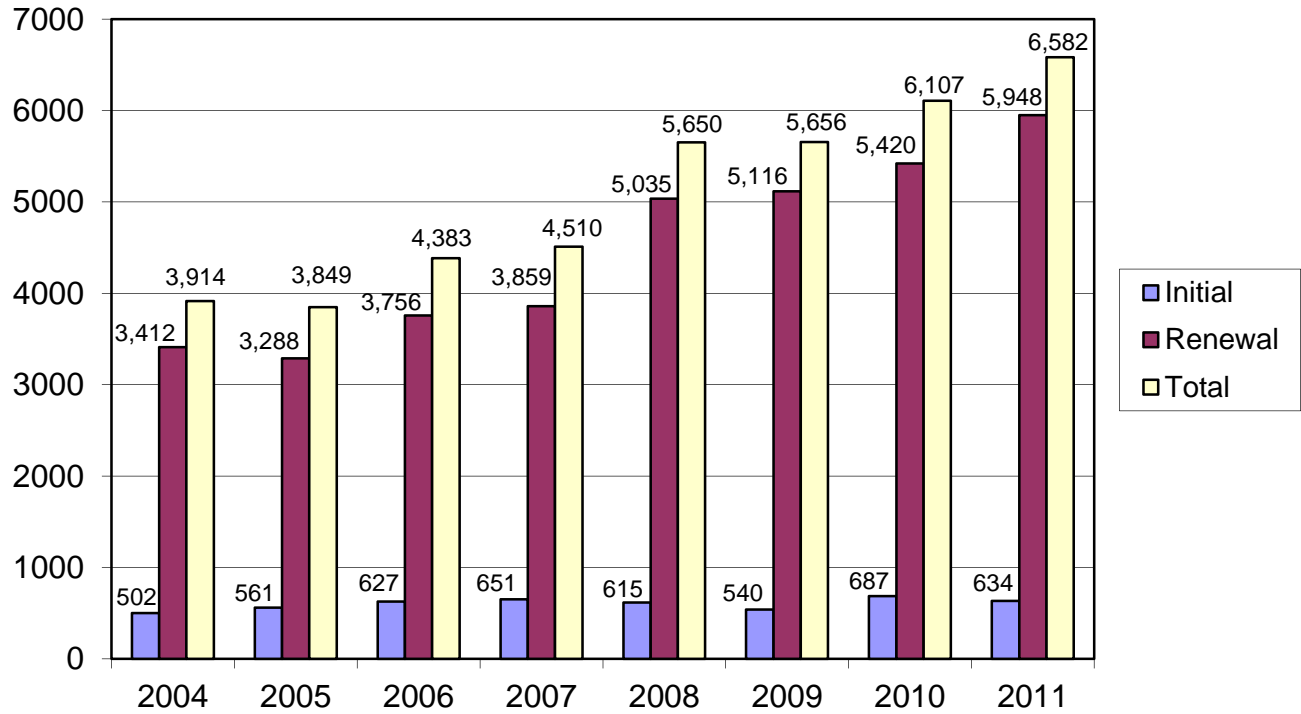


**PENNSYLVANIA**  
**MERIT RATINGS - JANUARY 1, 2011 TO DECEMBER 31, 2011**

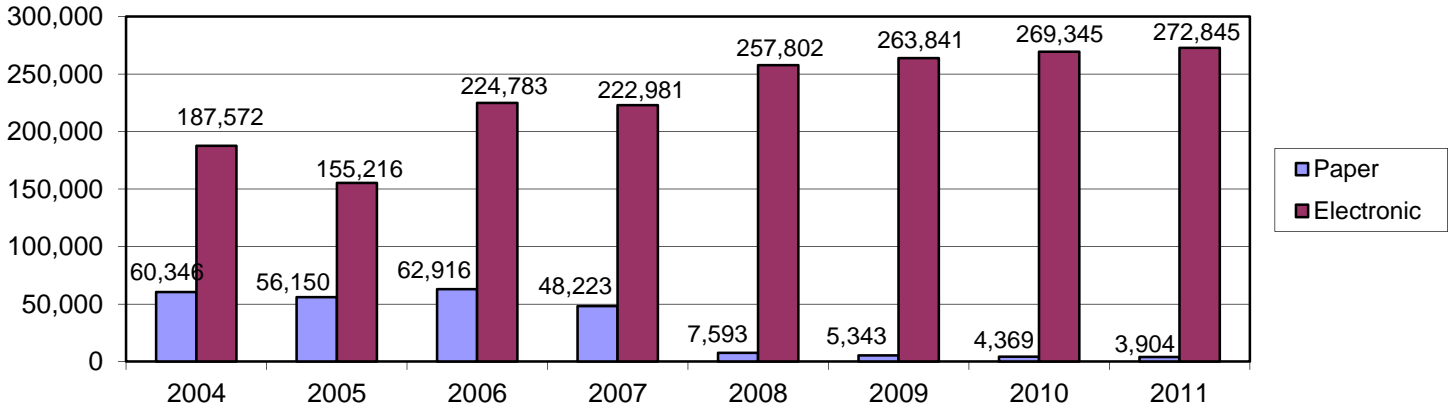
<u>Effective Month</u>	<u>Total Ratings</u>	<u>Percentage</u>
January	17,639	13.04
February	9,306	6.88
March	10,527	7.79
April	12,017	8.89
May	10,963	8.11
June	10,334	7.64
July	10,601	7.84
August	9,093	6.72
September	9,149	6.77
October	12,549	9.28
November	14,080	10.41
December	8,964	6.63
<b>TOTALS</b>	<b>135,222</b>	<b>100.00</b>



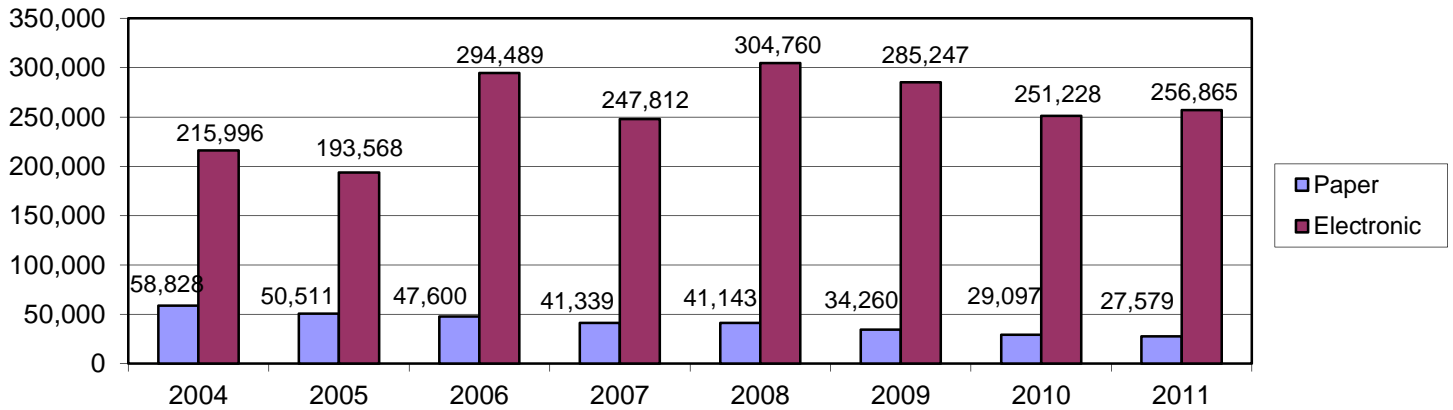
### Certified Safety Committee Credit Program Number of Employers Receiving Credits by Year



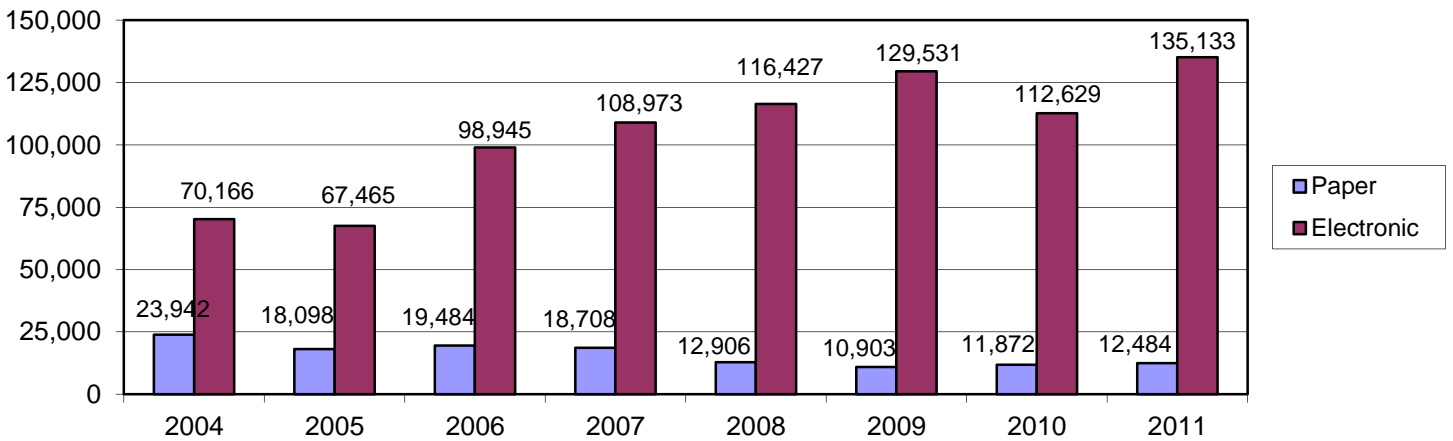
### Pennsylvania Policies Processed



### Pennsylvania Endorsements Processed



### Pennsylvania Cancellations/Reinstatements Processed



**PENNSYLVANIA RECEIPTS BY POLICY YEAR AND TYPE OF REPORT**

**Electronic Media**

<b>Type of Report</b>	<b>Total Report</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
First	<b>261,054</b>	0	0	0	0	1	7	13	268	143,287	117,391	87
Second	<b>14,765</b>	0	2	5	13	7	7	45	8,116	6,569	1	0
Third	<b>9,340</b>	0	39	0	1	3	33	5,139	4,125	0	0	0
Fourth	<b>6,462</b>	21	6	2	5	18	3,544	2,865	1	0	0	0
Fifth	<b>4,986</b>	6	2	2	25	2,685	2,265	1	0	0	0	0
Sixth	<b>3,669</b>	2	16	11	1,806	1,834	0	0	0	0	0	0
Seventh	<b>2,599</b>	9	16	1,323	1,251	0	0	0	0	0	0	0
Eighth	<b>2,237</b>	11	1,115	1,110	1	0	0	0	0	0	0	0
Ninth	<b>1,695</b>	792	903	0	0	0	0	0	0	0	0	0
Tenth	<b>660</b>	660	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>307,467</b>	<b>1,501</b>	<b>2,099</b>	<b>2,453</b>	<b>3,102</b>	<b>4,548</b>	<b>5,856</b>	<b>8,063</b>	<b>12,510</b>	<b>149,856</b>	<b>117,392</b>	<b>87</b>

**Hard Copy**

<b>Type of Report</b>	<b>Total Report</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
First	<b>11</b>	0	0	0	0	0	0	0	4	3	4	0
Second	<b>0</b>	0	0	0	0	0	0	0	0	0	0	0
Third	<b>0</b>	0	0	0	0	0	0	0	0	0	0	0
Fourth	<b>0</b>	0	0	0	0	0	0	0	0	0	0	0
Fifth	<b>0</b>	0	0	0	0	0	0	0	0	0	0	0
Sixth	<b>0</b>	0	0	0	0	0	0	0	0	0	0	0
Seventh	<b>2</b>	2	0	0	0	0	0	0	0	0	0	0
Eighth	<b>6</b>	2	3	1	0	0	0	0	0	0	0	0
Ninth	<b>3</b>	2	1	0	0	0	0	0	0	0	0	0
Tenth	<b>1</b>	1	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>0</b>